

**School Board Meeting:**

**May 22, 2023**

**Subject:**

2023-24 Budget Assumptions  
Revised

**Presenter:**

**Ryan L. Tangen, Director  
Finance and Operations**

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**SUGGESTED SCHOOL BOARD ACTION:**

Approve 2023-24 Revised Budget Assumptions

**DESCRIPTION:**

Budget Assumptions provide the framework for the development of the upcoming 2023-24 budget. The MN Legislative process has resulted in a few substantial funding changes warranting an update of the 2023-24 budget assumptions. The revised assumptions listed below will be used for generating the original 2023-24 budget to be presented at the Board Workshop on June 12<sup>th</sup> and the Regular Board Meeting on June 26<sup>th</sup>.

The recommendation for the 2023-24 Budget Assumptions is as follows:

- Enrollment projection based on the November 2022 enrollment report.
- General Education formula allowance increase of 4% or \$275 to \$7,138 in 2023-24 and a 2% increase in 2024-25 and future years.
- \$750 per Adjusted Pupil Unit (APU) operating referendum approved in November 2019 through 2030.
- Special Education increases by 5% for all years.
- Special Education Cross Subsidy Aid increased from 6% to 44%.
- OPEB contributions continue in 2023-24.
- Maintain/exceed 2018-19 approved staffing ratios.
- Staffing maintained at current levels for 2023-24.
- Utilization of Federal Pandemic Relief Funds for 10 licensed FTEs.
- Continuation of 6.0 FTE for Class Size Reduction – includes marketing budget and social workers.
- Continuation of 6.0 FTE addition for Local Option Revenue funding.
- 1.0 FTE special education staffing contingency.
- 2.95 FTE Superintendent staffing contingency.
- Salary and benefit changes based on settlements in place and market conditions for non-settled contracts.
- Non-salary, non-benefit costs are estimated to increase by 0-5%.
- Continued cost containment initiatives such as joint purchasing agreements, energy use reduction, paper reduction, insurance contracts, and other operational efficiencies.
- QComp (PPD) continues for 2023-24 assuming revenues and expenditures are equal.