



2021-22 DRAFT BUDGET



EDEN PRAIRIE SCHOOLS

Inspiring each student every day

Legislative Update

➤ Agreement was reached on Budget Target

- E12 Target is an additional \$525 Million for the biennium (2021-22 & 2022-23)
- \$675 million for the next biennium (2023-24 & 2024-25)
- Details will need to be worked on before a special session, expected June 14th.

➤ For Comparison Purposes:

- The Governors proposal of 1% and 2.5 % formula increase would cost \$300 Million for this biennium and \$505 Million for the next biennium
- A 2% and 2% formula increase would cost \$399 Million for this biennium and \$575 Million for the next biennium

➤ Other Areas of Need

- Special Ed Cross-Subsidy
- Voluntary Pre-K
- Grow Your Own program
- Safe Schools

Budget Assumptions

Executive Limitation 2.5.2 :*“There will be no financial plan that neglects to present the assumptions and timeline for the next annual budget during the third quarter of the current fiscal year.”*

➤ **Basic Funding Formula**

- 0.0% Increase; 6,567 per pupil unit

➤ **Enrollment**

- 604 Kindergarten; 8,364 students (400 EP Online – 8,764 Total)

➤ **Class Size Targets**

- Hold all grades at 2020-21 levels

➤ **Fees in General Fund**

- No Change

➤ **Fund Balance**

- Minimum General Fund balance maintained above 8%

Collecting Input

Executive Limitation 2.5.2 :*“There will be no financial plan that neglects to present the assumptions and timeline for the next annual budget during the third quarter of the current fiscal year.”*

➤ **School Board:**

➤ December 14, 2020:

Approval of the payable 2021 tax levy

➤ January 4, 2021:

Review financial projection model and assumptions

➤ January 25, 2021:

Review budget timeline and discuss preliminary 2021-22 budget assumptions, Mid-Year 2020-21 update

➤ March 22, 2021:

Review final 2021-22 budget assumptions, review proposed 2021-22 preliminary capital budget

➤ April 26, 2021:

Review proposed 2021-22 School Board budget and approve 2021-22 Capital and School Board budgets

➤ **Finance Advisory Committee:**

Financial projection model and assumptions

➤ **Principals and Directors:**

Input and shared decision making for budget adjustments, staffing and program needs

➤ **Community:**

Website, email list and publications; inform, feedback, survey

➤ **Superintendent’s Cabinet:**

Shared decision making, regular budget discussions



General Fund

General Fund (Unassigned)

Revenue	\$116,417,668	
Expenditure	\$118,287,513	
Variance	(\$1,869,845)	
Fund Balance	\$15,062,333	12.7%

Major Assumptions:

Revenue:

- General education aid increase (assumption) of 0.0%
- Oct 1 enrollment projections of 8,364 (400 EP Online - totaling 8,764)
- \$12.6 million special education aid
- \$3 million in federal stimulus (Offset by \$3 Million in expenditures)

Expenditure:

- Salary & benefit increases for unsettled contracts
- \$250,000 staffing contingency



Food Service Fund

Food Service Fund		
Revenue	\$4,509,000	
Expenditure	\$4,370,399	
Variance	\$138,601	
Fund Balance	(\$84,442)	-1.9%

Major Assumptions:

Revenue:

- No proposed increases to meal prices
- The State of MN approved a waiver that would allow students to eat for free for the 2021-22 school year.
- Expect participation to return to pre-COVID-19 numbers

Expenditure:

- Salary & benefit increases for unsettled contracts
- The budget assumes staffing and other costs will increase with participation



Community Service Fund

Community Service Fund		
Revenue	\$6,425,014	
Expenditure	\$5,972,055	
Variance	\$452,959	
Fund Balance	\$202,902	3.4%
Major Assumptions:		
	<ul style="list-style-type: none">Both Revenues and Expenditures are budgeted to assume that participation in Community Education programs continue to grow and recover from COVID-19.	



Capital and Building Funds

Capital and Building Funds	
Revenue	\$14,479,564
Expenditure	\$38,454,918
Variance	(\$23,975,354)
Fund Balance	\$3,244,404
Major Assumptions:	
Revenue:	
•	Technology levy, operating capital, LTFM (pay as you go), Bond investment interest
Expenditure:	
•	Spend remaining \$10.7 million in LTFM Bonds and \$3.6 million in LTFM pay as you go.
•	Spend down an additional \$13.5 million of the Designing Pathways bond proceeds
•	Salary/Benefit increases per contracts

Debt Service Fund

Debt Service Fund

Revenue	\$9,259,967	
Expenditure	\$9,585,711	
Variance	(\$325,744)	
Fund Balance	\$3,581,502	37.4%

Major Assumptions:

Revenue:

- Property taxes levied for 105% of principal and interest payments

Expenditure:

- Scheduled principal and interest payments



Internal Service Fund

Internal Service Funds		
Revenue	\$15,010,000	
Expenditure	\$14,025,000	
Variance	\$985,000	
Fund Balance	\$8,502,113	60.6%
Major Assumptions:		
	<ul style="list-style-type: none">• Health and Dental insurance claims trending data	



Trust and Agency Funds

Trust and Agency Funds

Revenue	\$500,000
Expenditure	\$500,000
Variance	\$0
Fund Balance	\$16,386,196

Major Assumptions:

- Interest income from the Other Post Employment Benefit trust and the anticipated Draw from the trust is budgeted at \$500,000

Fund Balance Projection (Unassigned)

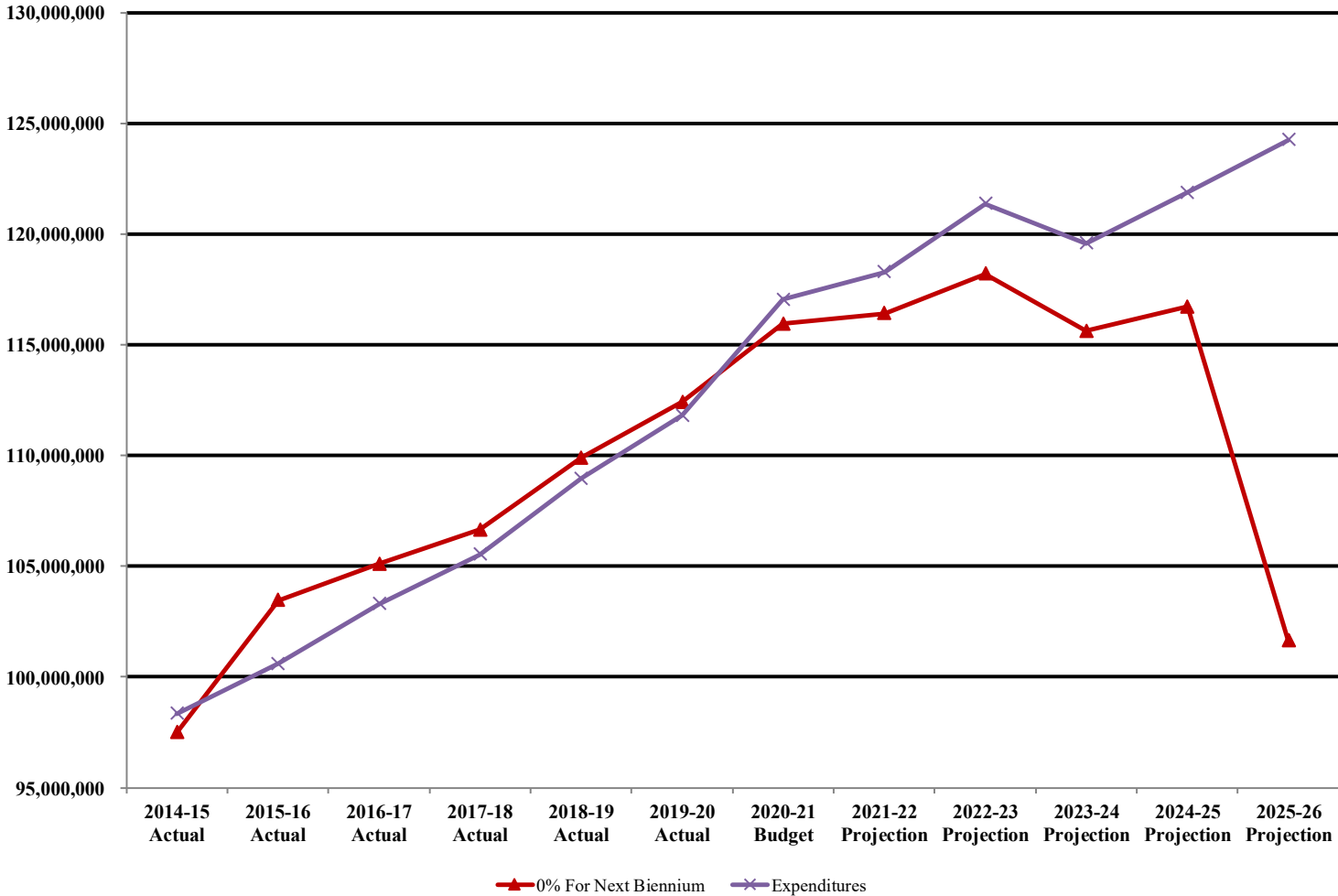
Executive Limitation 2.5.2 : “There will be no financial plan that neglects to present the assumptions and timeline for the next annual budget during the third quarter of the current fiscal year.”

	2019-20 Actual	2020-21 Budget	2021-22 Projected	2022-23 Projected	2023-24 Projected	2024-25 Projected	2025-26 Projected
Revenue	112,410,651	115,939,941	116,417,668	118,191,728	115,616,984	116,711,772	101,624,841
Expenditure	111,797,403	117,048,778	118,287,513	121,366,544	119,570,160	121,861,983	124,244,277
Surplus/(Deficit)	613,248	(1,108,837)	(1,869,845)	(3,174,816)	(3,953,176)	(5,150,211)	(22,619,436)
Unassigned Fund Balance (\$)	18,041,015	16,932,178	15,062,333	11,887,517	7,934,341	2,784,130	(19,835,306)
Unassigned Fund Balance (%)	16.14%	14.47%	12.73%	9.79%	6.64%	2.28%	-15.96%



Fiscal Outlook - Conservative

Executive Limitation, Financial Planning and Budgeting: *“The Superintendent shall not cause or allow financial planning and budgeting for any fiscal year or the remaining part of any fiscal year to deviate materially from the Board’s Ends priorities, risk financial jeopardy, or fail to be derived from a multiyear plan.”*



Past/Future Considerations

- **Long-Term Stability**
 - 10-Year Operating Referendum (2014)
 - Capital Projects (Technology) Levy (2013)
 - Long Term Facilities Maintenance Funding
 - OPEB Trust (2009)
 - Self-Funded Medical
- **Upcoming Savings/Potential Revenue**
 - Budget Efficiencies
 - Teacher Retirements
- **EP Online**
- **Inspire Choice**
- **Designing Pathways**
- **School Start & End Times**
- **Federal Stimulus Funding**
- **Legislative Funding**



Comments or Questions?



EDEN PRAIRIE SCHOOLS
Inspiring each student every day