

# Duluth Public Schools #709

## Revenue Budget Summary - Fiscal Year 2020 (FY20)

### 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.

Revenues originate from Federal, State, or Local Sources. Some Federal revenues are allocated to states who, in turn, distribute those revenues to eligible school districts, charter schools, or other programs.

Revenue that is equalized, or has a tax levy component in the formula, will have the levy portion identified as local revenue. This may be state mandated, district opted, or voter approved.

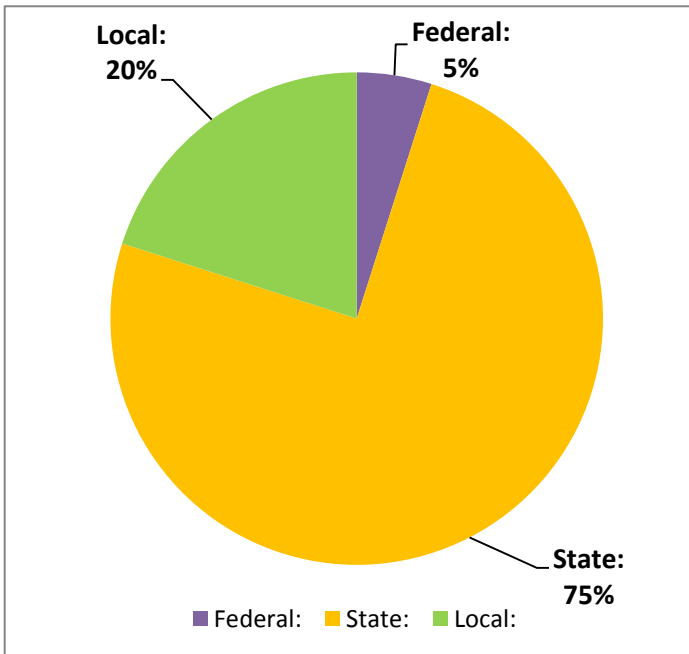
Other local revenues include grants, gifts & donations, tuition billing, fees, gate receipts, and interest. The sale proceeds for properties may be identified separately from regular local revenue.

State revenue may be a component of statewide funding formulas, categorical aids in which a district must qualify, or state grants with specific scope and 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 FY20:**

<b>Federal:</b>	\$	5,383,065.00
<b>State:</b>	\$	82,218,929.02
<b>Local:</b>	\$	21,991,408.25
	<u>\$</u>	<u>109,593,402.27</u>



**Initial Budget Assumptions:**

Basic Formula Allowance remains the same as Fiscal Year 2019 (FY19).

Pupil Counts are decreased slightly for the FY20 budget, projected at 8,146 Adjusted Average Daily Membership (ADM) - this is a revised estimate from February when initial projections were 8,108.

Categorical Revenues are estimated at FY19 levels unless other information is known.

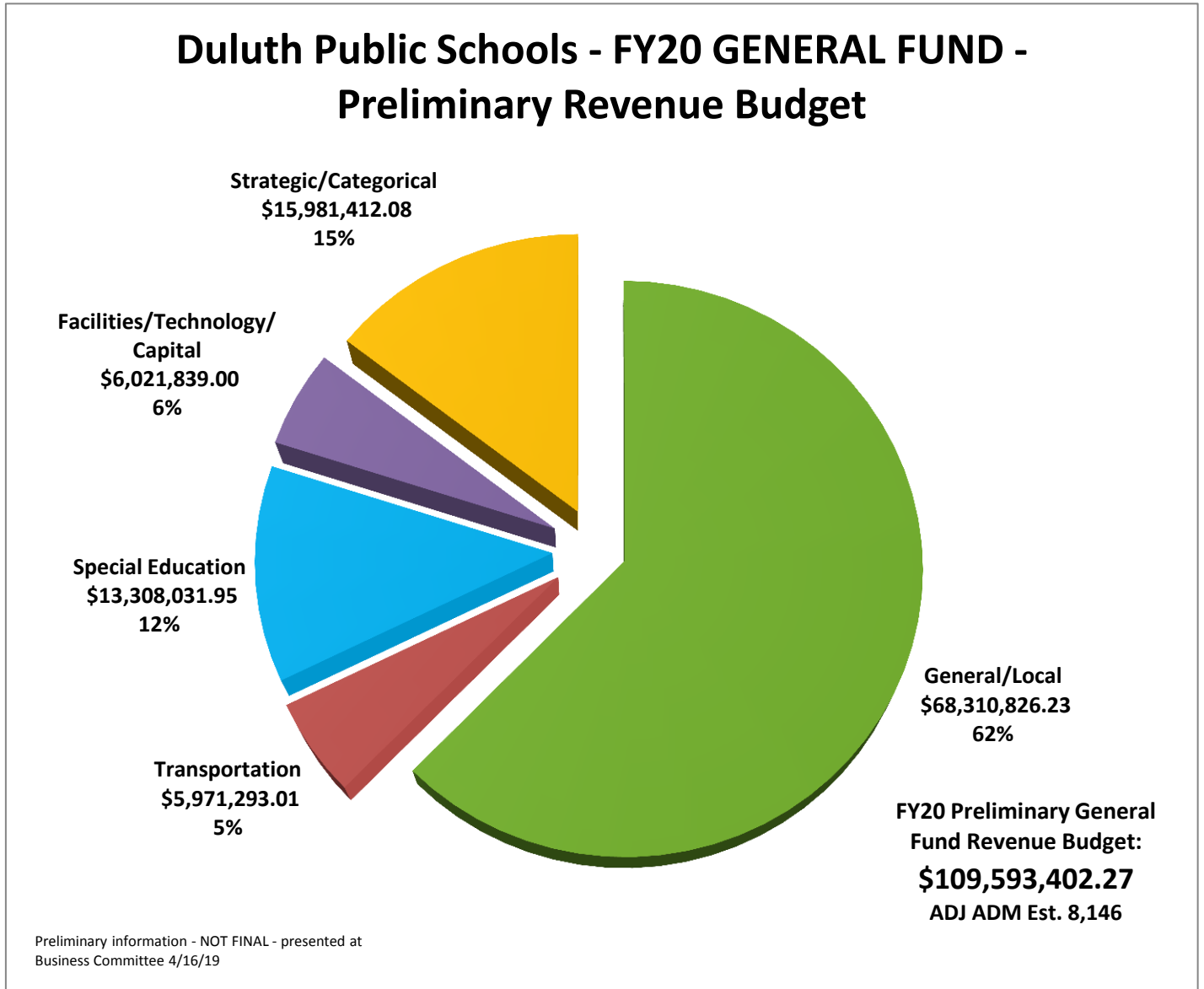
Federal Title program revenue estimates are projected to decline by 10% due to lower Free & Reduced lunch counts.

Other local revenues are estimated by prior year funding amounts.

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**Revenue Budget Summary - Fiscal Year 2020 (FY20)**  
**General Fund**

These same revenue estimates can also be viewed in relation to what program areas they support. In each of these categories there may be further detail or distributions related to statute, policy, or district priorities.

Some revenues are considered entitlements and others are reimbursements.



**General/Local:** Funding includes those revenues not specifically identified in other categories, although some uses may be limited or may be designated by the District. Revenues could include state aids, local levies, grants, tuition, and other revenues.

**Strategic/Categorical:**  
 Funding includes revenues that may apply to certain programs or District strategies.

**Facilities/Technology/Capital:**  
 Funding includes revenues designated for State directed or District directed foundational costs.

**Special Education:**  
 Funding includes estimated state reimbursement revenue for programs and Federal allocations.

**Transportation:**  
 Funding includes identified revenues attributable to regular and special transportation.

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### General Fund

<b>Unrestricted:</b>	\$	85,502,618.89
Est. New Referendum	\$	5,089,000.00
<b>Restricted:</b>		
Staff Development	\$	1,122,980.54
Operating Capital	\$	1,855,927.21
Basic Skills	\$	6,634,122.20
Gifted & Talented	\$	115,642.80
Learning & Dev.	\$	1,838,436.00
Alt. Learning Ctr.	\$	1,742,347.00
LT Fac. Maint.	\$	3,712,474.55
Achiev. & Integrat.	\$	1,666,415.84
Safe Schools	\$	313,437.24
<b>Total Restricted:</b>	\$	<b>19,001,783.38</b>
<b>Total General Fund:</b>	\$	<b>109,593,402.27</b>

**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.

Some **Unrestricted Revenues** may have defined uses but do not require a designated set aside balance to reserve.

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

**Unrestricted Revenues** come from federal, state, and local sources.

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

### Revenue Considerations:

<b>Basic Formula</b>	\$	560,000.00	Average basic allowance increase per 1% increase for Duluth
	\$	280,745.00	Current Senate proposed increase for FY20 (.5%)
	\$	1,680,000.00	Current House proposed increase for FY20 (3%)

<b>\$ 560,000.00 Administrative Recommendation (1%)</b>
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### Revised General Fund Revenue

**Budget:** \$ **110,153,402.27**

### Revenue Budget Comparison:

	Estimated FY20	Estimated FY19	Final FY18
<b>Federal:</b>	\$ 5,383,065.00	\$ 6,065,644.00	\$ 5,840,535.27
<b>State:</b>	\$ 82,218,929.02	\$ 83,668,996.33	\$ 81,532,066.00
<b>Local:</b>	\$ 21,991,408.25	\$ 16,142,180.00	\$ 17,555,245.60
	<b>\$ 109,593,402.27</b>	<b>\$ 105,876,820.33</b>	<b>\$ 104,927,846.87</b>
<b>Formula Allowance:</b>	\$ 560,000.00		
<b>Assigned Revenue:</b>	\$ 600,000.00		
	<b>\$ 110,753,402.27</b>		
	\$ 4,876,581.94	Increase/(Decrease) compared to FY19	

### Revenue Notes:

<b>Compensatory Revenue Reduction (Restricted):</b>	\$	<b>(948,000.00)</b>
<b>LTFM Revenue Increase (Restricted):</b>	\$	759,300.00
<b>FY17 Referendum Adjustment:</b>	\$	<b>(907,000.00)</b>
<b>New Formula Allowance Projection:</b>	\$	560,000.00
<b>New Referendum Projection:</b>	\$	5,089,000.00
	\$	<b>4,553,300.00</b>

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## Expense Budget Summary - Fiscal Year 2020 (FY20)

### General Fund

#### Overview/Definitions:

General Fund expenses encompass a wide range of categories and are identified through coding to represent programming areas and use of funds.

Expenses may be funded through unrestricted, restricted, or fund balances. If a fund balance is being used, revenues and expenses may not tie out.

An overall surplus or deficit is the combination of all available funding sources.

Staffing for FY20 is currently an estimate. The District will continue to analyze programs and pupil trends to determine base needs. Staff funded by entitlement revenues may need to be adjusted based on funding.

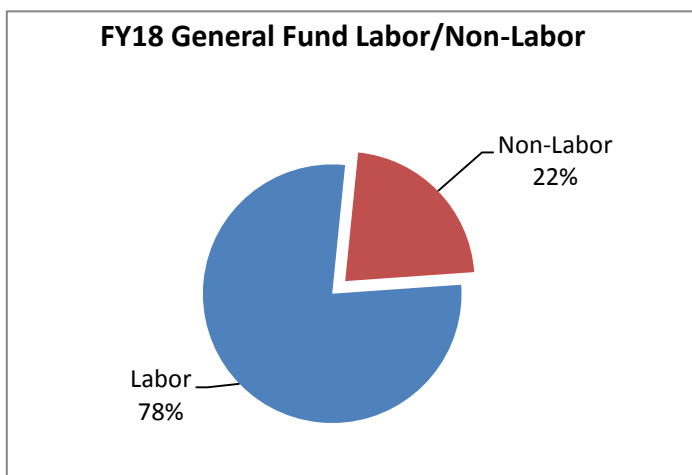
Consideration for effective use of funds will be the baseline to appropriately budget expenses in programs that best represent any restricted guidelines.

FY20 expense considerations may be the result of impacts from prior year budget or levy consequences.

Revenues that may become available through legislation or other sources not currently budgeted may trigger changes in expenses.

More meetings with building and program administration will be needed to determine any specific changes needed due to revenue adjustments, program reductions, or district priorities.

#### Labor/Non-Labor Summary



The majority of General Fund expenses are tied to salaries, wages, and benefits.

This pie chart shows the district's breakdown of Labor and Non-Labor expenses in the General Fund for Fiscal Year 2018.

It is expected that FY20 will have a similar result in relation to funding.

This will be reviewed and updated for FY20 after meetings with sites and programs.

\* Of the 78% Labor, 71% is Salaries and Wages and 29% is Benefits

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## Expense Budget Summary - Fiscal Year 2020 (FY20)

### General Fund

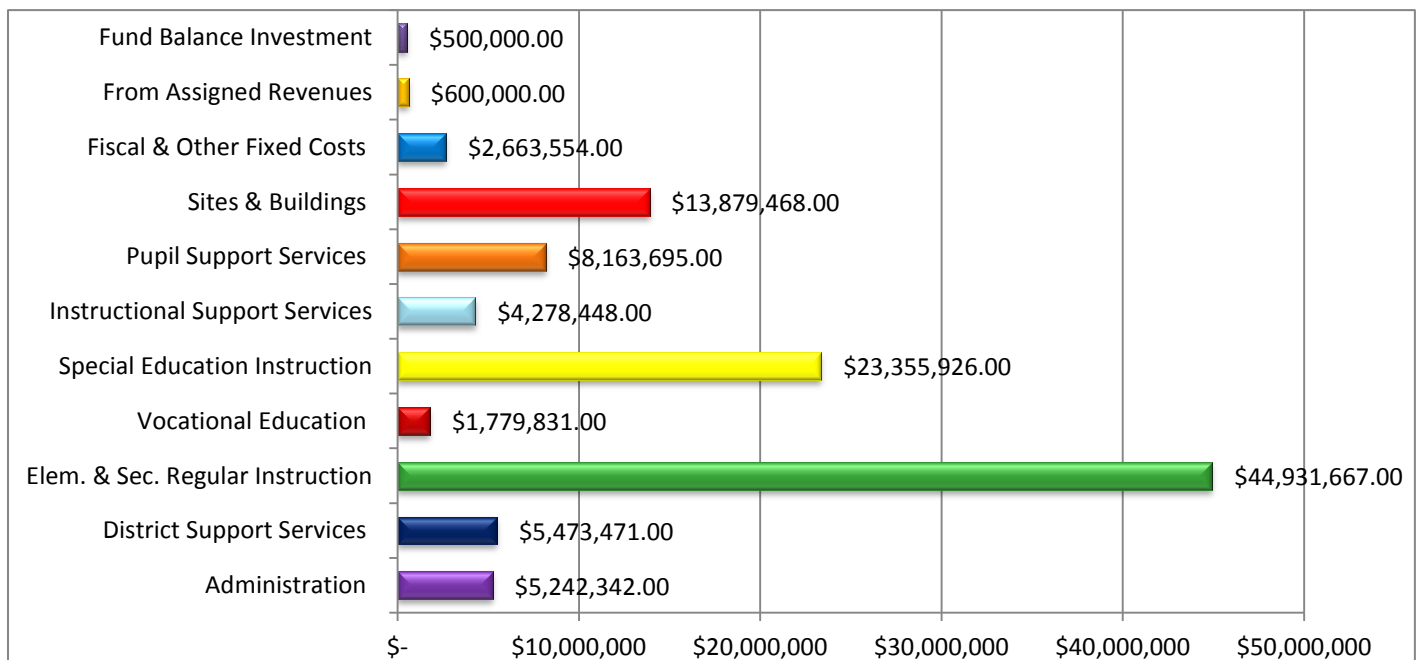
The preliminary expense budget was created using Fiscal Year 2019 (FY19) as a baseline and adjusting for a number of factors, including impacts from revenue.

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.

### Expenses by Program Area - General Fund

PRO	FY20 Budget Expense	FY19 Budget Expense	Change
000-099 Administration	\$ 5,242,342.00	\$ 5,233,249.00	\$ 9,093.00
100-199 District Support Services	\$ 5,473,471.00	\$ 5,405,077.00	\$ 68,394.00
200-299 Elem. & Sec. Regular Instruction	\$ 44,931,667.00	\$ 42,704,746.00	\$ 2,226,921.00
300-399 Vocational Education	\$ 1,779,831.00	\$ 1,734,290.00	\$ 45,541.00
400-499 Special Education Instruction	\$ 23,355,926.00	\$ 22,384,304.00	\$ 971,622.00
600-699 Instructional Support Services	\$ 4,278,448.00	\$ 4,018,763.00	\$ 259,685.00
700-799 Pupil Support Services	\$ 8,163,695.00	\$ 8,006,430.00	\$ 157,265.00
800-899 Sites & Buildings	\$ 13,879,468.00	\$ 13,126,601.00	\$ 752,867.00
900-999 Fiscal & Other Fixed Costs	\$ 2,663,554.00	\$ 3,260,000.00	\$ (596,446.00)
FD BAL From Assigned Revenues	\$ 600,000.00	\$ -	\$ 600,000.00
FD BAL Fund Balance Investment	\$ 500,000.00	\$ -	\$ 500,000.00
<b>Total Expenses General Fund: \$ 110,868,402.00 \$ 105,873,460.00 \$ 4,994,942.00</b>			



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## Expense Budget Summary - Fiscal Year 2020 (FY20)

### General Fund

#### Preliminary Budget Considerations - Expenses

Salaries, Wages, and Benefits were adjusted based on average contractual increases and projected FY20 staffing changes (retirements) currently known.

Sites and Buildings include a transfer of \$350,000 from restricted LTFM salaries back to the General Fund. A \$1.5 million transfer from General to LTFM was done in FY19 to balance the General Fund. Original use of LTFM funds is for building and facilities improvements.

A school bus is added to the transportation budget. The current replacement schedule is behind by at least 3 vehicles.

The assigned fund balance revenue and expense, should it be acquired by the district, is required to deposit into the operating capital reserve. This would be dedicated to facilities equipment and technology.

Curriculum budget includes an additional \$100,000 for multi-year curriculum planning.

Compensatory budgets were adjusted to reflect the change in entitlement and site allocations. Final staffing/supply budget changes will be determined by site administration.

Budget includes an expense transfer reduction for bond payment obligations and increases in other program categories based on Series 2019A bond restructuring.

Program category 200-299, Elementary & Secondary Instruction, includes 5 new FTE, allocation to be determined.

This budget is PRELIMINARY and subject to change.  
Reductions may be required.

## Revenue & Expense Budget Summary - Fiscal Year 2020 (FY20)

### General Fund

<b>Initial Revenues:</b>	\$	109,593,402.27
<b>Basic Allowance:</b>	\$	560,000.00
<b>Assigned Revenue:</b>	\$	600,000.00
<b>Preliminary</b>		
<b>FY20 Revenue:</b>	\$	<b>110,753,402.27</b>
<b>Initial Expenses:</b>	\$	<b>110,868,402.00</b>

**Final Notes:**

- All budget line items are still under review.
- More detail work will be done analyzing restricted revenues and expenses.
- This report is only in relation to the General Fund, which includes General, Transportation, and Capital Funds.
- This budget comparison includes all reserved and unreserved fund balances in the general fund and a final balance will not reflect a complete financial position of the district at this time.

**Projected surplus/**  
**(deficit): \$ (114,999.73) Will require additional budget adjustments.**