



**Preliminary Fiscal Year 2023 Budget
Committee of the Whole ~ June 15, 2022**
(Recommended budget for FY23 must be adopted by June 30, 2022)

**Revenue & Expense Budget Summary - Fiscal Year 2023(FY23)
All Funds**

Preliminary DRAFT #2 - June 15, 2022

	Revenues	Expenses	Difference
General Fund	\$ 118,000,418.17	\$ 118,002,978.68	\$ (2,560.51)
Food Service Fund	\$ 3,985,000.00	\$ 4,427,346.56	\$ (442,346.56)
Community Service Fund	\$ 8,114,000.00	\$ 8,657,980.50	\$ (543,980.50)
Construction Fund	\$ -	\$ -	\$ -
Debt Service Fund	\$ 22,979,390.64	\$ 24,691,484.56	\$ (1,712,093.92)
Trust Fund	\$ 258,575.00	\$ 250,000.00	\$ 8,575.00
Internal Service Fund	\$ 917,000.00	\$ 924,000.00	\$ (7,000.00)
Student Activity Fund	\$ 1,341,256.00	\$ 1,341,256.00	\$ -

****Final FY23 Adopted Budget to be presented for approval at a June school board meeting.**

Review of Budget Goals that started in FY2021 and continuing to FY2023:

1 Strive for Fiscal Stability

Continue to strive for fund balance growth to meet District Policy of 8% of Gen. Fund Exp.
Possible utilization of ESSER/CARES/Recovery funds to help stabilize FY22 budget.

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

Projected loss of revenues due to enrollment and eligibility will require assessment
of best use of funds, including Federal investments.

4 Program Based Budget Layers

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

Duluth Public Schools #709

Revenue Budget Summary - Fiscal Year 2023 (FY23)

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 FY23:

Federal:	\$	5,738,555.00
State:	\$	84,606,948.66
Local:	\$	23,254,914.51
	\$	113,600,418.17

Initial Budget Assumptions:

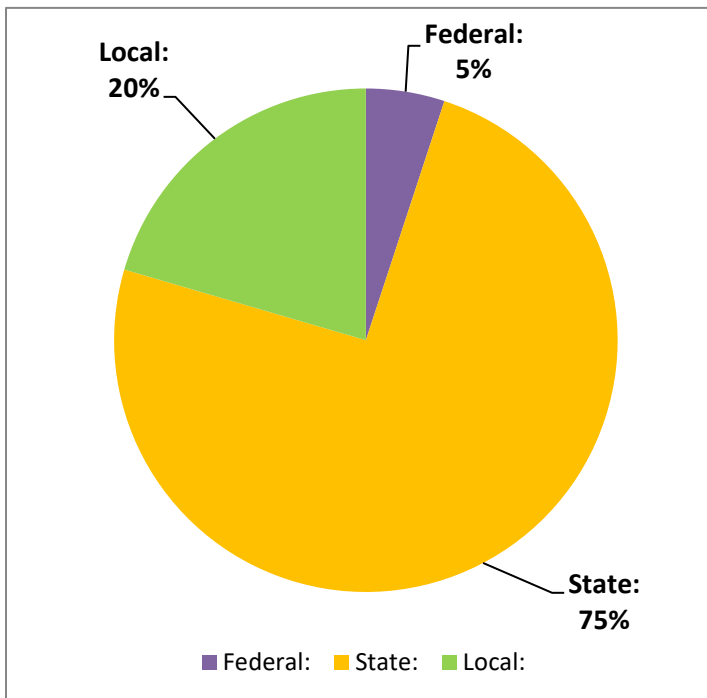
Basic Formula Allowance remains at \$6,863 but MAY change with legislation. This includes a 2% increase based on 2021 Legislation.

Pupil Counts are projected lower in FY23 compared to the FY21 budgeted enrollment, projected at 7,985 Adjusted Average Daily Membership (ADM) - this is an increase of approximately 100 students compared to final FY21.

Categorical Revenues are estimated at FY22 levels unless other information is known.

Federal Title program revenue estimates are projected to be similar to FY22 based on projections due to Free & Reduced counts.

Other local revenues are estimated by prior year funding amounts.



NOTES:

- * 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 2023 (FY23)

General Fund

Undesignated	\$	68,391,815.08
Federal Programs	\$	5,738,555.00
Special Education	\$	15,400,000.00
Transportation	\$	5,900,000.00
Telecom Access	\$	139,000.00
American Indian	\$	315,000.00
Medical Assistance	\$	700,000.00

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	\$	1,200,064.18
Operating Capital	\$	1,986,615.65
Basic Skills	\$	5,218,752.06
Gifted & Talented	\$	113,659.00
Learning & Dev.	\$	1,730,545.00
Alt. Learning Ctr.	\$	1,250,000.00
LT Fac. Maint.	\$	3,544,244.24
Achiev. & Integrat.	\$	1,650,000.00
Safe Schools	\$	322,167.96
Total Restricted:	\$	17,016,048.09
Total General Fund:	\$	113,600,418.17

Revenue Budget Comparison:

	Estimated FY23	Estimated FY22	Final FY21
Federal:	\$ 5,738,555.00	\$ 5,591,509.00	\$ 6,648,218.79
State:	\$ 84,606,948.66	\$ 85,214,393.10	\$ 86,251,787.94
Local:	\$ 23,254,914.51	\$ 21,173,451.74	\$ 20,591,180.80
	\$ 113,600,418.17	\$ 111,979,353.84	\$ 113,491,187.53
	\$ 1,621,064.33	Increase/(Decrease) compared to FY21	

NOTE: This is Operating Revenues BEFORE including ESSER/ARP Funds. See other documents for more detail.

Revenue Notes:

Levy Increases from Pay20:	\$	2,089,560.86	(Mostly LTFM payment timing)
Additional Special Education Revenue:	\$	600,000.00	
Loss of Gen Ed vs. Budgeted FY22 (8,180):	\$	(750,000.00)	
Loss of Compensatory:	\$	(300,000.00)	
	\$	1,639,560.86	

Duluth Public Schools #709

Expense Budget Summary - Fiscal Year 2023 (FY23)

General Fund

The preliminary expense budget was created using Fiscal Year 2021 (FY21) as a baseline and adjusting for a number of factors, including impacts from revenue.

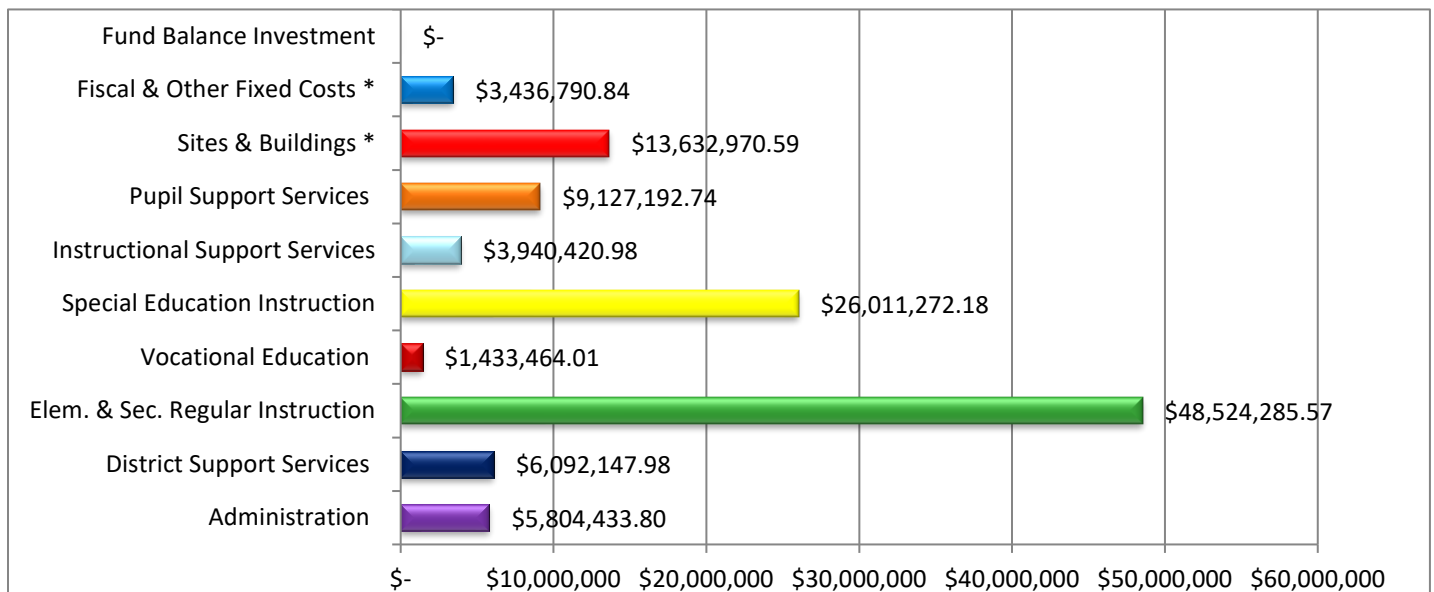
The program areas below are defined by the Minnesota Department of Education (MDE). Program areas may include expenses using restricted or unrestricted revenues.

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.

Initial Expenses by Program Area - General Fund

PRO	FY23 Est. Budget Expense	FY22 Est. Budget Expense	Change
000-099 Administration	\$ 5,804,433.80	\$ 5,690,621.37	\$ 113,812.43
100-199 District Support Services	\$ 6,092,147.98	\$ 5,972,694.10	\$ 119,453.88
200-299 Elem. & Sec. Regular Instruction	\$ 48,524,285.57	\$ 47,110,956.86	\$ 1,413,328.71
300-399 Vocational Education	\$ 1,433,464.01	\$ 1,405,356.87	\$ 28,107.14
400-499 Special Education Instruction	\$ 26,011,272.18	\$ 25,501,247.24	\$ 510,024.94
600-699 Instructional Support Services	\$ 3,940,420.98	\$ 3,825,651.44	\$ 114,769.54
700-799 Pupil Support Services	\$ 9,127,192.74	\$ 8,861,352.17	\$ 265,840.57
800-899 Sites & Buildings *	\$ 13,632,970.59	\$ 13,235,893.78	\$ 397,076.81
900-999 Fiscal & Other Fixed Costs *	\$ 3,436,790.84	\$ 3,369,402.78	\$ 67,388.06
FD BAL Fund Balance Investment	\$ -	\$ -	\$ -

Total Expenses General Fund: \$ 118,002,978.68 \$ 114,973,176.61 \$ 3,029,802.07



Duluth Public Schools #709

Expense Budget Summary - Fiscal Year 2023 (FY23)

General Fund

Preliminary Budget Considerations - Expenses

Salaries, Wages, and Benefits were adjusted based on average contractual increases and projected FY22 staffing changes (retirements) currently known. Upcoming negotiations may impact this category.

The FY23 budget includes estimated impacts of labor negotiations.

A \$1.2 million transfer from General to LTFM was done in FY22 to balance the General Fund. Original use of LTFM funds is for building and facilities improvements. This will continue in FY23.

Planning for HR department staffing changes, along with considerations for strategic planning and other district planning initiatives are included in this budget.

Any potential property sales are not included in this budget. Should there be a sale, statute requires a deposit into the operating capital reserve. Funds will be reviewed and reserved.

This budget includes the continued investment in Special Education that started in FY20, but may adjust.

Projected Compensatory revenue is currently lower by \$300,000. Legislation may change this.

Administration will be recommending changes in Compensatory allocation changes.

The use of ESSER funds will be determined after the regular operational budget is reviewed and built. One-time funds may fill gaps or create short-term initiatives to address district goals.

Special Education funding is still being reviewed, with consideration for impacts of tuition billing.

This budget is PRELIMINARY and subject to change.

Reductions may be required.

Revenue & Expense Budget Summary - Fiscal Year 2023 (FY23)

General Fund

Initial Revenues:	\$	113,600,418.17
ESSER Investment:	\$	4,000,000.00
Assigned Revenue:	\$	400,000.00

Preliminary
FY23 Revenue: \$ 118,000,418.17

Initial Expenses: \$ 118,002,978.68

Projected surplus/

(deficit): \$ (2,560.51) Will require additional budget adjustments.

Final Notes:

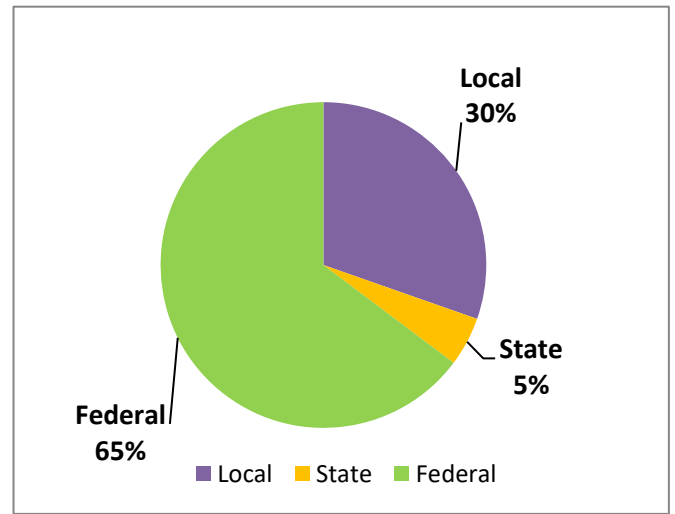
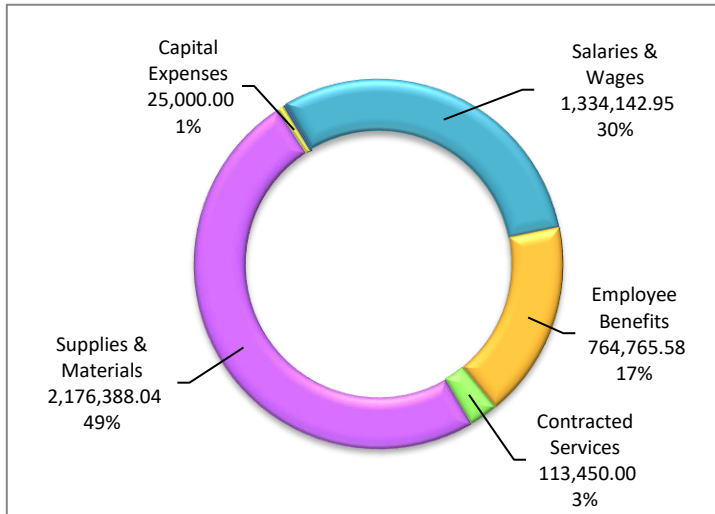
- All budget line items are still under review.
- More detail work will be done analyzing restricted revenues and expenses.
- This report is only in relation to the General Fund, which includes General, Transportation, and Capital Funds.
- This budget comparison includes all reserved and unreserved fund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

Revenue & Expense Budget Summary - Fiscal Year 2023 (FY23)

Food Service

Preliminary DRAFT #2 - June 15, 2022

OBJ		FY23 Budget Expense	FY22 Budget Expense	FY21 FINAL Expense
100-199	Salaries & Wages	1,334,142.95	1,301,602.88	1,104,569.61
200-299	Employee Benefits	764,765.58	742,490.85	609,148.97
300-399	Contracted Services	113,450.00	107,450.00	42,443.30
400-499	Supplies & Materials	2,176,388.04	2,053,196.26	1,223,468.02
500-599	Capital Expenses	25,000.00	25,000.00	6,216.94
800-899	Other Expenses	13,600.00	13,600.00	13,200.00
Total Expenses Food Service Fund:		4,427,346.56	4,243,339.99	2,999,046.84



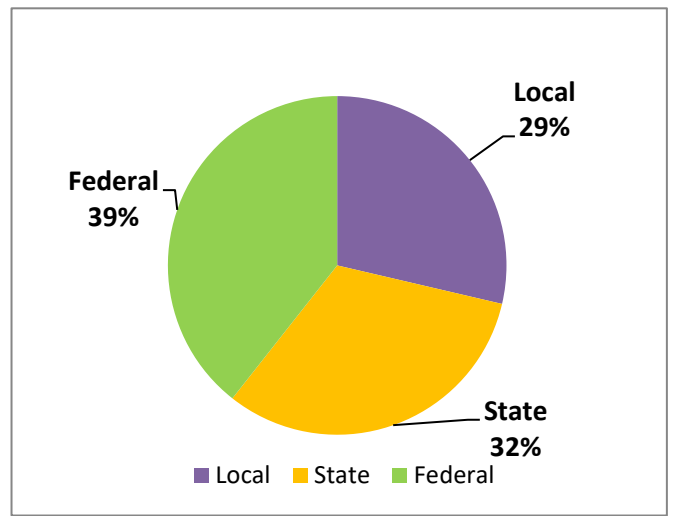
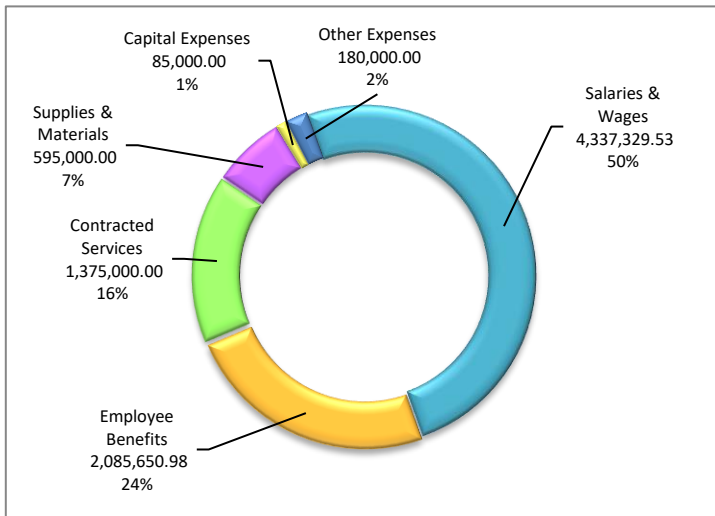
	FY23 Budget Revenue	FY22 Budget Revenue	Change
Local	1,210,000.00	95,000.00	1,115,000.00
State	195,000.00	135,000.00	60,000.00
Federal	2,580,000.00	3,800,000.00	(1,220,000.00)
Total Revenues Food Service Fund:	3,985,000.00	4,030,000.00	(45,000.00)

**AS of May 25, 2022 this Food & Nutrition Budget is still in progress. Due to Covid-19 impacts we are still analyzing changes and projections so at this time the FY22 budget is the base with some built in esclators for contractual increases. Changes will be updated as soon as they are available.

Revenue & Expense Budget Summary - Fiscal Year 2023 (FY23) Community Service

Preliminary DRAFT #2 - June 15, 2022

OBJ	FY23 Budget Expense	FY22 Budget Expense	Change
100-199 Salaries & Wages	4,337,329.53	4,231,541.00	105,788.52
200-299 Employee Benefits	2,085,650.98	2,024,903.86	60,747.12
300-399 Contracted Services	1,375,000.00	1,361,824.03	13,175.97
400-499 Supplies & Materials	595,000.00	667,109.69	(72,109.69)
500-599 Capital Expenses	85,000.00	145,055.75	(60,055.75)
800-899 Other Expenses	180,000.00	180,073.76	(73.76)
Total Expenses Community Service Fund:	8,657,980.50	8,610,508.09	47,472.41



	FY23 Budget Revenue	FY22 Budget Revenue	Change
Local	2,325,000.00	2,387,596.55	(62,596.55)
State	2,594,000.00	2,549,316.10	44,683.90
Federal	3,195,000.00	3,238,985.75	(43,985.75)
Total Revenues Community Service Fund:	8,114,000.00	8,175,898.40	(61,898.40)

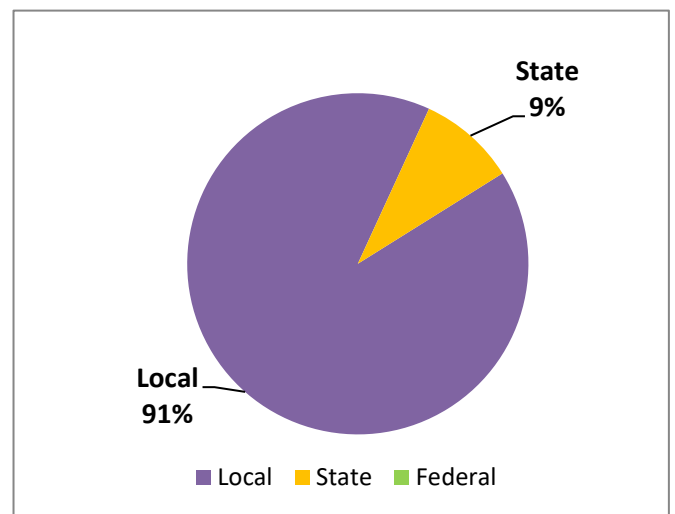
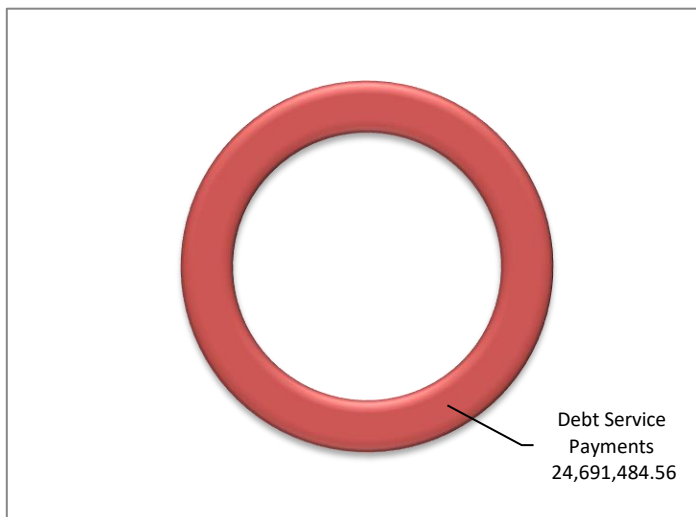
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Revenue & Expense Budget Summary - Fiscal Year 2023 (FY23)

Debt Service

Preliminary DRAFT #2 - June 15, 2022

OBJ		FY23 Budget Expense	FY22 Budget Expense	Change
700-799	Debt Service Payments	24,691,484.56	23,166,651.00	1,524,833.56
900-999	Fiscal & Other Payments	-	-	-
Total Expenses Debt Service Fund:		24,691,484.56	23,166,651.00	1,524,833.56



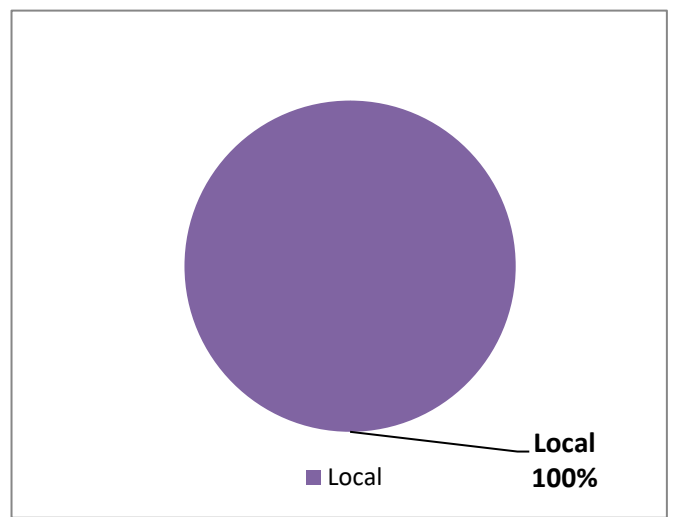
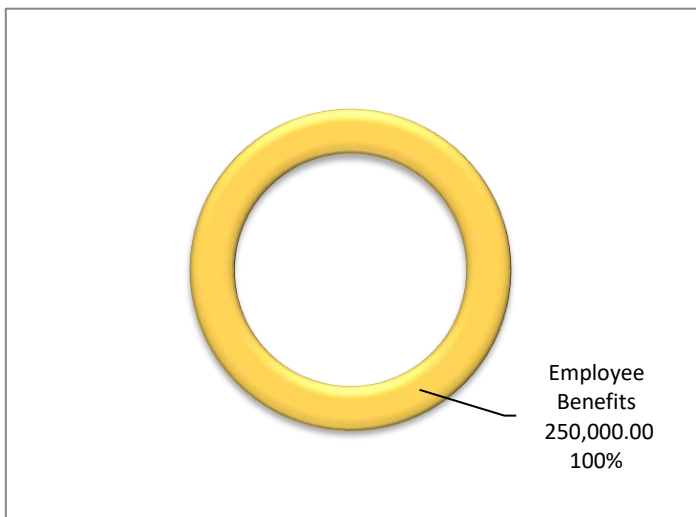
	FY23 Budget Revenue	FY22 Budget Revenue	Change
Local	20,852,327.00	21,997,104.56	(1,144,777.56)
State	2,127,063.64	2,188,563.00	(61,499.36)
Federal	-	-	-
Total Revenues Debt Service Fund:	22,979,390.64	24,185,667.56	(1,206,276.92)
Revenues Less Expenses:	(1,712,093.92)	1,019,016.56	(2,731,110.48)

Revenue & Expense Budget Summary - Fiscal Year 2023 (FY23)

Trust Fund

Preliminary DRAFT #2 - June 15, 2022

OBJ		FY23 Budget	FY22 Budget	Change
		Expense	Expense	
200-299	Employee Benefits	250,000.00	250,000.00	-
800-899	Other Expenditures	-	-	-
Total Expenses Trust Fund:		250,000.00	250,000.00	-



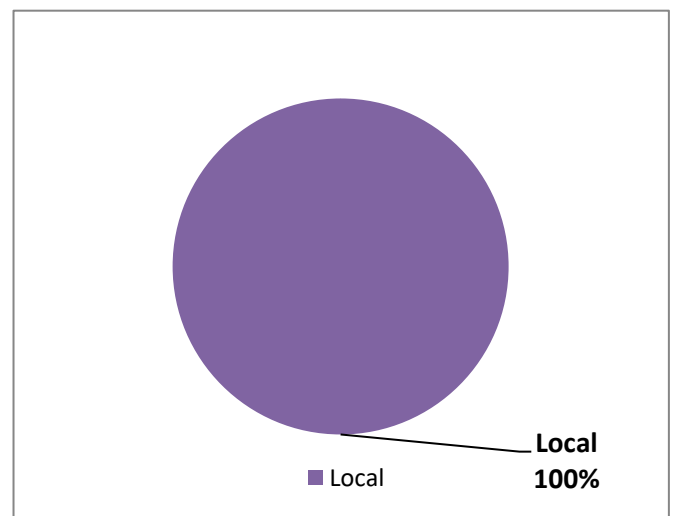
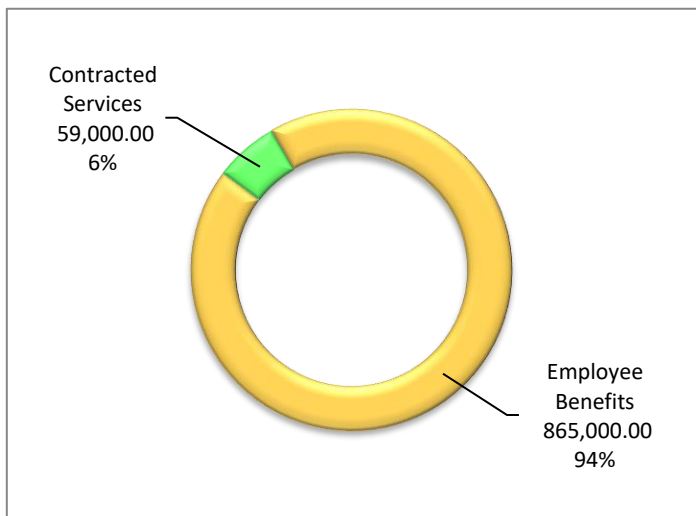
	FY23 Budget	FY22 Budget	Change
	Revenue	Revenue	
Local	258,575.00	258,575.00	-
State	-	-	-
Federal	-	-	-
Total Revenues Trust Service Fund:	258,575.00	258,575.00	-
Revenues Less Expenses:	8,575.00	8,575.00	-

Revenue & Expense Budget Summary - Fiscal Year 2023 (FY23)

Dental Internal Service Fund

Preliminary DRAFT #2 - June 15, 2022

OBJ		FY23 Budget Expense	FY22 Budget Expense	Change
200-299	Employee Benefits	865,000.00	858,000.00	7,000.00
300-399	Contracted Services	59,000.00	59,000.00	-
Total Expenses Dental Internal Service Fund:		924,000.00	917,000.00	7,000.00

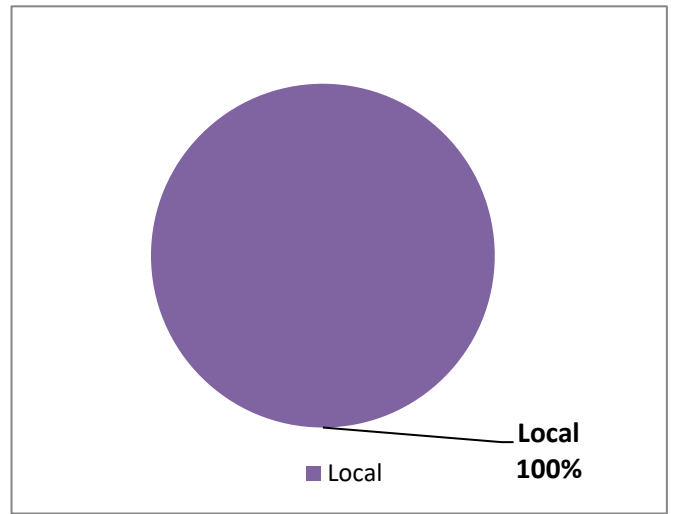
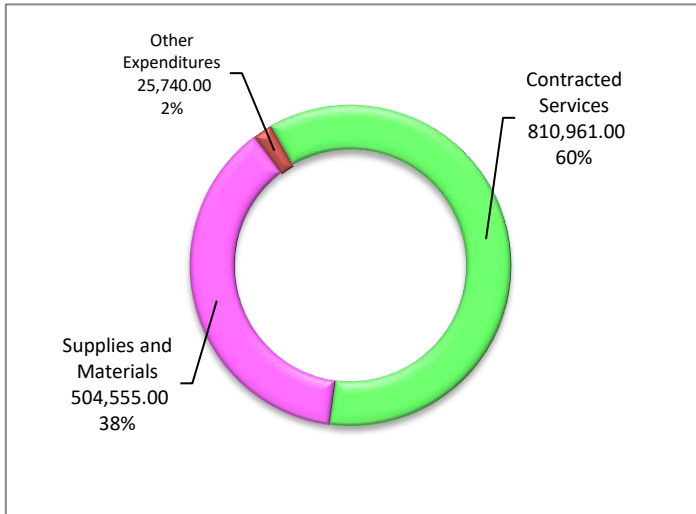


	FY23 Budget Revenue	FY22 Budget Revenue	Change
Local	917,000.00	878,400.00	38,600.00
State	-	-	-
Federal	-	-	-
Total Revenues Dental Internal Service Fund:	917,000.00	878,400.00	38,600.00
Revenues Less Expenses:	(7,000.00)	(38,600.00)	31,600.00

Revenue & Expense Budget Summary - Fiscal Year 2023 (FY23) Student Activity Funds

Preliminary DRAFT #2 - June 15, 2022

OBJ		FY23 Budget Expense	FY22 Budget Expense	Change
300-399	Contracted Services	810,961.00	869,366.00	(58,405.00)
400-499	Supplies and Materials	504,555.00	519,415.00	(14,860.00)
800-899	Other Expenditures	25,740.00	30,240.00	(4,500.00)
Total Expenses Student Activity Fund:		1,341,256.00	1,419,021.00	(77,765.00)



	FY23 Budget Revenue	FY22 Budget Revenue	Change
Local	1,341,256.00	1,419,021.00	(77,765.00)
State	-	-	-
Federal	-	-	-
Total Revenues Student Activity Fund:	1,341,256.00	1,419,021.00	(77,765.00)
Revenues Less Expenses:	-	-	-

*As of May 12, 2021 Student Activities are still in Progress - we are using the FY21 Budget as a guideline until more analysis is completed. These funds are self-sustaining and are at the site levels.

Duluth Public Schools #709
Elementary Enrollment and Certified Staff (FTE) Estimates
Regular Ed Classrooms
School and Grade Level Projection

2022-20223	K	1	2	3	4	5	Est FY23
ESTIMATED	5.12.22 - to be revised						Enrollment
Congdon Park 435	67	73	86	92	86	89	493
Section FTE	3.00	3.00	4.00	4.00	4.00	4.00	22.00
Average Class Size	22.33	24.33	21.50	23.00	21.50	22.25	22.49
Homecroft 475	67	70	67	63	61	51	379
Section FTE	3.00	3.00	3.00	2.00	3.00	2.00	16.00
Average Class Size	22.33	23.33	22.33	31.50	20.33	25.50	24.22
Lakewood 500	41	33	45	37	36	40	232
Section FTE	2.00	2.00	1.50	1.50	1.50	1.50	10.00
Average Class Size	20.50	16.50	30.00	24.67	24.00	26.67	23.72
Lester Park 510	100	85	76	81	83	111	536
Section FTE	4.00	4.00	3.00	3.00	3.00	4.00	21.00
Average Class Size	25.00	21.25	25.33	27.00	27.67	27.75	25.67
Lowell 520	52	51	42	55	40	37	277
Section FTE	2.00	2.00	2.00	2.00	1.50	1.50	11.00
Average Class Size	26.00	25.50	21.00	27.50	26.67	24.67	25.22
Lowell Sp Immersion	63	60	54	50	52	30	309
Section FTE	3.00	3.00	3.00	3.00	1.50	1.50	15.00
Average Class Size	21.00	20.00	18.00	16.67	34.67	20.00	21.72
MacArthur 525	48	52	48	45	46	51	290
Section FTE	3.00	3.00	3.00	3.00	3.00	2.00	17.00
Average Class Size	16.00	17.33	16.00	15.00	15.33	25.50	17.53
Myers Wilkins 540	56	54	65	55	50	47	327
Section FTE	4.00	3.00	3.00	3.00	3.00	2.00	18.00
Average Class Size	14.00	18.00	21.67	18.33	16.67	23.50	18.69
Piedmont 550	75	67	75	62	64	66	409
Section FTE	4.00	4.00	3.00	3.00	3.00	4.00	21.00
Average Class Size	18.75	16.75	25.00	20.67	21.33	16.50	19.83
Stowe 565	40	32	41	37	30	44	224
Section FTE	2.00	2.00	2.00	2.00	2.00	2.00	12.00
Average Class Size	20.00	16.00	20.50	18.50	15.00	22.00	18.67
Totals Grade Level	609	577	599	577	548	566	3476
Totals FTE	30.00	29.00	27.50	26.50	25.50	24.50	163.00
Average Class Size	22.88	22.11	24.59	24.76	24.80	26.04	24.20

*Enrollment Projections Subject to Change

*FTE includes Regular Classroom certified teachers. Funding sources include general fund, compensatory, and Title Revenue where applicable. FTE subject to change by enrollment changes or Admin recommendations.

*Special Education certified teachers are not included in FTE projections, but enrollment estimates include all students.

General Overview of Enrollments in our traditional Elementary and Secondary Buildings

	June 2020	Sept. 2020	May 2021	Dec 2021	April 2022	
Congdon Park	588	548	499	495	494	-16%
Homecroft	402	408	351	378	380	-5%
Lakewood	231	235	212	237	240	4%
Lester Park	592	573	536	540	552	-7%
Lowell English & Ojibwe	285	257	255	267	278	-2%
Lowell Spanish	222	288	254	311	302	36%
Laura MacArthur	331	289	298	296	287	-13%
Myers-Wilkins	343	309	339	343	329	-4%
Piedmont	452	410	407	419	408	-10%
Stowe	266	251	238	231	230	-14%
	3712	3568	3389	3517	3500	-6%

FY23 PROJECTED Enrollment for Secondary

FY23 EST

	6	7	8	9	10	11	12	Total	
Lincoln Park Middle School	206	192	210					608	
Ordean East Middle School	345	340	355					1040	
Denfeld High School				231	224	229	185	869	
East High School				390	370	350	333	1443	

Comparison for Secondary

	June 2020	Sept. 2020	May 2021	Dec 2021	April 2022	
Lincoln Park Middle School	685	717	663	644	639	
Ordean East Middle School	1099	1108	990	1087	1078	
Denfeld High School	925	1034	994	957	871	
East High School	1424	1630	1469	1480	1399	
	4133	4489	4116	4168	3987	

ESSER and ARP Funds Update since March 2021:

1. ESSER I and CRF Funds were fully spend by the end of Fiscal Year 2021 (June 30, 2021)
ESSER II Funds are eligible to be spent by Sept. 30, 2023, but all ESSER II Funds will be spent by 6/30/22.
2. ESSER III (ARP) Funds have 2 buckets. 80% General Spending and 20% Set Aside for after the school day/school year or targeted spending with approval.
Some ESSER III will be spend this year, with the majority being spent in FY23. These funds can be spent until September 2024.
3. The Superintendent provided four priority areas for the district to focus on as we transition into the 2021-22 school year and beyond.
 1. Addressing student learning needs through our multi-tiered systems and supports
 2. Addressing student social emotional learning and mental health needs through our multi-tiered systems and supports
 3. Equity Framework knowledge and application
 4. Blended Learning Initiative implementation
4. Feedback from families, staff, and other stakeholders already received, along with survey information, will help determinine ways to address the focus areas and provide a positive transition into the next school year.
5. **The 20% set aside of ESSER III will be used in FY23/24 for out of school day/school year along with an MTSS initiative during the school day pending approval from MDE.**

Budget Process Next Steps

More analysis on funding options and opportunities to refine the revenue budget.

Final information from the 2022 Legislative Session

Updated Estimated on the Federal Title and Special Education Allocations

Analysis on local funding sources

More analysis on expenditures and programming requirements

Working through salary and wage estimates as well as benefit allocations

Program specific changes or updates

Finalizing ESSER investments into the general operationg budget as well as other funds

Follow up with the Board on estimated FY23 budget at June Budget Comm. Of The Whole.

Adopt the FY23 Budget at the regular June School Board Meeting.

