

Committee of the Whole Board Meeting-Budget

Duluth Public Schools, ISD 709

Agenda

Wednesday, May 12, 2021

VIA VIDEO CONFERENCE

Google Meet

Duluth, MN 55802

5:00 PM

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FISCAL YEAR 2021/2022 UPDATE**
Cathy Erickson
4. **ADJOURN**

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**Preliminary Fiscal Year 2022 Budget
Committee of the Whole ~ May 12, 2021**
(Recommended budget for FY22 must be adopted by June 30, 2021)

**Revenue & Expense Budget Summary - Fiscal Year 2022(FY22)
All Funds**

Preliminary DRAFT #1 - May 12, 2021

	Revenues	Expenses	Difference
General Fund	\$ 108,564,794.01	\$ 115,012,436.50	\$ (6,447,642.49)
Food Service Fund	\$ 3,945,850.00	\$ 4,247,662.00	\$ (301,812.00)
Community Service Fund	\$ 7,563,000.50	\$ 7,971,812.52	\$ (408,812.02)
Construction Fund	\$ -	\$ -	\$ -
Debt Service Fund	\$ 22,660,834.00	\$ 23,166,651.00	\$ (505,817.00)
Trust Fund	\$ 258,575.00	\$ 250,000.00	\$ 8,575.00
Internal Service Fund	\$ 917,000.00	\$ 917,000.00	\$ -
Student Activity Fund	\$ 1,341,256.00	\$ 1,341,256.00	\$ -

****Final FY22 Adopted Budget to be presented for approval at a June school board meeting.**

Review of Budget Goals that started in FY2021 and continuing to FY2022:

1 Strive for Fiscal Stability

Continue to strive for fund balance growth to meet District Policy of 8% of Gen. Fund Exp.
Possible utilization of ESSER/CARES/Recovery funds to help stabilize FY22 budget.

2 Alignment with District Goals & Strategies

Multiple meetings to gather input from Program Directors, Building Administrators,
Continuous Improvement Teams (CIT), and Administration on budget priorities.

3 Utilize Revenues Effectively

Projected loss of revenues due to enrollment and eligibility will require assessment
of best use of funds, including Federal investments.

4 Program Based Budget Layers

Used data from budget coding to identify core expense areas and how each
are funded.

Duluth Public Schools #709 Revenue Budget Summary - Fiscal Year 2022 (FY22) General Fund

Overview/Definitions:

General Fund includes General (01), Transportation (03), and Operating Capital (05).

Within the General and Operating Capital funds, certain revenues will have reserve requirements.

The process for General Fund Revenue budgeting will include projecting and analyzing current Federal, State, and Local revenues along with forecasting legislative or local district changes to revenues.

Current estimated INITIAL GENERAL FUND Revenues for FY21:

Federal:	\$	5,591,509.00
State:	\$	81,799,833.27
Local:	\$	21,173,451.74
	\$	108,564,794.01

Initial Budget Assumptions:

Basic Formula Allowance increases 0% from FY21 to FY22 based on current law.

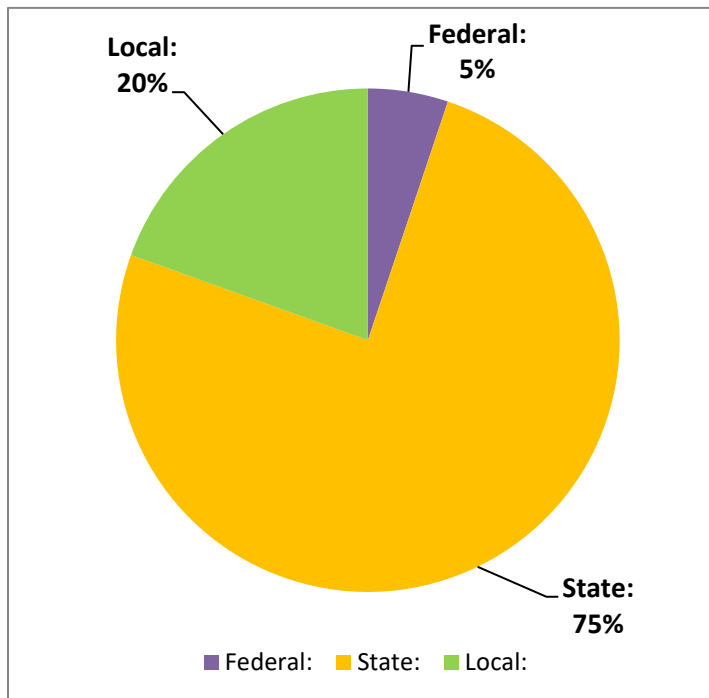
,Pupil Counts are currently projected at 7,885 Adjusted Average Daily Membership (ADJ ADM). We may project slightly higher at the 5/26/21 Budget meeting based on enrollment assessments.

FY19 Final ADJ ADM: 8,229
 FY20 Final ADJ ADM: 8,369
 FY21 Budgeted ADJ ADM: 8,180

Categorical Revenues are estimated at FY21 levels unless other information is known.

Federal Title program revenue estimates are projected 20% less, with a potential to have some carryover available.

Other local revenues are estimated by prior



NOTES:

- * Local revenue includes property tax levy, miscellaneous tax revenues, county apportionment, tuition, fees, admissions, medical assistance, interest earnings, rent, gifts & bequests, insurance recovery, sale of materials and equipment, and other miscellaneous revenues.
- * State revenue includes payments by the MN Dept. of Education, and other state agencies.
- * Federal revenue includes aids awarded through state agencies or directly from federal sources.

Duluth Public Schools #709
Revenue Budget Summary - Fiscal Year 2022 (FY22)
General Fund

Undesignated	\$	65,302,579.21
Federal Programs	\$	5,591,509.00
Special Education	\$	14,536,554.00
Transportation	\$	6,053,554.90
Telecom Access	\$	139,000.00
American Indian	\$	315,000.00
Medical Assistance	\$	600,000.00

Restricted Revenues require a reserved fund balance if funding is not all spent in the allocated fiscal year. Most restricted revenues are intended to be spent in full in the allocated fiscal year.

Undesignated Revenues may have individual calculations, but do not have a required reserve fund balance.

Restricted/Reserved Revenues come from state and local sources (aid and levy).

Undesignated Revenues come from federal, state, and local sources, the largest of which is the basic formula allowance (General Education Aid).

Federal Sources are often reimbursements and have allowable carryover provisions to subsequent fiscal years. Use of Federal funds have limitations.

Restricted/Reserved:

Staff Development	\$	1,133,529.87
Operating Capital	\$	1,909,505.67
Basic Skills	\$	5,302,314.46
Gifted & Talented	\$	112,205.60
Learning & Dev.	\$	1,730,448.00
Alt. Learning Ctr.	\$	1,400,000.00
LT Fac. Maint.	\$	2,442,378.01
Achiev. & Integrat.	\$	1,674,034.37
Safe Schools	\$	322,180.92
Total Restricted:	\$	16,026,596.90
Total General Fund:	\$	108,564,794.01

Revenue Budget Comparison:

	Estimated FY22	Estimated FY21	Final FY20
Federal:	\$ 5,591,509.00	\$ 6,048,509.00	\$ 6,463,685.00
State:	\$ 81,799,833.27	\$ 85,275,966.19	\$ 87,254,553.00
Local:	\$ 21,173,451.74	\$ 21,550,166.05	\$ 22,037,496.00
	\$ 108,564,794.01	\$ 112,874,641.24	\$ 115,755,734.00
	\$ (4,309,847.23) Increase/(Decrease) compared to FY21		

Revenue Notes:

Compensatory Revenue Reduction (Restricted):	\$	(1,326,000.00)
Projected increase in State Special Ed. Revenue:	\$	750,000.00
Revenue Loss due to Student Enrollment:	\$	(2,800,000.00)
Changes in General Fund Levies and other Misc:	\$	(450,000.00)
	\$	(3,826,000.00) *Highlighted amounts only-not the total change

Duluth Public Schools #709 Expense Budget Summary - Fiscal Year 2022 (FY22) General Fund

The preliminary expense budget was created using Fiscal Year 2021 (FY21) as a baseline and adjusting for a number of factors, including impacts from revenue.

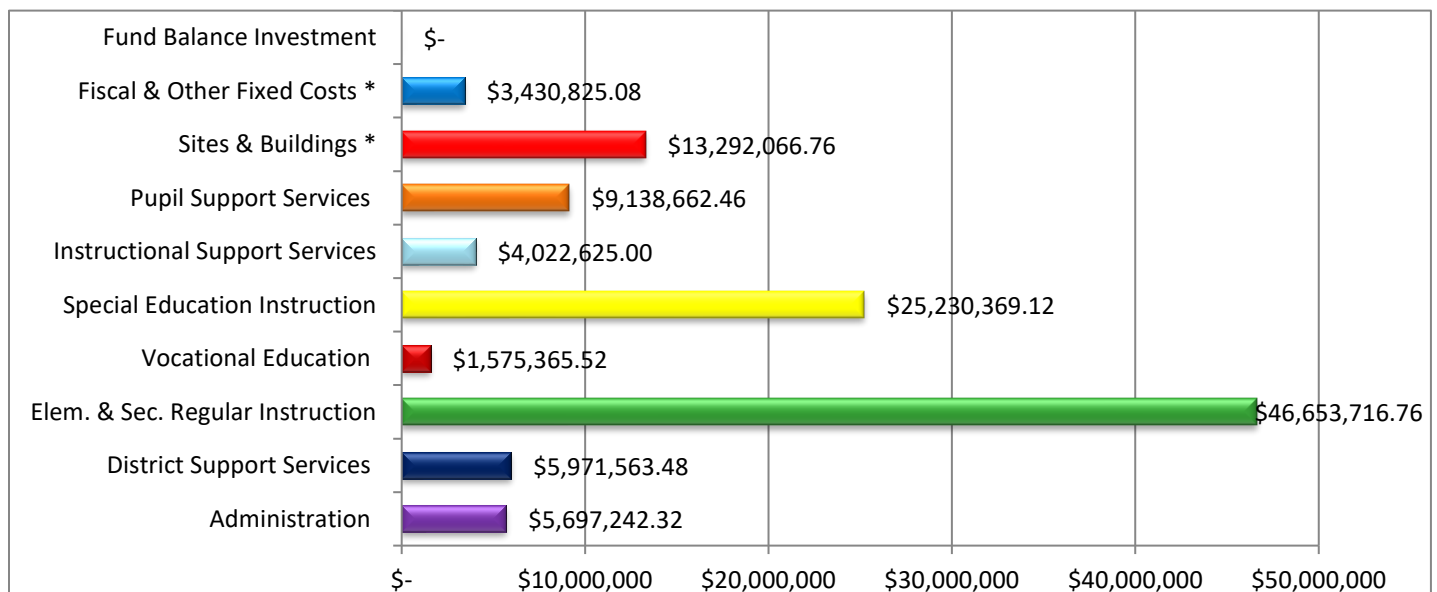
The program areas below are defined by the Minnesota Department of Education (MDE). Program areas may include expenses using restricted or unrestricted revenues.

Fund Balance is not a program area, but it is noted here as a budget component in relation to use of revenue as a budget priority.

Initial Expenses by Program Area - General Fund

PRO	FY22 Est. Budget Expense	FY21 Est. Budget Expense	Change
000-099 Administration	\$ 5,697,242.32	\$ 5,546,316.00	\$ 150,926.32
100-199 District Support Services	\$ 5,971,563.48	\$ 5,854,474.00	\$ 117,089.48
200-299 Elem. & Sec. Regular Instruction	\$ 46,653,716.76	\$ 45,738,938.00	\$ 914,778.76
300-399 Vocational Education	\$ 1,575,365.52	\$ 1,544,476.00	\$ 30,889.52
400-499 Special Education Instruction	\$ 25,230,369.12	\$ 24,735,656.00	\$ 494,713.12
600-699 Instructional Support Services	\$ 4,022,625.00	\$ 3,943,750.00	\$ 78,875.00
700-799 Pupil Support Services	\$ 9,138,662.46	\$ 8,959,473.00	\$ 179,189.46
800-899 Sites & Buildings *	\$ 13,292,066.76	\$ 13,031,438.00	\$ 260,628.76
900-999 Fiscal & Other Fixed Costs *	\$ 3,430,825.08	\$ 3,363,554.00	\$ 67,271.08
FD BAL Fund Balance Investment	\$ -	\$ -	\$ -

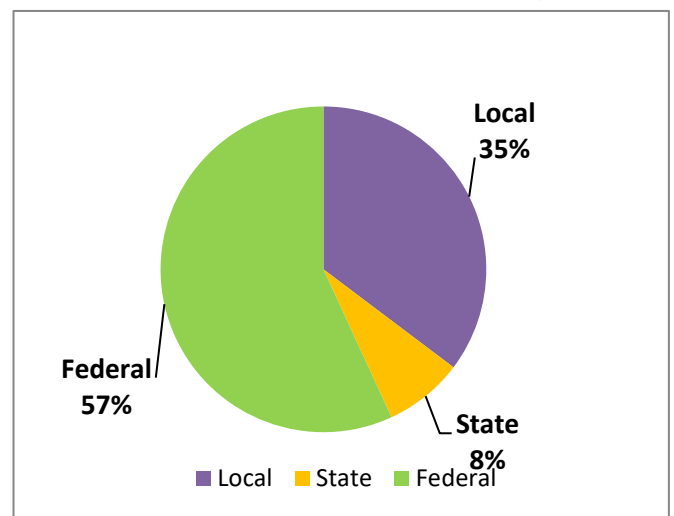
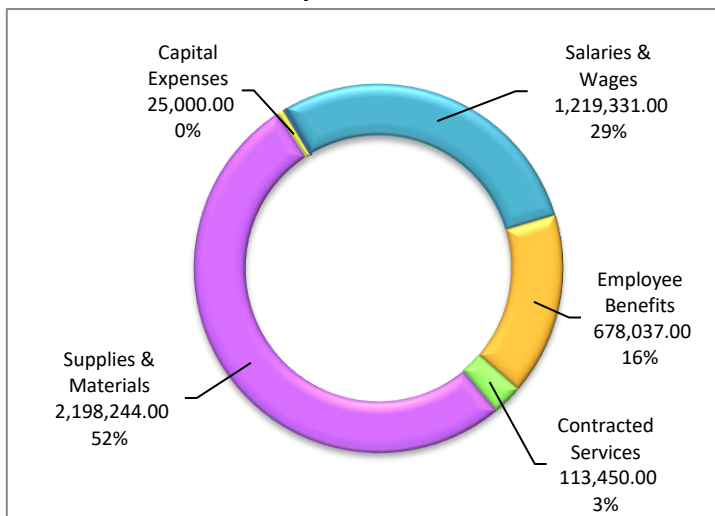
Total Expenses General Fund: \$ 115,012,436.50 \$ 112,718,075.00 \$ 2,294,361.50



Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22) Food Service

Preliminary DRAFT #1 - May 12, 2021

OBJ	FY22 Budget Expense	FY21 Budget Expense	Change
100-199 Salaries & Wages	1,219,331.00	1,269,254.00	(49,923.00)
200-299 Employee Benefits	678,037.00	699,432.00	(21,395.00)
300-399 Contracted Services	113,450.00	113,450.00	-
400-499 Supplies & Materials	2,198,244.00	2,312,600.00	(114,356.00)
500-599 Capital Expenses	25,000.00	25,000.00	-
800-899 Other Expenses	13,600.00	13,600.00	-
Total Expenses Food Service Fund:	4,247,662.00	4,433,336.00	(185,674.00)



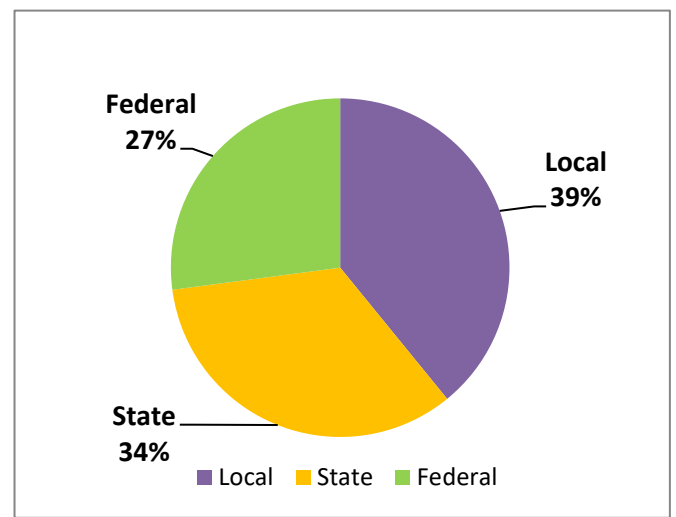
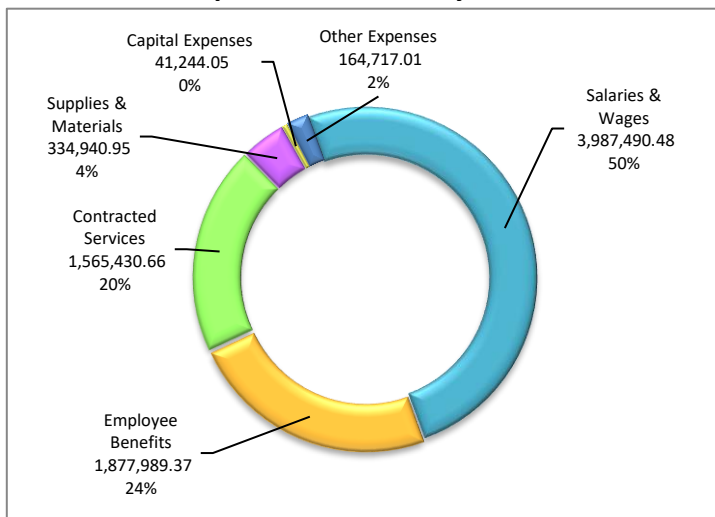
	FY22 Budget Revenue	FY21 Budget Revenue	Change
Local	1,392,000.00	1,492,000.00	(100,000.00)
State	310,000.00	310,000.00	-
Federal	2,243,850.00	2,491,000.00	(247,150.00)
Total Revenues Food Service Fund:	3,945,850.00	4,293,000.00	(347,150.00)

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22)

Community Service

Preliminary DRAFT #1 - May 12, 2021

OBJ	FY22 Budget Expense	FY21 Budget Expense	Change
100-199 Salaries & Wages	3,987,490.48	3,987,490.48	-
200-299 Employee Benefits	1,877,989.37	1,877,989.37	-
300-399 Contracted Services	1,565,430.66	1,565,430.66	-
400-499 Supplies & Materials	334,940.95	334,940.95	-
500-599 Capital Expenses	41,244.05	41,244.05	-
800-899 Other Expenses	164,717.01	164,717.01	-
Total Expenses Community Service Fund:	7,971,812.52	7,971,812.52	-



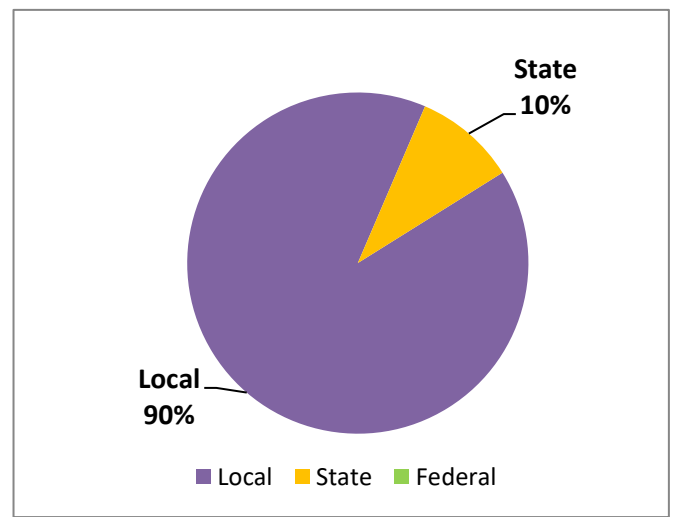
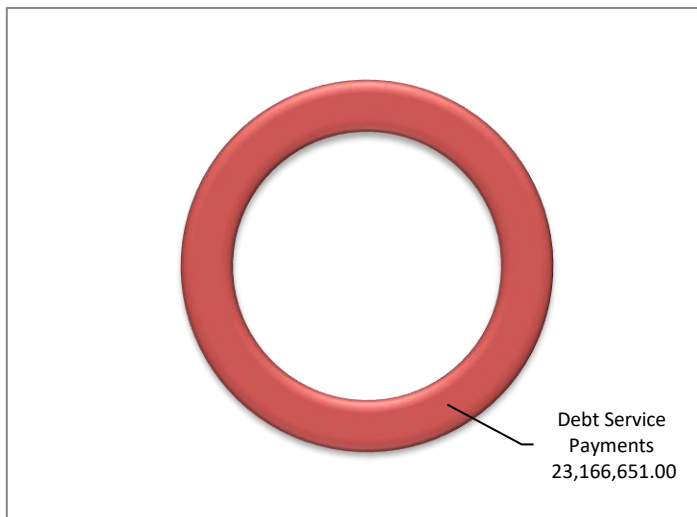
	FY22 Budget Revenue	FY21 Budget Revenue	Change
Local	2,958,204.46	2,958,204.46	-
State	2,556,175.95	2,556,175.95	-
Federal	2,048,620.09	2,048,620.09	-
Total Revenues Community Service Fund:	7,563,000.50	7,563,000.50	-

**AS of May 12, 2021 this Community Service Budget is still in progress. Due to Covid-19 impacts we are still analyzing changes and projections so at this time the FY21 budget is the base with some built in esclators for contractual increases. Changes will be updated as soon as they are available.

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22) Debt Service

Preliminary DRAFT #1 - May 12, 2021

OBJ		FY22 Budget	FY21 Budget	Change
		Expense	Expense	
700-799	Debt Service Payments	23,166,651.00	21,506,300.00	1,660,351.00
900-999	Fiscal & Other Payments	-	-	-
Total Expenses Debt Service Fund:		23,166,651.00	21,506,300.00	1,660,351.00

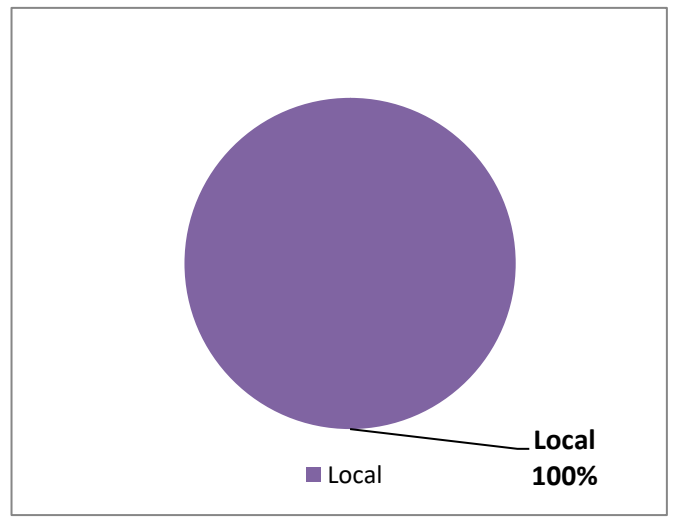
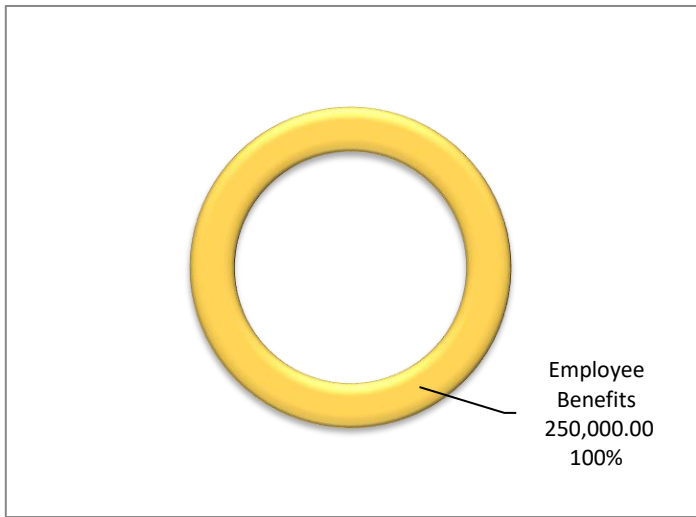


	FY22 Budget	FY21 Budget	Change
	Revenue	Revenue	
Local	20,472,271.00	19,609,723.00	862,548.00
State	2,188,563.00	2,188,563.00	-
Federal	-	-	-
Total Revenues Debt Service Fund:	22,660,834.00	21,798,286.00	862,548.00
Revenues Less Expenses:	(505,817.00)	291,986.00	(797,803.00)

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22) Trust Fund

Preliminary DRAFT #1 - May 12, 2021

OBJ		FY22 Budget Expense	FY21 Budget Expense	Change
200-299	Employee Benefits	250,000.00	250,000.00	-
800-899	Other Expenditures	-	-	-
Total Expenses Trust Fund:		250,000.00	250,000.00	-



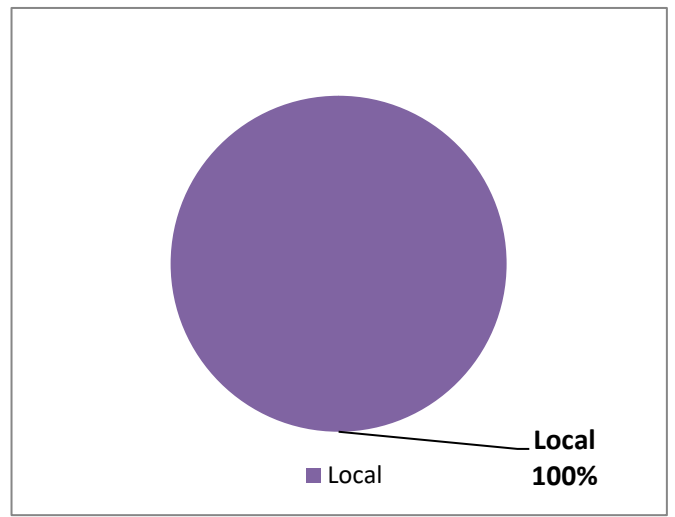
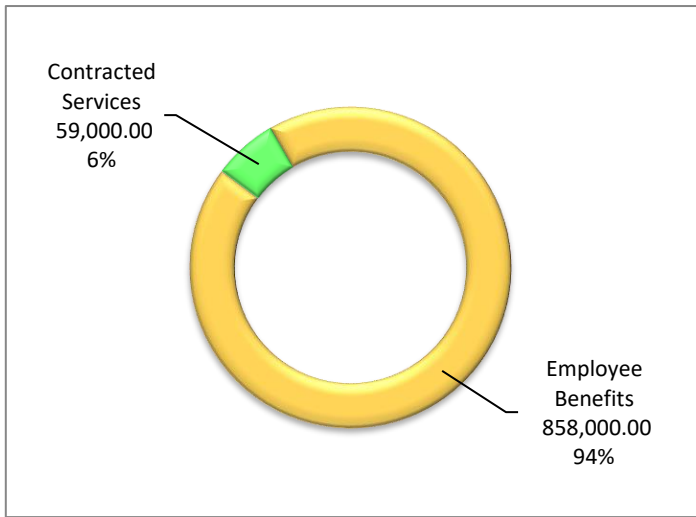
	FY22 Budget Revenue	FY21 Budget Revenue	Change
Local	258,575.00	258,575.00	-
State	-	-	-
Federal	-	-	-
Total Revenues Trust Service Fund:	258,575.00	258,575.00	-
Revenues Less Expenses:	8,575.00	8,575.00	-

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22)

Dental Internal Service Fund

Preliminary DRAFT #1 - May 12, 2021

OBJ	FY21 Budget Expense	FY20 Budget Expense	Change
200-299 Employee Benefits	858,000.00	819,400.00	38,600.00
300-399 Contracted Services	59,000.00	59,000.00	-
Total Expenses Dental Internal Service Fund:	917,000.00	878,400.00	38,600.00



	FY21 Budget Revenue	FY20 Budget Revenue	Change
Local	917,000.00	878,400.00	38,600.00
State	-	-	-
Federal	-	-	-
Total Revenues Dental Internal Service Fund:	917,000.00	878,400.00	38,600.00
Revenues Less Expenses:	-	-	-

