



# Interim Budget

Fiscal Year  
2020-21



# Message from the Superintendent



Dear Racine Community,

Throughout the last year Racine, like many communities across the country has faced unprecedented challenges with the COVID-19 health emergency. While we work to address many emotions and uncertainty brought on by this situation, our community expects the District to commit its resources first and foremost to advancing student learning, social-emotional supports and achieving academic success. The Racine Unified School District (RUSD) annual budget development and approval process is an important focus of the Superintendent and the Board of Education.

This budget is aligned to RUSD's five-year strategic plan, Raising Racine 2022, which supports five priorities: 1) Be the educational choice for families in the southeast region of Wisconsin; 2) Accelerate higher levels of student performance; 3) Close student achievement gaps; 4) Ensure positive, engaging environment; and, 5) Endorse learning paths for post-secondary training, college and career readiness for every student.

Racine wants and deserves an excellent public-school system. We are proud to continue to deliver a budget that is intentional and focused on priorities for improving student achievement and social-emotional learning, expanding successful programs and accomplishing strategic priorities, especially during this unprecedented time. We have been able to accomplish this while continuing to maintain a stable tax rate. Together, we will continue to Raise Racine.

Sincerely,

Eric Gallien, Ph.D.  
Superintendent

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# Administration



Dr. Eric Gallien,  
Superintendent of Schools



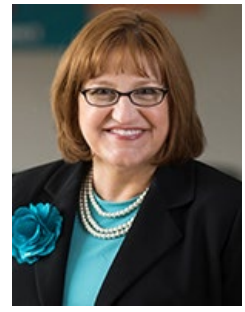
Marc Duff,  
Chief Financial Officer



Jody Bloyer,  
Chief of Schools



Rosalie Daca,  
Chief Academic Officer



Shannon Gordon,  
Chief Operating Officer



Stacy Tapp,  
Chief of Communications  
& Community  
Engagement



Tim Peltz, Chief  
Information Officer



Melissa Abel,  
Executive Director  
of Human  
Resources



Keri Handstedt,  
Executive Director  
of Employee  
Relations



# Board of Education



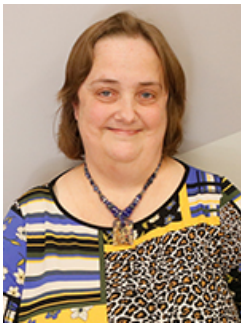
Ms. Amy Cimbalnik



Mr. Scott Coey



Dr. Michael Frontier



Ms. Julie McKenna



Ms. Jane Barbian,  
Board Vice President



Mr. John Heckenlively,  
Board Clerk



Mr. Brian O'Connell,  
Board President



Mr. Matthew Hanser



Ms. Kimberly Hoover,  
Board Treasurer

# 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.

## **Operational Expectation (OE-5) Financial Planning**

To summarize this expectation related to budgeting, the Superintendent will develop and present to the Board of Education an annual budget utilizing best practices that includes stakeholder input and aligns to the District's strategic plan and priorities. The budget document is expected to provide an understanding to the public as to revenue, expenditure and staffing allocations to departments, programs and schools as well as assumptions used to develop such allocations. The proposed budget is required to assure a fund balance of between 15% and 20% of general operating expenditures. In addition, the budget proposal must maintain a stable property tax rate for levies related to April 2020 approved referenda.

The Board of Education also provides guidance to the administration through *Guiding Change Documents*. As part of the Board adopted Long-Range Budget and Fiscal Planning Guiding Change Document, they outlined the recognized challenges, methods to achieve results, and unacceptable means to achieve change.

Challenges include declining enrollment, insufficient state and federal resources, increased competition from outside schools, inefficient infrastructure, and ability to retain and recruit staff.

Methods for results include funding a capital projects plan, scrutinize expenditures for effectiveness and connection to strategic goals, tax rate stability, and utilize proven instructional programs.

Unacceptable methods include exceeding class size limits, spending below a 15% fund balance, and failing to adequately fund facilities maintenance.

# Schools

## Specialty Schools

Racine Alternative Learning  
Bull Early Education Center  
RUSD Montessori at Goodland

## Elementary Schools

Dr. Jones Elementary  
Fratt Elementary  
Giese Elementary  
Janes Elementary  
Jefferson Lighthouse Elementary  
Julian Thomas Elementary  
Knapp Elementary  
North Park Elementary  
Olympia Brown Elementary  
Red Apple Elementary  
Roosevelt Elementary  
S.C. Johnson Elementary  
Schulte Elementary  
Wadewitz Elementary  
West Ridge Elementary

## K-8 Schools

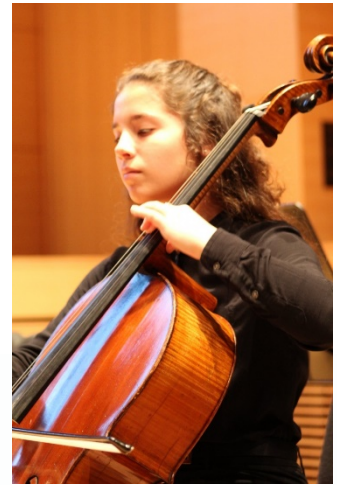
Gifford School  
Gilmore Fine Arts  
Jerstad-Agerholm School  
Mitchell School

## Middle Schools

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

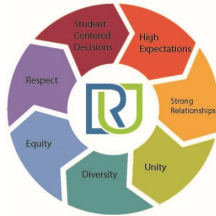
## High Schools

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



# Raising Racine 2022

*Raising Racine 2022* is the new strategic plan that promises to serve as the basis for the leadership and instructional work of the District for the next five years. This plan builds upon the District's vision, mission, core values, priorities and guiding change frameworks.



- **North Star Mission and Vision:** All students will graduate career and/or college ready
- **Core Values:** Student-Centered Decisions, High Expectations, Strong Relationships, Unity, Diversity, Equity and Respect

## District Priorities:

- Be the educational choice for families in the southeast region of Wisconsin
- Accelerate higher levels of student performance
- Close achievement gaps
- Ensure positive, engaging environments
- Endorse learning paths for post-secondary training, college and career readiness for every student

## Pillars of Excellence:

- Student Learning
- Culture and Environment
- Partnerships & Community
- Financial & Operational Excellence

The key to the strategic plan is a commitment to continuous improvement practices and monitoring progress toward goals. A critical component of *Raising Racine 2022* is to assure financial resources and annual budgets are student - centered and aligned to District priorities identified through the strategic planning processes.



# Budget Initiatives by Pillar



## Partnerships & Community

- Continue expansion of Parent University which provides families and community members with monthly workshops, informational sessions and resources focused on supporting families with knowledge, skills and confidence to support their child's learning experience.
- Growth and expansion of Parent Leadership Network which serves as the District hub for all parent groups. PLN encourages and prepares parents to become partners and advocates and to serve as school leaders who support the District in promoting student and school achievement.
- Financial and other support of county and municipal community partnerships, including the field at Pritchard Park, soccer fields, initial plans for a new natatorium and community health clinic at Julian Thomas.



## Financial & Operational Excellence

- Construction of Aquatic Center is underway
- District fund balance is sustained at more than 15% for financial stability
- Completion of Long-Term Facilities Master Plan and initial implementation
- Updated operations implemented in response to the COVID-19 pandemic



## Student Learning

- Development and implementation of Smart Start 2020 plan in response to the COVID-19 pandemic
- Approval of new elementary science and social studies curriculum
- Student technology purchase for Smart Start 2020 to support student remote learning



## Culture & Environment

- All RUSD Schools have been accepted into the Community Eligibility Provision (CEP) program which allows the district to serve breakfast and lunch at no cost to all enrolled students without the need to establish eligibility through an income application.

# Building the Budget – Challenges

As with most school districts in Wisconsin, Racine Unified School District has been faced with several challenges which impact financial operations. 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.

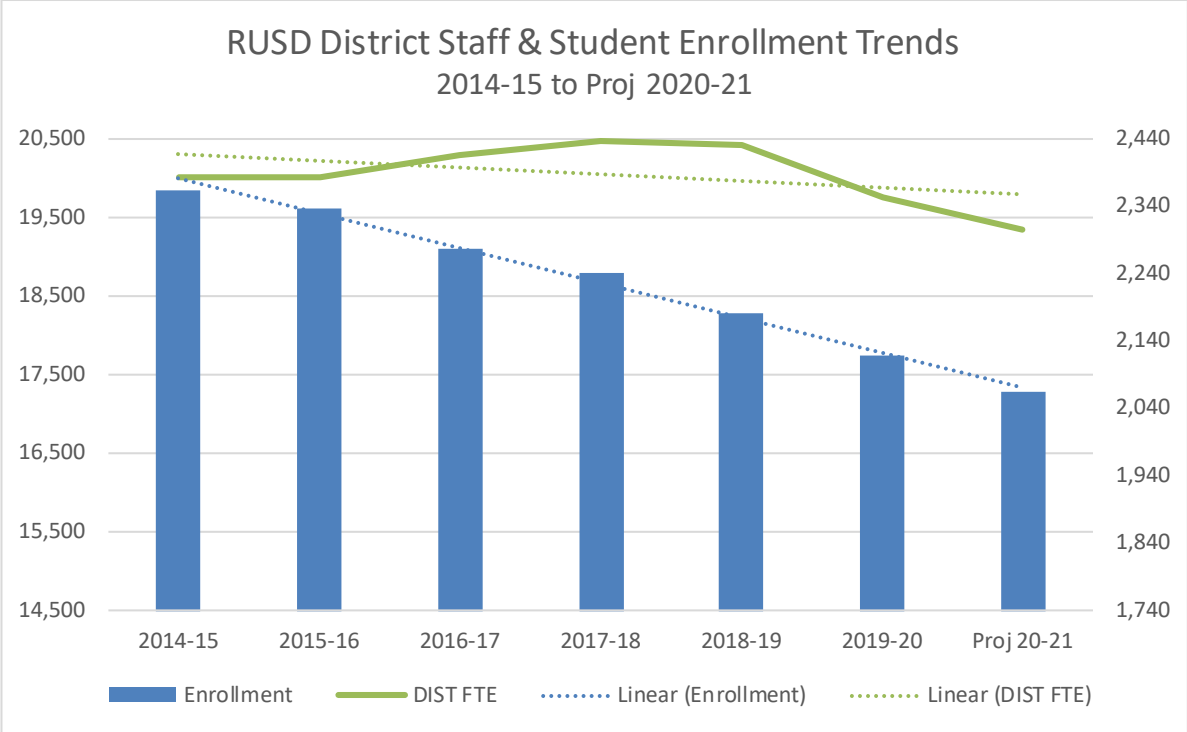
## Challenges That Shaped Budget Development

Almost every budget planning year begins with an assumed structural deficit. When work was completed to resolve a large deficit for the 2019-20 budget, it was expected the shortfall for the 2020-21 budget, while smaller, would be just as challenging. Estimates for 2020-21 indicated the budget shortfall faced by the District was estimated to exceed \$6.4 million. Contributing factors to the funding challenge include:

- **COVID-19 Pandemic** – The District continues to face challenges in response to the COVID-19 pandemic significantly impacts student enrollment, instructional programming, staffing, and operational costs. Following the initial suspension of school operations in March 2020, extensive work was required to quickly develop a plan for restructuring district instructional structures and operations in a COVID-19 pandemic environment. Impacts due to the pandemic remain fluid which may cause significant variations in operations and finances.
- **Academic Needs of Students** – The District continues to work to meet student learning goals, improve academic achievement in schools, and meet the special service needs of students. The District will also continue the Academies of Racine structures in high schools.
- **Uncertainty of Funds** – The COVID-19 pandemic introduced funding uncertainty into the budget process. Initial estimates were that federal funds were expected to be lower which added to the funding shortfall and there were reports funding levels from the state would change. RUSD receives over 69% of its funding from the state and federal government.
- **Operational Cost Increases** – Costs were expected to increase to fund ongoing operational costs, pupil transportation and other expenses.
- **Technology** – District copy machine technology were due for replacement. Student technology was needed to meet remote learning plans due to the COVID 19 pandemic.
- **Curriculum Updates** – The schedule for updating curriculum required acquiring new reading, math and social studies instructional materials.
- **Facility Maintenance** – Last April a referendum was approved by the voters to authorize funding to implement the Long-Term Facility Master Plan. The result of the referendum was subject to a recount and appeals in the courts.
- **Staffing Costs** – Staff and benefit costs were expected to increase as the District works to maintain compensation levels that retain and recruit employees. Funding the inflationary costs of compensation to staff adds millions to the budget.

# Building the Budget – Challenges & Strategies

- Declining enrollment** – District funding is linked to the number of students enrolled. The District’s declining enrollment trend requires reducing expenses by about \$10,500 per student. Since 2015-16, student enrollment is expected to decline by more than 11%. During the last fiscal year RUSD experienced a decline of 446 students requiring an estimated reduction of expenses by \$4.7 million.



## Strategies to Alleviate Budget Challenges

Strategies were developed by the administration to move the District toward a balanced budget for 2020-21. Those budget strategies included:

- Reduce & Right Size Staff** – Since staff costs make up more than 69% of the operations budget, staffing efficiencies were needed. Strategic reductions in staff would be made by:
  - Targeted reductions at schools that operate inefficiently when compared to other District and peer district schools
  - Adjusted staff at schools based on enrollment patterns
- Generate Federal Funding Carryover** – Work to make available federal funds in 2019-20 to carry over to the 2020-21 budget in order to maintain staff.
- Target Efficiency Focus on Comparable Expenditures** – Seek efficiencies in functional areas that show District expenditures exceed averages of peer districts.

- **Continued Reduction of Departmental Budgets** – Seek efficiencies in departmental budgets in order to save \$700,000 to reallocate to District priorities.
- **Recognize Savings Due to Remote Learning** – As part of Smart Start 2020 plan, remote learning during the first quarter allows for recognized savings of \$850,000.
- **Referendum Funding of Student Technology** – Utilize \$500,000 of referendum technology funds to cover expenses for student technology.
- **Facilities Master Plan** – Complete long-term facilities master plan and develop strategies to make funds available for needed facility needs.

The Budget development process moved forward utilizing the strategies outlined by administrative leadership.

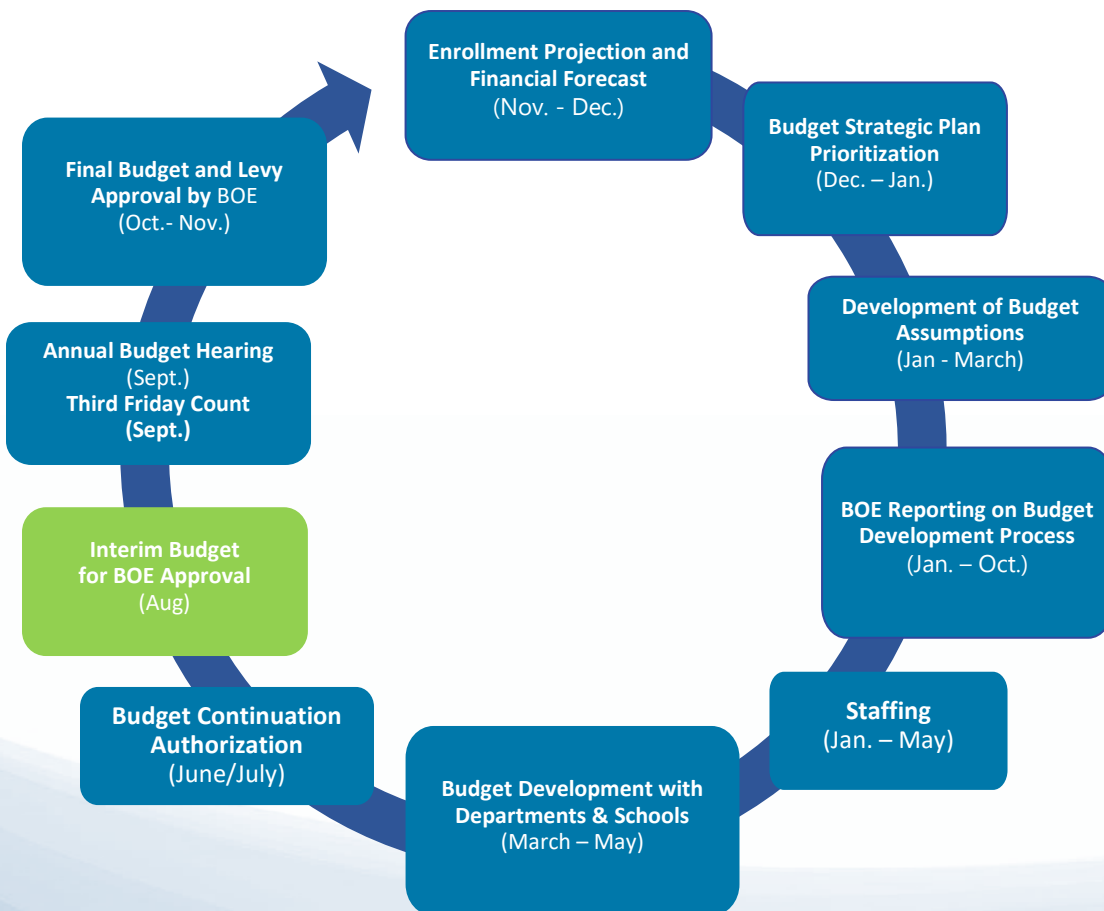


# Building the Budget - Process

The process for developing the budget followed a year-long cycle which utilized input from the Board of Education, District Leadership, principals, staff and the community. In addition, the RUSD Strategic Plan provides a framework for prioritizing funding allocations during the budget process.

## Budget Tracking

Monthly budget tracking was provided to the Board of Education during scheduled work sessions. Budget targets, strategies, and funding status updates related to addressing the \$6.4 million budget deficit were shared, reviewed and discussed. These meetings provided an opportunity for input from the Board of Education and the public. As the budget process continued, reduced staffing, adjusted department budgets and federal action to provide more revenues to the District ultimately led to a proposed budget that is balanced.



# Building the Budget – Assumptions

The budget is prepared in conformance with laws and regulations applicable to local governments within the State of Wisconsin. This document is accurate as of the date of preparation. Outside actions by the School Board or other regulatory agencies could impact the accuracy of this document.

Initial assumptions for building the 2020-21 budget included continued declining student enrollment, increased employee costs, higher pupil transportation costs, technology needs and reduced federal funding. This led to an estimated budget deficit of over \$6.4 million. Building the budget began with an expectation for continued spending reductions.

## Revenue Impacts:

- RUSD spending authority through the state revenue limit is expected to increase by \$792,076 due to an authorized per pupil spending increase of \$179 per student.
- Enrollment for Revenue Limit purposes is expected to decline by 435 full time equivalency students which will require further reductions in subsequent fiscal years.
- The approved April 2020 referendum will provide \$6,948,328 in funding for school improvements as well as student technology. The amount of funding is limited utilizing the Board of Education tax rate control policy.
- Under current law, an additional \$1.078 million of state special education aid is expected. General aid used to reduce property taxes increased by \$2.03 million.
- \$7.3 million in Federal funds is available to support District efforts related to the COVID-19 pandemic.

## Expenses and Efficiencies:

- Staffing expenses were decreased by \$5.8 million due to adjustments and savings due to attrition.
- Enrollment in private voucher schools is projected to increase by 485 students causing expenses for private school vouchers to increase by over \$4 million. Open enrollment expenses are projected to increase by \$685,000.
- Over \$3.8 million of technology for students will be authorized using lease financing with an annual cost of \$900,000 over the next four years. The lease of \$2.29 million of copy machines was also renewed.
- Departmental budgets were reduced by \$700,000.
- Expenses for open enrollment tuition are expected to increase by \$685,000 and by \$3.9 million for payments for private school vouchers.
- The budget includes over \$6 million of funding for building maintenance and repairs as part of initial implementation of the Long-Term Facility Master Plan. In addition, \$16.5 million for construction of an Aquatic Center.

## Compensation:

- Employee compensation was adjusted by the 1.81% consumer price index, as outlined by state law, as well as funding for educator lane advancement.
- Employee health benefits costs are projected to increase by \$1.35 million due to increased cost trends for high cost claims.

# 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 following two trust funds which are not included in total District expenditures:

- Private Purpose Trust Fund (Fund 72) - Intended to account for donations to benefit private individuals. Scholarships are accounted for in this fund.
- 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.



# Revenues & Expenditures Effect on 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 of fund balance of approximately \$3 million, which can partly be attributed to anticipated funds expended in the Community Service Fund for the Aquatic Center. The fund balance for operating funds decreased by over \$7 million, due to a reduced balance in the special revenue and community service funds.

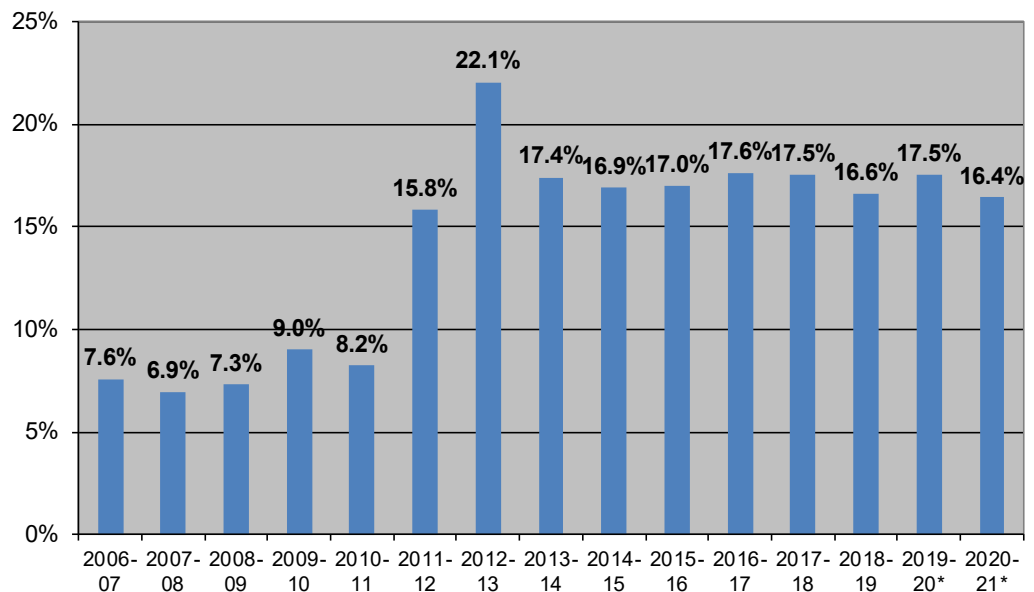
The projected 2020-21 ending balance for the General Fund (Fund 10) is projected to exceed 16% which is within the Board of Education guidelines.

Most capital project and community service funding available will be set aside for the Aquatic Center project set to be completed in 2020.

Change in Fund Balance For fiscal year 2020-21	Revenues and Other Financing Sources		Expenditures and Other Financing Uses		Change	Ending
	Beginning					
General fund	\$45,431,470	\$286,016,633	\$286,016,633	\$0	\$45,431,470	
Special revenue trust fund	1,206,570	1,200,000	1,704,750	(\$504,750)	\$701,820	
Special education fund	0	55,163,418	55,163,418	\$0	\$0	
Special revenue fund	66,425	962,000	962,000	\$0	\$66,425	
Debt service funds	1,584,179	15,770,329	15,959,923	(\$189,594)	\$1,394,585	
Capital projects funds	13,938,837	26,086,641	21,830,034	\$4,256,608	\$18,195,445	
Food service fund	2,568,479	8,355,138	8,552,545	(\$197,407)	\$2,371,072	
Community service fund	7,132,765	4,000,000	10,365,974	(\$6,365,974)	\$766,791	
<b>Totals</b>	<b>\$71,928,726</b>	<b>\$397,554,159</b>	<b>\$400,555,276</b>	<b>(\$3,001,117)</b>	<b>\$68,927,609</b>	
<b>Overall change in fund balance</b>				<b>(\$3,001,117)</b>		
<b>Change in operating* fund balance</b>				<b>(\$7,068,131)</b>		

\* All funds except capital projects and debt service.

**RUSD General Fund Balance  
FY07 through FY21**





# Revenue – Where It Comes From

## 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.

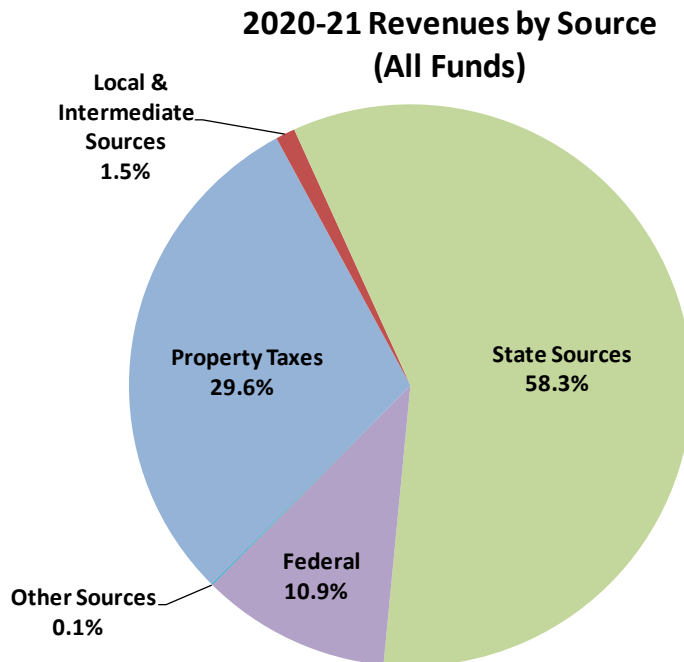
**Other revenue:** Miscellaneous revenues, including refunds, premiums and sales of assets.

Property tax revenues will increase to fund additional voucher payments and operations.

State funding increases include state general aid and an increase in special education funds.

The reduction in local sources of revenue reflects anticipated lower investment earnings and student fee collections.

Federal revenue is 22.8% higher due to \$7.3 million in anticipated federal COVID-19 response funds.



**ALL GOVERNMENTAL FUNDS**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2018-19 ACTUAL	2019-20 ADJ BUDGET	2020-21 INTERIM	Change	
				Amount	Percent
<b>Revenues by Source</b>					
Property Taxes	\$91,284,553	\$93,465,547	\$97,309,593	\$3,844,046	4.1%
Local & intermediate sources	4,715,797	4,043,213	3,670,003	(\$373,210)	-9.2%
State Sources	184,692,075	189,993,589	191,636,552	\$1,642,963	0.9%
Federal Sources	27,297,870	29,141,970	35,781,822	\$6,639,852	22.8%
Other Sources	490,825	187,620	276,535	\$88,915	47.4%
<b>Total Revenues</b>	<b>308,481,120</b>	<b>316,831,939</b>	<b>328,674,505</b>	<b>\$11,842,566</b>	<b>3.7%</b>

# Revenue Property Tax Information

Property taxes are levied into the General Fund, Debt Service Funds, Capital Expansion Fund and Community Service Fund. The amount of property taxes a school district is permitted to raise in the general and debt service funds is controlled by revenue limits through state law.

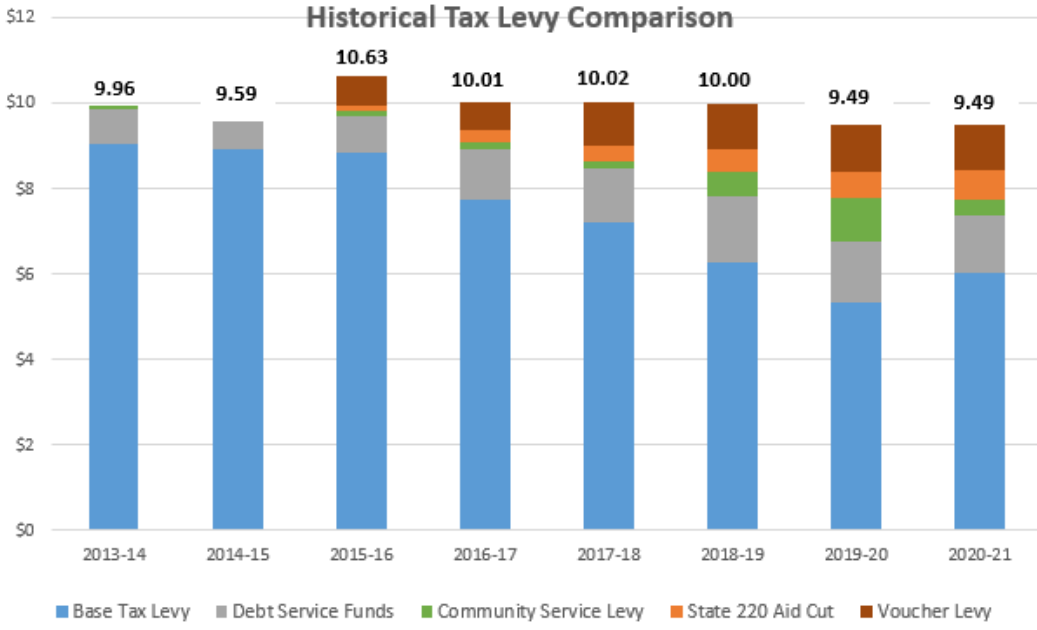
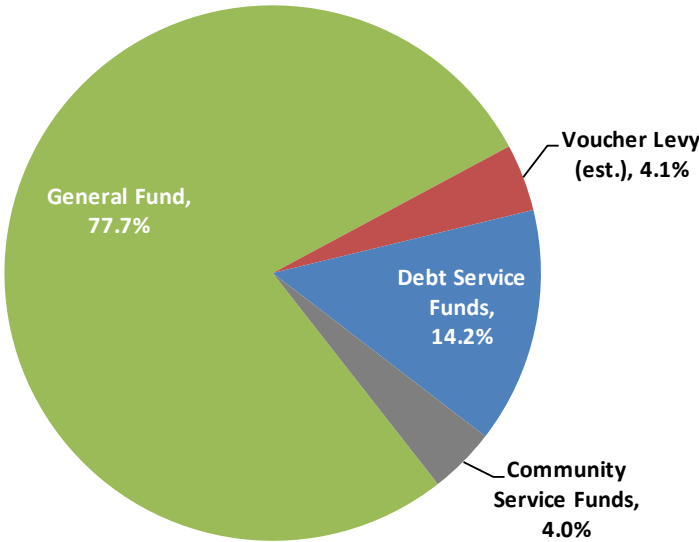
The General Fund receives over 73.8% of all property tax levy funds. The voucher levy is estimated to make up over 4% of the total levy.

The 2020-21 property tax rate of \$9.49 is equal to the 2019-20 rate and incorporates the Board of Education Tax Rate Control policy.

The Community Service levy decreased due to Aquatic Center construction expenses being included as part of the Board of Education tax rate control policy.

A portion of debt service funding is from referendum approved funds for school repairs and construction.

**2020-21 Property Tax Levy by Fund**



# Expenditures

**ALL GOVERNMENTAL FUNDS**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2018-19	2019-20	2020-21	Change		NOTES
	ACTUAL	ADJ BUDGET	INTERIM	Amount	Percent	
<b>Expenditures by Function</b>						
Regular Instruction	90,399,883	90,677,003	96,400,414	\$5,723,411	6.3%	1
Vocational Instruction	5,132,171	5,025,013	5,069,201	\$44,188	0.9%	
Special Instruction	38,379,159	39,169,553	39,761,495	\$591,942	1.5%	
Other Instruction	7,634,203	7,413,147	8,131,572	\$718,425	9.7%	
<b>Total Instruction</b>	<b>141,545,416</b>	<b>142,284,716</b>	<b>149,362,682</b>	<b>\$7,077,966</b>	<b>5.0%</b>	
Pupil Services	18,106,536	18,537,063	19,295,060	\$757,997	4.1%	2
Libraries & Instructional Support	17,968,385	17,644,156	18,875,523	\$1,231,367	7.0%	3
General administration	3,201,753	3,323,453	2,935,138	(\$388,315)	-11.7%	4
Building administration	13,035,828	12,176,427	12,669,001	\$492,574	4.0%	2
Business & operations	52,909,202	38,605,074	61,253,099	\$22,648,024	58.7%	5
Central services	6,096,367	4,376,748	3,811,960	(\$564,788)	-12.9%	6
Insurance	879,447	1,140,625	893,579	(\$247,046)	-21.7%	7
Debt payments	16,479,498	21,770,208	18,428,922	(\$3,341,286)	-15.3%	8
Other support services	4,503,010	5,197,609	8,440,831	\$3,243,222	62.4%	9
Food service	8,682,957	7,945,568	8,552,545	\$606,977	7.6%	2
Community service	2,440,216	6,282,661	10,365,974	\$4,083,313	65.0%	10
<b>Total Support Services</b>	<b>144,303,201</b>	<b>136,999,591</b>	<b>165,521,631</b>	<b>\$28,522,040</b>	<b>20.8%</b>	
Non-program transactions	32,543,777	37,032,816	41,099,086	\$4,066,270	11.0%	11
<b>Gross Total Expenditures</b>	<b>318,392,393</b>	<b>316,317,122</b>	<b>355,983,399</b>	<b>\$39,666,277</b>	<b>12.5%</b>	
Difference of revenues over expenditures	(9,911,273)	514,817	(27,308,894)	(\$27,823,711)		
Other financing rev (exp)	517,461	5,420,000	24,307,777	\$18,887,777	348.5%	12
Net change in fund balance	(9,393,813)	5,934,817	(3,001,117)	(\$8,935,934)		
Fund Balance Beginning of Year	34,511,227	25,117,415	31,052,232	\$5,934,817	23.6%	
<b>Fund Balance End of Year</b>	<b>\$25,117,415</b>	<b>\$31,052,232</b>	<b>\$28,051,115</b>	<b>(\$3,001,117)</b>	<b>-9.7%</b>	

The number corresponds to the note column on the Expenditure Detail Table on the previous page.

1. Increase over prior year due to lower than expected spending resulting from the COVID-19 closure. Amount includes new online instructional resources and booking the \$3.8 million student technology equipment funded through lease financing.
2. Increase over prior year due to lower than expected spending due to the COVID-19 closure.

# All Funds Expenditures – NOTES

The number corresponds to the note column on the Expenditure Detail Table on the previous page.

3. Increase over prior year is due to lower than expected spending resulting from the COVID-19 and staff professional learning as part of Start Smart 2020.
4. Reduction reflects lower administrative costs and legal expenses.
5. Business and operations include over \$16.5 million for the construction of the Aquatic Center and over \$5 million of initial costs for implementation of the Long-Term Facility Master Plan. Additional costs are also allocated for pupil transportation and a reassignment of school security costs from central services.
6. Decrease includes a reassignment of school security costs to business and operations.
7. Lower insurance costs due to a rate decrease workers compensation.
8. Reduced cost due to a prior-year debt refinancing that inflated the prior year amount.
9. Increased cost due to the refresh of copy machine equipment. Accounting standards require booking the entire cost of the equipment lease in one year.
10. The amount includes construction costs for the Aquatic Center and payments to toward the Pritchard Park and Horlick field partnerships.
11. Increase is due to an additional \$4 million in costs for private school vouchers and \$685,000 for open enrollment tuition payments to other school districts.
12. Other financing revenue reflects the \$2 million lease financing of the copy machine replacement and \$3.8 million to acquire new student computers. In addition, the amount includes \$16.5 million of bond proceeds to finance construction of the Aquatic Center.



# Expenditures

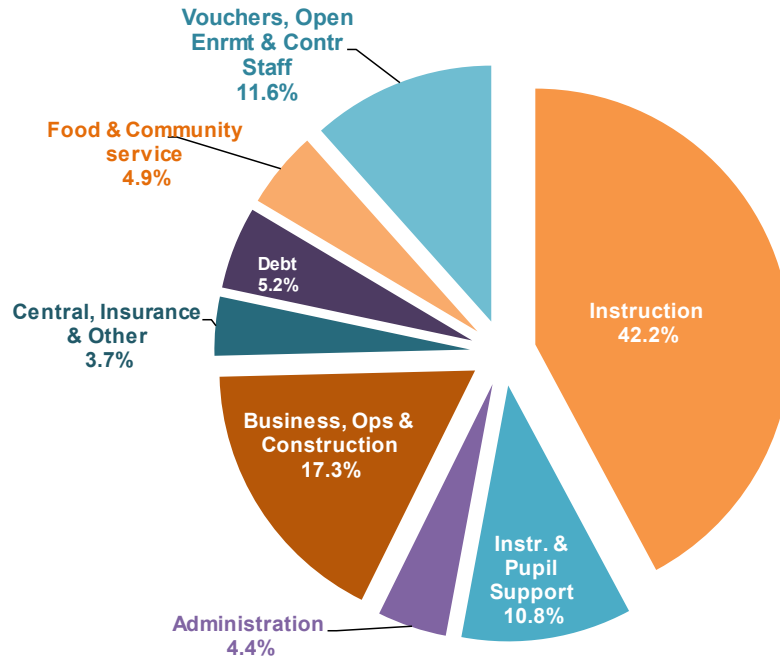
While Instruction and Instructional support makes up 53% of all funds expended, business/operations and construction support students and schools through pupil transportation, school maintenance and improvements to buildings.

Administrative costs decreased from 5.3% of total expenditures in 2019-20 to 4.4% in 2020-21.

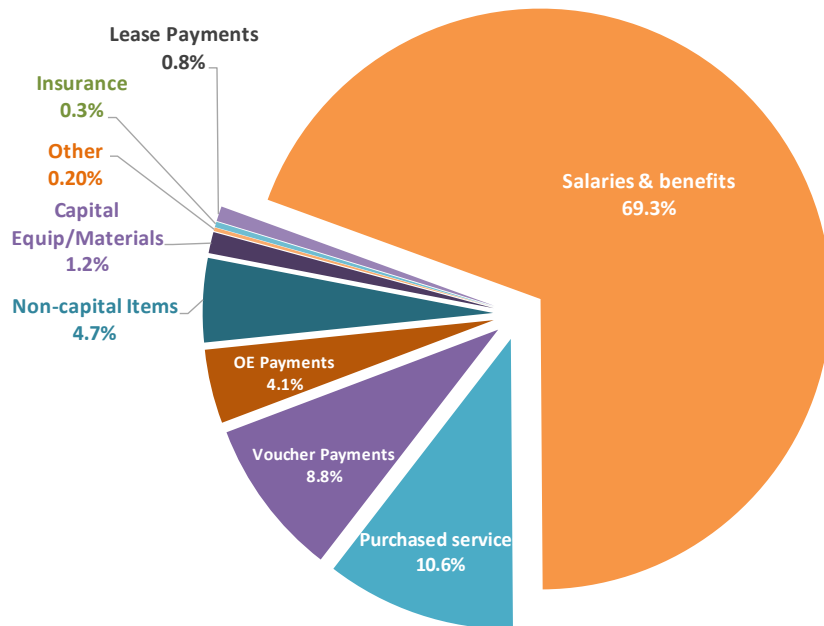
DPI reporting requires payments for private school vouchers to be recorded as an expense in the General Fund. They make up 8.8% of general operating fund expenses.

Salaries and benefits make up 69.3% of budgeted expenditures in the General and Special Education budget.

2020-21 - EXPENDITURES BY FUNCTION  
(ALL FUNDS)



2020-21 - EXPENDITURES BY OBJECT  
General & Special Education Fund



# Staffing

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. The table breaks down the information by employee group and whether the positions are funded by general or federal funds. The total FTE includes counts for teacher overloads and contracted employees. The costs associated with the staff are reflected in the budget.

The staffing process generated an overall decrease in staff of an estimated 55.62 FTE.

Federal funds will be used to maintain school instructional support staff for FY20.

Staff adjustments were made based on impacts due to student enrollment decline.

## Comparison of Staff by Employee Group Fiscal Year 2017-18 through 2020-21

	2017-18	2018-19	2019-20	Proposed 2020-21	FY20-21 Change	FY21 % Chg
<b>Certified Administrators</b>						
- Gen or Non-Grant Funds	94.40	97.50	84.10	83.60	-0.50	-0.6%
- Federal Grant Funded	8.50	6.00	11.70	10.70	-1.00	-8.5%
<b>TOTAL</b>	<b>102.90</b>	<b>103.50</b>	<b>95.80</b>	<b>94.30</b>	<b>-1.50</b>	<b>-1.6%</b>
<b>Teaching Staff</b>						
- Gen or Non-Grant Funds	1,592.41	1,587.61	1,548.62	1,508.86	-39.76	-2.6%
- Federal Grant Funded	104.30	110.65	120.15	113.15	-7.00	-5.8%
<b>TOTAL</b>	<b>1,696.71</b>	<b>1,698.26</b>	<b>1,668.77</b>	<b>1,622.01</b>	<b>-46.76</b>	<b>-2.8%</b>
<b>Educational Assistants</b>						
- Gen or Non-Grant Funds	385.34	387.51	370.76	368.59	-2.17	-0.6%
- Federal Grant Funded	10.74	11.80	11.00	13.00	2.00	18.2%
<b>TOTAL</b>	<b>396.08</b>	<b>399.31</b>	<b>381.76</b>	<b>381.59</b>	<b>-0.17</b>	<b>0.0%</b>
<b>Secretaries &amp; Clerical</b>						
- Gen or Non-Grant Funds	117.73	118.60	109.30	107.55	-1.75	-1.6%
- Federal Grant Funded	8.45	6.00	6.60	5.80	-0.80	-12.1%
<b>TOTAL</b>	<b>126.18</b>	<b>124.60</b>	<b>115.90</b>	<b>113.35</b>	<b>-2.55</b>	<b>-2.2%</b>
<b>Buildings and Grounds</b>						
- Gen or Non-Grant Funds	186.40	184.73	187.18	182.14	-5.04	-2.7%
- Federal Grant Funded	0.00	0.00	0.00	0.00	0.00	-
<b>TOTAL</b>	<b>186.40</b>	<b>184.73</b>	<b>187.18</b>	<b>182.14</b>	<b>-5.04</b>	<b>-2.7%</b>
<b>Professional Support</b>						
- Gen or Non-Grant Funds	86.90	91.50	87.35	87.13	-0.22	-0.3%
- Federal Grant Funded	9.50	8.75	6.50	7.12	0.62	9.5%
<b>TOTAL</b>	<b>96.40</b>	<b>100.25</b>	<b>93.85</b>	<b>94.25</b>	<b>0.40</b>	<b>0.4%</b>
<b>GRAND TOTAL</b>	<b>2,604.67</b>	<b>2,610.65</b>	<b>2,543.26</b>	<b>2,487.64</b>	<b>-55.62</b>	<b>-2.2%</b>

# Enrollment

School district revenues and costs are directly related to the number of pupils served as well as the curriculum and support programs offered. The number of staff a school district needs is directly related to the number of students served. Long-term facility needs are also based on projected enrollment. Consequently, enrollment constitutes the beginning point for the calculation of budgets. Significant variations in enrollment could occur due to the impact of COVID-19.

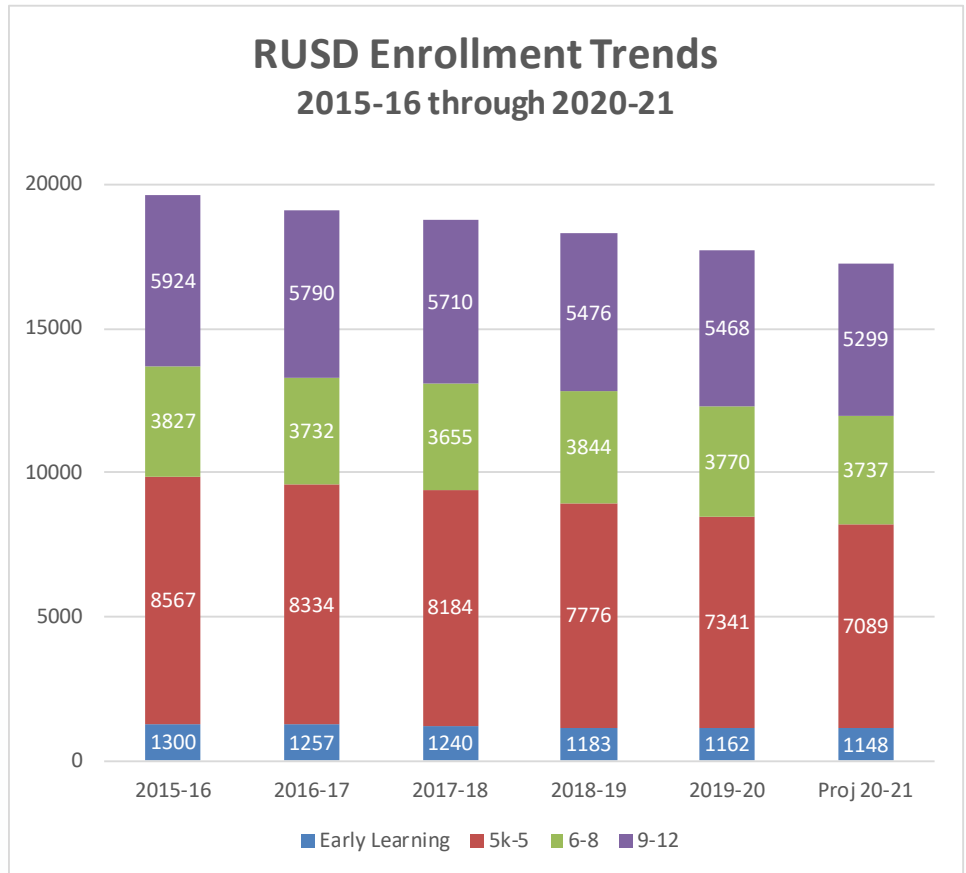
Total student enrollment in RUSD is projected to decline by 470 students.

The September 3<sup>rd</sup> Friday count is estimated to be lower by 445 students which impacts District funding. Summer school enrollment is expected to decline by 50%.

Students who open enrolled to other districts is expected to increase by 37 to 1,432 at a cost of over \$12.2 million.

FY21 Enrollment decline/increase by grade level over last year:

- Grades 9-12 -3.1%
- Grades 6-8 -0.9%
- Grades K-5 -3.4%
- 3YR & 4 YR -1.2%



# 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.

An additional \$2 million of general aid is used to reduce the property tax levy.

The increase in Federal funds will cover expenses related to the district COVID-19 response plan.

\$3.8 million of student technology and \$2.3 million in copy machines will be provided through a four-year lease.

Transfers to other funds includes almost \$35 million to the special education fund and \$9.4 million of referendum and district funds for the Long-Term Capital Improvement Fund.

## General Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2018-19 ACTUAL	2019-20 ADJ BUDGET	2020-21 INTERIM	PERCENT CHANGE
<b>Revenues by source</b>				
Property Taxes	\$72,101,999	\$69,398,082	\$79,565,799	14.65%
Local sources	2,083,494	1,559,752	1,219,450	-21.82%
Intermediate sources	218,443	220,000	229,217	4.19%
State sources	172,209,894	177,004,401	178,467,182	0.83%
Federal sources	12,370,777	15,001,114	19,937,454	32.91%
Fund Transfers and other revenues	959,220	144,302	6,597,531	4472.03%
<b>Total Revenues</b>	<b>259,943,827</b>	<b>263,327,651</b>	<b>286,016,633</b>	<b>8.62%</b>
<b>Expenditures by functional area</b>				
Instruction	102,512,730	102,581,414	108,342,766	5.62%
Pupil Services	12,066,698	11,968,900	12,404,753	3.64%
Libraries and instructional support	14,735,597	14,852,975	15,687,473	5.62%
General and Building Administration	16,078,040	15,355,862	15,488,096	0.86%
Business, operations & other	44,182,324	42,685,468	47,191,246	10.56%
Debt payments	1,489,727	1,489,727	2,468,999	65.73%
<b>Total support services</b>	<b>191,065,116</b>	<b>188,934,346</b>	<b>201,583,333</b>	<b>6.69%</b>
Non-program transactions (Voucher & OE)	30,999,010	35,562,692	39,896,175	12.19%
Transfers to other funds	37,593,844	38,583,615	44,537,125	15.43%
<b>Total expenditures and other financing</b>	<b>259,657,970</b>	<b>263,080,653</b>	<b>286,016,633</b>	<b>8.72%</b>
Difference of revenues over expenditures	285,858	246,998	0	-100.00%
Fund balance beginning of year	44,898,614	45,184,472	45,431,470	0.55%
<b>Fund balance end of year</b>	<b>45,184,472</b>	<b>45,431,470</b>	<b>45,431,470</b>	<b>0.00%</b>

More than two-thirds of District operations are accounted for in the General Fund budget. Initiatives included in the General Fund budget are:

- Federal Title funds used for supplemental programming provide instructional support for students, families, and many eligible private schools.
- Support staff and programs for students, teaching staff, and families.
- Funding for building maintenance, security, technology, and regular pupil transportation for public and private school students.



# Special Projects Funds

Special Projects Funds are used to account for transactions funded by distinct funds or for operations the Department of Public Instruction requires to be segregated from the General Fund. RUSD utilizes the following Special Projects Funds:

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.

Fund 29: Special projects fund which accounts for federal and other revenues received for Extended Day programs.

The local sources of revenue are funds from school fundraising and donations to allocated to a special revenue trust fund.

The Extended Learning Program operates in the Special Projects Fund using almost \$962,000 in federal grants funding for programs at schools.

**Special Projects Fund  
Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
INTERIM BUDGET**

	2018-19 ACTUAL	2019-20 ADJ BUDGET*	2020-21 INTERIM	PERCENT CHANGE
<b>Revenues by source</b>				
Local & intermediate sources	\$994,762	\$1,320,203	\$1,200,000	-9.10%
Federal sources	891,589	630,545	962,000	52.57%
<b>Total revenues</b>	<b>1,886,351</b>	<b>1,950,748</b>	<b>2,162,000</b>	<b>10.83%</b>
<b>Expenditures by functional area</b>				
Total Instruction	1,179,336	872,482	1,746,481	100.17%
Pupil services	46,701	36,817	138,909	277.30%
Instructional & staff support	184,527	270,079	547,599	102.76%
Administration	76,719	67,568	13,098	-80.61%
Business Operations & Other	163,101	131,282	136,866	4.25%
<b>Total expenditures</b>	<b>1,650,384</b>	<b>1,378,227</b>	<b>2,582,953</b>	<b>87.41%</b>
Difference of revenues over expenditures	235,967	572,521	(420,953)	
Fund balance beginning of year	518,701	754,667	1,327,189	
<b>Fund balance end of year</b>	<b>\$754,667</b>	<b>\$1,327,189</b>	<b>\$906,236</b>	<b>-31.72%</b>

*\*Note: Amount changed to reflect unaudited actual amount.*

The largest of these funds is the special revenue trust Fund 21. Implementation of new accounting standards (GASB 84) require school transactions using monies from fundraisers to flow through special project fund accounts. The 2020-21 budget breakdown for each fund's revenues and expenses are as follows:

	Fund 21	Fund 29
Total Revenues	1,200,000	962,000
Total Expenses	1,704,750	927,248

# Special Education Fund

This fund is used to account for special education and related services funded wholly or in part with state or federal special education aid. Fund transfers includes \$34.98 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 CARES Act funds received to support special education.

The increase in business operations reflects assumed higher pupil transportation costs.

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

## Special Education Fund Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2018-19 ACTUAL	2019-20 ADJ BUDGET	2020-21 INTERIM	PERCENT CHANGE
<b>Revenues by source</b>				
Local & intermediate sources	\$15,819	\$14,000	\$0	-100.00%
State sources	\$12,324,196	\$12,823,015	\$13,059,108	1.84%
Federal sources	\$5,791,609	\$6,460,383	\$7,313,823	13.21%
Fund Transfers and other revenues	\$34,476,844	\$34,622,227	\$34,978,489	1.03%
<b>Total Revenues</b>	<b>52,608,468</b>	<b>53,919,625</b>	<b>55,351,420</b>	<b>2.66%</b>
<b>Expenditures by functional area</b>				
Instruction	37,853,349	38,830,820	39,272,583	1.14%
Pupil Services	5,993,137	6,531,346	6,751,398	3.37%
Instructional support	3,048,261	2,521,102	2,640,451	4.73%
General and Building Administration	65,448	40,000	20,000	-50.00%
Business, operations & other	3,826,139	4,243,343	5,003,605	17.92%
Central Services	23,199	31,447	28,000	-10.96%
Insurance	251,248	272,125	244,470	-10.16%
<b>Total support services</b>	<b>51,060,782</b>	<b>52,470,183</b>	<b>53,960,507</b>	<b>2.84%</b>
Non-program transactions	1,539,496	1,449,442	1,202,911	-17.01%
Transfers to other funds	8,190	0	188,002	
<b>Total expenditures</b>	<b>52,608,468</b>	<b>53,919,625</b>	<b>55,351,420</b>	<b>2.66%</b>
Difference of revenues over expenditures	(0)	0	0	
Fund balance beginning of year	0	(0)	(0)	
<b>Fund balance end of year</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	

- Over 26.3% of instructional costs for the District are accounted for in the Special Education Fund budget. During the 2019-20 school year, students with disabilities made up 17.8% of the total student population.
- Initiatives included in the Special Education Fund budget include curriculum for students for alternative achievement standards and expanding augmentative communication systems.

# 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. The District extensively uses the debt fund 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. The District no longer utilizes this fund.

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 as long as related debt remains. The debt payment amounts are established at the time the school board approves a resolution to borrow.

Revenues from the REAL Fieldhouse continue to be used to help offset debt costs for acquisition of the building.

Referendum funds are budgeted to pay for \$5.4 M of debt costs related to school construction and improvements.

Debt principal and interest payments are lower this year due to refinancing \$5.4 M of debt last year which will save \$400,000 over the life of remaining payments.

## Debt Service Funds Combined Statement of Revenues, Expenditures and Changes in Fund Balance INTERIM BUDGET

	2018-19 ACTUAL	2019-20 ADJ BUDGET	2020-21 INTERIM	PERCENT CHANGE
<b>Revenues by source</b>				
Property taxes	\$14,182,554	\$14,067,465	\$13,843,794	-1.59%
Investment Earnings and Other	117,537	40,000	100,000	150.00%
Other financing sources	146,847	5,610,570	1,826,535	-67.44%
<b>Total revenues</b>	<b>14,446,939</b>	<b>19,718,035</b>	<b>15,770,329</b>	<b>-20.02%</b>
<b>Expenditures for debt payments</b>				
Principal & Interest	14,968,954	20,207,256	15,956,923	-21.03%
Other fees and expenses	5,317	56,725	3,000	-94.71%
<b>Total expenditures</b>	<b>14,974,271</b>	<b>20,263,981</b>	<b>15,959,923</b>	<b>-21.24%</b>
Difference of revenues over expenditures	(527,332)	(545,946)	(189,594)	
Fund balance beginning of year	2,657,457	2,130,125	1,584,179	-25.63%
<b>Fund balance end of year</b>	<b>\$2,130,125</b>	<b>\$1,584,179</b>	<b>\$1,394,585</b>	<b>-11.97%</b>

The budget anticipates acquiring debt for construction of the Aquatic Center. Community Service funds support \$1.65 million in debt service payments related to the Aquatic Center.

The District's bond rating as determined by Moody's Investors Service remains at Aa3 which is considered a very strong credit worthiness. The District is using less than 12.5% of the legal debt limit which is based on the total equalized property values.

# Capital Projects Funds

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.

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

The District is completed a Long-Term Facility Master Plan that will provide comprehensive information as to meeting our facility needs. This extensive plan has been shared with the public and will be continuously updated.

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

	2018-19 ACTUAL	2019-20 ADJ BUDGET*	2020-21 INTERIM	PERCENT CHANGE
Total revenues & financing	3,367,420	3,979,476	26,086,641	555.53%
Total capital project expenditures	15,980,079	2,007,325	21,830,034	987.52%
<b>Difference of revenues over Expenditure</b>	<b>(12,612,659)</b>	<b>1,972,151</b>	<b>4,256,608</b>	<b>115.84%</b>
Fund balance beginning of year	24,579,345	11,966,686	13,938,837	
<b>Fund balance end of year</b>	<b>\$11,966,686</b>	<b>\$13,938,837</b>	<b>\$18,195,445</b>	<b>30.54%</b>

*\* Note: FY20 Budget adjusted to reflect updated expenditures & fund balance*

During 2020-21 \$16.5 million of capital projects funds are dedicated for the construction of the Aquatic Center. Approximately \$5 million has been allocated for school improvements and maintenance projects to reflect initial implementation of the Long-Term Facility Master Plan.

# 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, providing lunch-room supervision, and processing free and reduced-price meal applications.

Over 90% of revenues are from federal funds through the National School Lunch Program.

Payments to Aramark for food service management represent over 66% of all expenses in the fund.

During the COVID-19 pandemic period from March to the end of July, over 160,000 breakfasts and 166,000 lunches were provided to the community.

**Food Service Fund**  
**Combined Statement of Revenues, Expenditures and Changes in Fund Balance**  
**INTERIM BUDGET**

	2018-19 ACTUAL	2019-20 ADJ BUDGET	2020-21 INTERIM	PERCENT CHANGE
<b>Revenues by source</b>				
Local sources	\$801,423	\$651,908	\$676,331	3.75%
State sources	157,985	166,173	110,262	-33.65%
Federal sources	8,243,896	7,049,928	7,568,545	7.36%
<b>Total Revenues</b>	<b>9,203,304</b>	<b>7,868,009</b>	<b>8,355,138</b>	<b>6.19%</b>
<b>Expenditures for food service</b>				
Salaries & benefits	1,054,268	1,111,904	1,328,484	19.48%
Purchased services	6,632,290	5,597,152	5,969,719	6.66%
Food & supplies	721,612	910,312	863,342	-5.16%
Furniture & equipment	259,285	309,700	358,000	15.60%
Other	15,501	16,500	33,000	100.00%
<b>Total food service expenditures</b>	<b>8,682,957</b>	<b>7,945,568</b>	<b>8,552,545</b>	<b>7.64%</b>
Difference of revenues over expenditures	520,348	(77,559)	(197,407)	
Fund balance beginning of year	2,125,690	2,646,038	2,568,479	-2.93%
<b>Fund balance end of year</b>	<b>\$2,646,038</b>	<b>\$2,568,479</b>	<b>\$2,371,072</b>	<b>-7.69%</b>

Beginning in the 2020-21 School year, all RUSD schools will participate in the Community Eligibility Provision (CEP) program which will allow RUSD to serve breakfast and lunch at no cost to all enrolled students, without the burden of establishing eligibility via an income application.



# 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.

Salaries and benefits include funds for staff for after-school programs for youths throughout the Racine area.

The budget includes completion of the construction of a \$1.3 million community health clinic at Julian Thomas Elementary School.

Community Service program expenditures includes \$6.25 million for construction of the new community Aquatic Center.

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

	2018-19 ACTUAL	2019-20 ADJ BUDGET*	2020-21 INTERIM	PERCENT CHANGE
<b>Revenues by source</b>				
Property taxes	\$5,000,000	\$10,000,000	\$3,900,000	-61.00%
Local sources	\$177,097	\$102,262	\$100,000	-2.21%
<b>Total Revenues</b>	<b>5,177,097</b>	<b>10,102,262</b>	<b>4,000,000</b>	<b>-60.40%</b>
<b>Expenditures</b>				
Salaries & benefits	1,952,992	1,751,138	2,015,491	15.10%
Other Community Service Expenditures	487,225	4,531,522	6,700,483	47.86%
<b>Total expenditures</b>	<b>2,440,216</b>	<b>6,282,661</b>	<b>8,715,974</b>	<b>38.73%</b>
Transfers to other funds	0	0	1,650,000	
<b>Total expenditures and other financing</b>	<b>2,440,216</b>	<b>6,282,661</b>	<b>10,365,974</b>	<b>64.99%</b>
Difference of revenues over expenditures	2,736,881	3,819,601	(4,715,974)	-223.47%
Fund balance beginning of year	576,283	3,313,164	7,132,765	115.29%
<b>Fund balance end of year</b>	<b>\$3,313,164</b>	<b>\$7,132,765</b>	<b>\$2,416,791</b>	<b>-66.12%</b>

\* Note: FY20 Budget amount adjusted to reflect updated expenditures & fund balance

The community service fund currently provides for:

1. Costs for Extended Learning and summer youth programs that are not paid with federal funds.
2. Programs such as Parent University, family engagement, and community mental health initiatives.
3. Construction and costs of the community Aquatic Center.
4. The Montessori program for 3-year-old students.
5. The cost of custodial service costs related to community use of facilities and not paid by rental charges assessed to the user, such as scout troops, parent-teacher organizations, etc.
6. Community information and outreach.
7. Support for the Lighthouse Brigade marching band.
8. Community use of the R.E.A.L. School Fieldhouse.
9. Parent-Child Oriented Classroom program for 3-year-old students and parents
10. County & Municipal recreational community program initiatives, including support for Pritchard Park and Horlick Field.

# 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 Hays 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.

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.

**Employee Benefit Trust Fund  
Statement in Change in Net Assets  
INTERIM BUDGET**

	<b>2018-19 ACTUAL</b>	<b>2019-20 ADJ BUDGET</b>	<b>2020-21 INTERIM</b>	<b>PERCENT CHANGE</b>
Total Revenues	4,951,000	5,126,201	5,408,408	5.51%
Expenditures for trust funds	4,597,847	4,764,979	5,032,357	5.61%
<b>Difference of revenues over Expenditures</b>	<b>353,153</b>	<b>361,222</b>	<b>376,051</b>	<b>4.11%</b>
Fund balance beginning of year	9,245,623	9,598,776	9,959,998	3.76%
<b>Fund balance end of year</b>	<b>\$9,598,776</b>	<b>\$9,959,998</b>	<b>\$10,336,049</b>	<b>3.78%</b>

# Addenda: DPI Budget Hearing Publication

Wisconsin school districts operate under provisions outlined in the state constitution and state law. DPI provides guidance and specific financial reports that are important aspects of the process of building the budget and managing District finances. Under state law, the school district must hold a hearing on the proposed budget. The DPI recommended publication for the budget hearing is provided below.

**RACINE UNIFIED SCHOOL DISTRICT**  
**Budget Summary for the School Year 2020-21**  
**INTERIM BUDGET**

*A budget hearing on the budget is scheduled for Monday, September 28, 2020 at 5:30 pm in the Board Room at the Administrative Service Center, 3109 Mount Pleasant Street.*

<b>GENERAL FUND</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
Beginning Fund Balance	44,898,614	45,184,472	45,431,470
<b>Ending Fund Balance</b>	<b>45,184,472</b>	<b>45,431,470</b>	<b>45,431,470</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
Transfers-In (Source 100)	498,242	60,252	6,380,531
Local Sources (Source 200)	74,185,493	70,957,834	80,785,249
Inter-district Payments (Source 300 + 400)	218,443	220,000	229,217
Intermediate Sources (Source 500)	0	0	0
State Sources (Source 600)	172,209,894	177,004,401	178,467,182
Federal Sources (Source 700)	12,370,777	15,001,114	19,937,454
All Other Sources (Source 800 + 900)	460,978	84,050	217,000
<b>TOTAL REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>259,943,827</b>	<b>263,327,651</b>	<b>286,016,633</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>			
Instruction (Function 100 000)	102,512,730	102,581,414	108,342,766
Support Services (Function 200 000)	88,552,386	86,352,932	93,240,567
Non-Program Transactions (Function 400 000)	68,592,853	74,146,307	84,433,300
<b>TOTAL EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>259,657,970</b>	<b>263,080,653</b>	<b>286,016,633</b>

<b>SPECIAL PROJECTS FUND</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
Beginning Fund Balance	518,331.64	736,924	1,272,996
<b>Ending Fund Balance</b>	<b>745,114.32</b>	<b>1,272,996</b>	<b>956,248</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>54,494,818.77</b>	<b>55,870,373</b>	<b>57,513,420</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>54,268,036.09</b>	<b>55,334,302</b>	<b>57,830,168</b>

<b>DEBT SERVICE FUNDS</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
Beginning Fund Balance	2,657,457	2,130,125	1,584,179
<b>Ending Fund Balance</b>	<b>2,130,125</b>	<b>1,584,179</b>	<b>1,394,585</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>14,446,939</b>	<b>19,718,035</b>	<b>15,770,329</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>14,974,271</b>	<b>20,263,981</b>	<b>15,959,923</b>

<b>CAPITAL PROJECTS FUND</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
Beginning Fund Balance	24,579,345	11,966,686	13,938,837
<b>Ending Fund Balance</b>	<b>11,966,686</b>	<b>13,938,837</b>	<b>18,195,445</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>3,367,420</b>	<b>3,979,476</b>	<b>26,086,641</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>15,980,079</b>	<b>2,007,325</b>	<b>21,830,034</b>

<b>FOOD SERVICE FUND</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
Beginning Fund Balance	2,125,690	2,646,038	2,568,479
<b>Ending Fund Balance</b>	<b>2,646,038</b>	<b>2,568,479</b>	<b>2,371,072</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>9,203,304</b>	<b>7,868,009</b>	<b>8,355,138</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>8,682,957</b>	<b>7,945,568</b>	<b>8,552,545</b>

<b>COMMUNITY SERVICE FUND</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
Beginning Fund Balance	576,283	3,313,164	7,132,765
<b>Ending Fund Balance</b>	<b>3,313,164</b>	<b>7,132,765</b>	<b>2,416,791</b>
<b>REVENUES &amp; OTHER FINANCING SOURCES</b>	<b>5,177,097</b>	<b>10,102,262</b>	<b>4,000,000</b>
<b>EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>2,440,216</b>	<b>6,282,661</b>	<b>8,715,974</b>

<b>Total Expenditures and Other Financing Uses</b>			
<b>ALL FUNDS</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
<b>GROSS TOTAL EXPENDITURES -- ALL FUNDS</b>	356,003,528	354,914,489	398,905,276
<b>Interfund Transfers (Source 100) - ALL FUNDS</b>	(37,626,636)	(38,613,867)	(44,571,877)
<b>Refinancing Expenditures (FUND 30)</b>	0	5,390,000	0
<b>NET TOTAL EXPENDITURES -- ALL FUNDS</b>	<b>318,376,893</b>	<b>321,690,622</b>	<b>354,333,399</b>
<b>PERCENTAGE INCREASE -- NET TOTAL FUND EXPENDITURES FROM PRIOR YEAR</b>		<b>1.04%</b>	<b>10.15%</b>

<b>PROPOSED PROPERTY TAX LEVY</b>			
<b>FUND</b>	<b>2018-19 Audited Actual</b>	<b>2019-20 Budget</b>	<b>2020-21 Proposed Budget</b>
General Fund	72,101,999	69,398,082	79,565,799
Non-Referendum Debt Service Fund	12,345,115	14,067,465	13,843,794
Referendum Debt Service Fund	1,837,439	0	0
Capital Expansion Fund	0	0	0
Community Service Fund	5,000,000	10,000,000	3,900,000
<b>TOTAL SCHOOL LEVY</b>	<b>91,284,553</b>	<b>93,465,547</b>	<b>97,309,593</b>
<b>PERCENTAGE INCREASE -- TOTAL LEVY FROM PRIOR YEAR</b>		<b>2.39%</b>	<b>4.11%</b>

The below listed new or discontinued programs have a financial impact on the proposed 2020-21 budget:

<b>DISCONTINUED PROGRAMS</b>	<b>FINANCIAL IMPACT</b>
Savings from Staffing Efficiencies	\$3,200,000
Departmental Budget Savings	\$700,000
<b>NEW PROGRAMS</b>	<b>FINANCIAL IMPACT</b>
Student Technology	\$3,800,000
Pupil Transportation	\$830,000
Aquatic Center Construction Funds	\$16,500,000
Federal COVID-19 Response	\$7,300,000
Initial Facility Master Plan Implementation Costs	\$5,000,000

Addendum: Revenue Limit Exemption for Energy Conservation s.121.91(4)(0)1.

Facility Improvements (Trane/Johnson Controls Performance Contract): The Racine Unified School District exercised its taxing authority to exceed the revenue limit on a non-recurring basis by \$6,618,277 to fund debt and excess costs related to \$55.335 million of planned energy efficiency measures and facility improvement projects for the 2012-2013, 2013-14, 2014-15, 2016-17, 2017-18, and 2018-19 school years. The district has expended \$6,618,277 of this revenue limit authority on debt service costs in 2019-20. As a result of these expenditures, the district has met the following performance indicators:

A) The district has expended \$55.335 million for envelope improvements and upgrades to lighting, controls, boilers and other improvements at 25 buildings;

i. For projects completed by the Trane Corporation, upgrades were made to interior and exterior lighting systems, building automation systems, mechanical systems, building envelopes, pipe insulation, electrical system upgrades, building insulation work, roof repairs, parking lot replacement, windows and doors. High efficiency plumbing retrofits, boiler and ventilation unit replacement and steam to hot water conversions were also completed. The projects resulted in an estimated 5,333,179 kilowatt hours and 633,837 therms of reduced energy consumption providing approximately \$1,368,795 in measured utility cost avoidance since project completion; and

ii. For projects completed by Johnson Controls, upgrades were made to interior and exterior lighting systems, building automation systems, mechanical systems, building envelopes, pipe insulation, and windows. High efficiency plumbing upgrades, swimming pool installations, and steam to hot water conversions were also completed. The measured utility cost avoidance since completion of the projects is \$1,002,409.

B) Operational cost savings were reported by Johnson Controls to be \$1,254,861 since completion of the projects; and

C) Monitoring and evaluation of the projects by the Trane and Johnson Controls has begun which will be reported



# Addenda: Glossary of Terms

## Acronyms

3K – Three-Year-Old Kindergarten  
4K – Four-Year-Old Kindergarten  
5K – Five-Year-Old Kindergarten  
DPI – Department of Public Instruction  
FTE – Full Time Equivalency  
GASB – Governmental Accounting Standards Board  
OPEB – Other Post-Employment Benefits  
WUFAR – Wisconsin Uniform Financial Accounting Requirements

## Definitions

**Audit** – An examination of records and documents, and the securing of other evidence, for one or more of the following purposes. (a) To attest to the fairness of management’s assertion in financial statements, (b) Evaluate whether management has efficiently and effectively carried out its responsibilities, (c) Determining the propriety of transactions, (d) ascertaining whether all transactions have been recorded, and € determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts.

**Budget** – a plan of financial operation embodying an estimate of proposed revenues and expenditures for a given accounting period.

**Categorical Aid** – State or federal aid which is intended to finance or reimburse some specific category of instructional or supporting program or to aid a particular target group of pupils. The district may use the aid only for the purpose for which it is paid. (Also see general aid) Wisconsin categorical aids include special education, library (Common School Fund), driver education aid, integration aid, food service, bilingual/bicultural and other state aids. Federal categorical aids include No Child left Behind, IDEA (special education), vocational education, food service, and other programs.

**Capital Projects** – These funds are used to account for financial resources used for the acquisition or construction of capital facilities. These include land, improvements to land, buildings and building improvements and infrastructure.

**Debt Service** – Expenditures for the retirement of principal and payment of interest on a debt.

**Deficit** – Occurs when budgeted spending exceeds budgeted income.

**DPI** - Wisconsin Department of Public Instruction. This state agency oversees public education and libraries in Wisconsin, as prescribed by the state constitution and state law.

## Equalization –

- The process by which the Wisconsin Department of Revenue converts all local assessor determined property values, by municipality, to a uniform level. (also see property valuation).
- The process of ensuring a minimum tax base (the guaranteed valuation) for the support of education for each pupil in Wisconsin, so that school districts which spend at the same level will tax at the same rate.

# Addenda: Glossary of Terms

**Equalized Aid** – a component of general state aids distributed to school districts based on a formula that takes into consideration each individual district's equalized valuation, membership ad costs.

**Fiscal year** – A 12-month accounting period at the end of which a school district determines its financial condition and the results of its operations and closes its books. Wisconsin school districts have a July 1 through June 30 fiscal year.

**FTE (Full-Time Equivalency)** – The number of total hours worked divided by the maximum number of compensable hours in a full-time schedule.

**Fund Balance** – Represents the cumulative of surpluses and deficits over the years. The fund balance is often equated with the financial condition of a school district; however, it does not take into consideration long-term obligations (see Net Assets). Fund Balance contracts with cash balance in that it includes certain amounts that are owed to or owed by the school district.

**Levy** – (verb) to impose taxes or special assessments. (noun) The total of taxes or special imposed by a governmental unit.

**Levy Rate** – In property taxation, the amount of tax to be raised divided by the value of property to be taxed; often expressed in mills of the tax per dollar of property value, hence the term 'mill rate.' (also see Property Valuation)

**Open Enrollment** – A school enrollment program that allows parents to apply for their children to attend school in a school district other than the one in which they reside.

**Other Post-Employment Benefits (OPEB)**– Benefits that an employee will begin to receive at the start of retirement but excludes pension benefits paid to the retired employee. Examples of other post -employment benefits that a retiree can receive are health and dental insurance premiums, life insurance premiums and deferred compensation arrangements.

**Property Valuation** – The dollar value placed on land and buildings for purposes of administering property taxes. There are two commonly used methods of describing property valuation: assessed and equalized valuation may either include or exclude a TIF increment.

**Revenue Limit** – The maximum amount of revenue that may be raised through state general aid and property tax for the General, Non-Referendum Debt (authorized after August 12, 1993), and Capital Expansion funds, also referred to as Funds 10,38 and 41 respectively.

# Addenda: Glossary of Terms

**Wisconsin Uniform Financial Accounting Requirement (WUFAR)** – A system of classification of financial transactions using uniform definitions and code numbers, as prescribed by the DPI for school districts under Statute 115.28 (13). The dimensions common to all school districts in Wisconsin are:

- Fund – An independent fiscal and accounting entity, with its own set of assets, liabilities, revenues and expenditures, used to account for financial transactions in accordance with laws, regulations, or restrictions. The DPI requires reporting of various revenues and expenditures within specified funds.
- Function – an account designation that categorizes a reason or purpose served by a particular expenditure or made possible by a particular receipt.
- Location – an account designation that categorizes financial transactions by the building, department or operating unit given cause for the transaction.
- Object – an account designation that categorizes an article or service obtained from a specific expenditure.
- Source – an account designation that classifies revenues and other receipts according to their origin, such as local, state, or federal.
- Project – An account designation that categorizes the funding source of an expenditure or receipt. This coding is most often associated with projects that are funded with state or federal grants.

## References:

About.com

Public Business Consulting Group, LLC (January 2003)

Glossary of School Finance Terms: Wisconsin Association of School Business Officials (WASBO) and Wisconsin Association of School District Administrators (WASDA)

Wikipedia, The Free Encyclopedia, [www.wikipedia.org](http://www.wikipedia.org)

Wisconsin Association of School Business Officials, Accounting Committee

Wisconsin Department of Public Instruction, [www.dpi.wi.gov](http://www.dpi.wi.gov)