



**Preliminary Fiscal Year 2020 Budget
Committee of the Whole ~ June 4, 2019**

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

All Funds

Preliminary - May 31, 2019

	Revenues	Expenses	Difference
General Fund	\$ 110,992,961.72	\$ 110,996,758.97	\$ (3,797.25)
Food Service Fund	\$ 4,314,800.00	\$ 4,315,141.90	\$ (341.90)
Community Service Fund	\$ 7,563,000.50	\$ 7,789,370.73	\$ (226,370.23)
Construction Fund	\$ -	\$ -	\$ -
Debt Service Fund	\$ 21,713,803.00	\$ 20,744,823.61	\$ 968,979.39
Trust Fund	\$ 252,950.00	\$ 250,000.00	\$ 2,950.00
Internal Service Fund	\$ 878,400.00	\$ 878,400.00	\$ -
Student Activity Fund	\$ 1,419,021.00	\$ 1,419,021.00	\$ -

****Final FY20 Adopted Budget to be presented for approval at the June 18 school board meeting.**

Review of Budget Goals:

1 Strive for Fiscal Stability

District investment of \$500,000 in the unreserved fund balance.

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

Due to financial limitations, local, state, and federal revenue uses were reviewed and multiple projections were used to determine preliminary estimates.

4 Program Based Budget Layers

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

5 New Referendum Implementation

Revenue being used for supplemental compensatory distributions, investments in special education staff & programs, and addressing prior year budget gaps.

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.

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:

Federal:	\$ 5,869,509.00
State:	\$ 83,132,044.47
Local:	\$ 21,991,408.25
	\$ 110,992,961.72

Initial Budget Assumptions:

Basic Formula Allowance increases 2% from FY19 per 2019 Legislative Special Session.

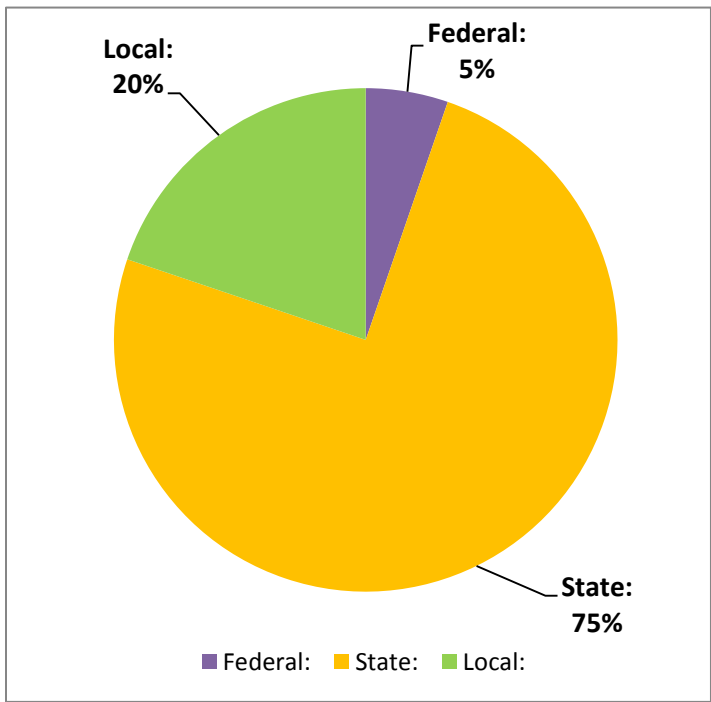
Pupil Counts are currently projected at 8,116 Adjusted Average Daily Membership (ADJ ADM).
 This is a 3rd revision of estimates:
 February: 8,108 April: 8,146 June: **8,116**

FY18 Final ADJ ADM: 8,215
 Projected FY19 ADJ ADM: 8,157

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.



- * 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 2020 (FY20)

General Fund

Undesignated	\$	62,404,228.89
Federal Programs	\$	5,869,509.00
Special Education	\$	11,317,477.95
Transportation	\$	6,025,854.91
Telecom Access	\$	139,000.00
Misc. Grants	\$	134,000.00
American Indian	\$	332,000.00
Medical Assistance	\$	700,000.00
Est. New Referendum	\$	5,089,000.00

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	\$	1,141,405.90
Operating Capital	\$	1,849,125.44
Basic Skills	\$	6,615,638.20
Gifted & Talented	\$	115,239.80
Learning & Dev.	\$	1,825,807.00
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

Total Restricted: \$ 18,981,890.97

Total General Fund: \$ 110,992,961.72

Revenue Budget Comparison:

	Estimated FY20	Estimated FY19	Final FY18
Federal:	\$ 5,869,509.00	\$ 6,065,644.00	\$ 5,840,535.27
State:	\$ 83,132,044.47	\$ 83,668,996.33	\$ 81,532,066.00
Local:	\$ 21,991,408.25	\$ 16,142,180.00	\$ 17,555,245.60
	\$ 110,992,961.72	\$ 105,876,820.33	\$ 104,927,846.87
	\$ 5,116,141.39	Increase/(Decrease) compared to FY19	

Revenue Notes:

Compensatory Revenue Reduction (Restricted):	\$	(948,000.00)
LTFM Revenue Increase (Restricted):	\$	759,300.00
FY17 Referendum Adjustment:	\$	(907,000.00)
New Formula Allowance Projection:	\$	1,120,000.00
New Referendum Projection:	\$	5,089,000.00

\$ 5,113,300.00 *Highlighted amounts only not the total change

Duluth Public Schools #709 Expense Budget Summary - Fiscal Year 2020 (FY20) General Fund

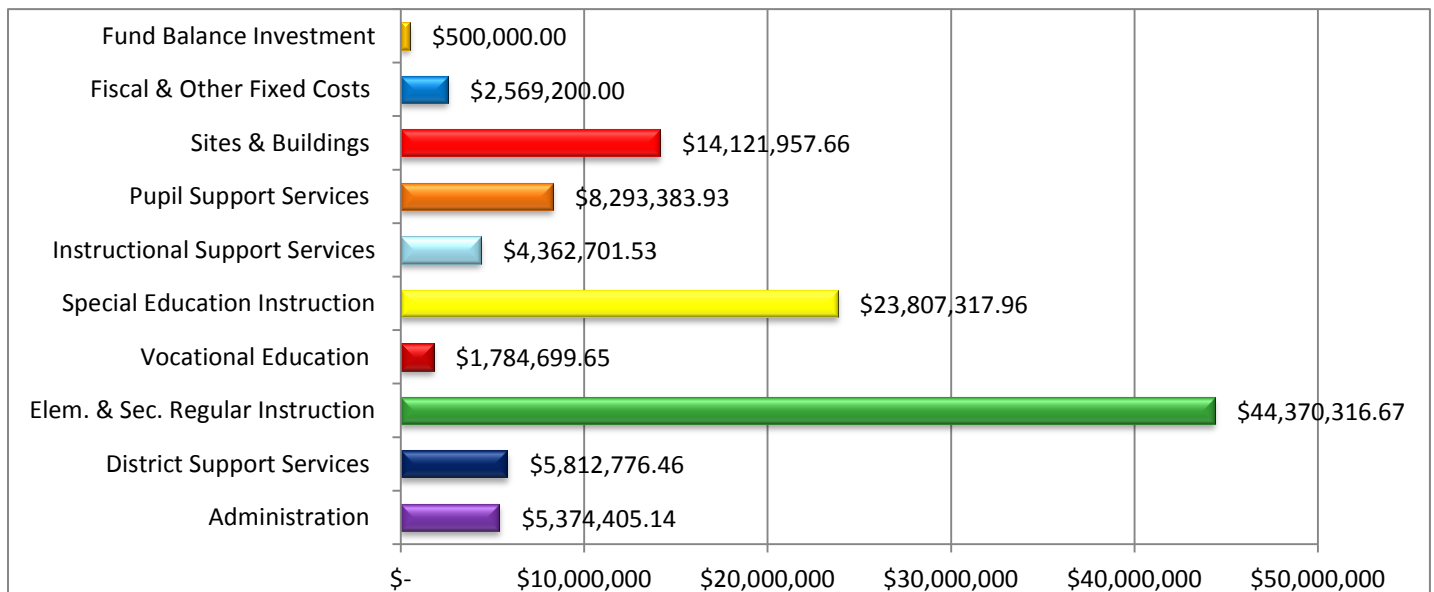
The preliminary expense budget was created using Fiscal Year 2019 (FY19) as a baseline and adjusting for a number of factors, including impacts from revenue.

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	\$ 5,374,405.14	\$ 5,233,249.00	\$ 141,156.14
100-199 District Support Services	\$ 5,812,776.46	\$ 5,405,077.00	\$ 407,699.46
200-299 Elem. & Sec. Regular Instruction	\$ 44,370,316.67	\$ 42,704,746.00	\$ 1,665,570.67
300-399 Vocational Education	\$ 1,784,699.65	\$ 1,734,290.00	\$ 50,409.65
400-499 Special Education Instruction	\$ 23,807,317.96	\$ 22,384,304.00	\$ 1,423,013.96
600-699 Instructional Support Services	\$ 4,362,701.53	\$ 4,018,763.00	\$ 343,938.53
700-799 Pupil Support Services	\$ 8,293,383.93	\$ 8,006,430.00	\$ 286,953.93
800-899 Sites & Buildings	\$ 14,121,957.66	\$ 13,126,601.00	\$ 995,356.65
900-999 Fiscal & Other Fixed Costs	\$ 2,569,200.00	\$ 3,260,000.00	\$ (690,800.00)
FD BAL Fund Balance Investment	\$ 500,000.00	\$ -	\$ 500,000.00
Total Expenses General Fund: \$ 110,996,758.97 \$ 105,873,460.00 \$ 5,123,298.97			

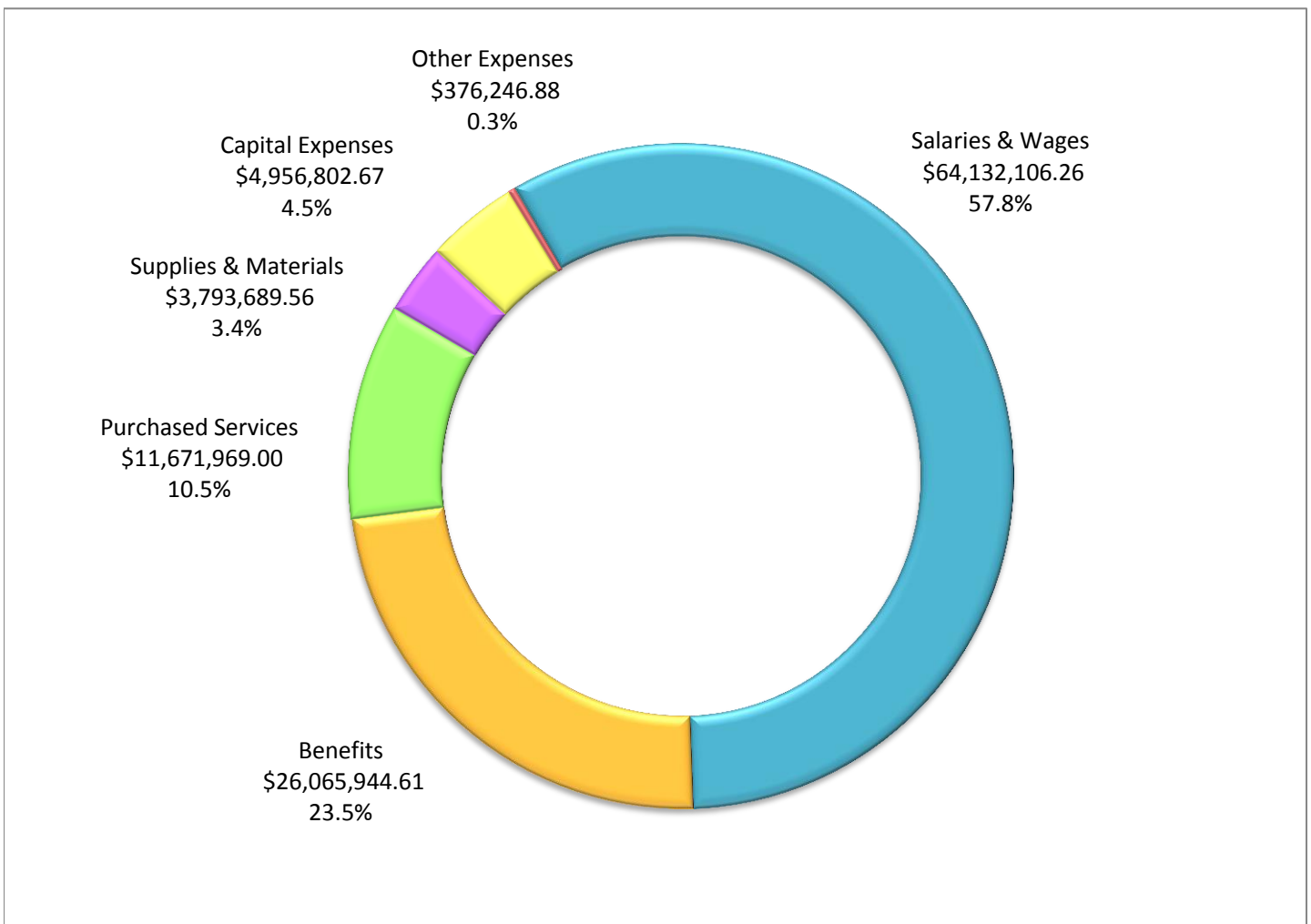


Duluth Public Schools #709
Expense Budget Summary - Fiscal Year 2020 (FY20)
General Fund

Expenses by Object Series - General Fund

OBJ			
100-199	Salaries & Wages	\$ 64,132,106.26	57.8%
200-299	Benefits	\$ 26,065,944.61	23.5%
300-399	Contracted Services	\$ 11,671,969.00	10.5%
400-499	Supplies & Materials	\$ 3,793,689.56	3.4%
500-599	Capital Expenses	\$ 4,956,802.67	4.5%
800-899	Other Expenses	\$ 376,246.88	0.3%

Total Expenses General Fund: \$ 110,996,758.97



Duluth Public Schools #709

Expense Budget Summary - Fiscal Year 2020 (FY20)

General Fund

Preliminary Budget Considerations - Revenues (highlighting major components)

1 Increase in Formula Allowance:	\$	1,120,000.00	
2% increase in basic formula, also includes net decrease in revenue due to declining enrollment, also includes estimated special education revenue			
2 Revenue Reductions:	\$	(1,855,000.00)	
Includes reduction of Compensatory revenue and FY17 Operating Referendum levy adjustment			
3 New Referendum:	\$	5,089,000.00	
Estimated additional referendum revenue with the passage of Question 2			
4 Long-Term Facilities:	\$	759,000.00	
Levy increase to cover FY20 projects (expenses increase as well)			
Summary of Changes:	\$	5,113,000.00	Increase

Preliminary Budget Considerations - Expenses (highlighting major components)

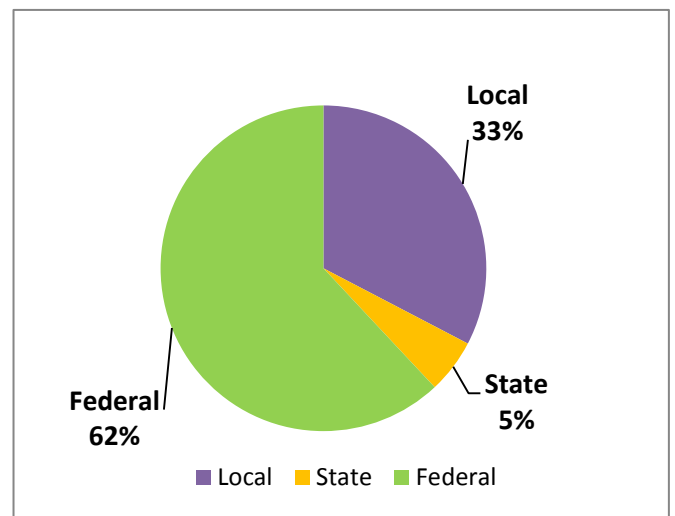
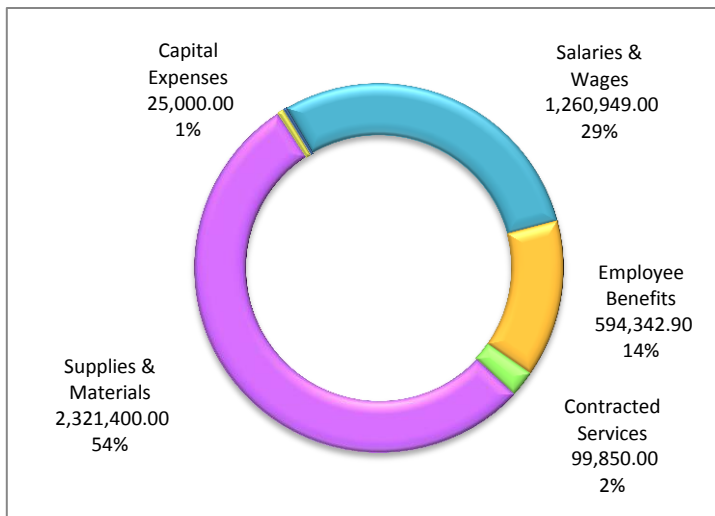
1 Staff Investments:	\$	4,638,508.17	
Includes contractual wage & benefit changes, investments in special education staff & programs, general fund benefit increase due one time funding in FY19, investments in elementary staffing, and district wide staff changes.			
2 Foundational Investments:	\$	1,251,000.00	
Includes facilities investments, technology investments, transportation investments, purchase of a school bus, and administrative projects (boundary study/supt. search)			
3 Fund Balance Investment:	\$	500,000.00	
Striving towards board policy to hold 8% of yearly general fund expenses in unreserved fund balance.			
4 Curriculum Investment:	\$	100,000.00	
Set aside dollars for 5-year, 3-cycle textbook adoption. Note: Need approx. \$200,000 additional per year for 5 years to meet projected expenses. Does not include needed supplemental professional development.			
5 Expense Reductions:	\$	(1,400,000.00)	
Includes bond restructuring payment adjustments and site based reductions			
Summary of Changes:	\$	5,089,508.17	Increase

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

Food Service

Preliminary - May 31, 2019

OBJ		FY20 Budget Expense	FY19 Budget Expense	Change
100-199	Salaries & Wages	1,260,949.00	1,214,856.00	46,093.00
200-299	Employee Benefits	594,342.90	545,155.34	49,187.56
300-399	Contracted Services	99,850.00	163,450.00	(63,600.00)
400-499	Supplies & Materials	2,321,400.00	2,222,400.00	99,000.00
500-599	Capital Expenses	25,000.00	24,000.00	1,000.00
800-899	Other Expenses	13,600.00	12,800.00	800.00
Total Expenses Food Service Fund:		4,315,141.90	4,182,661.34	132,480.56



	FY20 Budget Revenue	FY19 Budget Revenue	Change
Local	1,408,800.00	1,265,500.00	143,300.00
State	232,000.00	220,000.00	12,000.00
Federal	2,674,000.00	2,617,000.00	57,000.00
Total Revenues Food Service Fund:	4,314,800.00	4,102,500.00	212,300.00

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

Community Service

Preliminary - May 31, 2019

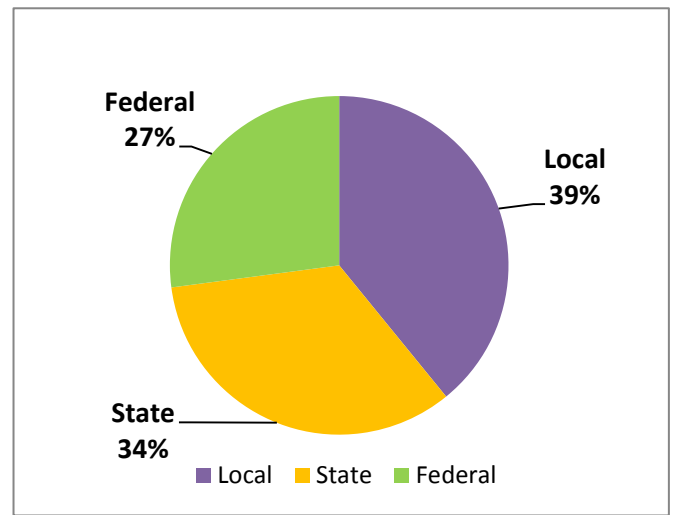
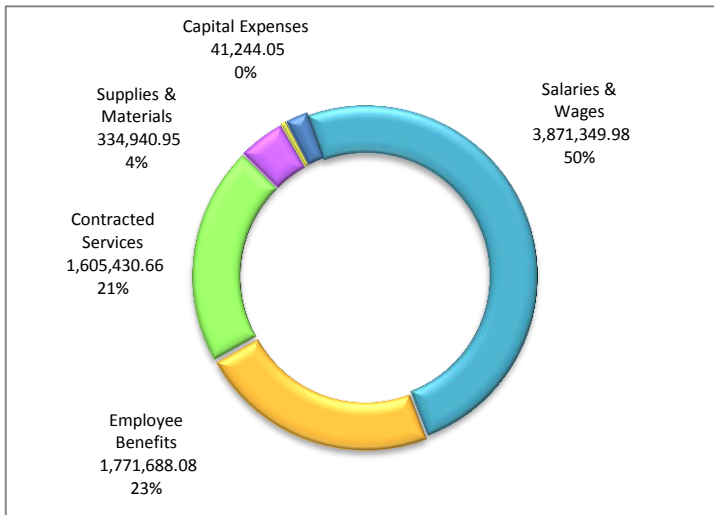
OBJ		FY20 Budget Expense	FY19 Budget Expense	Change
100-199	Salaries & Wages	3,871,349.98	3,796,557.79	74,792.19
200-299	Employee Benefits	1,771,688.08	1,729,066.59	42,621.49
300-399	Contracted Services	1,605,430.66	1,589,850.13	15,580.53
400-499	Supplies & Materials	334,940.95	333,549.96	1,390.99
500-599	Capital Expenses	41,244.05	41,244.05	-
800-899	Other Expenses	164,717.01	164,717.01	-

Total Expenses Community Service Fund:

7,789,370.73

7,654,985.53

134,385.20



	FY20 Budget Revenue	FY19 Budget Revenue	Change
Local	2,958,204.46	2,765,204.46	193,000.00
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	7,370,000.50	193,000.00

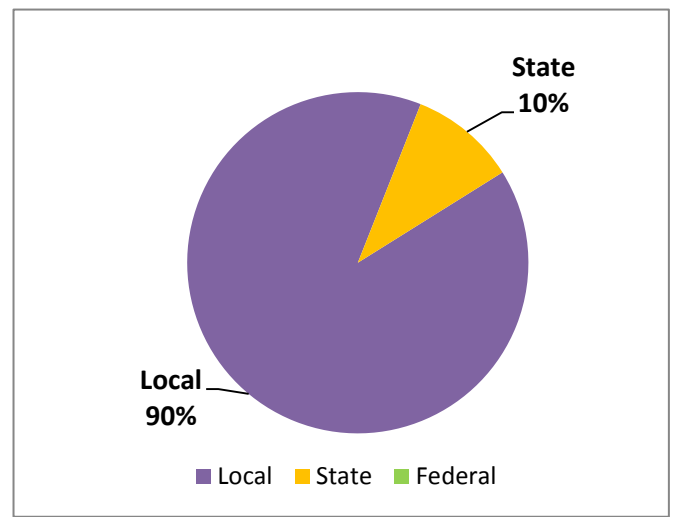
Revenue & Expense Budget Summary - Fiscal Year 2020 (FY20)

Debt Service

Preliminary - May 31, 2019

OBJ		FY20 Budget Expense	FY19 Budget Expense	Change
700-799	Debt Service Payments	20,744,823.61	91,935,213.00	(71,190,389.39)
900-999	Fiscal & Other Payments	-	13,624,900.00	(13,624,900.00)
Total Expenses Debt Service Fund:		20,744,823.61	105,560,113.00	(84,815,289.39)

*FY19 included a bond refunding payment coming out of a reserved fund balance.



	FY20 Budget Revenue	FY19 Budget Revenue	Change
Local	19,519,440.00	19,274,130.00	245,310.00
State	2,194,363.00	2,198,818.00	(4,455.00)
Federal	-	833,957.00	(833,957.00)
Total Revenues Debt Service Fund:	21,713,803.00	22,306,905.00	(593,102.00)
Revenues Less Expenses:	968,979.39	(83,253,208.00)	84,222,187.39

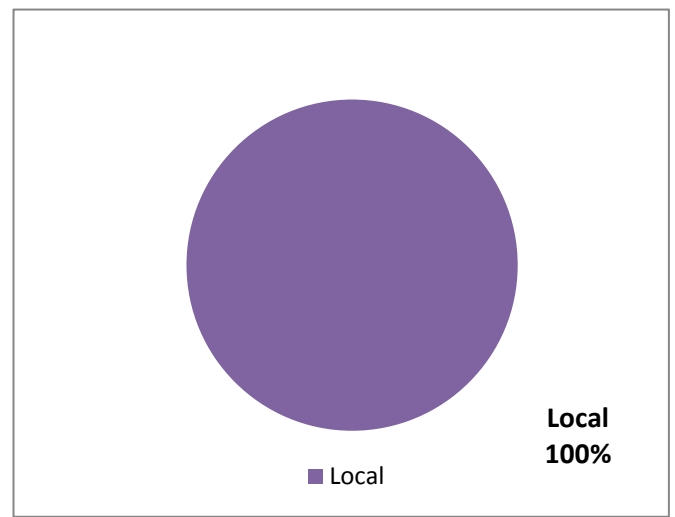
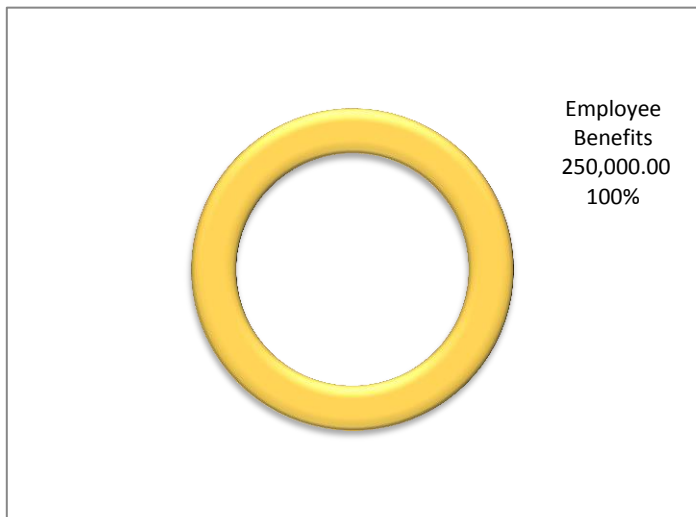
Revenue & Expense Budget Summary - Fiscal Year 2020 (FY20)

Trust Fund

Preliminary - May 31, 2019

OBJ		FY20 Budget Expense	FY19 Budget Expense	Change
200-299	Employee Benefits	250,000.00	1,421,043.00	(1,171,043.00)
800-899	Other Expenditures	-	-	-
Total Expenses Trust Fund:		250,000.00	1,421,043.00	(1,171,043.00)

*FY19 included health insurance payments coming out of a reserved fund balance.



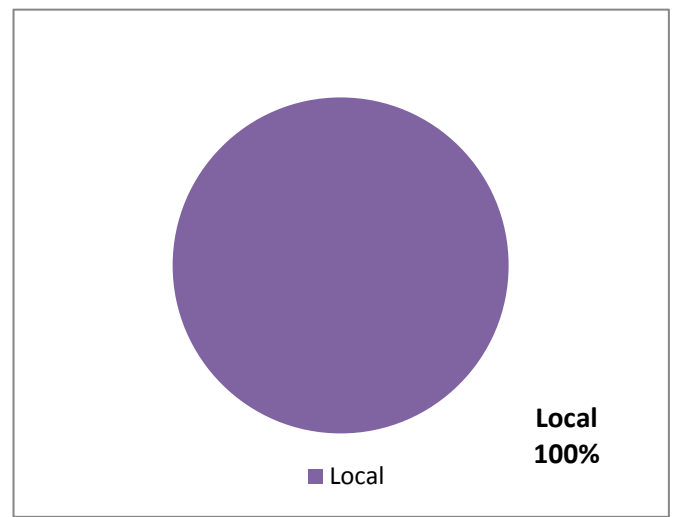
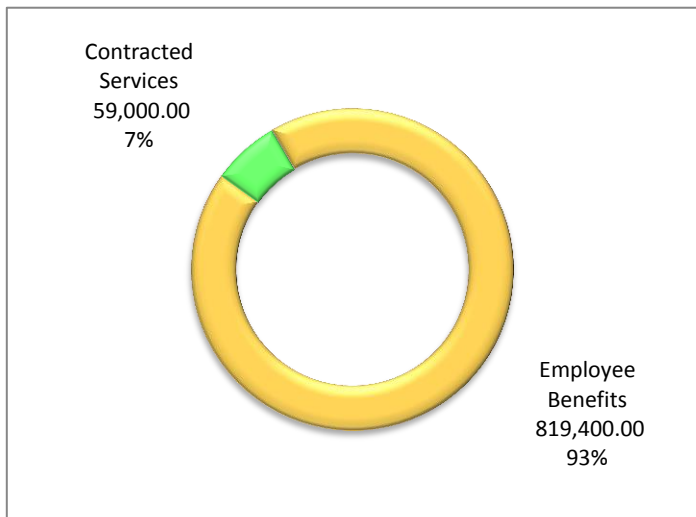
	FY20 Budget Revenue	FY19 Budget Revenue	Change
Local	252,950.00	262,450.00	(9,500.00)
State	-	-	-
Federal	-	-	-
Total Revenues Trust Service Fund:	252,950.00	262,450.00	(9,500.00)
Revenues Less Expenses:	2,950.00	(1,158,593.00)	1,161,543.00

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

Dental Internal Service Fund

Preliminary - May 31, 2019

OBJ		FY20 Budget Expense	FY19 Budget Expense	Change
200-299	Employee Benefits	819,400.00	760,000.00	59,400.00
300-399	Contracted Services	59,000.00	59,000.00	-
Total Expenses Dental Internal Service Fund:		878,400.00	819,000.00	59,400.00



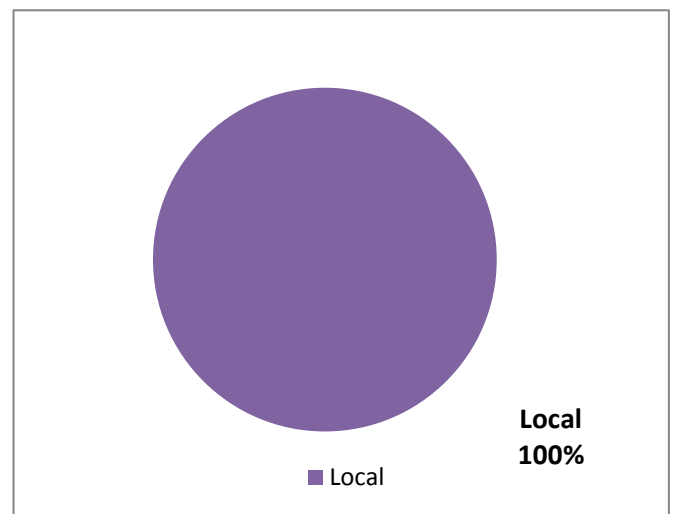
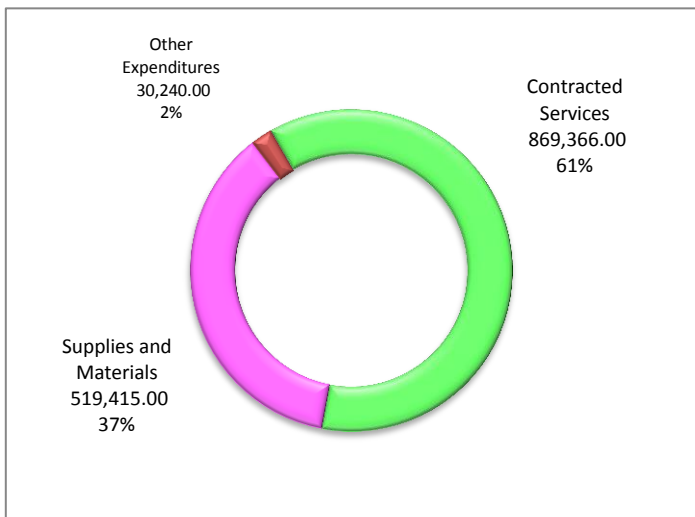
	FY20 Budget Revenue	FY19 Budget Revenue	Change
Local	878,400.00	840,000.00	38,400.00
State	-	-	-
Federal	-	-	-
Total Revenues Dental Internal Service Fund:	878,400.00	840,000.00	38,400.00
Revenues Less Expenses:	-	21,000.00	(21,000.00)

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

Student Activity Funds

Preliminary - May 31, 2019

OBJ		FY20 Budget Expense	FY18 Actual Expense	Change
300-399	Contracted Services	869,366.00	929,262.39	(59,896.39)
400-499	Supplies and Materials	519,415.00	536,126.16	(16,711.16)
800-899	Other Expenditures	30,240.00	24,676.30	5,563.70
Total Expenses Student Activity Fund:		1,419,021.00	1,490,064.85	(71,043.85)



	FY20 Budget Revenue	FY18 Actual Revenue	Change
Local	1,419,021.00	1,553,148.70	(134,127.70)
State	-	-	-
Federal	-	-	-
Total Revenues Student Activity Fund:	1,419,021.00	1,553,148.70	(134,127.70)
Revenues Less Expenses:	-	63,083.85	(63,083.85)