



NICOLET

HIGH SCHOOL

2020-21 Preliminary Budget

PREPARED BY DIRECTOR OF BUSINESS SERVICES, JEFF PRUEFER

PRESENTED TO THE NICOLET UNION HIGH SCHOOL DISTRICT BOARD OF EDUCATION ON

THURSDAY, JUNE 18, 2020

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School Profile

Nicolet Union High School District is an independent high school district encompassing the northeast Milwaukee County suburbs of Bayside, Fox Point, Glendale, and River Hills. The geographic area is 16 square miles. Nicolet is a four-year public high school with an enrollment of approximately 1,100 students. Nicolet consistently ranks among the highest in Wisconsin in per-pupil expenditures. The school population is representative of a multicultural community. The majority of Nicolet graduates pursue post-secondary education and college preparatory curriculum is strongly emphasized.

Board of Education

Ellen Redeker, President
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Leigh Wallace-Tabak, Clerk
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Term Expires

April, 2022
April, 2021
April, 2023
April, 2023
April, 2021

District Mission Statement

Transforming knowledge into wisdom, the Nicolet High School District accelerates the achievement of every student, in every classroom, every day by promoting intellectual discovery, inspiring creativity, embracing diversity and encouraging students to become enlightened, humane, responsible citizens.

Facilities Vision Statement

Nicolet Union High School District strives to accelerate the achievement of every student. We believe our facilities should enhance learning and improve academic performance by:

- Providing a safe, well-maintained, sustainable and welcoming environment that promotes student and staff well-being
- Promoting a culture of inclusion, school pride, and community partnership
- Creating flexible spaces that support student and staff collaboration
- Ensuring opportunities for community education and recreation

Introduction

The school district budget is a financial plan designed to achieve the strategic goals of Nicolet Union High School District. It is imperative that the budget be structured to meet the district's objectives within the financial constraints of school funding in the state of Wisconsin. The budget is prepared with significant staff input regarding district needs and priorities. The budget is designed to be understandable to the Board of Education, administration, staff, students, parents and district taxpayers.

Timeline

The budget process for the 2020-21 school year began in 2019 with the development of a budget timeline in December, 2019. Based on that timeline, the business office solicited budgetary requests from staff from December-January from budget managers. Budget requests were reviewed and considered during January. Those requests are included in this preliminary budget.

The process progressed with the development of 2020-21 budget assumptions at the January Board Workshop. Based on those assumptions, a 2020-21 Budget Planning Guide was prepared and presented at the February Board meeting. This budget guide includes a look at enrollment changes and staffing. It also provides a preliminary financial projection incorporating such assumptions as state budget impact, proposed legislative changes that impact school funding, personnel cost increases, department financial needs, shifts in costs for services, etc.

The director of business services then builds a preliminary budget for approval in the spring based off of the guidelines developed during winter. Please note that there have been changes made to assumptions that were made previously. Those deviations are included in this preliminary budget.

If approved, this preliminary budget is presented to the community at the annual meeting in August (unless significant changes require an update prior). After the annual meeting, the budget will be updated in October based on changes to items such as membership (enrollment), identification of voucher students, certification of equalized values and final state aid allocation. The Board of Education will adopt a final version of the budget and set the tax levy at the October Board meeting.

Executive Summary

In the State of Wisconsin, a school district's budget is divided into many "funds." The Department of Public Instruction (DPI) requires reporting of various revenues and expenditures within specified funds. The different "funds" and their descriptions utilized by Nicolet Union High School District are presented below:

Fund	Description
10	General Operating Fund
21	Special Revenue Trust Fund
27	Special Education Fund
38	Non-Referendum Debt Service Fund
46	Long-Term Capital Improvement Fund
49	Special Projects Fund
50	Food Service Fund
60	Student Organization Fund
73	Employee Benefit Trust Fund
80	Community Services Fund
97	Transportation Cooperative Fund

Enrollment (Students Attending Nicolet High School)

Student enrollment is one of the key components tied to district revenues. It is also an important factor in determining appropriate staffing levels within district buildings for planning purposes. The most recent four years of historical data, as well as the projected September 2020 student count are shown below.

Grade	2016-17	2017-18	2018-19	2019-20	2020-21 (proj)
9	244	277	279	284	269
10	299	247	271	277	282
11	279	290	247	266	277
12	254	284	299	245	262
Total	1,076	1,098	1,096	1,072	1,090

Source: Wisconsin DPI WISEDash (2016-17 – 2017-18)

Source: Wisconsin DPI School Finance Portal September Student Count Data (2018-19 & 2019-20)

Source: Internal Enrollment Projection (2020-21)

Membership (Student FTE Calculation)

Enrollment is converted to membership or FTE. FTE is what is used to calculate the amount of revenue the district can receive via the revenue limit calculation which includes property taxes and state aid. In order to calculate FTE, enrollment is adjusted/updated to determine the number of resident students being educated in public schools. Non-resident students (mainly 220 and Open Enrolled In) are removed from the resident student count and open enrolled out students are added in. There are also other situations that increase or decrease student FTE such as summer school, tuition waivers, outside age eligibility, etc.

Historical FTE numbers by year, as it relates to the revenue cap calculation, are shown below:

Year	Student FTE
2015-16	1,094
2016-17	1,057
2017-18	1,087
2018-19	1,059
2019-20 (Final TBD)	1,026
2020-21 (Projection)	1,051

These student FTE counts are then averaged over a three-year period which is used in the revenue cap calculation. The average FTE over the last five years, as well as a projection for next school year, is illustrated below:

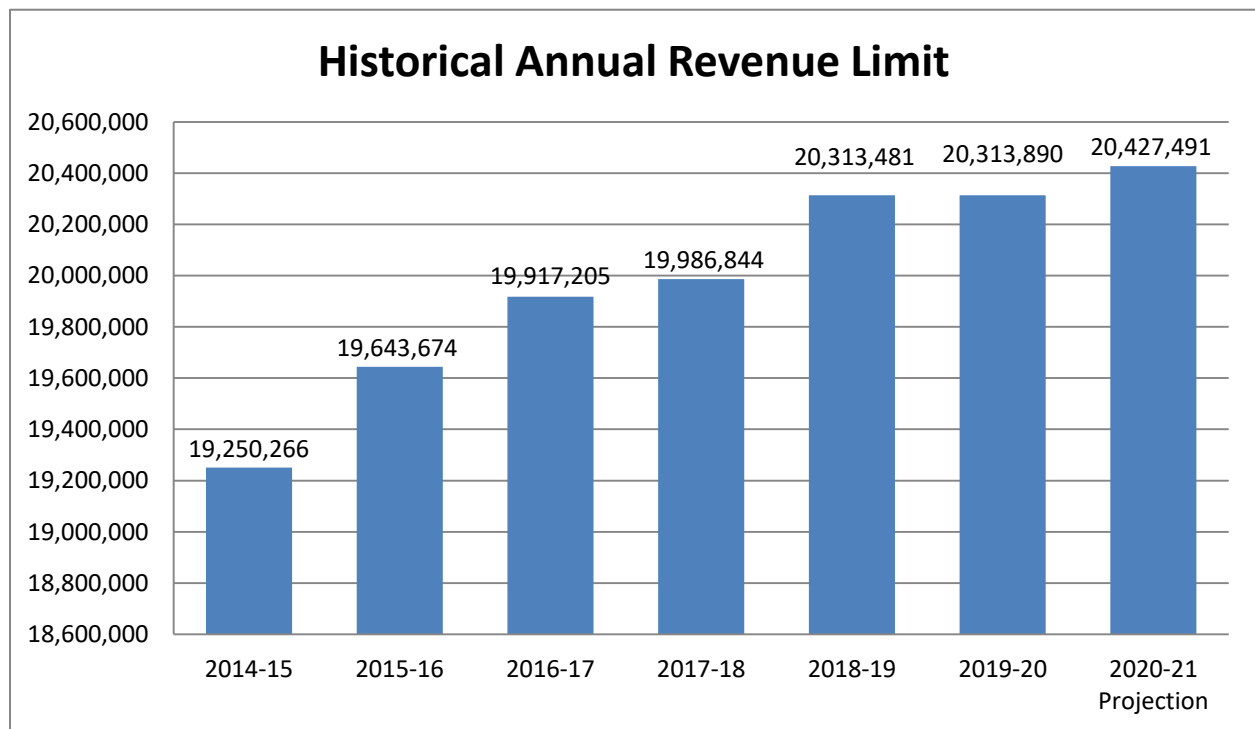
Three Year Average	
Year	Student FTE
2015-16	1,083
2016-17	1,081
2017-18	1,079
2018-19	1,068
2019-20 (Final TBD)	1,058
2020-21 (Projection)	1,046

Revenue Limit

The state revenue cap formula is a significant factor in the development of any school district budget. The revenue limit caps the amount of revenue available to school districts from the two main sources of revenue available for Wisconsin public schools: (1) Equalization Aid; and (2) Property Taxes. The revenue cap directly affects Funds 10 (General Fund) and 38 (Non-Referendum Debt Service Fund) and indirectly affects Fund 27 (Special Education Fund). Fund 27 is funded primarily via a transfer from Fund 10, thus being impacted by the amount of revenue available in Fund 10.

The 2019-21 state budget provided an increase of \$175/student on the revenue cap in 2019-20 and \$179 in 2020-21. The increase provided on the revenue cap within the proposed biennial state budget represents the majority of new funding for public schools over the next two years. Due to current conditions, it is widely expected that the state government will reconvene and pass a budget repair bill for the 2020-21 school year. In anticipation of this change, many schools are preparing to for the legislature to pull back from the planned \$179/student increase. This preliminary budget incorporates a \$0/student change to the revenue cap. Please note that this is a change from the budget assumptions previously discussed during the budget process.

An illustrative representation of the changes in revenue limit authority over the past six years, as well as a projection for next year (2020-21), is shown below:



Impact of Debt on Revenue Limit: All of Nicolet's debt falls within the revenue cap. This means that changes in debt payments directly impacts the amount of revenue for general operations. This is the result of borrowing as a result of a Board decision versus going to a capital referendum to exceed the revenue cap.

Energy Efficiency Debt: One of the District's debts relates to an energy efficiency project that was undertaken to install new windows. This specific type of debt allows the District to exceed the revenue

cap to make principal and interest payments. When that specific debt has any type of fluctuation with payment, it will impact the revenue cap and property taxes.

In 2020-21, the Fund 38 levy is increasing by approximately \$98k. That represents the majority of the increase (\$113k) shown in the above graph and doesn't represent new dollars for general operations. The amount of new dollars as a result of the revenue limit is \$15k.

How is the Revenue Limit increasing if Student FTE is decreasing?

The District is projecting no increase on a per student basis on the cap for the 2020-21 school year. The District is projecting a decrease to the three year average FTE for cap purposes. This means that the District will continue to receive \$15,590/student within the cap; however it will have less students to receive that amount for. It is reasonable to think that the District will receive less revenue. However, the State protects the financial well being of Districts with declining membership through exemptions to the revenue limit. Due to declining membership (i.e. student FTE), the District is projecting that it will qualify for both the hold harmless and declining enrollment exemptions within the revenue cap calculation.

Hold Harmless Provision: The hold harmless provision guarantees that the District will receive revenue from the cap of no less than prior year (before exemptions). The District would have qualified for this last year (due to decreased FTE) had it not received the \$175/student increase from the state government. Since the District is now projecting no increase on the revenue cap on a per student basis, we will qualify for this exemption based on a drop in FTE. The projected hold harmless amount is \$187,080.

Declining Enrollment Exemption: Separate from the hold harmless provision is the declining enrollment exemption. Districts with declining enrollment from the prior year qualify for this exemption without regard for revenue. The District qualified for this exemption in 2019-20. The amount of this exemption is also \$187,080. This is the fifth year in a row that the District has qualified for the declining enrollment exemption.

Exemptions: Between these two amounts, the District will receive an extra \$374,160 on the cap. This provides nice flexibility for 2020-21, however this amount will fall off the cap in 2021-22. This is important to know for future planning.

State Equalization and Integration (220) Aid

In 2020-21, the District is projecting to receive a slight decrease in equalization and integration aid. The proposed budget estimates a decrease from \$1,074,941 (19-20) to \$980,106 (20-21). This is a decrease of 8.82% from the prior fiscal year. The equalization aid projection is down \$67,045 from 2019-20 to 2020-21 as a result of a decrease in membership (i.e. resident students). The 220 aid projection is also projected to decrease \$27,790. As a reminder, aid is based on information from the prior year (spending, enrollment, etc).

The district has not yet received the state equalization aid estimate from DPI. The aid estimate is released on July 1st each year. The district's financial projection model will be updated as information becomes available.

Note: The current estimate for both 220 and equalization aid is based off of a projection from our Baird forecasting model.

Open Enrollment

The District did not approve any new seats for open enrollment at the January Board meeting. As a result, the revenue associated with open enrollment is projected to decrease. The District also currently has a large senior class (Class of 2020) and a small incoming freshman class for open enrollment out and is predicting a slight decrease in cost for open enrollment.

Funding for open enrollment changes on an annual basis. The projected transfer rate continues to increase for 2020-21. The rate is predicted to rise to \$8,125 for regular education and \$12,977 for students with disabilities. The potential is there with the budget repair bill to see a decrease in this transfer rate. It is unlikely that it would increase beyond the prediction above. Any change affects both open enrollment in and out.

The specific financial implication of open enrollment changes can be found in the Fund 10 revenue and expense budget.

Tax Levy

The total 2020-21 district tax levy is projected to increase from the 2019-20 levy. Two years of historical information and the projected tax levy for the 2020-21 school year are shown below.

PROPOSED PROPERTY TAX LEVY			
Fund	Audited 2018-19	Unaudited 2019-20	Proposed 2020-21
General Fund (Fund 10)	18,015,581	17,862,073	17,971,738
Non-Ref Debt (Fund 38)	914,497	1,018,069	1,115,447
Comm. Svc. (Fund 80)	255,455	255,455	342,000
Total School Levy	19,185,533	19,135,597	19,429,185
% In/Decrease from prior year	0.45%	(0.26%)	1.53%

The 2020-21 tax base is estimated to increase to \$4,344,525,388 or \$23,620,888 higher than 2019-20 (\$4,320,904,500). This change equates to a 0.55% increase (this will be updated as this amount becomes available – late summer). The 2020-21 mill rate (tax levy/tax base) is estimated to increase slightly from \$4.43/mill to \$4.47/mill. The average school tax on a \$300,000 home is estimated to increase by \$12 (assuming home had assessment change of 0%).

An illustration of the shift in mill rate for the past two years and well as a projection for next year is listed below. *The mill rate is still 0.41 less than it was in 2015-16.*

Proposed Mill Rate			
	Audited 2018-19	Unaudited 2019-20	Proposed 2020-21
Mill Rate*	\$4.70	\$4.43	\$4.47
Percentage Decrease	(0.85%)	(5.76%)	0.98%

*Tax rate per \$1,000 of equalized value

General Fund – Fund 10

Purpose of Fund: The purpose of the General Fund (Fund 10) is to account for the educational programs and operations of the school district, excluding special education programs. The majority of district financial activity falls within Fund 10.

Fund 10 Revenue	2019-20	2020-21	\$ Change	% Change
Property Taxes	17,862,073	17,971,738	109,665	0.61%
Student Fees	413,503	389,180	(24,323)	(5.88%)
Admission Fees	60,650	55,000	(5,650)	(9.32%)
Interest Earnings	39,999	30,000	(9,999)	(25.00%)
Facility Rental	65,000	50,000	(15,000)	(23.08%)
Athletic Reimbursement	4,000	9,250	5,250	131.25%
FEAR Transfer	39,000	47,250	8,250	21.15%
Open Enrollment	213,659	113,750	(99,909)	(46.76%)
Interdistrict Payments for Services	200,000	200,000	---	---
Interdistrict Payment for Athletics	6,000	6,815	815	13.58%
220 Transportation Reimb.	90,228	90,000	(228)	(0.25%)
Tuition Revenue (Math Offerings)	19,983	20,000	17	0.09%
Federal Aid Transit (CESA)	19,025	19,868	843	4.43%
Transportation Aid	24,865	25,000	135	0.54%
Library Aid	55,100	51,100	(4,000)	(7.26%)
Integration Aid (220)	721,510	693,720	(27,790)	(3.85%)
State Equalization Aid	353,431	286,386	(67,045)	(18.97%)
State Grants	17,600	8,500	(9,100)	(51.70%)
Tax Exempt Computer/Prop Aid	360,200	360,200	---	---
Per Pupil Categorical Aid	784,294	776,132	(8,162)	(1.04%)
Title I-A	84,594	83,586	(1,008)	(1.19%)
Other Federal Grants (Title II, Title III, Title IV, Perkins, and CEIS)	76,275	73,347	(2,928)	(3.84%)
Worker's Compensation Dividend	25,000	25,000	---	---
Refund of Prior Yr Expense	10,000	10,000	---	---
Transfer from Fund 27 (Indirect Cost)	14,700	14,700	---	---
Total Revenue	21,560,689	21,410,523	(150,166)	(0.70%)

Revenue Notes:

- Revenue Cap Revenues
 - Property Taxes: Up approximately \$110k
 - Equalization Aid: Down approximately \$67k
 - 220 Integration Aid: Down approximately \$28k
 - Computer/Property Aid: No change
 - **Overall: Up \$15k**
- Student fees decreased as a result of the elimination of fees for most English courses
 - Other fees may be reduced/waived for the 2020-21 school year if the District is forced to go virtual
 - As a result, this revenue may be reduced
- Aids (Equalization and Integration) projected to decrease primarily to due decreased FTE
- Decreased interest revenues due to economic factors
- Facility rental revenue decreased to represent projected closures

- Open Enrollment (O.E.) In decreased to reflect less open enrolled in students
- Inter-district payments held constant. This will be updated for 2020-21 based on final trend from 2019-20.
- FEAR Transfer updated based on advisor input
- Removed CTE incentive grant (both revenue and expense) due to unexpected receipts/expenses
- Per Pupil Categorical Aid projected to decrease as a result of decreased FTE
- All grant budgets will be updated this fall

Fund 10 Expenses	2019-20	2020-21	\$ Change	% Change
Personnel Costs	14,253,971	14,434,734	180,763	1.27%
Department Budgets	302,353	298,492	(3,861)	(1.28%)
High School Administration	135,600	99,050	(36,550)	(26.95%)
Pupil Transportation	975,193	917,433	(57,760)	(5.92%)
Athletics	312,090	320,290	8,200	2.63%
Co-Curricular Clubs	191,050	199,300	8,250	4.32%
Library	67,598	63,600	(3,998)	(5.91%)
Information Technology	578,590	551,603	(26,987)	(4.66%)
Teaching and Learning Budget	106,000	103,000	(3,000)	(2.83%)
Textbooks/Workbooks	73,000	103,000	30,000	41.10%
Business Office	260,000	246,896	(13,104)	(5.04%)
Open Enrollment	160,000	115,329	(44,671)	(27.92%)
Property/Liab./Work. Comp. Insurance	250,703	227,000	(23,703)	(9.45%)
Student Services Department	84,821	82,600	(2,221)	(2.62%)
Special Education Transfer	1,754,374	1,816,051	61,677	3.52%
Utilities	518,527	470,000	(48,527)	(9.36%)
District Administration Budget	397,089	303,000	(94,089)	(23.69%)
Communications	100,000	100,000	---	---
Facility Planning	---	43,000	43,000	100.00%
Staff Services	16,650	16,650	---	---
Building and Grounds	676,609	624,000	(52,609)	(7.78%)
Voucher Expense	125,719	128,771	3,052	2.43%
Youth Options (DEA, GPS, CESA HS, UW)	162,731	142,200	(20,531)	(12.62%)
Title Grants (Non-personnel)	40,074	36,299	(3,775)	(9.42%)
Carl Perkins	16,157	14,725	(1,432)	(8.86%)
Ed. Effectiveness Grant	7,600	8,500	900	11.84%
Total Expenses	21,566,499	21,465,523	(100,976)	(0.47%)
Rev-Exp	(5,811)	(55,000)	(49,189)	(846.48%)
Beg FB	6,794,620	6,788,809	(5,811)	(0.09%)
End FB	6,788,809	6,733,809	(55,000)	(0.81%)

Expenditure Notes

- Personnel budget includes:
 - 1.81% base wage increase for teacher group
 - \$20,000 in supplemental wage increases (\$5k each) approved for four teachers
 - 1.81% increase for all other staff (administration, supervisory/confidential, support staff, custodians)
 - 3% Health Insurance increase
 - Increased WRS contribution projection from 6.65% to 6.90%
 - Math reduction of 0.8 FTE part-time role for 2020-21
 - Literacy Interventionist/Coach added for 2020-21
 - Part-time Social Studies position added for 2020-21 (0.5 FTE)
 - Hallway supervisor role eliminated for 2020-21
 - Part-time administrative assistant position added in HS Office

- Department budgets held fairly stable
 - English budget increased to purchase books (elimination of student fees for English)
- HS Administration budget decreased due to planned removal of graduation cost (graduation moved to District Administration budget)
- Pupil transportation updated to align with actual costs (budget will be updated prior to October certification after routing is complete)
- Athletics/Activities budget increased to account for approved budget request (HUDL Package)
- IT budget decreased due to savings on copier lease and scanning software
- Teaching and Learning and Business Office budgets refined to locate cost savings
- Textbooks budget increase to account for world languages textbook purchase
- Open Enrollment updated per enrollment projection
- PNC insurance decreased due to planned decrease in cost on worker's compensation insurance
- Special Education transfer updated based on changes in Fund 27 budget
- District Administration budget decreased significantly (primary reason being savings on legal expenses)
- Building and Grounds budget decreased due to a lower amount needed for special projects

Overall Considerations

Listed below are items to consider when analyzing this budget draft

- 2020-21 is the fifth year of a six-year operational referendum
 - Expectation is that the budget would/should be a deficit budget (based on prior planning)
 - Budget is essentially balanced for the 2020-21 school year
 - \$55k deficit is a planned purchase of English and World Language books utilizing savings (fund balance) from the 2020-21 fiscal year
- Administration continues to monitor school finance developments at the state and federal levels
 - State revenue projections are undecided at present time and this budget may change over the summer as more information becomes available.
 - District is planning for a \$0 increase per student on the revenue cap. (This hurts the District next year financially)
 - District is planning for no changes to other sources of Fund 10 revenue
 - Changes related to per pupil categorical aid and/or state special education aid are also being discussed at the state level (in addition to the revenue cap changes the District has already planned for). These would have a more immediate impact on Nicolet.
- Tax Impacts may change with changes in state funding and updates to valuation within our municipalities
 - State equalization aid/property tax budgets will be revised in October
 - Overall taxable property value will be updated when updated property values are known
 - The District is continuing to monitor valuation projections

Staffing Information

Department	2020-21
Administration (Fund 10)	6.00 FTE
Administration (Fund 27)	1.00 FTE
Teaching Staff (Fund 10)	75.67 FTE*
Teaching Staff (Fund 27)	15.03 FTE
Confidential/Supervisory (Fund 10)	11.71 FTE**
Confidential/Supervisory (Fund 27)	0.29 FTE
Confidential/Supervisory (Fund 50)	1.00 FTE
Confidential/Supervisory (Fund 80)	3.20 FTE
Custodial/Maintenance (Fund 10)	14.37 FTE
Support Staff (Fund 10)	16.88 FTE
Support Staff (Fund 27)	9.00 FTE
Support Staff (Fund 80)	1.00 FTE
Food Service (Fund 50)	11.21 FTE
Total	166.36 FTE

**This total includes a reduction of 0.4 FTE billed to Glendale/River Hills for a 1.2 FTE German Teacher*

**This total includes an additional 0.2 FTE for a Fox Point/Bayside French Teacher billed to Nicolet*

***This total includes a 0.4 FTE reduction billed to Fox Point/Bayside for a 1.2 FTE Facilities Director*

Special Revenue Trust – Fund 21

Purpose of Fund: The purpose of the Special Revenue Trust Fund is to account for gifts specified by donors to be used for operating purposes.

Fund 21 Revenue	2019-20	2020-21	\$ Change	% Change
Fees/Fundraising/Gifts	90,000	90,000	---	---
Total Revenue	90,000	90,000	---	---
Fund 21 Expenses				
Purchased Services	45,000	60,000	15,000	33.33%
Repair/Maintenance	---	---	---	---
Supplies	---	---	---	---
Capital Objects	45,000	30,000	(15,000)	(33.33%)
Other	---	---		
Total Expenses	90,000	90,000	---	---
Rev-Exp	---	---	----	----
Beg. Fund Balance	102,069	102,069	----	----
End. Fund Balance	102,069	102,069	----	----

Notes:

- Fund 21 is unpredictable and this revenue/expense is subject to change
- GASB 84 implementation will change the financials of this fund and this will be updated in October

Special Education – Fund 27

Purpose of Fund: The purpose of the special education fund is to account for all of the special education programs and operations in the school district.

Fund 27 Revenue	2019-20	2020-21	\$ Change	% Change
Federal – Flow Through	261,346	263,517	2,171	0.83%
Federal – High Cost Special Ed. Aid	20,000	---	(20,000)	(100.00%)
State – High Cost Special Ed. Aid	75,000	75,000	---	---
State – Aid	590,070	590,069	(1)	---
State Aid Trans. Through CESA	12,000	12,000	---	---
Transfer from Fund 10	1,754,374	1,816,050	61,676	3.52%
Other	300	300	---	---
Total Revenue	2,713,090	2,756,936	43,846	1.62%
Fund 27 Expenses				
Personnel Costs	2,149,167	2,252,936	103,769	4.83%
Pupil Transportation	215,000	155,000	(60,000)	(27.91%)
CESA Costs	99,930	99,930	---	---
Purchased Services	208,035	208,035	---	---
Consumable Materials	20,463	20,540	77	0.38%
Capital Objects	---	---	---	---
Transfer to Fund 10 (Indirect Cost)	14,700	14,700	---	---
Other	5,795	5,795	---	---
Total Expenses	2,713,090	2,756,936	43,846	1.62%
Rev-Exp	----	----	----	----
Beg. Fund Balance	----	----	----	----
End. Fund Balance	----	----	----	----

Revenue Notes:

- Flow-Through grant will be updated in the fall
- All aid amounts represent an estimation (will be updated over summer)
- Federal High Cost Aid discontinued and removed from budget
- District is projecting no additional state special education categorical aid for 2020-21
 - Reminder: District had been planning for an increase during budget process. This is a deviation from that prior projection based on state level conversations.
- Fund 10 Transfer increased to cover additional expenses and loss of revenue

Expenditure Notes:

- Personnel changes include:
 - 1.81% base wage increase for teacher group
 - \$15,000 in supplemental wage increases (\$5k each) approved for three teachers
 - 1.81% increase for all other special education staff
 - 3% Health Insurance increase
 - Increased WRS contribution projection from 6.65% to 6.90%
- Transportation budget updated to reflect trend (will be reviewed over summer/fall)
- CESA costs will be updated over the summer as needs become known

Non-Referendum Debt Service – Fund 38

Purpose of Fund: The purpose of the debt service Fund 38 is to repay prior debts borrowed without the authority of an approved referendum. These debts are funded by a tax levy that falls within the revenue limit. Increases/decreases to the payment schedule can impact the Fund 10 levy (if no exception to the revenue limit is applicable).

There are currently four debts being paid out of Fund 38 in 2020-21.

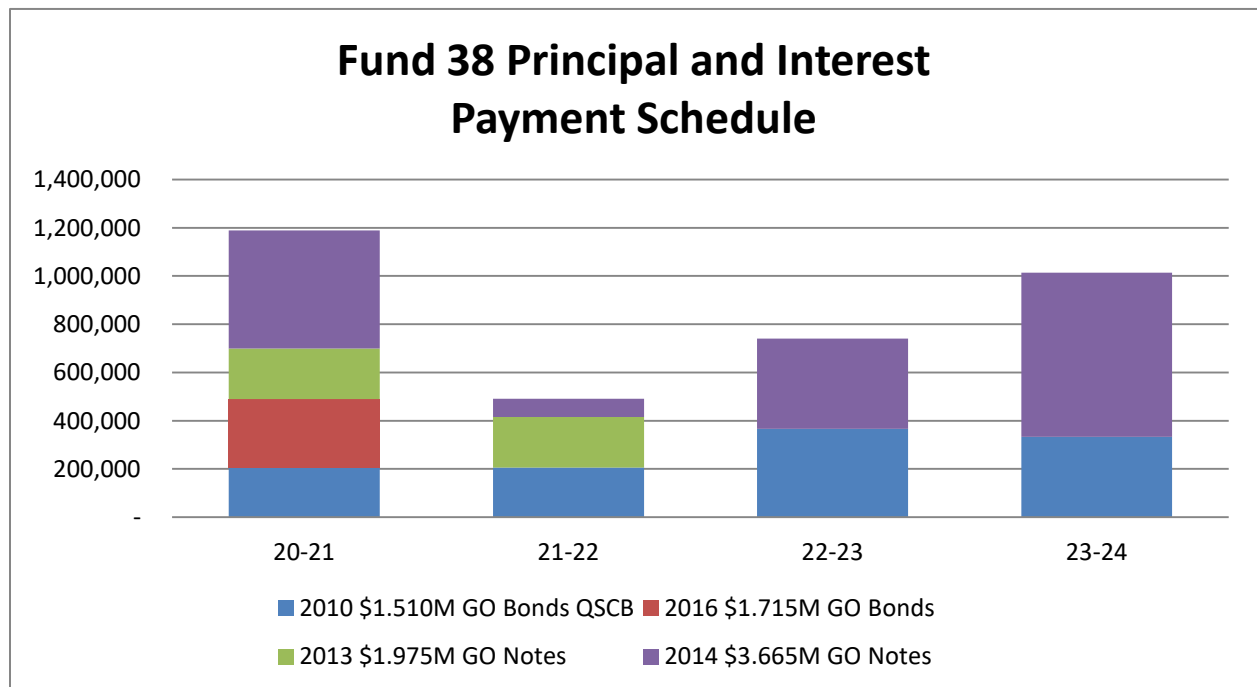
- 2010 QSCB (replaced 2010 BAN): \$1,510,000 (Building Renovations: Library, Community Room, ASC)
- 2013 GO Prom. Notes: \$1,975,000 (Parking Lot, Storm water System, Building Remodel)
- 2014 GO Prom. Notes: \$3,665,000 (Energy Efficiency Project – Windows and Wall Pack Lighting)
- 2016 Go Refunding Bonds: \$1,715,000 (Refinanced Bond Issuance and two state trust fund loans related to WRS liability payoff and pool dehumidification project)

Fund 38 Revenue	2019-20	2020-21	\$ Change	% Change
Tax Levy (Existing Debts)	1,018,069	1,115,449	97,380	9.57%
QSCB Refund	91,730	61,810	(29,920)	(32.62%)
Total Revenue	1,109,799	1,177,259	67,460	6.08%
Fund 38 Expenses				
Principal Payments	805,000	930,000	255,000	37.78%
Sinking Fund Contribution*	130,000	140,000	10,000	7.69%
Interest Payments	143,443	118,413	(25,030)	(17.45%)
Paying Agent Fees	2,150	2,150	---	---
Total Expenses	950,593*	1,050,563*	99,970	25.24%
Rev-Exp	159,206	126,696	(32,510)	(20.42%)
Beg. Fund Balance	684,421	843,627	159,206	23.26%
End. Fund Balance*	843,627	970,323	126,696	15.02%

**Note: Dollars are contributed annually to a sinking fund for the 2010 debt. This sinking fund will make a full payment for the entire principal outstanding when the debt is retired in 2024. The funds are held until that time and are represented as an increase to fund balance and are not included in total expenses.*

Below is a table that shows the principal and interest payments left on four existing debt obligations.

	2020-21	2021-22	2022-23	2023-24
2010 \$1.510M GO Bonds (QSCB)	205,685	205,685	365,685	332,843
2016 \$1.715M GO Bonds	284,060	-	-	-
2013 \$1.975M GO Notes	209,876	210,126	-	-
2014 \$3.665M GO Notes (EEE)	488,792	75,292	374,168	681,328
Total	1,188,413	491,103	739,853	1,014,171



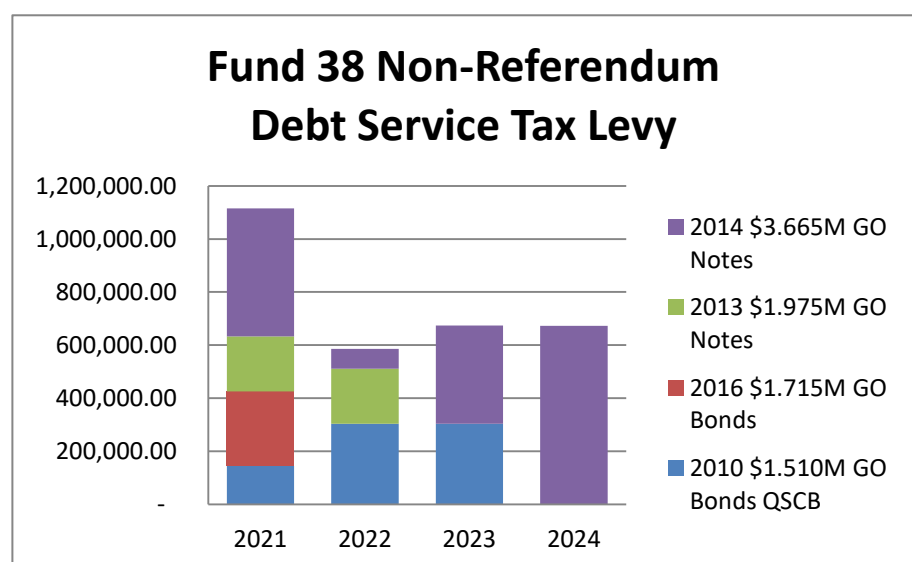
Notes

- Sharp decline in payments in 2021-22 due to prepayment of debt during Spring, 2020. The 2021-22 school year, which is the last year of the 2016-2022 operational referendum, is projected to have a significant deficit and this was the first step towards closing that budget gap.
- Increase in 2023-24 is offset with EEE and will have no impact on operational budget

Fund 38 Tax Levy

The following table/graph demonstrates the tax levy associated with Fund 38 for the next four years. After the fourth year, the District is debt free. The levy is associated with a calendar year, while the budget in the preceding section reflects the fiscal year.

Fund 38 Tax Levy	
2020-21	1,115,449
2021-22	586,169
2022-23	674,106
2023-24	673,146



Impact of Fluctuating Revenue for Debt Obligations

As mentioned in the preceding paragraph, payments for non-referendum debt typically have a direct impact on the Fund 10 operational levy (i.e. more debt, less funds for operations). This is true for three of the District's four outstanding debts.

The District has one debt (2014 GO Prom. Notes: \$3,665,000) that originated as an energy efficiency project. As a result of that distinction, the District is able to exceed the revenue cap through an energy efficiency exemption for a majority of the annual obligation. This means that this specific debt's payment schedule increasing/decreasing has no impact on operational expenses; rather, it has a direct impact on the District's tax levy. As payments increase, the District raises property taxes and if payments drop, the District reduces the levy. This is why there is no impact on the operational budget for the increased debt payments in 2023-24. The impact only affects the District's levy.

QSCB Reimbursement

The interest for the 2010 G.O. Bonds is paid and reimbursed by the Federal government. The QSCB reimbursement allows the district to decrease the Fund 38 tax levy associated with this expense. The reimbursement can fluctuate based on governmental authorization periodically.

Long-Term Capital Improvements Trust – Fund 46

Purpose of Fund: Nicolet currently has an approved long-term (minimum of 10 years) capital improvement plan. As a result, the district was able to establish a "trust" with the intention of pre-funding capital improvement projects to occur in the future.

Fund 46 Revenue	2019-20	2020-21	\$ Change	% Change
Fund 10 Transfer	---	---	---	---
Interest Earnings	2,000	1,000	(1,000)	(50.00%)
Total Revenue	2,000	1,000	(1,000)	(50.00%)
Fund 46 Expenses				
N/A	---	---	---	---
Total Expenses	---	---	---	---
Rev-Exp	2,000	1,000	(1,000)	(50.00%)
Beg. Fund Balance	168,879	170,879	2,000	1.18%
End. Fund Balance	170,879	171,879	1,000	0.59%

Fund Notes

- The district can begin to spend from this fund beginning with the 2020-21 school year
- This fund is a great option for operational budget surpluses from year to year (if applicable)
- The District is currently updating its 10 year capital improvement plan
 - All expenditures from this fund must be included in the 10 year capital improvement plan
 - Administration will present the new plan to the Board during the 2020-21 school year

Athletic Fields Project – Fund 49

Purpose of Fund: The purpose of the capital projects fund is to account for non-referendum and referendum approved remodeling/maintenance projects. In 2019-20, Nicolet began utilizing Fund 49 to house both the revenue gain from fundraising and any expenses incurred related to the athletic fields project. This budget may change in October dependent on fundraising efforts and the project schedule.

Fund 49 Revenue	2019-20	2020-21	\$ Change	% Change
Investment Income	65,000	15,000	(50,000)	(76.92%)
Total Revenue	65,000	15,000	(50,000)	(76.92%)
Fund 49 Expenses				
Purchased Services	97,900	---	(97,900)	(100.00%)
Design Work	15,000	---	(15,000)	(100.00%)
Softball Field Project	---	1,500,000	1,500,000	100.00%
Recreation Field Project	---	450,000	450,000	100.00%
Total Expenses	112,900	1,950,000	1,837,100	1,627.19%
Rev-Exp	(47,900)	(1,935,000)	(1,887,100)	3,939.67%
Beg. Fund Balance	3,068,386	3,020,486	(47,900)	(1.56%)
End. Fund Balance	3,020,486	1,085,486	(1,935,000)	(64.06%)

Revenue/Expenditure Notes:

- Nicolet utilizes Fund 49 to record revenue related to the sale of the upper fields and to record expenses associated with the Nicolet Athletic Facilities Master Plan
- The District is currently completing another phase of the Nicolet Athletic Facilities Master Plan which includes the construction of a competition softball field and a recreation multi-use baseball/softball field at Maslowsky Park
 - The District will break ground during the summer of 2020
- Remaining funds in Fund 49 are intended for the final phase of the athletic facility plan on Nicolet's main campus

Food Service – Fund 50

Purpose of Fund: The purpose of the food service fund is to account for the district food service program. The district operates a self-run food service program (versus contracting with a management company). The District also provides catering/lunch service for Whitefish Bay Middle School, Whitefish Bay High School, and Whitefish Bay Dominican.

Fund 50 Revenue	2019-20	2020-21	\$ Change	% Change
Pupil Sales - Nicolet	535,000	535,000	---	---
Adult Sales – Nicolet	7,000	7,000	---	---
Milk Aid	10,000	10,000	---	---
Vending	37,000	36,000	(1,000)	(2.70%)
Pupil Sales – Whitefish Bay	165,000	165,000	---	---
Pupil Sales – Dominican	125,000	125,000	---	---
Management Agreements	11,000	12,000	1,000	9.09%
Total Revenue	890,000	890,000	---	---
Fund 50 Expenses				
Personnel Costs	525,444	521,525	(3,919)	(0.75%)
Purchased Services	21,000	21,000	---	---
Food Costs	300,000	300,000	---	---
Consumables	29,000	29,000	---	---
Capital Objects	---	---	---	---
Other	2,000	2,000	---	---
Total Expenses	877,444	873,525	(3,919)	(0.45%)
Rev-Exp	12,556	16,475	3,919	31.21%
Beg. Fund Balance	183,352	195,908	12,556	6.85%
End. Fund Balance	195,908	212,383	16,475	8.41%
<i>End. Fund Balance Projection</i>	<i>100,000</i>	<i>116,475</i>		

Revenue/Expenditure Notes

- The 2019-20 fiscal year is projecting a significant loss for food service (not shown above)
 - This means that the ending fund balance for 2019-2020 (and beg. Balance for 2020-21) will be considerably less than the budget presented above
 - Beginning Fund Balance for 2020-21 projected to be close to \$100k
- Given the current uncertainty, the program and budget are currently under review:
 - This budget includes the 1.81% wage increase for food service staff
 - This increase is being offset by efficiencies found in food cost
 - Proposed schedule alterations and potential closures will guide food service planning for upcoming year (food purchases, staffing, etc.)

Employee Benefit Trust – Fund 73

Purpose of Fund: This fund is used to pre-fund retirement health, dental, and life insurance benefits for retired staff. The District makes an annual contribution to the fund in June. At that time, District expense related to retiree benefits is reimbursed from the fund. The difference (Contribution, less expenses) results in an increase to the balance within the trust. The trust is invested and earns gains/interest on its investments. The District continues to work towards fully funding this benefit within the next 5-6 years.

Fund 73 Revenue	2019-20	2020-21	\$ Change	% Change
Investment Earnings	65,000	65,000	---	---
Trust Contribution	455,209	455,209	---	---
Retiree's Contribution	50,000	50,000	---	---
Unrealized Gains	115,000	115,000	---	---
Total Revenue	685,209	685,209	---	---
Fund 73 Expenses				
Retiree Benefit Expenses	406,593	406,593	---	---
Implicit Rate Subsidy	65,575	65,575	---	---
Investment Expenses	20,000	20,000	---	---
Total Expenses	492,168	492,168	---	---
Rev-Exp	193,041	193,041	---	---
Beg. Fund Balance	3,344,478	3,537,519	193,041	5.77%
End. Fund Balance	3,537,519	3,730,560	193,041	5.46%

Revenue/Expenditure Notes

- The majority of revenues for the post-retirement benefit trust fund are funded via a Fund 10 operating transfer (Trust Contribution)
 - The District is projecting 180k in investment earnings and gains (this will be reviewed over the summer)
 - Dependent on the specific agreement, retirees contribute various amounts towards the cost of their benefit (Retiree's Contribution)
- The District completes an actuarial study every two years to determine the contribution level
 - The District will conduct this study during the 2020-21 fiscal year
 - Study will dictate 2020-21 and 2021-22 contribution (if applicable)
- To start 2018-19, the District implemented a six-year plan to fully fund the Fund 73 Trust
 - The funding is subject to fluctuation within the market
 - Once fully funded, the Fund 10 Transfer funds are freed up for operational spending
 - District is conservatively planning to be fully funded by the end of the 2024-25 school year (freeing up funds for the 2025-26 school year)
 - Downturn in economy has pushed expected funding achievement back an additional year
- The annual determined contribution (ADC) for 2019-20 was 455,209
 - By making the ADC, the District receives special education aid for contributions made on behalf of special education teachers who will retire in the future
 - The difference in the budgeted contribution and what is determined via the actuarial study will impact the 2020-21 operational budget. This is determined midyear.
 - The District will continue to aim to have the trust fully funded between 2023-2025
- Retiree expenses for 2020-21 are still under review

Community Services Fund – Fund 80

Purpose of Fund: The Nicolet School District recreation department is the sole department housed within Fund 80. The recreation department runs a number of community based programs and has 4.2 FTE working administratively. All expenses are funded by the district levy, participation fees, gifts, or advertising revenue.

Fund 80 Revenue	2019-20	2020-21	\$ Change	% Change
Tax Levy	255,455	342,000	86,545	33.88%
General Programming Fees	625,000	392,000	(233,000)	(37.28%)
Gifts	900	1,000	100	11.11%
Summer Camp	43,000	---	(43,000)	(100.00%)
WPRA Ticket Revenue	1,200	---	(1,200)	(100.00%)
Advertising	9,500	17,000	7,500	78.95%
Total Revenue	935,055	752,000	(183,055)	(19.58%)
Fund 80 Expenses				
General Programming	478,350	293,008	(185,342)	(38.75%)
Recreation Administration	449,118	416,520	(32,598)	(7.26%)
Summer Camp	37,395	---	(37,395)	(100.00%)
WPRA Tickets	1,125	---	(1,125)	(100.00%)
Total Expenses	965,988	709,528	(256,460)	(26.55%)
Rev-Exp	(30,933)	42,472	30,933	(100.00%)
Beg. Fund Balance	58,958	28,025	(30,933)	(52.47%)
End. Fund Balance	28,025	28,025	---	---
<i>End. Fund Balance Projection</i>	<i>(42,472)</i>	<i>---</i>		

Revenue/Expenditure Notes

- Administration is recommending an increase in the District tax levy to \$342k for the 2020-21 school year
 - Levy was planned to increase to \$300k in 2020-21
 - Additional \$42k requested to cover losses incurred as a result of COVID-19
- Fund 80 History
 - Recreation Department experienced surplus budgets for many years
 - However, DPI encourages Districts to carry a small fund balance within Fund 80
 - Recreation Department contributed \$300k to Fund 21 in 2014-15 school year
 - Fund 21 funds were utilized for the Gym 2 Floor Removal/Installation Project
 - For a number of years the recreation budget has operated at a deficit to bring down fund balance
 - Unfortunately, the 2019-20 fiscal year accelerated the use of fund balance
 - Since Fund 80 will no longer have fund balance, the revenue must support the expenses
 - During discussion with Recreation Department leadership a \$300k tax levy was requested
 - This levy will provide the support necessary for Recreation Department activities moving forward
 - Administration is recommending a one year increase to the tax levy of \$42k to cover the negative balance which was created as a result of COVID-19
 - Administration will recommend a \$300k Recreation Department levy moving into future years

- Personnel changes include:
 - 1.81% base wage increase for full-time recreation staff
 - 3% increase on health insurance
- Summer Camp revenues/expenses removed due to cancellation
- WPRA Ticket Program discontinued
- Advertising increased based on new agreements with local businesses
- General programming revenue and expenses altered to reflect no summer programming
- A portion of afterhours supervision moved to general operations budget

Transportation Cooperative Fund – Fund 97

Purpose of Fund: This North Shore Area Transportation Cooperative (NATC) is required to provide private school transportation per WI law. Nicolet is required to provide transportation for resident students (9-12) who attend private school within five miles of the Nicolet boundaries. This fund houses revenue and expenses related to private school transportation.

As fiscal agent of the NATC, the District pays all of the bills (4K-12) for private transportation (Riteway bus bill and parent contracts) and invoices the participating Districts for their portion. The cooperative consists of Fox Point/Bayside, Glendale/River Hills, and Maple Dale/Indian Hill. The District then completes a Fund 10 transfer for the Nicolet portion of private school busing cost.

Fund 97 Revenue	2019-20	2020-21	\$ Change	% Change
Fund 10 Transfer	96,530	96,530	---	---
Payment from Coop Districts	365,780	365,780	---	---
Total Revenue	462,310	462,310	---	---
Fund 97 Expenses				
Pupil Transportation – Bus	435,000	435,000	---	---
Pupil Transportation – Parent Contracts	27,310	27,310	---	---
Total Expenses	462,310	462,310	---	---
Rev-Exp	---	---	---	---
Beg. Fund Balance	---	---	---	---
End. Fund Balance	---	---	---	---

Revenue/Expenditure Notes:

- This fund cannot carry a fund balance (revenues must match expenses)
- Riteway is currently working on routing for the 2020-21 school year. As a result, this budget will be updated in late summer/early fall.