



General Fund Budget Projection model:

2018-19 Actual

2019-20 Revised Budget

2020-21 Preliminary Budget Draft

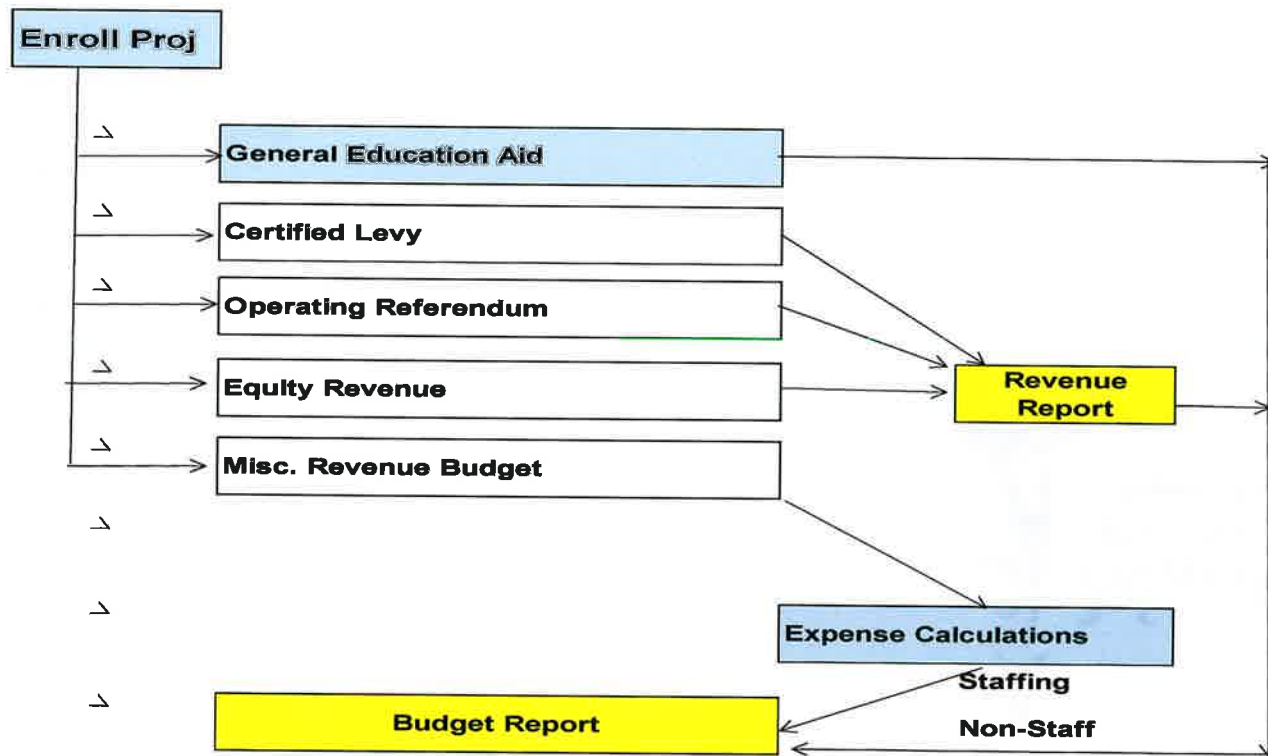
2021-22 Budget Projections

2022-23 Budget Projections

March 12, 2020

FLOW
CHART

BUDGET PROJECTION MODEL



ISD 832 General Fund Budget Projection Model

Enrollment Assumptions

Adjusted Average Daily Membership

5 year unweighted average

Grade	2018-2019	2019-2020	2020-2021	2021-22	2022-23
PK - 5	1,296.19	1,286.80	1,285.77	1,309.13	1,304.90
6-8	840.02	830.00	837.93	832.25	820.20
9-12	1,167.01	1,159.00	1,161.35	1,161.76	1,170.34
Total	<u>3,303.22</u>	<u>3,275.80</u>	<u>3,285.05</u>	<u>3,303.15</u>	<u>3,295.43</u>

ISD 832 General Fund Budget Projection Model

- 2019-2021 Current Law
- 2022-2023 Estimate

REVENUE:				
Basic Funding Formula: Basic funding is directly related to changes in pupil units and legislative changes				
	2019-2020	2020-2021	2021-22	2022-23
<u>State Determined Basic Allowance</u>				
Per Adjusted ADM	\$6,438	\$6,567	\$6,698	\$6,832
Increase in Formula	\$126	\$129	\$131	\$134
Percent Change	2.0%	2.0%	2.0%	2.0%
<hr/>				
General Education Basic Allowance	\$23,301,697	\$23,843,369	\$24,435,565	\$24,879,449

ISD 832 General Fund Budget Projection Model

Operating referendum revenue is based upon the voter approved amount and board approved amount, and if voter approved, the total of voter and board approved amounts are annually adjusted for inflation. Referendum authority is based on adjusted pupil units. Local optional revenue is set out separately and is now available to all districts.

Referendum Sources	2019-2020	2020-2021	2021-22	2022-23
Summary of Revenue from Referendum Sources:				
Local Optional Revenue (LOR)	\$424	\$724	\$724	\$724
Voter/Board Approved (Excludes LOR) *	\$1,320	\$1,020	\$1,020	\$1,295
Total From Referendum Sources	\$1,744	\$1,744	\$1,744	\$2,019
Dollar Change	n/a	\$0	\$0	\$275
Percent Change	n/a	0.00%	0.00%	15.77%
* Includes inflationary adjustment if voter approved.				
Operating Referendum Revenue:				
	2019-2020	2020-2021	2021-22	2022-23
Voter and/or Board Approved Levy	\$1,320.00	\$1,020.00	\$1,020.00	\$1,295.00
X Adjusted Pupil Units	3,619.4	3,630.8	3,648.0	3,641.4
= Authorized Board and Voter Levy	\$ 4,777,608	\$ 3,703,406	\$ 3,720,960	\$ 4,715,665
Local Optional Revenue	\$424.00	\$724.00	\$724.00	\$724.00
X Adjusted Pupil Units	3,619.4	3,630.8	3,648.0	3,641.4
Local Optional Revenue (LOR)	1,534,626	2,628,692	2,641,152	2,636,403
Total Revenue from Referendum and LOR	\$ 6,312,234	\$ 6,332,098	\$ 6,362,112	\$ 7,352,067
Levy adj incl FY20				

ISD 832 General Fund Budget Projection Model

Definitions	Actual 2018-2019	Budget 2019-2020	% Chg	Projected 2020-2021	% Chg	Projected 2021-22	% Chg	Projected 2022-23
SOURCES OF REVENUE:								
Basic Revenue Allowance	\$22,940,046	\$23,301,697	1.6%	\$23,843,398	2.3%	\$24,435,544	2.5%	\$24,879,435
Special Education Aid	3,532,659	4,244,143	20.1%	4,392,688	3.5%	4,568,396	4.0%	4,751,131
Other Aids and Levies	5,725,716	6,067,048	6.0%	5,937,964	-2.1%	5,963,867	0.4%	5,950,577
Miscellaneous Revenue	1,600,059	1,440,043	-10.0%	1,440,043	0.0%	1,440,043	0.0%	1,440,043
Federal Funding	734,245	726,000	-1.1%	832,031	15%	856,992	3.0%	882,702
Voter App'd Oper. Ref.	3,808,726	4,707,210	23.6%	3,703,406	-21.3%	3,720,960	0.5%	4,715,665
Local Optional Revenue	1,534,541	1,506,048	-1.9%	2,628,692	74.5%	2,641,152	0.5%	2,636,403
Budget Transfers (through FY 2017)	-	-	0.0%	-	0.0%	-	0.0%	-
Capital-Not included in Oper. Bud.	-	-	0.0%	-	0.0%	-	0.0%	-
Total Revenue	\$39,875,992	\$41,992,189	5.3%	\$42,778,222	1.9%	\$43,626,954	2.0%	\$45,255,955
USES OF REVENUE:								
Salaries & Wages	\$21,987,188	\$22,983,580	4.5%	\$23,571,026	2.6%	\$24,417,236	3.6%	\$25,149,753
Benefits	8,484,486	8,980,165	5.8%	9,239,940	2.9%	9,644,085	4.4%	10,073,021
Purchased Serv.	5,751,400	5,911,510	2.8%	5,932,283	0.4%	6,065,394	2.2%	6,201,747
Supplies	1,023,044	1,017,229	-0.6%	1,024,222	0.7%	1,034,464	1.0%	1,044,809
Other Expenses/Transfers	2,756,912	2,661,889	-3.4%	2,794,889	5.0%	2,822,838	1.0%	2,851,066
	-	-		-		0	0.0%	0
	-	-		-		-	0.0%	-
Total Uses of Revenue	\$40,003,030	\$41,554,373	3.9%	\$42,562,360	2.4%	\$43,984,018	3.3%	\$45,320,396
REVENUE OVER (UNDER)	(\$127,038)	\$437,816		\$215,862		(\$357,064)		(\$64,441)

ISD 832 General Fund Budget Projection Model

Definitions	Actual 2018-2019	Budget 2019-2020	% Chg	Projected 2020-2021	% Chg	Projected 2021-22	% Chg	Projected 2022-23
Revenue	\$39,875,992	\$41,992,189	5.3%	\$42,778,222	1.9%	\$43,626,954	2.0%	\$45,255,955
Expenditures	\$40,003,030	\$41,554,373	3.9%	\$42,562,360	2.4%	\$43,984,018	3.3%	\$45,320,396
Revenue Over (Under) Expenditures	(\$127,038)	\$437,816		\$215,862		(\$357,064)		(\$64,441)
Fund Balance	\$3,177,461	\$3,615,277		\$3,831,139		\$3,474,076		\$3,409,635
Assigned Fund Balance	\$1,494,364	\$1,467,013		\$1,486,246		\$1,503,390		\$1,503,390
Unassigned Fund Balance	\$1,683,097	\$2,148,264		\$2,344,893		\$1,970,686		\$1,906,245
Percent Unassigned	4.2%	5.2%		5.5%		4.5%		4.2%

ISD 832 General Fund Budget Projection Model

	Actual 2018-2019	Budget 2019-2020		Projected 2020-2021		Projected 2021-22		Projected 2022-23
FUND BALANCE:								
Beginning	\$3,304,499	\$3,177,461		\$3,615,277		\$3,831,139		\$3,474,076
Ending	\$3,177,461	3,615,277		3,831,139		3,474,076		3,409,635
RECON. OF ENDING FUND BALANCE:								
Nonspendable	\$182,562	\$182,562		\$182,562		\$182,562		\$182,562
Restricted	\$404,414	\$465,058		\$521,158		\$521,112		\$521,112
Assigned	\$907,388	\$819,393		\$782,526		\$799,716		\$799,716
Total Nonspendable-Asgn Fd Bal	\$1,494,364	\$1,467,013		\$1,486,246		\$1,503,390		\$1,503,390
Subsequent Year Deficit Not Res'd	\$0	\$0		\$0		\$0		\$0
Total Reserved Fund Balance	\$1,494,364	\$1,467,013		\$1,486,246		\$1,503,390		\$1,503,390
Unassigned Fund Balance	\$1,683,097	\$2,148,264		\$2,344,893		\$1,970,686		\$1,906,245
Total Fund Balance as % of Exp.	7.9%	8.7%		9.0%		7.9%		7.5%
Unassigned as a % of Exp.	4.2%	5.2%		5.5%		4.5%		4.2%

ISD 832 General Fund Budget Projection Model

Other Key assumptions used in Budget Projection Model

	2020-2021	2021-22	2022-23
	Projected	Projected	Projected
REVENUE			
Special Education Categorical revenue (pro-rated at 95%)	MDE estimate	MDE est.-prorated	MDE est.-prorated
Projected Change in FTE	based on enroll	based on enroll	based on enroll
Projected Retirements (turnover)	Actual	NA	NA
Federal Revenue (Title Programs) -reflects wage inflation	Y	Y	Y
Non-formula revenue (fees/tuition) held constant with 2021 estimates	budget est	Y	Y
EXPENSE			
Wages and Salaries (Contract obligations/steps lanes+inflation)	budget est	Y	Y
Purchased Services,Supplies, Utilities % Incr	budget est	1-4%	1-4%

- Budget Projection Model –

Overview –Key Takeaways:

The financial health of MN school districts depends heavily on resources provided by the State (Basic Aid, Categorical Aid)

Enrollment is the key factor in determining level of funding and in the determination of staffing levels

The model reflects actual data from FY19, the current revised budget FY20, and preliminary budget projections for FY21. Subsequent years, FY22 and FY23, show the longer-term financial impacts of the revenue and expenditure assumptions currently utilized, and serve as a guide for all future budget decision making as we expect to balance the budget on an annual basis.