



# Interim Budget

Fiscal Year  
2023-24



# Message from the Interim Superintendent



Dear Racine Unified School District Community,

RUSD prioritizes the advancement of student achievement through development and approval of an annual budget aligned to our mission. Despite the challenges that we have worked to overcome these past few years, the District is committed to ensuring a sound financial plan that supports the strategic goals we have set. Further, this dedicated planning has earned recognition from the Government Finance Officers Association (GFOA), who have awarded the District the Distinguished Budget Presentation Award for the third consecutive year.

The landscape of education nationally, state-wide, and locally continues to evolve. Every day, our staff step up to the challenge, supporting and educating our students, families and community. In this budget we have worked to show our staff how much we value their tireless work and ensure successful outcomes for students.

Highlights of this year's budget include dollars to support initiatives that address learning loss and priorities detailed in our strategic planning refresh such as:

- Expanding RUSD's early literacy initiative that focuses on the reading proficiency of pre-kindergarten through second-grade students.
- STEAM initiatives in RUSD will entail the creation of integrated curricular experiences rooted in the key elements found within project and inquiry-based learning.
- New school building and major improvements in line with our Long-Range Facilities Master Plan funded by our successful spring 2020 referendum.
- Two new curriculums for middle and high school students focused on math and reading.
- Safety and security upgrades at several schools, including the implementation of metal detectors in our middle and high schools.

RUSD leadership continues to develop and adopt fiscally sound, student-centered budgets closely aligned to the priorities and goals of our strategic plan, mission and vision ensuring Racine Unified Schools are the best educational choice in Southeastern Wisconsin.

Sincerely,

A handwritten signature in black ink that reads "Soren Gajewski". The signature is fluid and cursive.

Soren Gajewski  
Interim Superintendent





GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Racine Unified School District  
Wisconsin**

For the Fiscal year Beginning

July 01, 2022

*Christopher P. Morrill*

Executive Director

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# Administration



Soren Gajewski,  
Interim Superintendent



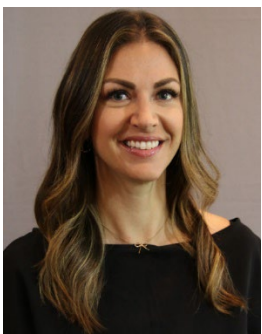
Peter Reynolds,  
Chief of Operations



Jeff Serak,  
Chief Financial  
Officer



Jody Bloyer,  
Chief of Schools



Janell Decker,  
Interim Chief  
Academic Officer



Stacy Tapp, Chief of  
Communication &  
Community  
Engagement



Tim Peltz, Chief  
Information Officer



Kimberly Walker,  
Chief Legal  
Officer



Emily DeBaker,  
Chief of Staff

[View full Administration Organizational Chart](#)

# Summarized Organizational Chart



## Chief Financial Office

- Finance
- Budgets & Grants
- Payroll
- Purchasing
- Food Service
- Human Resources

## Chief Operations Office

- Facilities & Maintenance
- Capital Projects
- Safety & Security

## Chief of Schools Office

- Safety & Security
- Student Services
- Transportation
- Assessment & Accountability
- Activities
- Health Services
- School Clusters 1,2,3
- Alternative Programs
- Extended Learning

## Chief Academic Office

- Curriculum & Instruction
- Language Acquisition
- Federal & State Funded Programs
- Special education
- Early Learning
- Professional Learning
- Virtual Learning

## Chief of Staff

- Executive Team Collaboration
- Superintendent Liaison
- Manages Special Assignments
- Strategic Communications Counsel

## Chief of Communication & Community Engagement Office

- Communication
- News Media
- Website & Social Media
- Community & Family Engagement

## Chief Information Office

- Technology
- Systems & Applications
- Network
- School Data
- Instructional Materials Center
- Warehouse

## Chief Legal Office

- Employee Relations
- Legal Services
- Risk Management

# Board of Education



Ms. Auntavia Jackson



Mr. Scott Coey  
Board Treasurer



Ms. Jane Barbian  
Board President



Ms. Sarah Walker  
Cleveland



Ms. Julie McKenna



Ms. Allyson Docksey  
Board Vice President



Mr. Brian O'Connell,  
Board Clerk



Mr. Matthew Hanser



Ms. Theresa Villar

# Governance – Budget Policies

The Board of Education of the Racine Unified School District utilizes a Coherent Governance structure that enables the board to lead the organization through policies rather than by approving administrative recommendations. The Board of Education policies are done through enacting operational expectations (OE) of the administration. This model changes the focus of the board so instead of making operational decisions, they review and approve policy decisions as well as monitor how the administration meets their expectations as outlined in their Operational Expectations. The Board of Education's policies for budgeting and financial planning exist in **Operational Expectation 5 – Financial Planning**.

OE – 5 states the Superintendent will:

1. Develop an annual budget that:
  - a. Follows a systematic budget development process with regular updates to the Board;
  - b. Includes input from stakeholders;
  - c. Reflects the District's Strategic Plan and priorities; and
  - d. Maintains the General Fund (Fund 10) balance in a range of 15% to 20% of the annual General Fund (Fund 10) and Special Education Fund (Fund 27) budgeted expenditures.
2. Develop an annual budget document that:
  - a. Is in an understandable summary format and highlights the relationship between the budget and Strategic Plan goals;
  - b. Credibly describes revenues, expenditures and transfers between funds;
  - c. Shows the amount spent in each budget category for the most recently completed fiscal year and the amount budgeted for the next fiscal year;
  - d. Reports the anticipated impact on staffing allocations; and
  - e. Discloses budget planning assumptions.
3. Forecast fiscal conditions for future years.
4. Maintain a stable property tax rate for levies related to approved referenda, building construction and maintenance separate from the main budget.
  - a. The property tax mill rate for these expenditures was \$2.31 in the 2019-2020 budget.
  - b. The \$2.31 property tax mill rate will be the maximum for such levies during the term of the referendum approved by voters on April 7, 2020.
  - c. The Superintendent may propose an associated levy that is lower than the maximum but may not levy above the maximum.
  - d. If expenditures for scheduled projects would exceed the revenue from the maximum property tax mill rate, projects will be delayed or modified to meet the associated funding available.
  - e. Annual property tax levy rate approval by the Board under the Referendum approved on April 7, 2020, will be publicly noticed.
  - f. Annual property tax levy rates under the Referendum approved on April 7, 2020, will be approved by separate Board vote.
  - g. Any proposed modifications to (OE-5.4) must be announced at a Board meeting at least 4 weeks prior to the vote.
  - h. Any modifications to OE-5.4) require a three-fourth majority vote of the full Board.
  - i. The annual monitoring report for OE-5 must include the history of levies under the 2020 Referendum.



# RUSD Community At-A-Glance

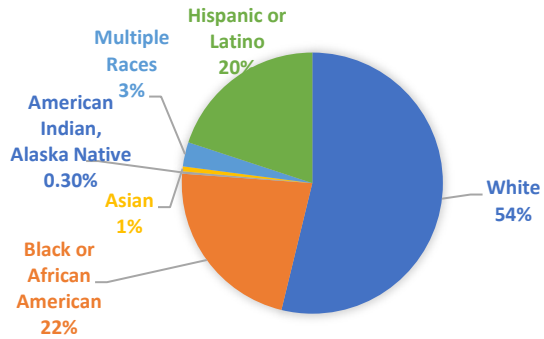
The Racine Unified School District serves and educates students from 7 surrounding municipalities with a combined total population of approximately 137,866.

Information sourced from census.gov, city-data.com, Wisconsin Department of Workforce Development, Racine County Official Statement and Direct employer contacts, niche.com.



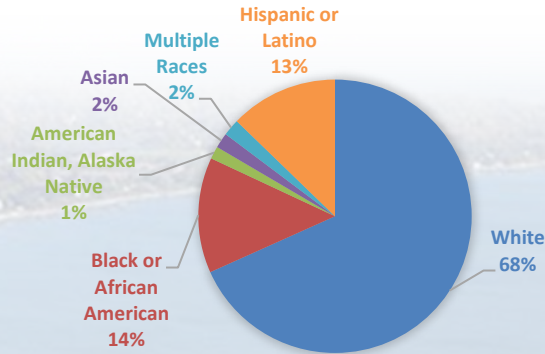
Population: 77,127  
Median income: \$44,346

RACINE DEMOGRAPHIC INFORMATION



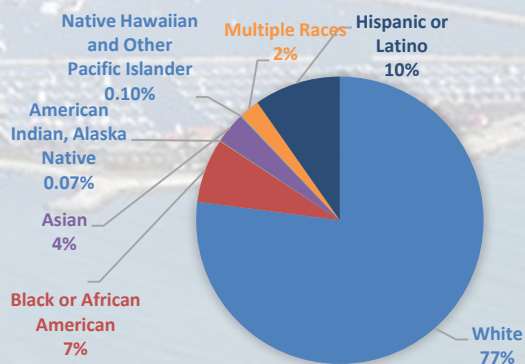
Population: 6718  
Median income: \$73,175

STURTEVANT DEMOGRAPHIC INFORMATION



Population: 27,597  
Median income: \$72,309

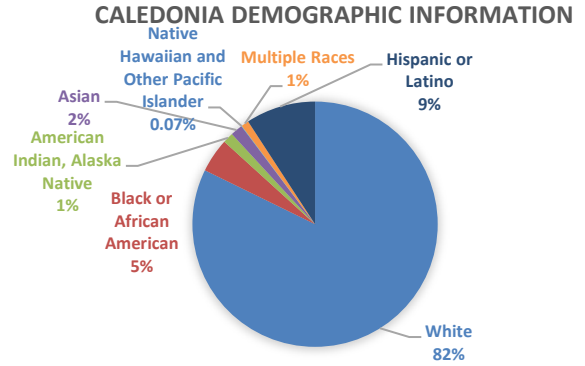
MOUNT PLEASANT DEMOGRAPHIC INFORMATION



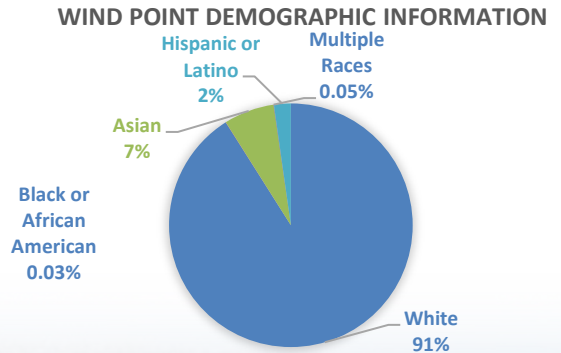
# RUSD Community At-A-Glance



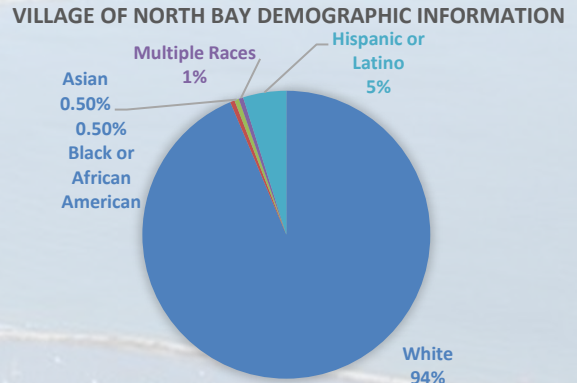
Population: 25,208  
Median income: \$81,722



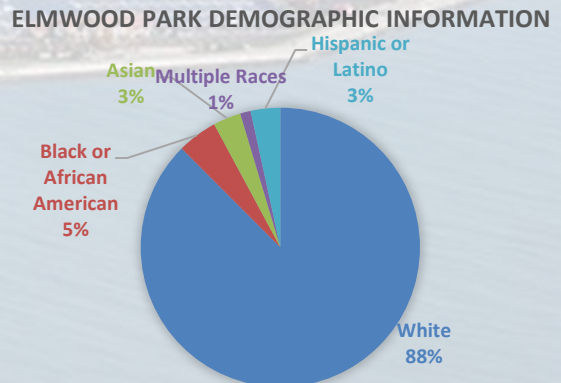
Population: 1,620  
Median income: \$111,633



Population: 206  
Median income: \$90,421



Population: 506  
Median income: \$76,487



# RUSD Community At-A-Glance

## Racine Area Employers - RAMAC

Since the Racine Area Manufacturers and Commerce was developed several years ago, more than 750 companies have signed a voluntary commitment promise to help ensure a quality education for every child in the Racine area. The RAMAC Mentor Program matches 3rd grade students with a mentor and are encouraged to remain together through high school. The RAMAC also give out teacher of the year and programs of the year awards.

## Post-Secondary Education

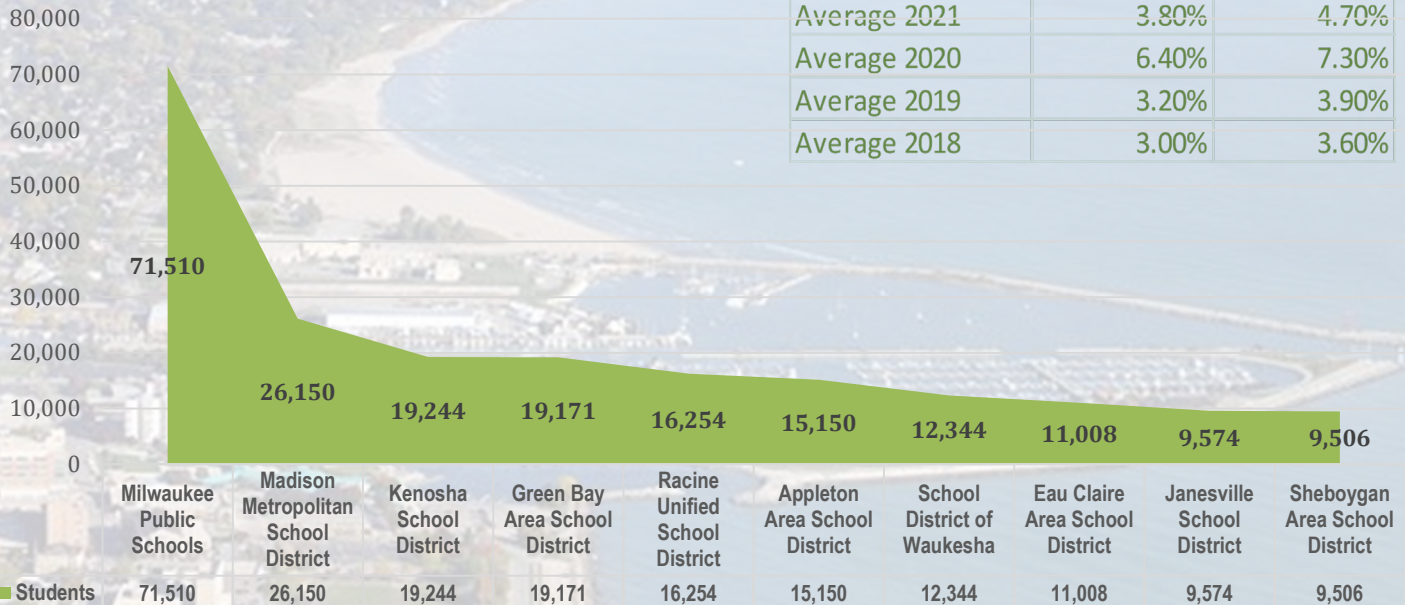
Several colleges and universities are located within commuting distance of the District:

- Alverno College
- Carroll University
- Carthage College
- Concordia University Wisconsin
- Gateway Technical College
- Marquette University
- Milwaukee Area Technical College
- Milwaukee School of Engineering
- Mount Mary University
- UW Milwaukee
- UW Parkside
- UW Whitewater
- Waukesha County Area Technical College
- Wisconsin Lutheran College

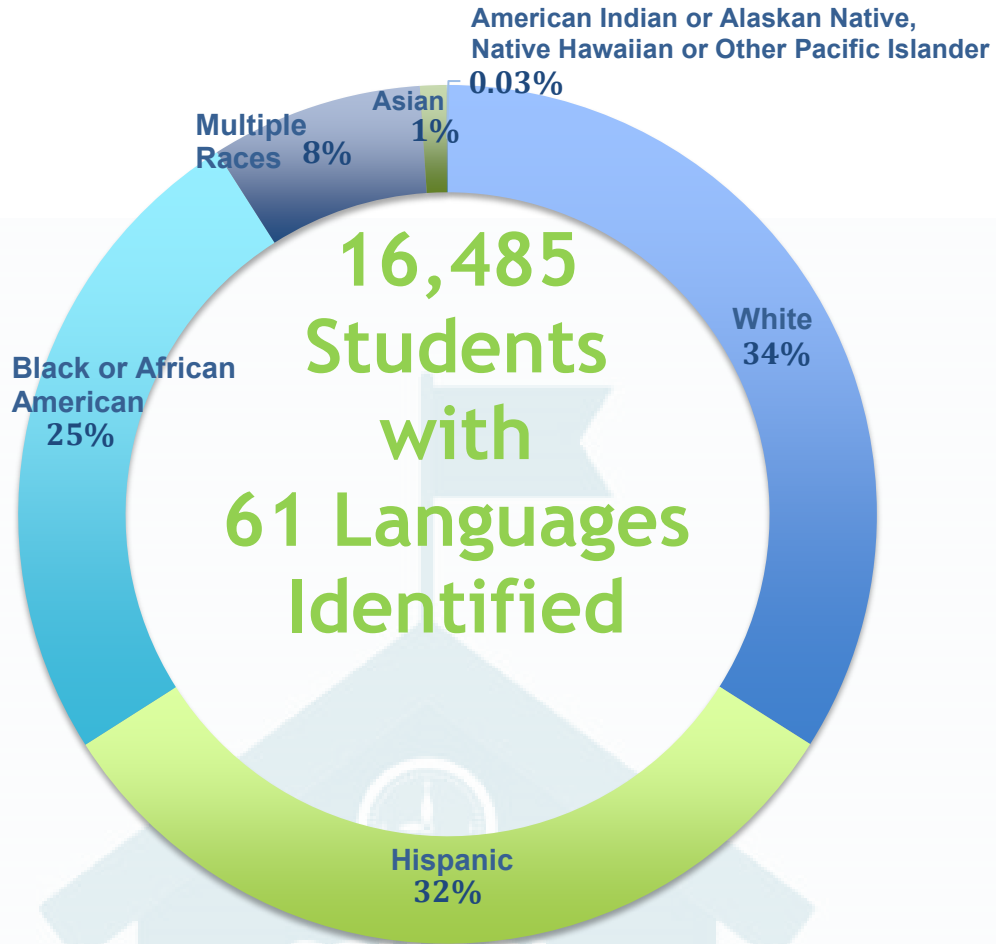
Racine County Largest Employers		
Employer	Business Type	Number of Employees
S.C. Johnson & Son	Manufacturer - cleaning products	2500
Racine Unified School District	Education	2452
Ascension All Saints Hospital	Healthcare	2150
Advocate Aurora	Healthcare	2050
CNH Industrial	Manufacturer - heavy equipment	1500
Cree, Inc.	Manufacturer - lighting	1100
InSinkErator	Manufacturer - disposals	1040
Gateway Technical College	Vocational education	1018
Racine County Largest Employers	Government	1012
Foxxconn Industrial Internet	Manufacturer - electronics	900

Unemployment Rate		
Year	State of Wisconsin	Racine, WI
February 2023	2.80%	3.50%
February 2022	3.30%	4.00%
Average 2022	2.90%	3.50%
Average 2021	3.80%	4.70%
Average 2020	6.40%	7.30%
Average 2019	3.20%	3.90%
Average 2018	3.00%	3.60%

## RUSD is the 5<sup>th</sup> largest school district in Wisconsin



# RUSD At-A-Glance



1 Early Learning Center

1 Montessori School

12 Elementary Schools

4 K-8 Campuses

1 Middle School

2 Middle/High School Campuses

3 High Schools

1 Alternative Learning Center  
9027 Students transported daily

Food Service: Meals Served annually (21-22)

- 921,678 breakfasts
- 1,381,987 lunches
- 9,410 dinners
- 82,478 snacks

# RUSD At-A-Glance

## Specialty Schools

Racine Alternative Learning  
Bull Early Education Center  
Virtual Learning

## Elementary Schools

Fratt Elementary  
Jefferson Lighthouse Elementary  
Julian Thomas Elementary  
Knapp Elementary  
Goodland Montessori School  
Olympia Brown Elementary  
Red Apple Elementary  
Roosevelt Elementary  
S.C. Johnson Elementary  
Schulte Elementary  
Wadewitz Elementary  
West Ridge Elementary

## K-8 Schools

Gifford School  
Gilmore Fine Arts  
Jerstad-Agerholm School  
Mitchell School

## Middle Schools

Starbuck Middle School  
The R.E.A.L. School (6-12)  
Walden III (6-12)

## High Schools

Case High School  
Horlick High School  
Park High School  
The R.E.A.L. School (6-12)  
Walden III (6-12)



# Building the Budget – Calendar

Date Due	Budget Benchmarks	Key Tasks
11/30/2022	Budget Planning Process (11/1/2022-11/30/2022)	<i>Development of Budget Calendar (11/12/2022) Evaluate Budget Process/Forms (11/30/2022) Update all budget worksheets (11/30/2022)</i>
1/26/2023	Financial Planning Forecast (12/1/2022-1/26/2023)	<i>Enrollment Projections (12/10/2022) Department Forecasts (1/14/2023) Projected Revenues/Expenditures (1/21/2023)</i>
1/31/2023	Present Financial Planning Forecast to Senior Leadership	
2/7/2023	Present Financial Planning Forecast to BOE	
4/4/2023	Present Updated Financial Planning Forecast to BOE	
4/29/2023	School & Department Budget Development (1/1/2023-4/29/2023)	<i>Set School &amp; Department Allocations (1/21/2023) Distribute Budget Worksheets (2/14/2023) School &amp; Department Budgets Due (4/15//2023)</i>
4/29/2023	School & Department Staffing (1/26/2023-4/29/2023)	<i>Distribute Staffing Rosters (1/26/2023) Staffing Meetings (2/1/2023-4/29/2023)</i>
5/13/2023	Staff presentations on budget (4/25/2023-5/13/2023)	
5/27/2023	2022-23 Interim Budget Finalized (12/1/2022-5/27/2023)	<i>School &amp; Department Budgets Finalized (5/20/2023) District Personnel Budget (5/1/2023-5/20/2023)</i>
6/1/2023	2022-23 Interim Budget Book Completed (3/31/23-7/1/23)	
8/7/2023	Present Interim Budget to BOE	
8/21/2023	Interim Budget Approved by BOE	
9/16/2023	Third Friday September Student Count	
9/25/2023	Budget Hearing	<i>Publish Notice in Journal Times (at least 15 days prior)</i>
9/30/2023	Budget Updates for Adopted Budget (6/21/2023-9/30/2023)	<i>Department Budget Updates (9/1/2023) Staffing Roster Finalized (9/2/2023) Personnel Budget Completion (9/30/2023)</i>
10/15/2023	State equalization aid certification released	
10/20/2023	2022-23 Adopted Budget Finalized (11/1/2023-10/19/2023)	
10/20/2023	2022-23 Adopted Budget Book Completed (10/1/23-10/21/23)	
10/23/2023	BOE approve 2022-23 Budget and Tax Levy	<i>Budget Book to BOE (10/21/2023)</i>
10/23/2023	Certify Tax Levy	
11/1/2023	Begin 2024-25 Budget Planning Process	

# Building the Budget – Basis of Budgeting

The budget is prepared in conformance with laws and regulations applicable to local governments within the State of Wisconsin. To develop the budget, Racine Unified School District uses several common methods seen in school business finance. Utilizing a combination of methods, provides RUSD the most efficient and accurate approach to developing the budget. These methods include:

**Site Based (Incremental Budgeting)** – Funds are distributed to each school and department through formula driven allocations.

**Incremental Budgeting (or Roll-Over)** – This method rolls over the prior year budget and adjusts amount based on proposed or necessary changes.

**Function/Object Budgeting** – The most common method of school district budgeting. This method organizes the budget by function and objects. Many of the financial reports are presented in this format.

**Program and Planning Budgeting** – Aligns the budget by the district's objectives.

**Zero based** – This approach builds the budget from the ground up each year. RUSD utilizes this method for the personnel budget.

## Funding Allocations (Site based budgeting)

### School Funding Allocations

Funding is allocated to schools on a per-pupil basis for general operational costs and staffing for certain position groups. Building principals are responsible for developing and maintaining their operating budget and meeting the staffing targets as assigned through the school staffing formula. Funding is broken out by building grade span. Schools also receive additional supplemental funds depending on programs within the building, such as Title I, Achievement Gap Reduction (AGR), International Baccalaureate etc.

### Department Funding Allocations

Departments are allocated funds for operations, programming and staffing based on a percentage-based target in relation to their prior year budget.

### District Wide Operational Allocations

District wide operating costs are budgeted by the finance department as these costs are usually non-negotiables. The finance department engages the necessary stakeholders to determine need and potential changes for the upcoming year. Examples include insurance, utilities, and debt payments.

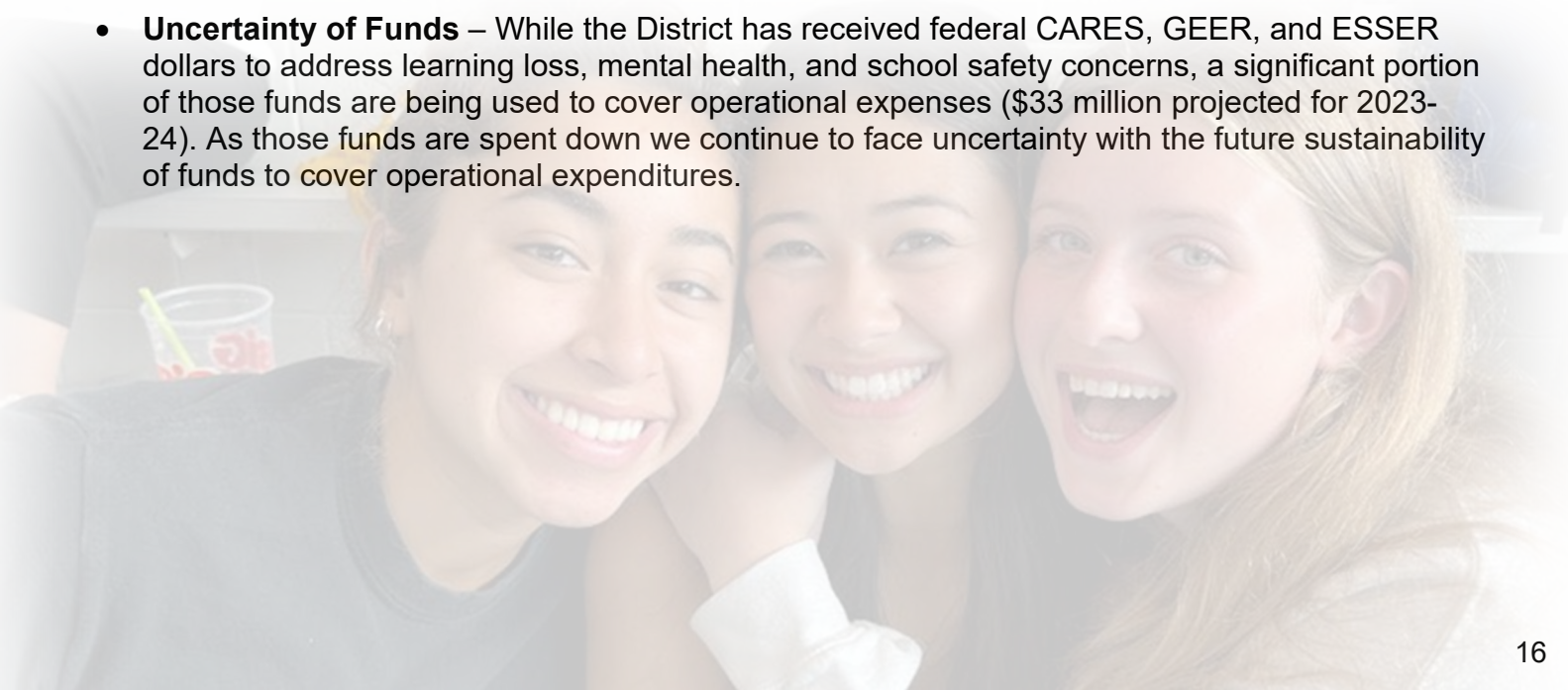
# Building the Budget – Challenges

As with most school districts in Wisconsin, Racine Unified School District has been faced with several fiscal challenges. Ultimately the District must work diligently to meet the many and diverse needs of the students, families, and the community while operating under Wisconsin's school finance system and utilizing all available funds as efficiently as possible.

## Challenges That Shaped Budget Development

As the district uses the remaining ESSER funding in FY24, we approach closer to the fiscal cliff. The district deficit to start FY24 is over \$31 million dollars. Utilizing all remaining ESSER funding including \$1.6 million of state aid dedicated to teacher retention, the district will be able to piece together a balanced budget for FY24.

- **Declining Enrollment** – District revenue is linked to the number of students residing in RUSD boundaries, while district costs are driven by the number of students attending. The District's declining enrollment trend requires reducing expenses by \$10,731 per student lost. Since 2018-19 school year, student enrollment has declined by 1,991 and enrollment in RUSD schools for 2023-24 is projected to decline by 35 students from 2022-23.
- **Staffing Costs** – Staff and benefit costs were expected to increase as the District works to maintain compensation levels that retain and recruit employees. With CPI at rates at 8% staffing cost increases made up the largest portion of the cost increases to the district
- **Operational Cost Increases**- With inflation rates high and supply chain issues still affecting the markets costs were expected to increase for operational (utilities, gas) costs, pupil transportation and other expenses.
- **Academic Needs of Students** – The District continues to work to meet student learning goals, address student learning loss due to the pandemic and improve academic achievement in schools while meeting the special service needs of students.
- **Updating Referendum Financing Plan** – With updates to the LRFMP, finance continues to evaluate our financing plan to maximize the work that can completed under the 2020 referendum
- **Uncertainty of Funds** – While the District has received federal CARES, GEER, and ESSER dollars to address learning loss, mental health, and school safety concerns, a significant portion of those funds are being used to cover operational expenses (\$33 million projected for 2023-24). As those funds are spent down we continue to face uncertainty with the future sustainability of funds to cover operational expenditures.





# Building the Budget – Strategies

With a significant funding shortfall, strategies were developed to move the District toward a balanced budget for 2023-24. To address structural deficits collaboration across all stakeholder groups is needed to find efficiencies while continuing to move the district forward towards achievement of its goals. Those budget strategies included:

- **Facilities Master Plan** – As the district continues to evaluate our LRFMP needs based on enrollment, school closures will be a key piece to the long-term fiscal health of the district by creating efficient schools
- **Reduce & Right Size Staff** – Since staff costs make up around 70% of the operations budget, staffing efficiencies are needed. Strategic reductions in staff would be made by:
  - Implementation of School & Department staffing allocation formulas to help adjust staffing in alignment with enrollment patterns
  - Targeted reductions at schools that operate inefficiently
  - Evaluate all District programming and staffing for operational efficiencies
- **ESSER III Federal Funds**- With the current State budget increases not keeping up with staff and operational inflationary conditions, funding shortfalls need to be covered by Federal ESSER dollars. RUSD is projecting using over \$33 million in allocated ESSER dollars for 2023-24 to maintain operations and cover the cost increases of the district.
- **Department programming and operations budget reductions**– The district set forth a target for Departments to meet a 5% spending reduction within their programming and operational budgets.
- **ERP Upgrade**- \$600,000 of FY22 dedicated carryover will continue to be utilized to fund a District initiative to upgrade our ERP software to a DPI approved system. This system will create efficiencies with district operations.



# Building the Budget – Forecast

As part of the budget development process in meeting the Board of Education’s Operation Expectation 5. A five-year forecast is developed to provide a picture of the financial situation of the district and help guide administration. The following scenario is based on information received from the state budget and board of education salary and benefit decisions made through June 30, 2023.

	Historical	Current Year	Budget Year	Forecast			
	2021 - 2022	2022 - 2023	2023 - 2024	2024 - 2025	2025 - 2026	2026 - 2027	2027 - 2028
Sept Membership (FTE)	17,686	17,403	17,122	16,817	16,378	16,013	15,715
Per Pupil Increase	\$0	\$0	\$325	\$325	\$325	\$325	\$325
Per-Pupil Categorical Aid \$	\$742	\$742	\$742	\$742	\$742	\$742	\$742
TIF Out Equalized Valuation Growth	6.65%	11.08%	3.00%	2.00%	2.00%	2.00%	2.00%
Fund 10 Total Salaries Increase	3.98%	7.61%	3.09%	2.14%	2.14%	1.23%	1.35%
Fund 10 Total Benefits Increase	-2.38%	8.64%	-3.39%	1.58%	1.91%	1.40%	1.69%
Fund 10 Revenues	\$297,174,248	\$318,917,439	\$317,248,397	\$280,608,749	\$284,970,102	\$287,302,556	\$291,581,447
Fund 10 Expenditures	\$288,968,354	\$319,261,306	\$319,828,411	\$314,928,732	\$322,918,629	\$328,301,576	\$336,863,176
Surplus (Deficit)	\$8,205,894	(\$343,867)	(\$2,580,014)	(\$34,319,983)	(\$37,948,528)	(\$40,999,020)	(\$45,281,729)
Fund Balance	\$68,377,981	\$68,034,114	\$65,454,099	\$31,134,116	(\$6,814,411)	(\$47,813,431)	(\$93,095,160)
Fund Balance as % of Expenditures	23.66%	21.31%	20.47%	9.89%	-2.11%	-14.56%	-27.64%
Non-Recurring Referendum \$	\$26,500,000	\$26,500,000	\$26,500,000	\$26,500,000	\$31,000,000	\$31,000,000	\$31,000,000
Recurring Referendum \$	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Referendum Debt Levy	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Energy Efficiency Exemption	\$6,597,753	\$6,608,079	\$6,483,693	\$4,503,944	\$2,747,328	\$2,741,369	\$1,756,392
Total School-Based Tax Levy	\$104,421,502	\$97,711,243	\$95,061,453	\$88,726,319	\$89,306,577	\$85,419,921	\$83,318,413
Mill Rate (per \$1,000 EQ Value)	\$9.27	\$7.81	\$7.38	\$6.75	\$6.66	\$6.25	\$5.97

This scenario contained the following assumptions:

- Assumes CPI given each year (8% in 2023-24, 2.5% 2024-25)
- Staff rung and level changes-\$2.6 million
- Estimating state per pupil funding increases of \$325 in next biennial budget (2023-24), followed by \$325 in subsequent biennial budget (2025-26).
- Includes Operational (Utilities/Gas/Transportation/Health benefit) cost increases
- Assumes using \$21 million in ESSER to cover funding shortfall in 2023-24
- Assumes using \$1.6M teacher retention funding from state utilized in FY24

## Significant Fiscal Challenges in coming years

Declining enrollment requires continued reductions to meet balanced budget

- For every student lost \$10,732 must be reduced in the subsequent year

ESSER Expiration, September 2024, setting up significant fiscal cliff after funding expires

- Projected funding shortfalls exceed \$34 in FY25

State, federal and local revenue for school districts does not keep up with inflationary costs

- Finance initially requested to utilize \$26 million in ESSER funding to cover projected shortfalls (\$4 mil yr. 1, \$10 mil yr. 2, \$12 mil yr. 3). We are currently projecting to use \$21 million for FY24 deficit coverage.
- CPI increases will decrease for FY25, but still exceed state budget projected revenues
- Utility, gas, and health costs projected to increase over coming years

# Building the Budget - Assumptions

Initial assumptions for building the 2023-24 budget projected cost increases and revenue adjustments to outweigh expected savings. The assumptions used to build the 2023-24 Interim Budget are as follows:

## **Cost Increases & Revenue Impact Assumptions:**

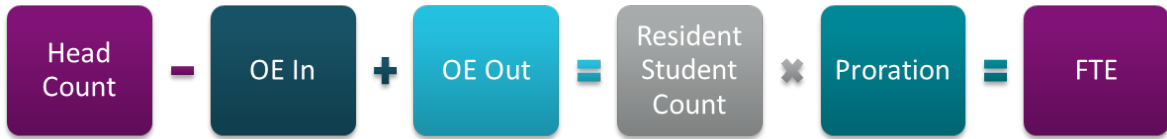
- RUSD spending authority through the state revenue limit is expected to increase with a \$325 increase in per pupil spending.
- The District will use over \$21 million in Federal ESSER funds to cover the current funding shortfall.
- Enrollment for revenue limit purposes is expected to decline by 148 full time equivalency students which will require further reductions in subsequent fiscal years.
- Employee compensation was adjusted by the 8%% consumer price index, as outlined by state law, as well as funding for staff rung advancement (est. at 2.15%).
- Health benefit costs are estimated to increase 7.2%
- The approved April 2020 referendum will provide \$17.1 million in funding for school improvements. The amount of funding is limited utilizing the Board of Education tax rate control policy.
- State equalization aid (general aid used to reduce property taxes) is projected to increase by \$12.3 million.
- The district will spend \$1.6 million from the state that need to be used in FY24 for teacher retention
- Private school vouchers and open enrollment expenses expected to increase by over \$5 million.
- Costs of goods and services, specifically utilities, gas and transportation are expected to increase.

## **Cost Savings & Revenue impact assumptions:**

- Staffing reductions of 88.65 FTE resulted in savings of \$6.8 million dollars
- District department programming and operational budgets were to be reduced by 5%.
- Utilize \$21 million in Federal ESSER funds to cover projected shortfall

# Enrollment

Enrollment constitutes the beginning point for the calculation of budgets. School District revenues are directly related to the number of students residing within district boundaries, while the number of pupils attending the district drive the costing for staffing, curriculum and support programs offered as well as long-term facility planning. The enrollment calculation for revenues is demonstrated by the following chart:

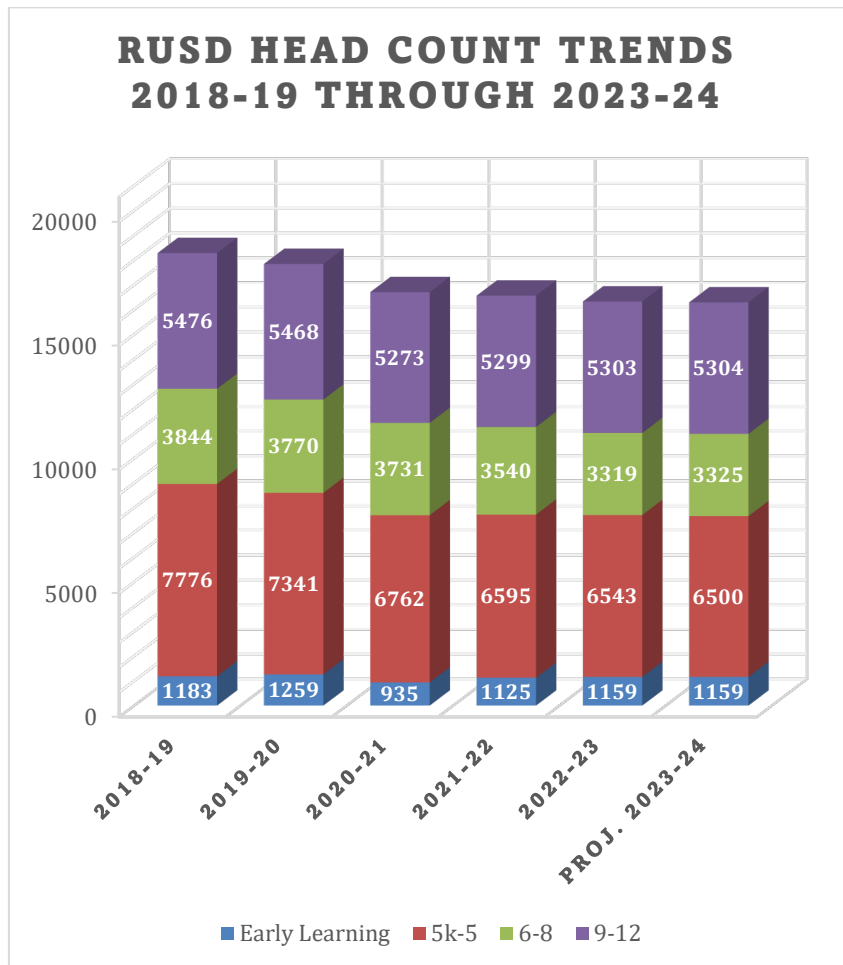


Racine Unified School District is projected to continue the trend of declining enrollment over the next several fiscal years. As part of the state revenue limit calculation for every student lost RUSD must reduce expenditures by over \$10,731. As our enrollment FTE drops, this is largely due to student enrollment in RUSD dropping, as voucher and open enrollment out of the district is expected to increase.

Enrollment in RUSD schools projected to decline by 35 students in 2023-24.

Declining enrollment exemption is \$1,636,421 for the FY24 school year.

2022-23 Enrollment decline/increase by grade level over last year:  
 Early Learning: +1  
 5K-5: -43  
 6-8: +6  
 9-12: +1



# Staffing

Staffing makes up the largest percentage of RUSD expenditures, thus shifts in staffing costs significantly impact the district budget. Overall district General and Special Education funded staffing costs increased by over \$16 million dollars from the prior year. This was largely due to the elevated CPI rate of 8% and the rung advancement given to staff. The staffing process generated an overall decrease in FTE of 88. The decrease is due to the closure of Dr. Jones and ongoing staff reductions through department and school staffing meetings to meet the pending fiscal cliff for FY25. Staff FTE was pulled from the current roster.

The following table compares Full Time Equivalency (FTE) staff changes over the FTE levels reported in the original budget document last October. Staffing levels from prior years are also provided.

Comparison of Staff by Employee Group Fiscal Year 2020-21 through 2023-24					
Employee Group	2020-21	2021-22	2022-23	2023-24 Interim	FY23-24 Change
<b>Certified Administrators</b>					
- Gen or Non-Grant Funds	83.30	89.30	84.30	84.30	0.00
- Federal Grant Funded	10.50	7.70	8.50	8.00	-0.50
<b>TOTAL</b>	<b>93.80</b>	<b>97.00</b>	<b>92.80</b>	<b>92.30</b>	<b>-0.50</b>
<b>Teaching Staff</b>					0.00
- Gen or Non-Grant Funds	1,528.18	1,462.66	1,370.49	1,222.72	-147.77
- Federal Grant Funded	108.24	126.75	188.70	194.50	5.80
<b>TOTAL</b>	<b>1,636.42</b>	<b>1,589.41</b>	<b>1,559.19</b>	<b>1,417.22</b>	<b>-141.97</b>
<b>Educational Assistants</b>					0.00
- Gen or Non-Grant Funds	362.57	347.95	364.84	320.71	-44.13
- Federal Grant Funded	8.00	13.00	47.03	53.58	6.55
<b>TOTAL</b>	<b>370.57</b>	<b>360.95</b>	<b>411.87</b>	<b>374.29</b>	<b>-37.58</b>
<b>Secretaries &amp; Clerical</b>					0.00
- Gen or Non-Grant Funds	103.10	98.35	90.25	86.35	-3.90
- Federal Grant Funded	7.60	5.60	5.60	8.60	3.00
<b>TOTAL</b>	<b>110.70</b>	<b>103.95</b>	<b>95.85</b>	<b>94.95</b>	<b>-0.90</b>
<b>Buildings and Grounds</b>					0.00
- Gen or Non-Grant Funds	187.46	185.08	178.28	168.34	-9.94
- Federal Grant Funded	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>187.46</b>	<b>185.08</b>	<b>178.28</b>	<b>168.34</b>	<b>-9.94</b>
<b>Professional Support</b>					0.00
- Gen or Non-Grant Funds	90.13	92.66	104.00	92.34	-11.66
- Federal Grant Funded	7.12	6.59	10.00	8.00	-2.00
<b>TOTAL</b>	<b>97.25</b>	<b>99.25</b>	<b>114.00</b>	<b>100.34</b>	<b>-13.66</b>
<b>GRAND TOTAL</b>	<b>2,496.20</b>	<b>2,435.64</b>	<b>2,451.99</b>	<b>2,247.44</b>	<b>-204.55</b>

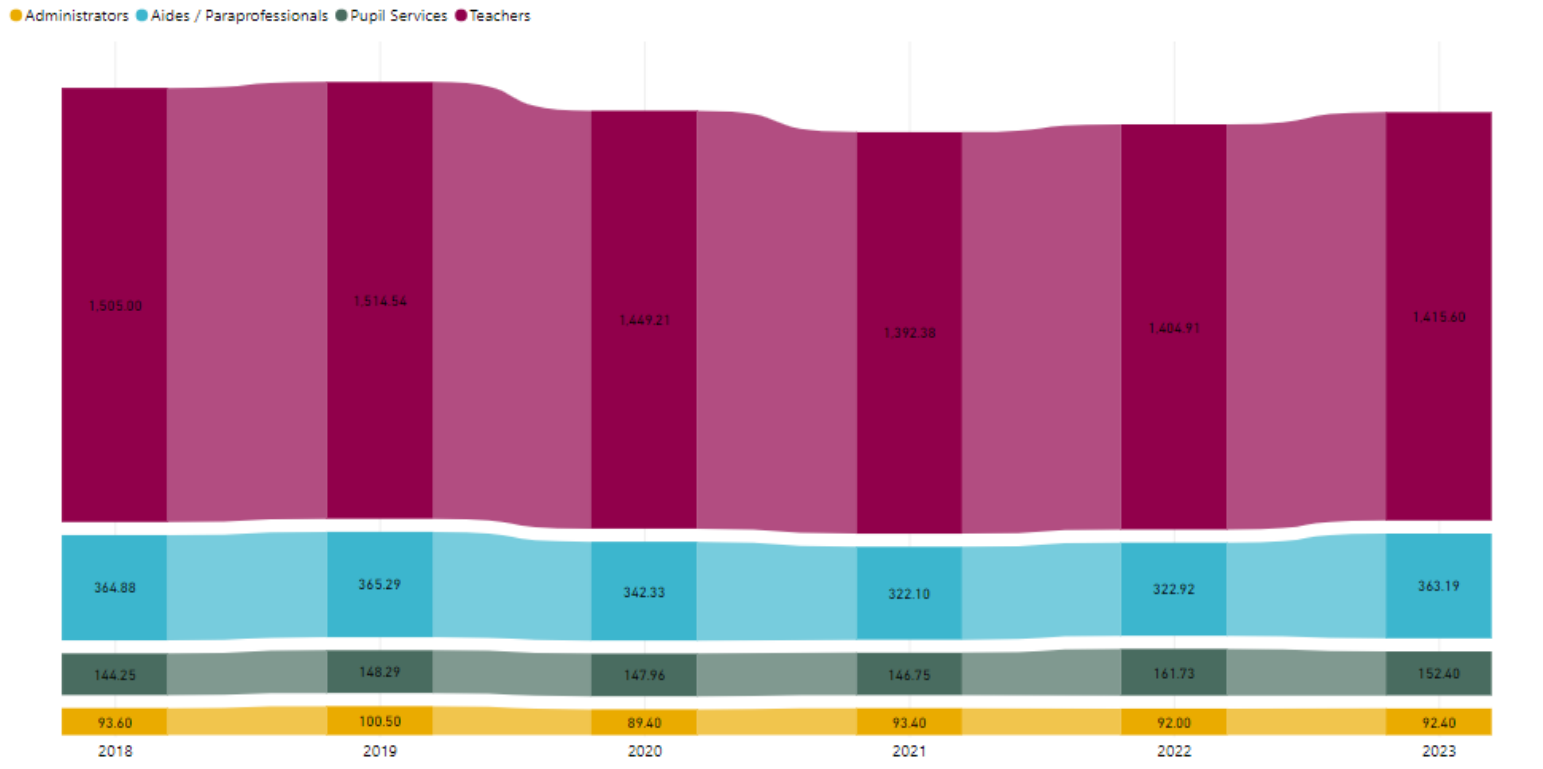
Reduction in Teaching staff in large due to planned closer of Dr. Jones Elementary.

2023-24 Interim Staffing FTE is tied to current staffing roster

District reductions will continue to take place due to FY25 deficit planning.

# Staffing

The below chart shows the staffing levels over the past 6 years.



As enrollment drives district revenues and expenditures, and staffing making up close to 70% of the districts operations costs the correlation between the two is a key factor in addressing the district deficit. With the current challenge declining enrollment presents at RUSD to maintain a balanced budget, adjustments to staffing need to reflect the changes in enrollment.

The chart below shows the relationship between student enrollment and staff FTE from 2015-16 through 2023-24. As it highlights the trend of student enrollment is declining at a much greater trend than staff FTE. This gap is one of the factors in the district's significant funding shortfall.

As staffing and benefit plan costs continue to climb, they make up the largest cost increase to the 2023-24 budget and are outpacing state and federal funding increases. State and Federal funding increases for schools have not kept up with the costs of inflation over the years, which in turn forces districts to continue to find additional efficiencies with how they operate.

# District Funds

Wisconsin school finance practices and governmental accounting rules require that the school district segregate financial transactions into distinct accounting entities, called “funds”. Funds are used to report on-going annual costs of operating the district, to account for capital projects financed through borrowing, or to place revenues and record transactions in a trust. The funds used by RUSD include the following:

- General Fund (Fund 10)
- Special Education Fund (Fund 27)
- Special Revenue Fund (Funds 21 & 29)
- Debt Service Funds (Funds 38 & 39)
- Capital Project Funds (Funds 41, 42, 43, 44, 45, 46 & 49)
- Food Service Fund (Fund 50)
- Community Service Fund (Fund 80)

Debt service funds include all transactions related to the payment of general obligation debt and refinancing of debt. At times a refinancing of debt may inflate expenditure levels in the debt service funds.

Capital project funds are created whenever acquired resources are restricted for the acquisition or construction of specific capital projects or purchase of capital items. Racine Unified School District reports on six capital project funds.

The community service fund allows for the segregation of financial transactions related to community use of facilities and programs operated for the benefit of the entire community.

All revenues, expenditures and changes in fund balance for each fund are accounted for separately and reported to DPI.

The district also operates and manages the trust fund which is not included in total District expenditures:

- Employee Benefit Trust Fund (Fund 73) - The OPEB Trust Fund accounts for resources held in trust for post-employment benefit plans legally established as an irrevocable trust.



# District Fund Balance

The following statement combines all funds, providing an overall picture of the District's financial operation in a single table. Overall, the District will have a decrease in fund 10 fund balance of approximately \$2.566 million, which is attributed to the planned spending of grant funds and state allocated resources for teacher retention.

The projected 2023-24 ending balance for the General Fund (Fund 10) is \$60,025,751, projected to exceed 18% which is within the Board of Education guidelines.

The District continues to utilize \$1 million dollars from FY22 carry-over to implement a new ERP system.

The district will spend \$1.6 million dollars of state allocated funds for teacher retention in FY24.

The district will look to spend down Fund 50 fund balance for use in referendum related projects as part of fund balance spend down plan from state.

District Fund Balance	6/30/2022	6/30/2023	6/30/2024
<b>Non-spendable</b>			
Prepaid/Inventory	\$ 5,103,860.22	\$ 6,203,860.22	\$ 6,203,860.22
<b>Restricted</b>			
Common School Funds	\$ 103,115.82	\$ 103,115.82	\$ -
Health Insurance	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,000,000.00
Get Kids Ahead	\$ 241,347.97	\$ 241,347.97	\$ -
<b>Assigned</b>			
Fiscal Stabilization	\$ 54,244,070.34	\$ 54,244,070.34	\$ 52,821,890.78
Next Period Expenditures	\$ 1,600,000.00	\$ 800,000.00	\$ -
<b>Fund 10 Fund Balance- Non Referendum</b>	<b>\$ 62,292,394.35</b>	<b>\$ 62,592,394.35</b>	<b>\$ 60,025,751.00</b>
Referendum 2 Operating		\$ 2,000,000.00	\$ 4,000,000.00
Referendum 2	\$ 5,000,000.00	\$ 11,600,132.80	\$ 8,078,816.80
Referendum 1	\$ 1,085,586.20	\$ 1,085,586.20	\$ 1,085,586.20
Referendum Fund Total	\$ 6,085,586.20	\$ 14,685,719.00	\$ 13,164,403.00
<b>Fund 10 Total</b>	<b>\$ 68,377,981.00</b>	<b>\$ 77,278,113.35</b>	<b>\$ 73,190,154.00</b>
Fund 21- Special Revenue	\$ 1,794,626.00	\$ 2,103,025.00	\$ 2,457,025.00
Fund 38- Debt Service Fund	\$ 1,146,175.00	\$ 8,316,411.00	\$ 12,409,057.00
Fund 40's- Capital Projects Funds	\$ 25,899,830.00	\$ 136,527,309.00	\$ 149,292,678.00
Fund 50- Food Service Fund	\$ 5,720,643.00	\$ 5,649,060.00	\$ 3,488,150.00
Fund 80- Community Service Fund	\$ 1,268,195.00	\$ 1,553,680.00	\$ 1,461,180.00
	<b>\$ 104,207,450.00</b>	<b>\$ 231,427,598.35</b>	<b>\$ 242,298,244.00</b>



# Revenue

RUSD receives revenue through several different sources. Most revenues are assigned through the State Revenue Limit formula, which imposes limits on property taxes and determines the amount of the revenue limit that is to be funded with state equalization aid and other exemptions. Other revenues, which include federal grants such as Title I and the Individual with Disabilities Act (IDEA) exist outside the revenue limit formula. A listing of the types of revenue RUSD receives is below.

- **Property taxes:** Revenue from taxable property located within the bounds of the school district.
- **Local & intermediate sources:** Primarily student fees, earnings on investments, tuition for students from other districts, sales, donations and rental charges.
- **State sources:** Equalization aid used to reduce school property taxes and categorical aid for targeted school programs.
- **Federal sources:** Revenue for projects funded by the federal government, include federal grants and reimbursements for medical services provided to students.
- **Other revenue:** Miscellaneous revenues, including refunds, premiums, and sales of assets.

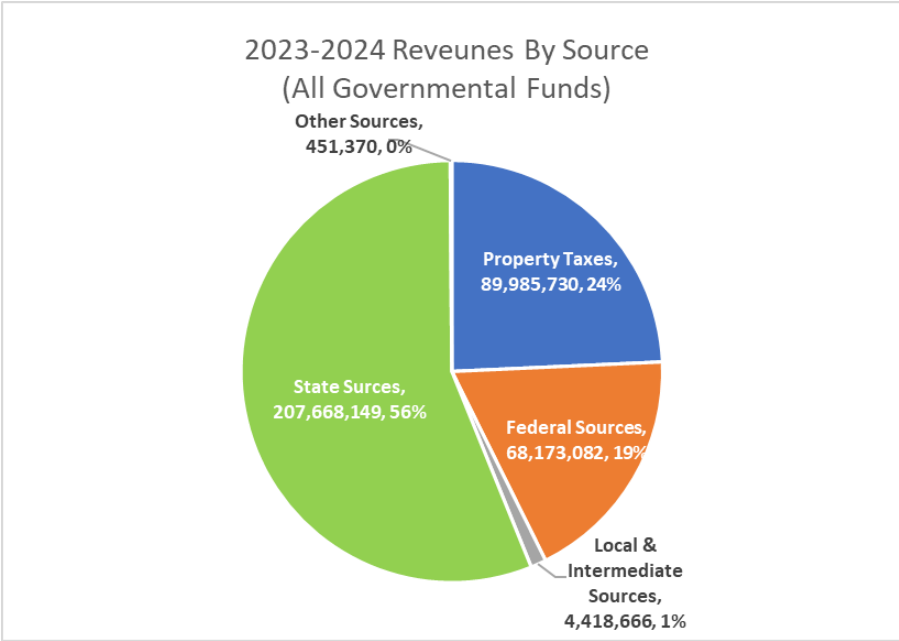
**ALL GOVERNMENTAL FUNDS**  
**Combined Statement of Revenues, Expenditures and Changes Fund Balance**  
**Revenues by Source, Expenditures by Function**

	PRELIMINARY BUDGET				Change	
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2023-24 BUDGET	Amount	Percent
<b>Revenues by source</b>						
Property taxes	100,256,013	104,421,502	97,711,243	89,985,730	(7,725,513)	-7.91%
Local & Intermediate sources	1,531,730	2,843,646	5,101,210	4,418,666	(682,544)	-13.38%
State sources	192,843,168	193,260,930	200,254,832	207,668,149	7,413,317	3.70%
Federal sources	31,679,536	50,176,727	67,614,337	68,173,082	558,745	0.83%
Other sources	4,739,694	1,441,630	2,743,445	451,370	(2,292,075)	-83.55%
<b>Total revenues</b>	<b>331,050,141</b>	<b>352,144,435</b>	<b>373,425,067</b>	<b>370,696,997</b>	<b>(2,728,070)</b>	<b>-0.73%</b>

Property tax rate will drop, while revenues will increase due to the increase in equalized value and federal revenues.

State funding increases include state equalization aid.

Federal revenue is higher due to the utilization of ESSER II & III dollars.



# Expenditures – All Government Funds

Budgeted expenditures are driven by student enrollment, the district strategic plan and other operational needs. These expenditures are determined during the staffing and budget development process and are developed with input from both financial, academic and community stakeholders. All Government funds include all district operations and funds except those accounted for in Fund 73.

Common categories of expenditures include:

- **Instruction:** Costs for direct classroom instruction, broken out by regular, vocational, special education and other.
- **Pupil Services:** Costs for student support services, including social work, guidance counselor, nursing and psychological services.
- **Administration:** Broken out by general, which is for district administration (Superintendent level) costs and building, which include school principals and other clerical staff.
- **Business & Operations:** Includes costs for student transportation, facilities and maintenance (including capital projects) and finance administration
- **Non-program transactions:** Includes operating transfers between funds, i.e. the operating transfer from the General Fund to Special Education Fund needed to balance the Fund 27 to \$0.

ALL GOVERNMENTAL FUNDS						
Combined Statement of Revenues, Expenditures and Changes Fund Balance						
Revenues by Source, Expenditures by Function						
PRELIMINARY BUDGET						
	2020-21	2021-22	2022-23	2023-24	Change	
	ACTUAL	ACTUAL	BUDGET	BUDGET	Amount	Percent
<b>Expenditures by function</b>						
<b>Instruction</b>						
Regular instruction	93,689,507	94,834,577	96,559,639	102,062,249	5,502,610	5.70%
Vocational instruction	4,800,678	4,856,852	6,040,795	6,351,379	310,584	5.14%
Special instruction	38,505,603	37,514,903	39,141,889	42,683,849	3,541,960	9.05%
Other instruction	6,974,821	8,017,220	8,141,479	8,535,548	394,069	4.84%
<b>Total instruction</b>	<b>143,970,608</b>	<b>145,223,553</b>	<b>149,883,802</b>	<b>159,633,025</b>	<b>9,749,223</b>	<b>6.50%</b>
<b>Support service</b>						
Pupil services	18,560,183	18,533,531	20,190,739	21,374,923	1,184,184	5.86%
Libraries & instructional support	18,915,349	17,755,036	25,482,859	20,754,880	(4,727,979)	-18.55%
General administration	3,125,998	3,538,465	3,990,771	3,959,805	(30,966)	-0.78%
Building administration	12,301,043	12,936,939	13,802,419	15,034,704	1,232,285	8.93%
Business & operations	56,899,509	43,494,569	78,984,045	43,802,713	(35,181,332)	-44.54%
Central services	3,224,911	3,142,497	3,827,880	3,739,470	(88,410)	-2.31%
Insurance	1,525,541	932,067	943,103	1,128,588	185,485	19.67%
Debt payments	48,830,855	18,118,235	113,830,363	23,296,937	(90,533,426)	-79.53%
Other support services	6,997,577	5,476,690	7,610,337	7,203,459	(406,878)	-5.35%
Food service	5,051,153	8,069,495	10,580,182	12,662,948	2,082,766	19.69%
Community service	4,820,297	12,587,342	7,544,156	8,382,738	838,582	11.12%
<b>Total support services</b>	<b>180,252,416</b>	<b>144,584,866</b>	<b>286,786,854</b>	<b>161,341,165</b>	<b>(125,445,689)</b>	<b>-43.74%</b>
<b>Non-Program transactions</b>	<b>43,607,621</b>	<b>47,524,209</b>	<b>52,282,493</b>	<b>53,671,006</b>	<b>1,388,513</b>	<b>2.66%</b>
<b>Total expenditures</b>	<b>367,830,644</b>	<b>337,332,628</b>	<b>488,953,149</b>	<b>374,645,196</b>	<b>(114,307,953)</b>	<b>-23.38%</b>
Excess (deficiency) of revenues over expenditures	(36,780,504)	14,811,806	(115,528,082)	(3,948,199)	111,579,883	-96.58%
<b>Other financing sources (uses)</b>						
Transfer from other funds	39,137,568	46,963,388	41,899,951	47,091,128	5,191,177	
Other financing sources	51,516,879	302,348	240,016,359	15,000	(240,001,359)	
Transfer to other funds	(37,582,568)	(45,407,075)	(39,976,207)	(44,975,698)	(4,999,491)	
<b>Total other financing sources (uses)</b>	<b>53,071,879</b>	<b>1,858,660</b>	<b>241,940,103</b>	<b>2,130,430</b>	<b>(239,809,673)</b>	
Net change in fund balance	16,291,375	16,670,467	126,412,021	(1,817,769)	(128,229,790)	-101.44%
Fund balance beginning of year	71,312,024	87,603,399	104,273,866	230,685,887	126,412,021	121.23%
<b>Fund balance end of year</b>	<b>87,603,399</b>	<b>104,273,866</b>	<b>230,685,887</b>	<b>228,868,118</b>	<b>(1,817,769)</b>	<b>-0.79%</b>

# General Fund

The general fund is used to account for all financial transactions relating to the District's operations, except for those required to be reported in other funds.

Property tax levy dropping due to decreased student enrollment and increases of \$6 million in state equalization aid.

Increase in Federal Fund attributed to covering \$33 million funding shortfall and additional ESSER expenses to target student instruction and support.

Budget includes CPI increase of 8.1% plus rung advancement for staff. Increases across all functional groups largely attributed to staff cost increases.

\$2.36M in technology leases is included for student technology and copy machines through a four-year lease.

Transfers to other funds include \$33.1 million to the special education fund and \$9.6 million of referendum for the Long-Term Capital Improvement Fund.

## General Fund Combined Statement of Revenues, Expenditures and Changes Fund Balance Revenues by Source, Expenditures by Function

	PRELIMINARY BUDGET				
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2023-24 BUDGET	PERCENT CHANGE
<b>Revenues by source</b>					
Property taxes	82,729,239	83,973,943	78,147,652	70,975,806	-9.18%
Local sources	718,416	1,501,763	2,385,761	2,409,966	1.01%
State sources	178,415,220	178,130,557	185,128,035	191,836,379	3.62%
Federal sources	20,245,265	31,912,302	48,855,731	48,232,691	-1.28%
Other sources	3,825,128	1,441,630	449,000	391,100	-12.90%
<b>Total revenues</b>	<b>285,933,268</b>	<b>296,960,194</b>	<b>314,966,179</b>	<b>313,845,942</b>	<b>-0.36%</b>
<b>Expenditures by function</b>					
<b>Instruction</b>					
Regular instruction	93,635,961	94,735,232	96,315,441	101,517,249	5.40%
Vocational instruction	4,790,185	4,758,168	6,025,711	6,305,379	4.64%
Special instruction	374,243	282,957	537,366	670,964	24.86%
Other instruction	6,577,590	7,140,582	7,503,202	8,078,548	7.67%
<b>Total instruction</b>	<b>105,377,979</b>	<b>106,916,939</b>	<b>110,381,720</b>	<b>116,572,140</b>	<b>5.61%</b>
<b>Support service</b>					
Pupil services	11,725,270	11,283,050	12,721,321	13,545,980	6.48%
Libraries & instructional support	16,165,745	15,141,382	22,678,509	17,782,714	-21.59%
General administration	3,057,630	3,465,250	3,904,323	3,945,805	1.06%
Building administration	12,279,137	12,890,801	13,767,303	14,952,704	8.61%
Business & operations	35,075,920	36,777,062	39,782,108	40,067,517	0.72%
Central services	3,220,543	3,136,671	3,819,880	3,723,270	-2.53%
Insurance	1,298,853	705,829	740,000	920,000	24.32%
Debt payments	2,080,302	2,359,818	1,515,320	1,515,320	0.00%
Other support services	6,993,286	5,472,945	7,606,337	7,199,459	-5.35%
<b>Total support services</b>	<b>91,896,687</b>	<b>91,232,809</b>	<b>106,535,101</b>	<b>103,652,769</b>	<b>-2.71%</b>
<b>Non-Program transactions</b>	<b>41,743,944</b>	<b>45,551,924</b>	<b>49,837,485</b>	<b>53,255,806</b>	<b>6.86%</b>
<b>Total expenditures</b>	<b>239,018,609</b>	<b>243,701,672</b>	<b>266,754,306</b>	<b>273,480,715</b>	<b>2.52%</b>
Excess (deficiency) of revenues over	46,914,659	53,258,522	48,211,873	40,365,227	-16.28%
<b>Other financing sources (uses)</b>					
Transfer from other funds	212,281	196,706	344,453	384,548	
Other financing sources	5,660,523	17,348	15,000	15,000	
Transfer to other funds	(37,370,287)	(45,266,682)	(39,747,148)	(44,776,780)	
<b>Total other financing sources</b>	<b>(31,497,483)</b>	<b>(45,052,628)</b>	<b>(39,387,695)</b>	<b>(44,377,232)</b>	
Net change in fund balance	15,417,176	8,205,894	8,824,178	(4,012,005)	-145.47%
Fund balance beginning of year	44,754,911	60,172,087	68,377,981	77,202,159	12.90%
<b>Fund balance end of year</b>	<b>60,172,087</b>	<b>68,377,981</b>	<b>77,202,159</b>	<b>73,190,154</b>	<b>-5.20%</b>

# Special Revenue Fund

Fund 21: Special revenue trust funds hold revenues from sources like gifts, donations, or private groups like PTAs or booster clubs to be expended on District operations subject to the intent of the donation.

## Special Revenue Trust Fund Combined Statement of Revenues, Expenditures and Changes Fund Balance

### Revenues by Source, Expenditures by Function

	PRELIMINARY BUDGET				PERCENT CHANGE
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2023-24 BUDGET	
<b>Revenues by source</b>					
Local sources	488,136	1,228,175	1,315,721	1,733,000	31.71%
Other sources	212,269	0	0	0	
<b>Total revenues</b>	<b>700,405</b>	<b>1,228,175</b>	<b>1,315,721</b>	<b>1,733,000</b>	<b>31.71%</b>
<b>Expenditures by function</b>					
<b>Instruction</b>					
Regular instruction	53,546	99,345	244,198	545,000	123.18%
Vocational instruction	10,141	14,766	15,084	46,000	204.96%
Special instruction	96	0	500	1,000	100.00%
Other instruction	89,054	449,939	638,277	457,000	-28.40%
<b>Total instruction</b>	<b>152,837</b>	<b>564,049</b>	<b>898,059</b>	<b>1,049,000</b>	<b>16.81%</b>
<b>Support service</b>					
Pupil services	30,821	112,792	186,820	150,000	-19.71%
Libraries & instructional support	95,706	358	27,815	45,000	61.78%
General administration	34,931	72,412	81,448	9,000	-88.95%
Building administration	21,905	46,138	35,116	82,000	133.51%
Business & operations	2,767	65,437	99,071	40,000	-59.62%
Central services	0	42	1,500	4,000	166.67%
Non-Program transactions	12,423	117,745	342,249	0	-100.00%
<b>Total support services</b>	<b>198,554</b>	<b>414,924</b>	<b>109,263</b>	<b>330,000</b>	<b>202.02%</b>
<b>Total expenditures</b>	<b>351,391</b>	<b>978,973</b>	<b>1,007,322</b>	<b>1,379,000</b>	<b>36.90%</b>
Excess (deficiency) of revenues over expenditures	349,014	249,202	308,399	354,000	14.79%
Transfer to other funds	(9,400)	0	0	0	
<b>Total other financing sources (uses)</b>	<b>9,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Fund balance beginning of year	1,205,809	1,545,423	1,794,626	2,103,025	17.18%
<b>Fund balance end of year</b>	<b>1,554,823</b>	<b>1,794,626</b>	<b>2,103,025</b>	<b>2,457,025</b>	<b>16.83%</b>

The local sources of revenue are funds from school fundraising and donations allocated to the special revenue trust fund. Revenue amounts are estimates.

Fund 21 revenues carryover from year to year so expenses are driven by when schools decide to utilize the funds. Expenditures for the interim budget are estimates.

# Special Education Fund

This fund is used to account for special education and related services funded in part with state or federal special education aid. Fund transfers includes \$33.1 million from the general fund to the special education fund to cover expenses not funded by state or federal revenues. No fund balance or deficit can exist in this fund.

Federal revenue increased due to ESSER and IDEA grant funds received to support special education.

The increased expenses in instruction, pupil services and inst. support are attributed to increased staffing costs.

The increased cost for business and operations reflects assumed higher pupil transportation costs and gas costs.

Non-program transactions include the use of contracted special education instructional and support staff.

The increased transfer from the general fund is due to the increased costs for staffing outweighing state and federal revenue increases for special education.

## Special Education Fund Combined Statement of Revenues, Expenditures and Changes Fund Balance Revenues by Source, Expenditures by Function

	PRELIMINARY BUDGET				
	2020-21	2021-22	2022-23	2023-24	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	CHANGE
<b>Revenues by source</b>					
Local sources	21,511	13,452	0	0	
State sources	14,288,585	15,130,374	14,741,797	15,425,000	4.63%
Federal sources	5,817,048	6,289,817	7,098,292	7,819,932	10.17%
<b>Total revenues</b>	<b>20,127,144</b>	<b>21,433,643</b>	<b>21,840,089</b>	<b>23,244,932</b>	<b>6.43%</b>
<b>Expenditures by function</b>					
<b>Instruction</b>					
Vocational instruction	352	83,919	0	0	
Special instruction	38,131,264	37,231,946	38,604,023	42,011,885	8.83%
<b>Total instruction</b>	<b>38,131,615</b>	<b>37,315,865</b>	<b>38,604,023</b>	<b>42,011,885</b>	<b>8.83%</b>
<b>Support service</b>					
Pupil services	6,804,092	6,962,315	7,282,598	7,678,943	5.44%
Libraries & instructional support	2,487,654	2,613,162	2,776,535	2,927,166	5.43%
General administration	33,437	803	5,000	5,000	0.00%
Business & operations	3,476,026	3,778,387	3,955,689	3,695,196	-6.59%
Central services	4,368	5,783	6,500	12,200	87.69%
Insurance	226,688	226,238	203,103	208,588	2.70%
<b>Total support services</b>	<b>13,032,264</b>	<b>13,586,687</b>	<b>14,229,425</b>	<b>14,527,093</b>	<b>2.09%</b>
<b>Non-Program transactions</b>	<b>1,851,253</b>	<b>1,854,540</b>	<b>2,102,759</b>	<b>415,200</b>	<b>-80.25%</b>
<b>Total expenditures</b>	<b>53,015,132</b>	<b>52,757,092</b>	<b>54,936,207</b>	<b>56,954,178</b>	<b>3.67%</b>
Excess (deficiency) of revenues over expenditures	(32,887,988)	(31,323,449)	(33,096,118)	(33,709,246)	1.85%
<b>Other financing sources (uses)</b>					
Transfer from other funds	33,075,958	31,453,266	33,262,751	33,912,164	
Transfer to other funds	(183,678)	(126,072)	(162,633)	(198,918)	
<b>Total other financing sources (uses)</b>	<b>32,892,280</b>	<b>31,327,194</b>	<b>33,100,118</b>	<b>33,713,246</b>	
Net change in fund balance	4,291	3,745	4,000	4,000	

# Debt Service Funds

Under Department of Public Instruction guidelines, two separate funds are used for reporting transactions related to repayment of the general obligation debt and refinancing of debt issues and other District obligations. One fund is for debt issuances that were not approved through a referendum and transactions are subject to state revenue limits. The other fund is for referendum approved debt which is exempt from state revenue limits.

Tax levies assessed for the repayment of long-term debt principal and interest must be recorded in these funds. These funds may not be used for other purposes if related debt remains. The debt payment amounts are established at the time the school board approves a resolution to borrow.

Revenues and expenditures remain stable in the debt service fund, but with implementation of Facility Master Plan and affirmation of 2020 referendum, debt is expected to increase in the coming years.

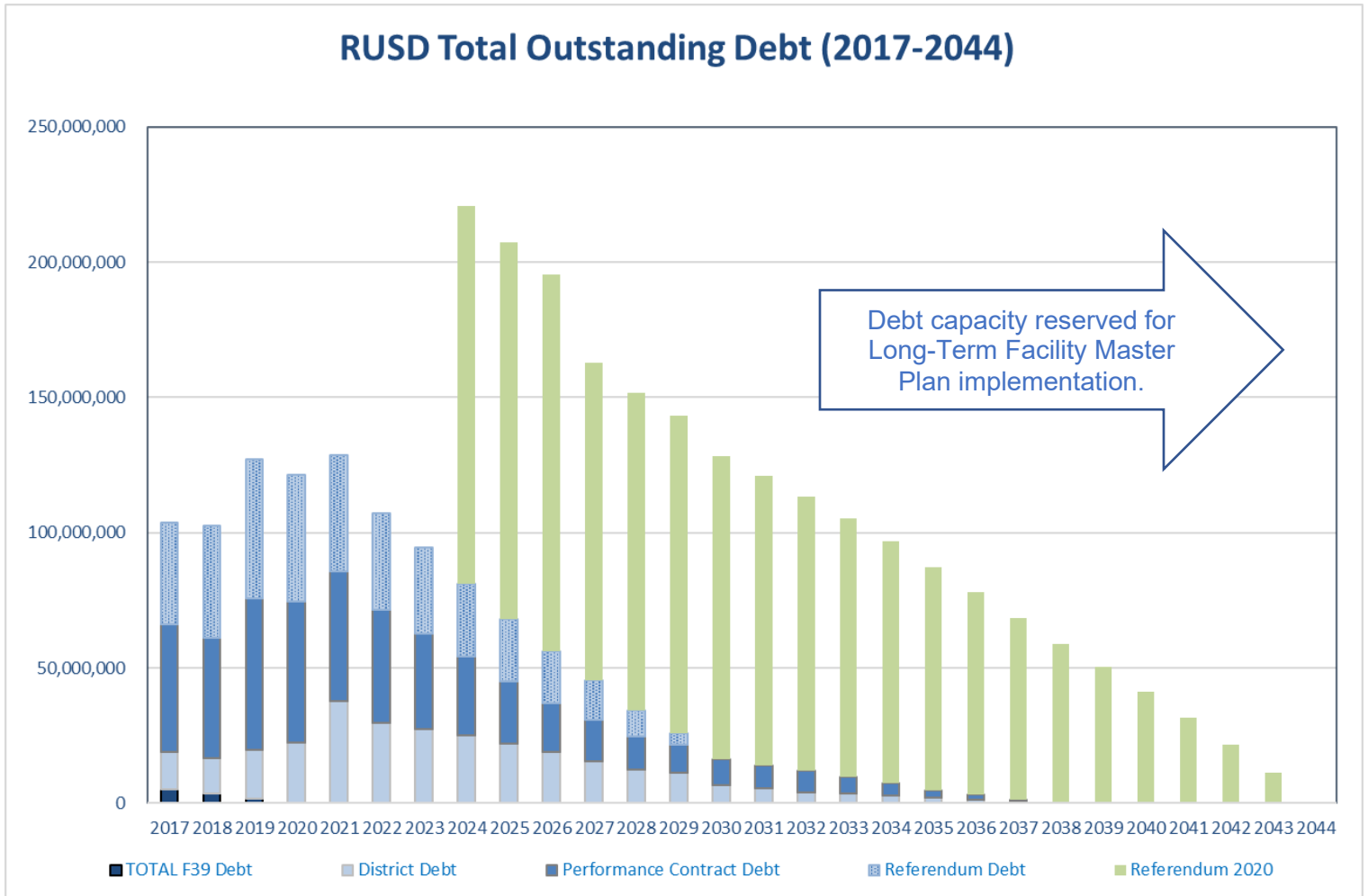
Transfer from other funds includes the Fund 80 levy for Aquatic Center debt.

## Non-Referendum Debt Service Fund Combined Statement of Revenues, Expenditures and Changes Fund Balance Revenues by Source, Expenditures by Object

	PRELIMINARY BUDGET				
	2020-21	2021-22	2022-23	2023-24	PERCENT
	ACTUAL	ACTUAL	BUDGET	BUDGET	CHANGE
<b>Revenues by source</b>					
Property taxes	13,626,774	13,539,573	13,651,728	13,019,577	-4.63%
Local sources	7,917	3,823	350,000	0	-100.00%
Other sources	702,296	0	2,294,445	60,270	-97.37%
					<b>-19.74%</b>
<b>Total revenues</b>	<b>14,336,987</b>	<b>13,543,396</b>	<b>16,296,173</b>	<b>13,079,847</b>	
<b>Support Services</b>					
Principal	41,730,000	12,805,000	108,195,000	13,270,000	-87.74%
Interest	4,698,188	2,949,029	3,467,513	8,511,617	145.47%
Agent paying fees	0	4,388	652,530	0	-100.00%
	<b>46,428,188</b>	<b>15,758,417</b>	<b>112,315,043</b>	<b>21,781,617</b>	<b>-80.61%</b>
<b>Total expenditures</b>					
Excess (deficiency) of revenues over expenditures	(32,091,201)	(2,215,021)	(96,018,870)	(8,701,770)	-90.94%
<b>Other financing sources (uses)</b>					
Transfer from other funds	4,669,767	1,617,000	8,292,747	12,794,416	
Other financing sources	27,908,404	0	94,896,359	0	
<b>Total other financing sources (uses)</b>	<b>32,578,171</b>	<b>1,617,000</b>	<b>103,189,106</b>	<b>12,794,416</b>	
Net change in fund balance	486,970	(598,021)	7,170,236	4,092,646	-42.92%
Fund balance beginning of year	1,579,590	1,744,196	1,146,175	8,316,411	625.58%
<b>Fund balance end of year</b>	<b>2,066,561</b>	<b>1,146,175</b>	<b>8,316,411</b>	<b>12,409,057</b>	<b>49.21%</b>

# Capital Projects

District debt is categorized by funds used to pay for principal and interest: 1) debt paid directly through referendum authorized funds; 2) debt paid with District funds; 3) authorized tax levy debt for Performance Contract projects; and 4) debt paid with funds authorized through referendum. The District's referendum debt, issued in 2008, was fully paid in 2019. Changes to outstanding debt depend upon principal amounts paid and whether additional debt is acquired. Outstanding debt amounts by category are as follows:



Note: This debt amount excludes lease financing of equipment.



# Capital Projects

Capital Project Funds are used to segregate revenues and expenditures related to major capital projects. Typically, these projects are financed through borrowing approved by the Board of Education but may include resources from the sale or disposition of property. The use of segregated funds makes it easier to track expenditures utilizing dedicated financing sources.

Approximately \$9.1 million has been allocated for school improvements and maintenance projects to reflect initial implementation of the Long-Term Facility Master Plan.

Energy efficiency projects at schools have reduced utility costs that must be used to reduce property taxes.

With affirmation of the April 2020 referendum the district will begin work to update the Facility Master Plan and implement phase 1.

Building up of fund balance is part of fiscal strategy for execution of Facility Master Plan.

## Capital Projects Funds Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 ADJ BUDGET	2023-24 INTERIM	PERCENT CHANGE
<b>Revenues by source</b>					
Earnings on investments	7,987	15,175	669,665	1,465,000	118.77%
Other	0	0	0	0	
<b>Total revenues &amp; financing</b>	<b>7,987</b>	<b>15,175</b>	<b>669,665</b>	<b>1,465,000</b>	<b>118.77%</b>
<b>Expenditures by function</b>					
Buildings & grounds	18,339,130	2,830,687	35,147,177	108,699,632	209.27%
Central services	0	0	0	0	
Other	0	0	0	0	
<b>Total capital project expenditures</b>	<b>18,339,130</b>	<b>2,830,687</b>	<b>35,147,177</b>	<b>108,699,632</b>	<b>209.27%</b>
<b>Excess (deficiency) of revenues over expenditures</b>					
	<b>(18,331,143)</b>	<b>(2,815,512)</b>	<b>(34,477,512)</b>	<b>(107,234,632)</b>	
Other financing sources	2,627,514	13,981,416	145,105,000	120,000,000	-17.30%
Other financing uses	0	0	0	0	
<b>Total other financing sources</b>	<b>2,627,514</b>	<b>13,981,416</b>	<b>145,105,000</b>	<b>120,000,000</b>	<b>-17.30%</b>
Net change in fund balance	(15,703,629)	11,165,904	110,627,488	12,765,368	-88.46%
Fund balance beginning of year	13,937,555	14,733,926	25,899,821	136,527,310	427.14%
<b>Fund balance end of year</b>	<b>(1,766,074)</b>	<b>25,899,830</b>	<b>136,527,309</b>	<b>149,292,678</b>	<b>9.35%</b>





# Food Service Fund

All revenues and expenditures related to pupil and elderly food service activities are recorded in the food service fund and operate separately from District general operating funds. The Food Service Fund is completely self-sufficient with all expenditures paid from revenues of the fund.

Food Services in the District, which includes meal production in District kitchen facilities, are largely operated through a contract with Aramark. District staff coordinate and support the food service program by delivering prepared meals to schools, cleaning, and providing lunchroom supervision.

RUSD will continue to participate in the Community Eligibility Provision (CEP) program for the 2023-24 school year. This will allow RUSD to continue to serve breakfast and lunch at no cost to all enrolled students, without the burden of establishing eligibility via an income application. The CEP program will provide us with full reimbursement for 92.14% of the meals served, and a partial reimbursement for 7.86% of the meals served.

Food service staff wages increased \$3 an hour to assist Aramark to provide the necessary staffing to deliver our food service program.

Payments to Aramark for food service management increased due to 8.3% CPI-food away from home cost as of 12/2022 and expected meal counts.

Decrease in fund balance planned to meet required amount as set by USDA. Funds will be used to purchase new trucks, kitchen equipment, serving lines and other upgrades.

943,731 breakfasts and 1,444,625 lunches were served during the

Food Service Fund					
Combined Statement of Revenues, Expenditures and Changes Fund Balance					
Revenues by Source, Expenditures by object					
PRELIMINARY BUDGET					
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2023-24 BUDGET	PERCENT CHANGE
<b>Revenues by source</b>					
Local sources	32,803	53,114	64,000	85,700	33.91%
State sources	139,364	0	385,000	406,770	5.65%
Federal sources	5,088,438	10,738,382	10,059,599	10,009,568	-0.50%
<b>Total revenues</b>	<b>5,260,604</b>	<b>10,791,495</b>	<b>10,508,599</b>	<b>10,502,038</b>	<b>-0.06%</b>
<b>Support Services</b>					
Salaries & Benefits	1,011,714	1,025,543	1,115,665	1,140,271	2.21%
Purchased services	2,979,327	5,799,982	7,539,755	9,598,451	27.30%
Food & supplies	1,019,042	1,200,376	1,402,762	1,400,226	-0.18%
Furniture &	30,141	29,426	500,000	500,000	0.00%
Other	10,930	14,168	22,000	24,000	9.09%
<b>Total expenditures</b>	<b>5,051,153</b>	<b>8,069,495</b>	<b>10,580,182</b>	<b>12,662,948</b>	<b>19.69%</b>
Excess (deficiency) of over expenditures	209,451	2,722,000	(71,583)	(2,160,910)	918.75%
Net change in fund balance	209,451	2,722,000	(71,583)	(2,160,910)	918.75%
Fund balance beginning of	2,789,192	2,998,643	5,720,643	5,649,060	-1.25%
<b>Fund balance end of year</b>	<b>2,998,643</b>	<b>5,720,643</b>	<b>5,649,060</b>	<b>3,488,150</b>	<b>-38.25%</b>

# Pension and OPEB Trust Fund

The Fund 73 OPEB Trust Fund is used to account for resources held in trust for formally established defined benefit pension plans, defined contribution plans or employee benefit plans. Such plans must be legally established in accordance with state statutes, federal laws and Internal Revenue Service requirements.

Specific requirements for use of this fund have been established by the Department of Public Instruction. This fund applies to all post-employment benefit plans where the District is providing such benefits by contribution to a legally established irrevocable trust.

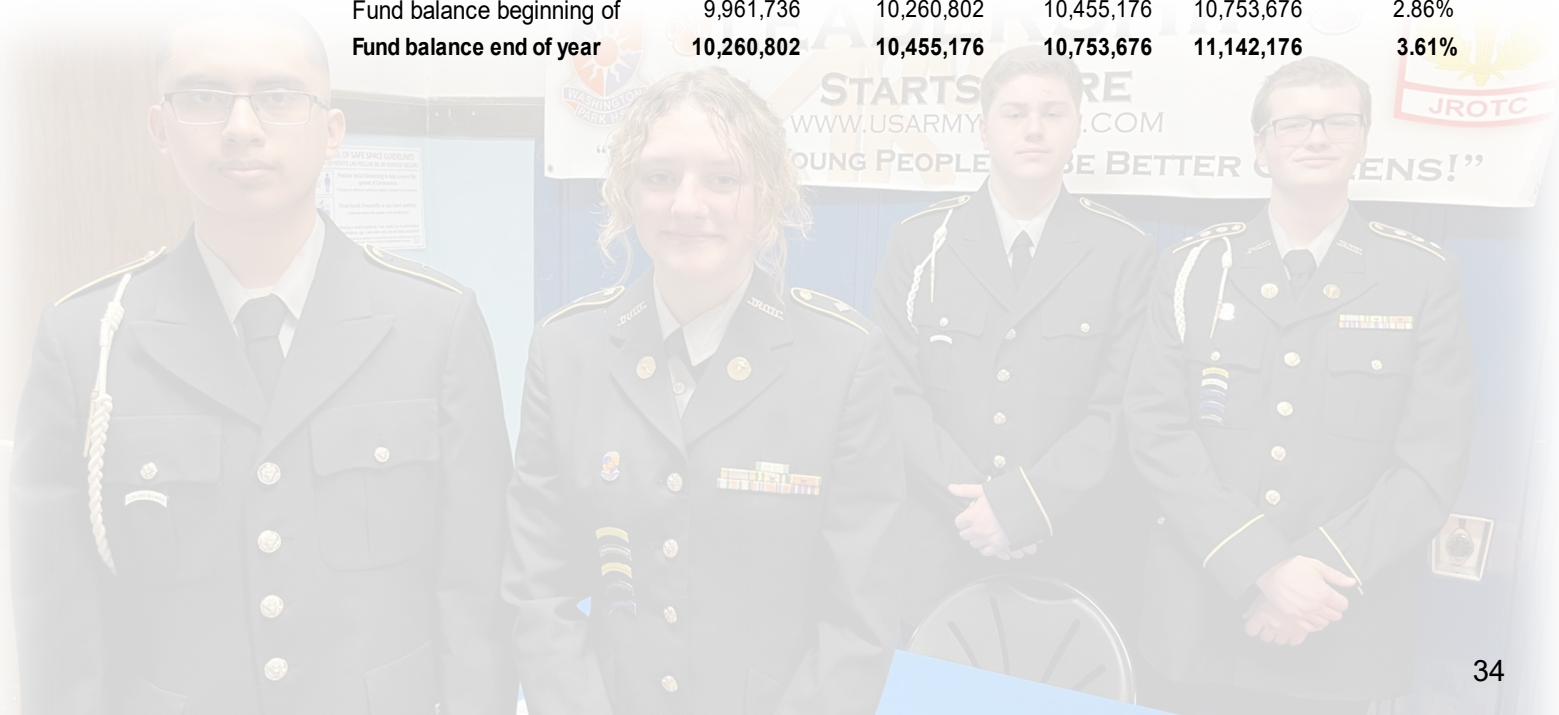
For the Fund 73-Employee Benefit Trust Fund, estimated contribution amounts for RUSD are determined through an analysis performed by Brown & Brown Benefit Services. In order for the district to receive state or federal aid, on contributions to the fund, the District must allocate to the fund 105% of the actual expenses for post-employment benefits.

## Pension & Empl Benefit Tr Fd

### Combined Statement of Revenues, Expenditures and Changes Fund Balance

	Revenues by Source, Expenditures by Object				PERCENT CHANGE
	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2023-24 BUDGET	
<b>Revenues by source</b>					
Local sources	65,816	13,159	10,000	100,000	900.00%
Other sources	5,130,909	4,029,551	5,254,277	5,065,014	-3.60%
<b>Total revenues</b>	<b>5,196,725</b>	<b>4,042,710</b>	<b>5,264,277</b>	<b>5,165,014</b>	<b>-1.89%</b>
<b>Trust fund expenditures</b>	<b>4,897,659</b>	<b>3,848,335</b>	<b>4,965,777</b>	<b>4,776,514</b>	<b>-3.81%</b>
Excess (deficiency) of revenues over expenditures	299,065	194,375	298,500	388,500	30.15%
Fund balance beginning of	9,961,736	10,260,802	10,455,176	10,753,676	2.86%
<b>Fund balance end of year</b>	<b>10,260,802</b>	<b>10,455,176</b>	<b>10,753,676</b>	<b>11,142,176</b>	<b>3.61%</b>

The intention of building up funds in the OPEB trust allows the investment earnings and the balance to be used to pay for future retiree benefit costs.



# Community Service Fund

This fund is used to account for activities that benefit the entire community, including community recreation programs, community use of facilities, non-special education preschool, day care services and non-educational after school programs.

RUSD programs funded through the community service fund include: Extended Learning, the Aquatic Center, PCOC and Montessori 3-year-old programs, Community outreach programs, Lighthouse Brigade program support, community mental health clinic and County & Municipal recreational community program initiatives, including support for Pritchard Park and Horlick Field.

Increase in federal funds due to utilizing federal ESSER dollars for the expansion of Extended Learning programs.

Salaries and benefits include funds for staff for community after-school programs. Increases due to expansion of programs plus CPI and rung advancement for Community Service funded RUSD staff

## Community Service Fund Combined Statement of Revenues, Expenditures and Changes Fund Balance

### Revenues by Source, Expenditures by Object

#### PRELIMINARY BUDGET

	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 BUDGET	2023-24 BUDGET	PERCENT CHANGE
<b>Revenues by source</b>					
Property taxes	3,900,000	6,907,986	5,911,863	5,990,347	1.33%
Local sources	254,960	28,153	316,063	190,000	-39.89%
Federal sources	29,494	576,700	1,600,715	2,110,891	31.87%
<b>Total revenues</b>	<b>4,184,454</b>	<b>7,512,839</b>	<b>7,828,641</b>	<b>8,291,238</b>	<b>5.91%</b>
<b>Support Services</b>					
Salaries & benefits	1,433,798	2,460,314	3,820,879	4,187,708	9.60%
Purchased services	1,811,004	8,249,351	1,415,545	1,599,650	13.01%
Non-capital objects	17,422	293,703	348,796	367,450	5.35%
Capital objects	0	19,976	0	0	
Other	3,073	7,686	35,012	22,500	-35.74%
<b>Total expenditures</b>	<b>3,265,297</b>	<b>11,031,030</b>	<b>5,620,232</b>	<b>6,177,308</b>	
Excess (deficiency) of revenues over expenditures	919,156	(3,518,191)	2,208,409	2,113,930	-4.28%
Transfer to other funds	1,555,000	1,556,313	1,923,924	2,205,430	
Net change in fund balance	(635,844)	(5,074,503)	284,485	(91,500)	-132.16%
Fund balance beginning of year	6,978,542	6,342,698	1,268,195	1,552,680	22.43%
<b>Fund balance end of year</b>	<b>6,342,698</b>	<b>1,268,195</b>	<b>1,552,680</b>	<b>1,461,180</b>	<b>-5.89%</b>

# ESSER Funds

To date, congress has passed three stimulus bills that have provided nearly \$190.5 billion under the Elementary and Secondary School Emergency Relief (ESSER) Fund to local education agencies in Wisconsin. The funds provide emergency financial assistance to address the impact COVID-19 has had, and continues to have, on elementary and secondary schools. Here's what RUSD has received:

ESSER I	ESSER II	ESSER III
\$4,896,135	\$23,576,970	\$52,950,525

## How is RUSD Using ESSER Funds?

The District identified its preferred top priorities after getting input from thousands of families, community members and other stakeholders. This input continues to be used in all ESSER planning. Here are a few ways funding is being used:

- **ESSER I Funds** were invested to support immediate student, family and staff needs during the transition from in-person to remote and later hybrid learning. Funds were also invested to increase school safety protocols and provide personal protective equipment.
- **ESSER II & ESSER III Funds** are being used to maintain healthy learning environments for students and staff, address learning loss through a variety of additional programs, training, staff and mental health supports, education technology and outreach and services to special populations.

## ESSER Funding moving forward

Entering the 2024 Fiscal year to date RUSD has spent the entirety of the ESSER I allocated funds.

As of the beginning of 2023-24 fiscal year RUSD will have spent the entire \$23,602,782 of the ESSER II allocation and \$19,415,633 of ESSER III allocation. Currently the district is budgeting to spend \$33,638,870 of ESSER III for the 2023-24 fiscal year both for learning loss priorities and deficit coverage.

