

Watertown School District  
No. 14-4

# 2025-26 PRELIMINARY BUDGET





## Budget Calendar

School Year 2025-2026

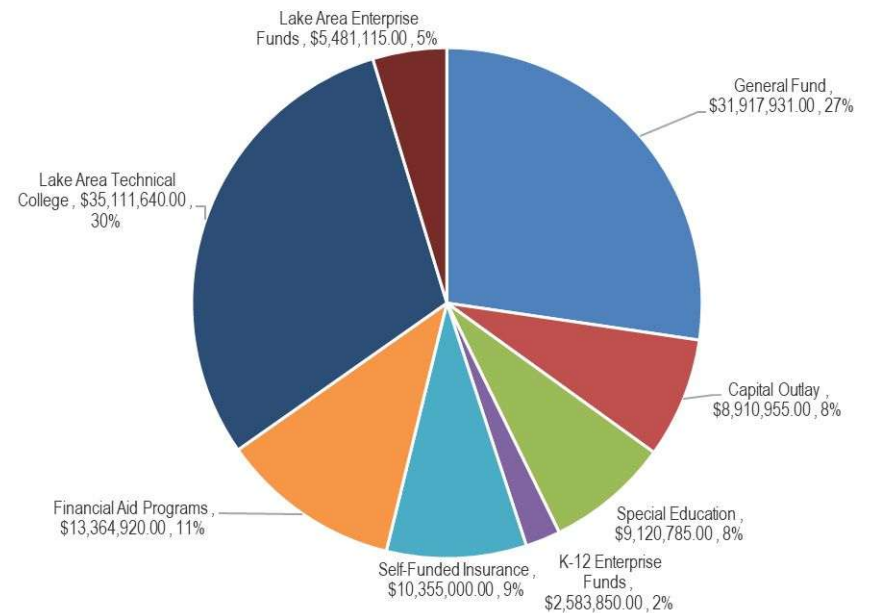
|  |                       |
|--|-----------------------|
| Review proposed budget calendar and establish budget work session dates    | January 13, 2025      |
| Preliminary budget documents provided by building principals and directors | Early March           |
| Discussion on recommendations regarding program/staffing adjustments       | April 14, 2025        |
| Budget Work Session - K12 & LATC   | May 1, 2025 - 5:00 PM |
| Preliminary budget presented to board                                      | May 12, 2025          |
| Discussion on potential modifications to the preliminary budget            | June 9, 2025          |
| Publish proposed budget with notice of hearing                             | Month of June         |
| Public hearing on final budget & budget adoption                           | July 14, 2025         |
| Business Manager to file tax request with County Auditors                  | August 31, 2025       |
| Adopt supplemental budgets   | Throughout the year   |

# 2025-26 Preliminary Budget

- The presented preliminary budget to operate the Watertown School District for the 2025-26 school year is in the amount of

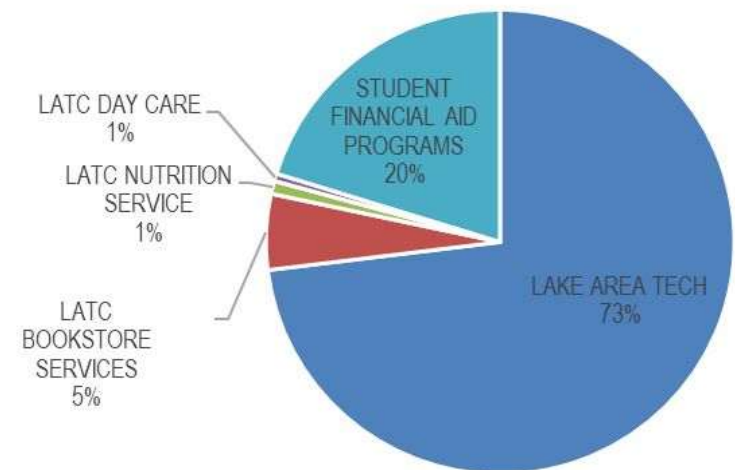
**\$116,846,196**

- This is a 10.91% decrease from the previous year
- K-12 making up 54% & LATC making up 46%
- 13 Operating Funds



# Lake Area Tech College

- LATC Funds make up for 46% of total budget
- Main operating fund at \$35,111,640
- Student Financial Aid at \$13,364,920
- Enterprise Funds
  - Bookstore at \$3,997,370
  - Nutrition Services at \$807,745
  - Educare at \$676,000



# Lake Area Tech - Legislature

## 2025 Legislature

### Proposed for LATC

- 1.25% increase to state aid formula (\$147,527)
- Cut M&R to 1.25% replacement (-\$208,486)
- NET On-Going = -\$60,958

-----

- Cut Dual Credit state share to 50% (-\$921,732); students pay \$73 per credit
- Adjust state share of facility bond payments (\$135,647)

### Appropriated to LATC

- 1.25% increase to state aid, +FY25 growth (Est. \$621,450)
- Cut M&R to 1.25% replacement on-going + one-time gap fill (Est. -\$46,188)
- One-time equipment funding (\$1,329,160)

-----

- Cut Dual Credit state share to 50% (-\$921,732); students pay \$73 per credit
- Adjust state share of facility bond payments (\$135,647)



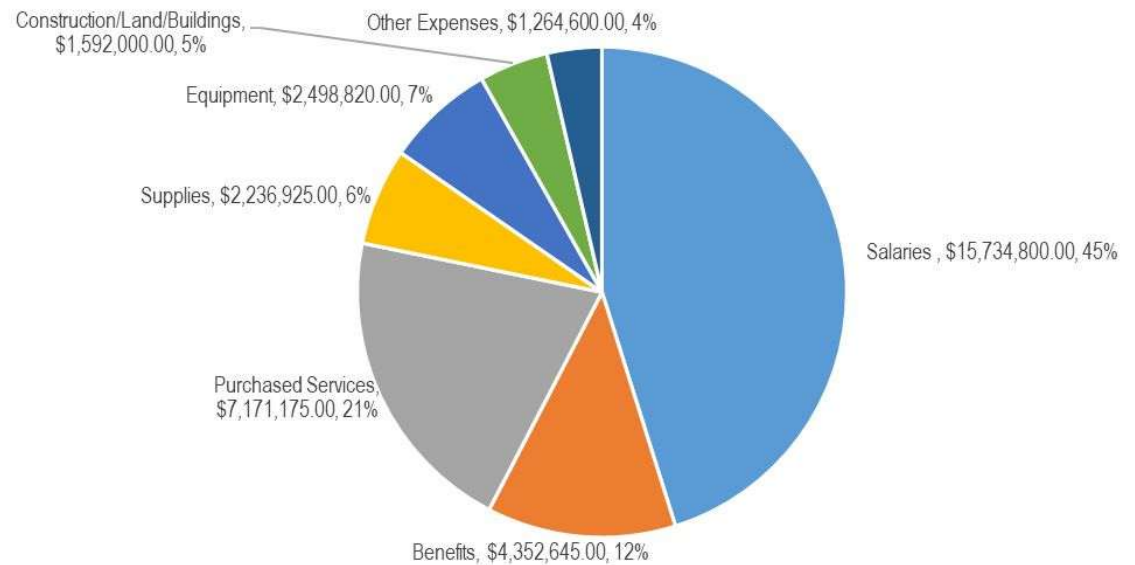
# Strategic Plan Highlights

## **AFFORDABILITY ATTAINMENT ALIGNMENT**

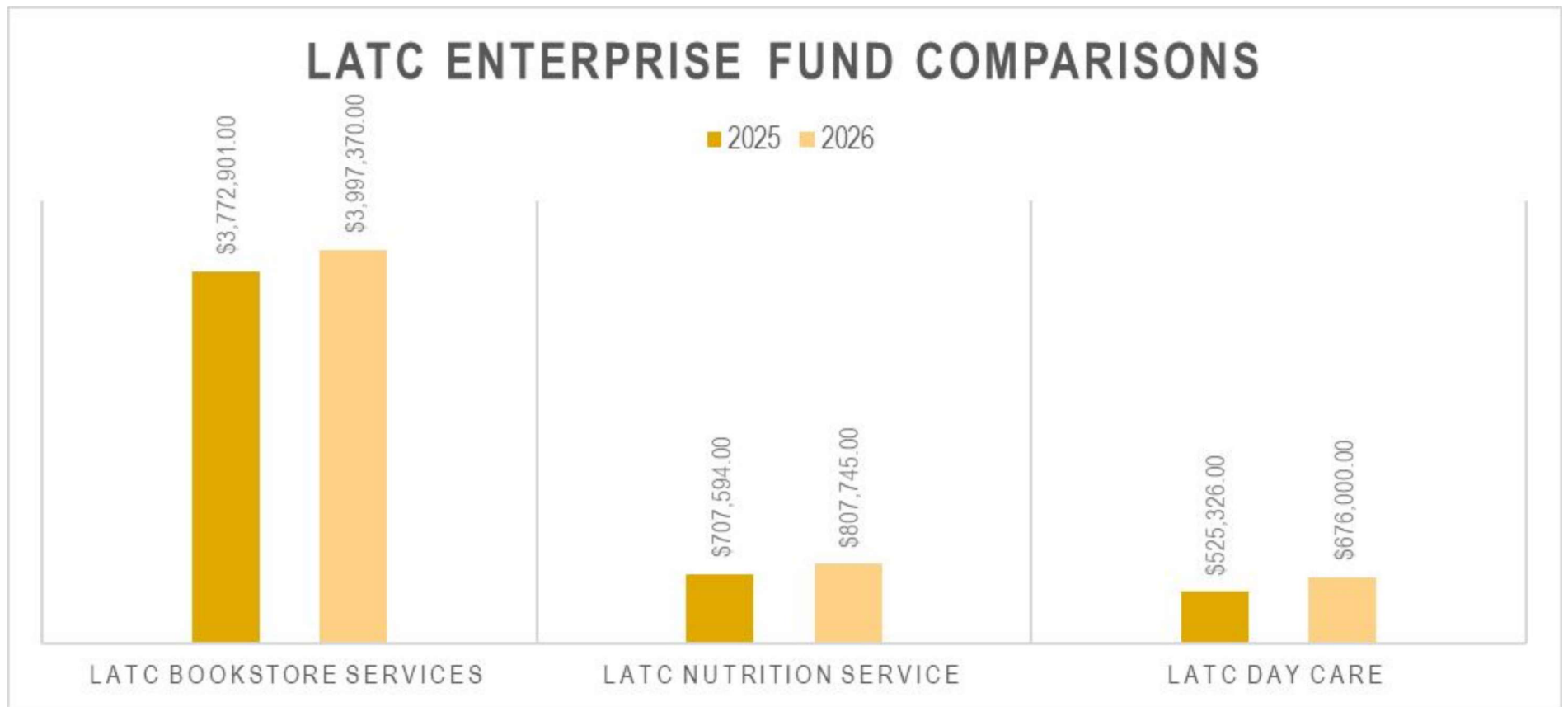
2030 LATC Priorities

# Lake Area Tech - Main Operating

- Total budget of \$35,111,640
  - A decrease of 12.28%
  - Construction in progress
- Use of cash reserves at \$0.00
- Major revenue identifications
  - 1.25% increase to State Aid + growth
  - M&R Funds
  - Equipment Funds
  - Dual Credit - State share
  - Facility Bond Payments - State share
- Major expenditure identifications
  - Construction in Progress
  - Renovation projects
- Fund Balance projection at \$5,704,357 or 16.85%



# Lake Area Tech - Enterprise Funds





# Curriculum, Staff Development & Summer Programs

- Assistant Superintendent, Derek Barrios and Curriculum Director, Tricia Walker will provide information on programs
  - Handout of information

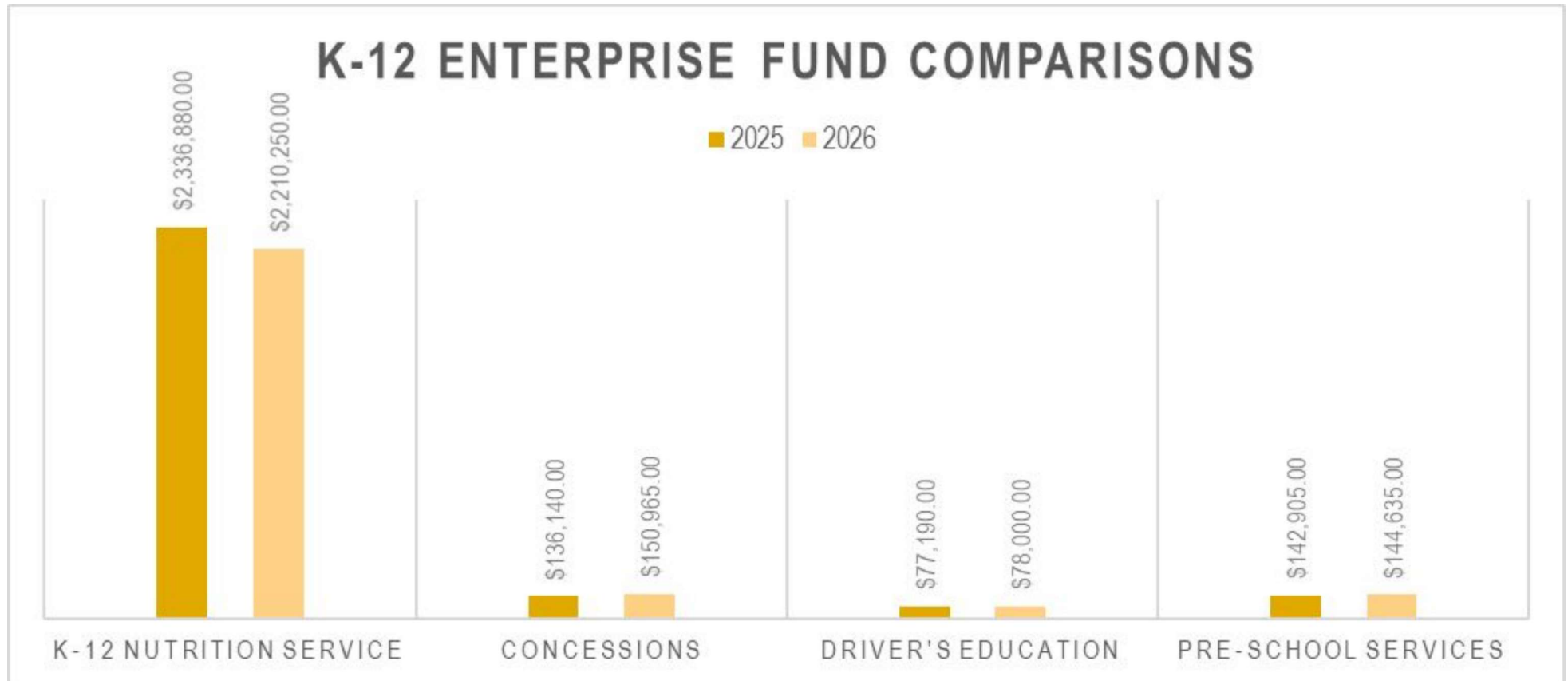


**Watertown School District**

Empowering All Students to Succeed in an Ever-Changing World

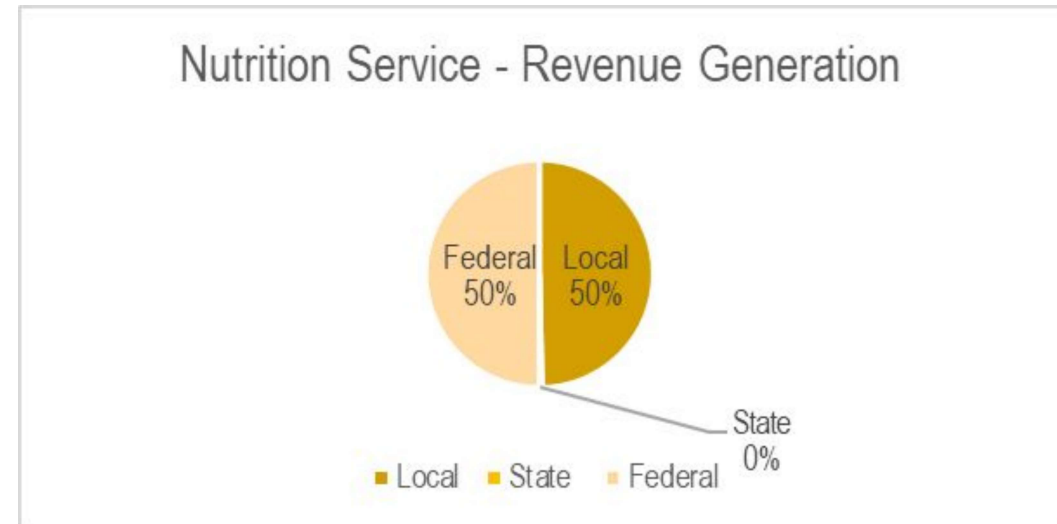
---

# K-12 Enterprise Funds



# K-12 Nutrition Services

- Budget anticipates an increase to lunch and breakfast prices to maintain rate of inflation
- 50% of this program is funded by federal funds
- Free & Reduced Percents
  - High School 21.97% (23.03%)
  - Middle School 30.59% (28.83%)
  - Intermediate 32.85% (27.38%)
  - McKinley 26.99% (55.79%)
  - Lincoln 35.66% (21.63%)
  - Mellette 30.29% (33.50%)
  - Jefferson 29.70% (14.29%)
  - Roosevelt 0.00% (59.29%)



# Self-Funded Insurance

Board Share at \$10,800/year per FTE (an increase of \$780/year)

Single insurance premium - increasing by \$60/Month - Covered by Board

Family insurance premium - increasing by \$80/Month - \$60 Covered by Board & \$20 by Employee Share

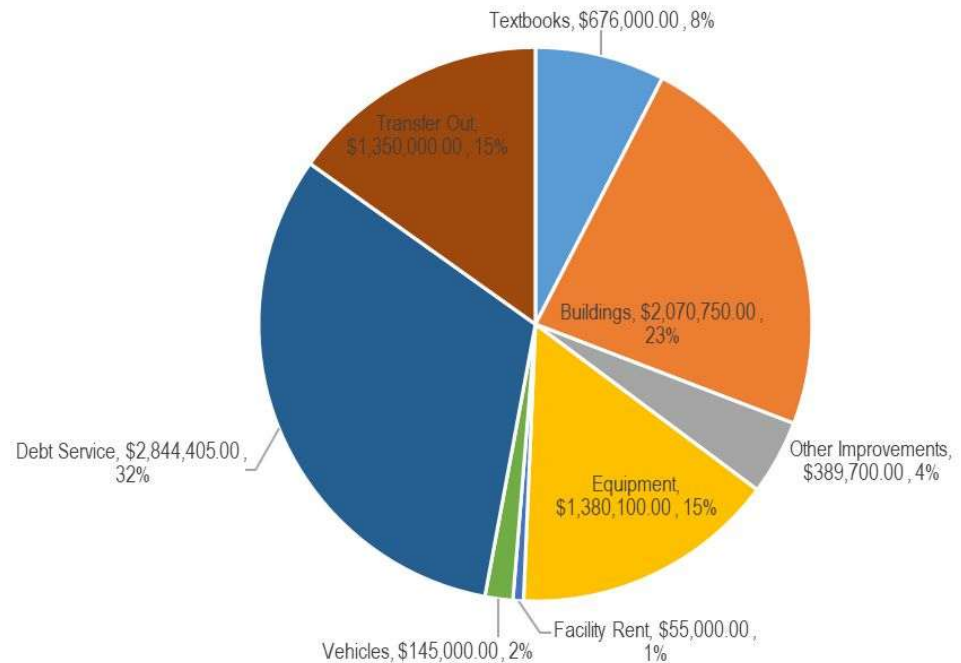
Dental premium - increasing by \$5/Month - Covered by Board

SUPPORT INFORMATION:

|                         | New Rate   | Board Contribution | 2025-26 Employee Share | 2024-25 Employee Share | Incr/Decr Employee Share |
|-------------------------|------------|--------------------|------------------------|------------------------|--------------------------|
| HEALTH                  |            |                    |                        |                        |                          |
| Lower Deductible Plan:  |            |                    |                        |                        |                          |
| SINGLE                  | \$990.00   | \$855.00           | \$135.00               | \$135.00               | \$0.00                   |
| FAMILY                  | \$1,925.00 | \$855.00           | \$1,070.00             | \$1,050.00             | \$20.00                  |
| Higher Deductible Plan: |            |                    |                        |                        |                          |
| SINGLE                  | \$855.00   | \$855.00           | \$0.00                 | \$0.00                 | \$0.00                   |
| FAMILY                  | \$1,705.00 | \$855.00           | \$850.00               | \$830.00               | \$20.00                  |
| DENTAL                  |            |                    |                        |                        |                          |
| SINGLE                  | \$45.00    | \$45.00            | \$0.00                 | \$0.00                 | \$0.00                   |
| FAMILY                  | \$105.00   | \$45.00            | \$60.00                | \$60.00                | \$0.00                   |

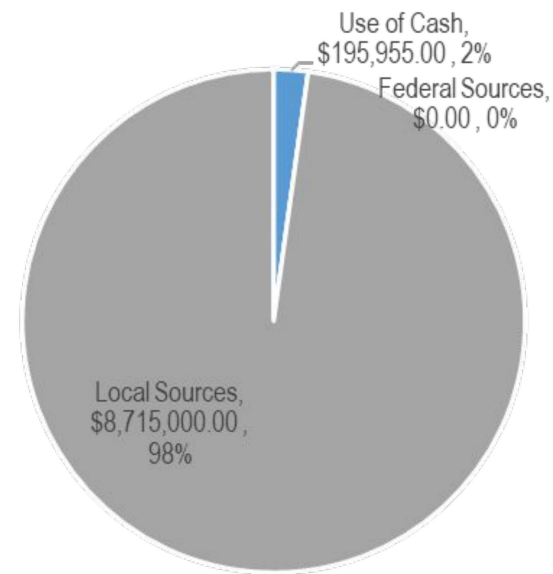
# Capital Outlay Fund

- Total budget of \$8,910,955
  - A decrease of 53.52%
  - Athletic Complex
- Use of cash reserves in the amount of \$195,955
- Major revenue identifications
  - Property tax levy (\$2.406)
  - Subject to 3% + Growth Limitation
  - Growth of 1.5% in 2025
- Major expenditure identifications
  - McKinley & Mellette Air Conditioning
  - Mellette Gym Renovation
  - Lincoln Parking Lot
  - Transfer out at \$1.3M
- Ending fund balance projection estimate at \$2,904,464 or 39.65%



# Capital Outlay - Revenue

- 98% of revenue is from local tax sources
  - Levy is limited by 3% plus growth
  - Property tax levy estimated at \$2.406
- Use of cash on hand
  - Fund Balance projection at 39.65%
  - Five Year Capital Outlay Plan



# Capital Outlay - Transfer & Debt

- Allows for the transfer to General Fund of up to 45% of property taxes received.
  - Allowable transfer of \$3.4M
  - Currently budgeting \$1,350,000
  - District would only be able to sustain \$1.5-\$2M and dependent on 5 year plan
- Limited to issuing debt at 3% of total taxable valuation.
  - Allowable debt issuance of \$95M
  - Current principal debt is at \$28.4M or .82%
    - McKinley - Annual Payment of \$215,000 - Period ending 2027
    - Middle School - Annual Payment of \$1,272,275 - Period ending 2034
    - High School Renovations - Annual Payment of \$895,000 - Period ending 2041
    - Athletic Complex - Annual Payment of \$357,600 - Period ending 2045

# Outlay - 5 Year Plan

| CAPITAL OUTLAY FIVE YEAR PLAN |                 |                |                   |                   |                   |
|-------------------------------|-----------------|----------------|-------------------|-------------------|-------------------|
| Recap                         |                 |                |                   |                   |                   |
| BUDGET DATA                   | BUDGET FY25     | BUDGET FY26    | PROJECTED<br>FY27 | PROJECTED<br>FY28 | PROJECTED<br>FY29 |
| Debt Service                  | \$2,373,130.00  | \$2,844,405.00 | \$2,563,315.00    | \$2,447,490.00    | \$2,951,840.00    |
| Roofing Projects              | \$0.00          | \$98,000.00    | \$525,000.00      | \$455,000.00      | \$0.00            |
| Building Requests             | \$683,000.00    | \$518,600.00   | \$498,000.00      | \$498,000.00      | \$398,000.00      |
| Library Books                 | \$51,000.00     | \$51,000.00    | \$51,000.00       | \$51,000.00       | \$51,000.00       |
| Curriculum                    | \$350,000.00    | \$625,000.00   | \$500,000.00      | \$500,000.00      | \$500,000.00      |
| Technology                    | \$550,000.00    | \$600,000.00   | \$600,000.00      | \$1,887,320.00    | \$600,000.00      |
| Land                          | \$0.00          | \$0.00         | \$0.00            | \$0.00            | \$0.00            |
| Buildings                     | \$120,000.00    | \$162,500.00   | \$175,000.00      | \$175,000.00      | \$120,000.00      |
| Identified Projects           | \$1,281,400.00  | \$1,122,450.00 | \$1,010,000.00    | \$630,000.00      | \$630,000.00      |
| Stadium Development           | \$10,254,370.00 | \$0.00         | \$0.00            | \$0.00            | \$0.00            |
| Air Conditioning Project      | \$750,000.00    | \$965,000.00   | \$1,780,900.00    | \$0.00            | \$950,000.00      |
| NTHS Remodel                  | \$0.00          | \$0.00         | \$0.00            | \$115,000.00      | \$0.00            |
| Equipment                     | \$115,500.00    | \$129,000.00   | \$129,000.00      | \$129,000.00      | \$129,000.00      |
| Transportation                | \$501,800.00    | \$145,000.00   | \$160,000.00      | \$155,000.00      | \$155,000.00      |
| NTHS Assessment               | \$100,000.00    | \$100,000.00   | \$100,000.00      | \$100,000.00      | \$100,000.00      |
| Transfer Out                  | \$1,200,000.00  | \$1,350,000.00 | \$1,500,000.00    | \$1,500,000.00    | \$1,500,000.00    |
| Total                         | \$18,330,200.00 | \$8,710,955.00 | \$9,592,215.00    | \$8,642,810.00    | \$8,084,840.00    |



# The 5 Year : Top 5

1. Athletic Complex Completion
2. Air Conditioning Projects
  - Summer 2025 - McKinley & Mellette
  - Summer 2026 - Lincoln & Jefferson
  - Arena
3. Mellette Gym Renovation
4. Northeast Tech Renovation
5. Technology - High School laptop rotation - no lease payment

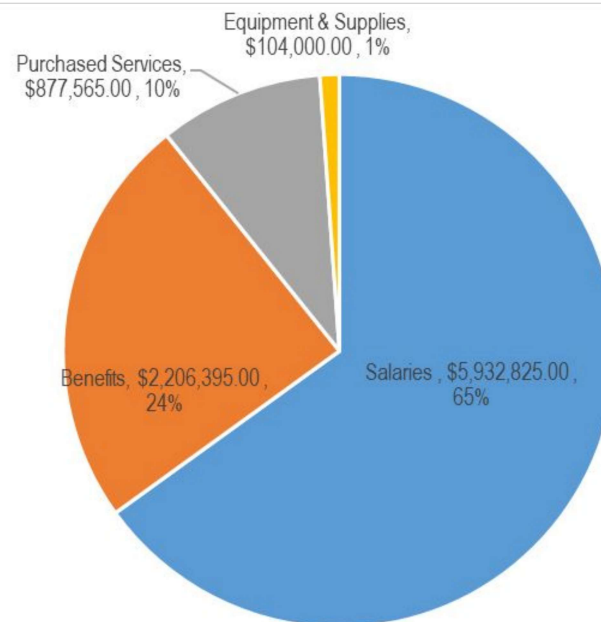


# Capital Outlay - 5 Year Plan - Fund Balance

| CAPITAL OUTLAY FIVE YEAR PLAN |                  |                |                |                |                |
|-------------------------------|------------------|----------------|----------------|----------------|----------------|
| Fund Balance Projections      |                  |                |                |                |                |
| Beginning Fund Balance        | \$7,297,854.00   | \$3,100,419.00 | \$3,104,464.00 | \$2,191,409.00 | \$2,403,199.00 |
| <i>Increase/(Decrease)</i>    | (\$4,197,435.00) | \$4,045.00     | (\$913,055.00) | \$211,790.00   | \$940,550.00   |
|                               | \$3,100,419.00   | \$3,104,464.00 | \$2,191,409.00 | \$2,403,199.00 | \$3,343,749.00 |
| <b>Fund Balance Percent</b>   | <b>40.02%</b>    | <b>37.82%</b>  | <b>26.17%</b>  | <b>28.14%</b>  | <b>38.39%</b>  |
| 15% Fund Balance              | \$1,162,116.00   | \$1,231,200.00 | \$1,255,824.00 | \$1,280,940.00 | \$1,306,558.50 |

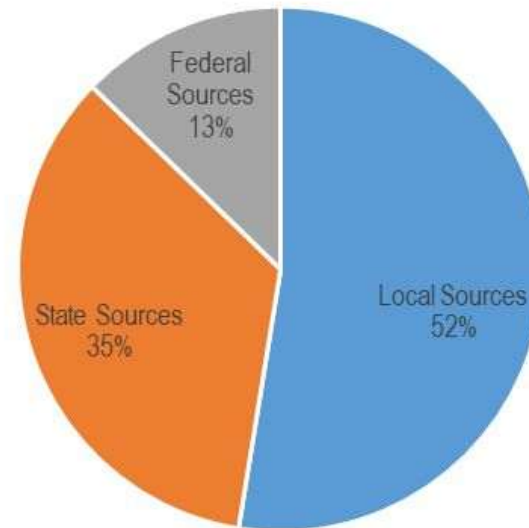
# Special Education Fund

- Total budget of \$9,120,785
  - An increase of 1.60%
- Use of cash reserves in the amount of \$680,670
- Major revenue identifications
  - Property tax levy at \$1.462
  - State Aid increase of 1.25%
  - Extraordinary Cost Fund
- Major expenditure identifications
  - Negotiated increases
  - IDEA Federal Funds
- Ending fund balance projection estimate at \$1,778,401 or 19.50%



# Special Education - Revenue

- Levy at \$1.462/1,000
  - Taxes make up 52% of budget
- State Aid considers number of special need students in various categories
  - Extraordinary Cost Fund availability
    - 10% fund balance limitation
    - Considers Federal Funds available - MOE
    - Levy at full amount



# Enrollment Projections

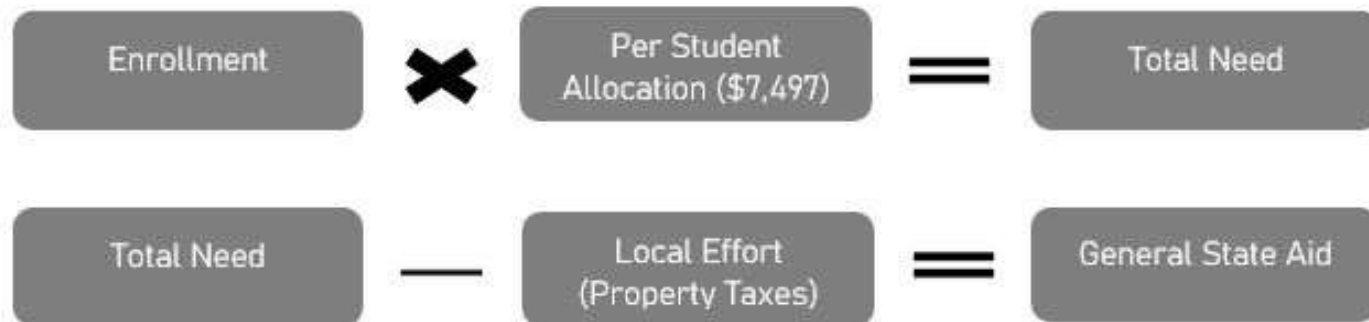
WATERTOWN SCHOOL DISTRICT NO. 14-4

Enrollment - District

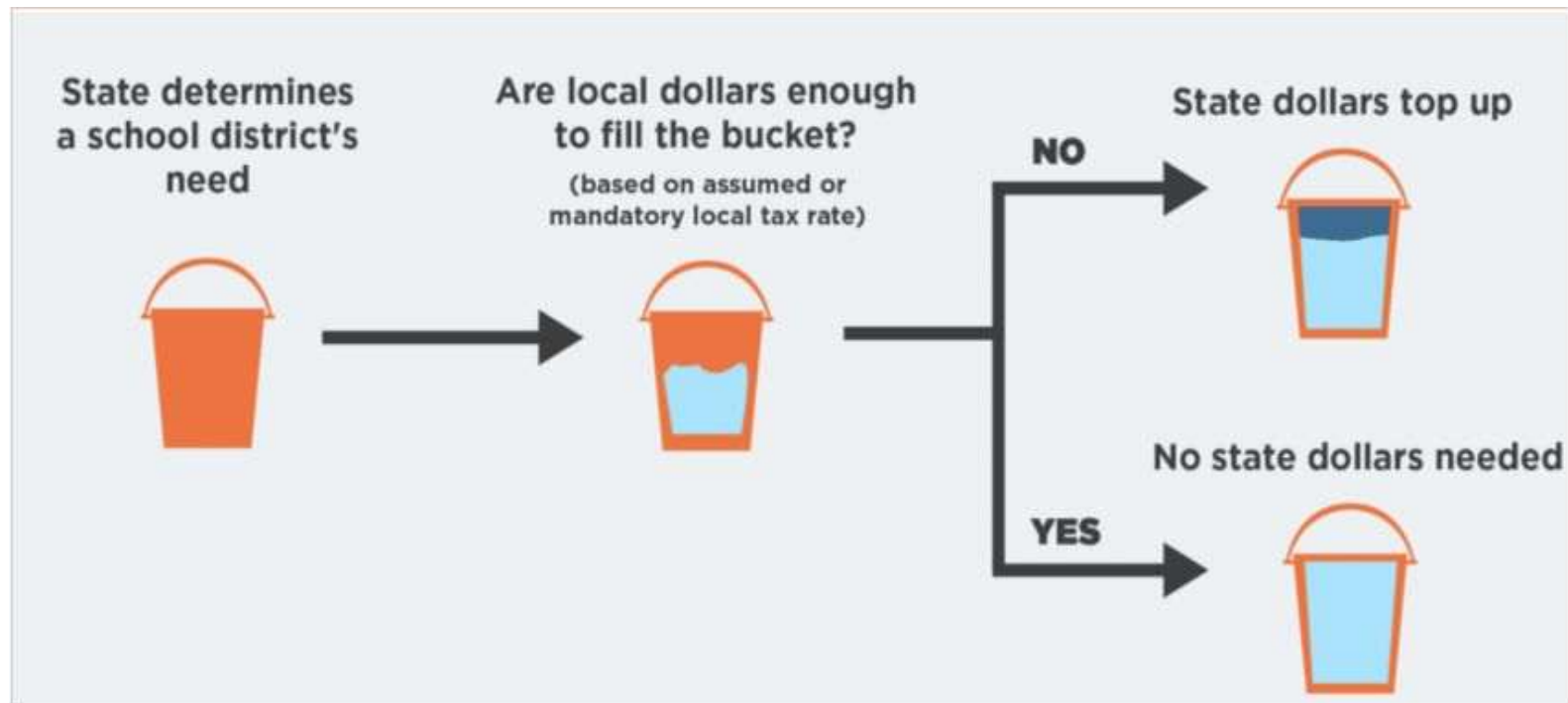
| Grade Level                    | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Jr Kindergarten                | 40        | 40        | 40        | 40        | 40        |
| Kindergarten                   | 185       | 200       | 210       | 215       | 215       |
| Grade 1                        | 212       | 186       | 200       | 210       | 215       |
| Grade 2                        | 242       | 212       | 186       | 200       | 210       |
| Grade 3                        | 252       | 242       | 212       | 186       | 200       |
| Grade 4                        | 253       | 252       | 242       | 212       | 186       |
| Grade 5                        | 259       | 253       | 252       | 242       | 212       |
| Grade 6                        | 279       | 259       | 253       | 252       | 242       |
| Grade 7                        | 282       | 290       | 259       | 253       | 252       |
| Grade 8                        | 304       | 295       | 290       | 259       | 253       |
| Grade 9                        | 330       | 306       | 295       | 290       | 259       |
| Grade 10                       | 315       | 290       | 306       | 295       | 290       |
| Grade 11                       | 280       | 320       | 290       | 306       | 295       |
| Grade 12                       | 298       | 285       | 320       | 290       | 306       |
| Misc Additions                 | 20        | 30        | 30        | 30        | 30        |
| Total                          | 3,551     | 3,460     | 3,385     | 3,280     | 3,205     |
| Grade 12 vs. JK & Kindergarten |           | -98       | -75       | -105      | -75       |

# State Aid Formula

BASIC FUNDING RECAP:



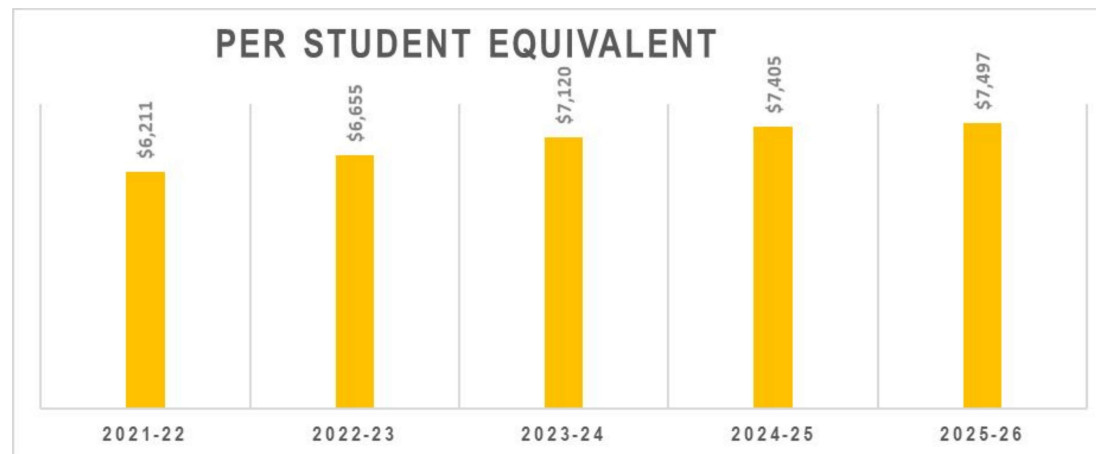
# State Aid Formula



*This column is an excerpt of [Public Education Funding Without Boundaries](#):*

# Property Tax & State Aid

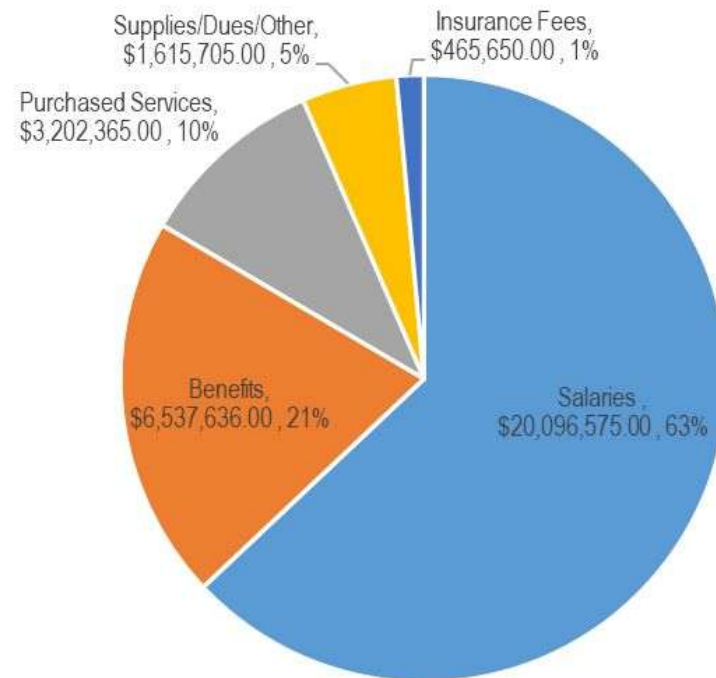
| Classification of Property   | General Fund Levies        |                            |                            |                            |                            |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                              | 2021<br>Payable in<br>2022 | 2022<br>Payable in<br>2023 | 2023<br>Payable in<br>2024 | 2024<br>Payable in<br>2025 | 2025<br>Payable in<br>2026 |
| Agriculture                  | \$1.409                    | \$1.362                    | \$1.320                    | \$1.197                    | \$1.125                    |
| Owner-Occupied               | \$3.153                    | \$3.048                    | \$2.954                    | \$2.679                    | \$2.518                    |
| Non-Agricultural & Utilities | \$6.525                    | \$6.308                    | \$6.113                    | \$5.544                    | \$5.211                    |
|                              | \$11.087                   | \$10.718                   | \$10.387                   | \$9.420                    | \$8.854                    |
| Per Student Equivalent       | \$6,211                    | \$6,655                    | \$7,120                    | \$7,405                    | \$7,497                    |





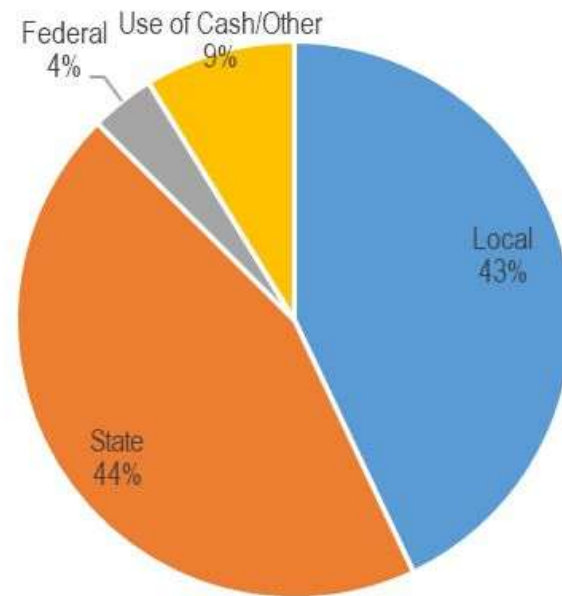
# General Fund

- Total budget of \$31,917,931
  - A decrease of 2.33%
- Use of cash reserves in the amount of \$1,450,302
- Major revenue identifications
  - Property tax levy's
  - State Aid increase of 1.25%
  - Transfer - Capital Outlay
- Major expenditure identifications
  - Negotiated increases
  - Early retirement payment
- Ending fund balance projection estimate at \$6,374,964 or 19.97%



# General Fund - Revenue

- Enrollment estimated at 3,460
- Total Need Calculation
- State funding increase of 1.25%
- Federal Title Grants
- Transfer in from Capital Outlay



## Budget Hearing: July 14th at 5PM

