

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.

Revenues originate from Federal, State, or Local Sources. Some Federal revenues are allocated to states who, in turn, distribute those revenues to eligible school districts, charter schools, or other programs.

Revenue that is equalized, or has a tax levy component in the formula, will have the levy portion identified as local revenue. This may be state mandated, district opted, or voter approved.

Other local revenues include grants, gifts & donations, tuition billing, fees, gate receipts, and interest. The sale proceeds for properties may be identified separately from regular local revenue.

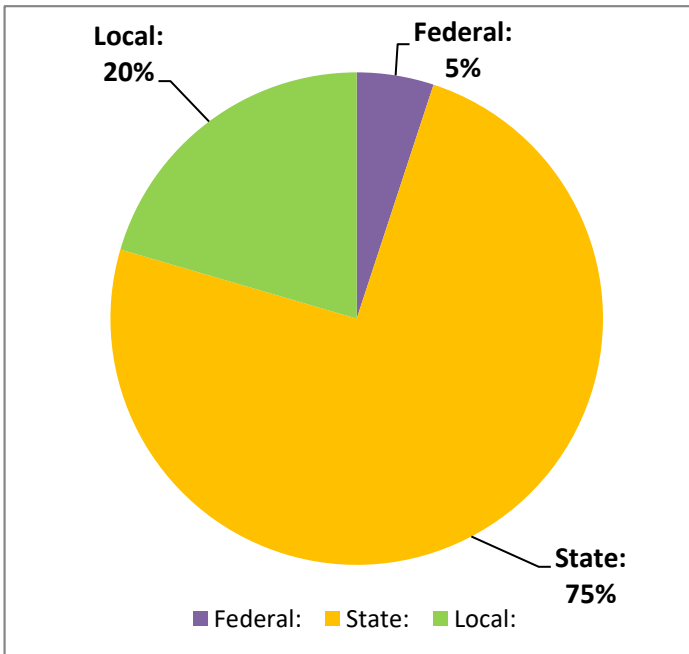
State revenue may be a component of statewide funding formulas, categorical aids in which a district must qualify, or state grants with specific scope and requirements.

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:

****At this time the General Fund Budget is not taking into account investments from ESSER to adjust amounts.**

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.

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.

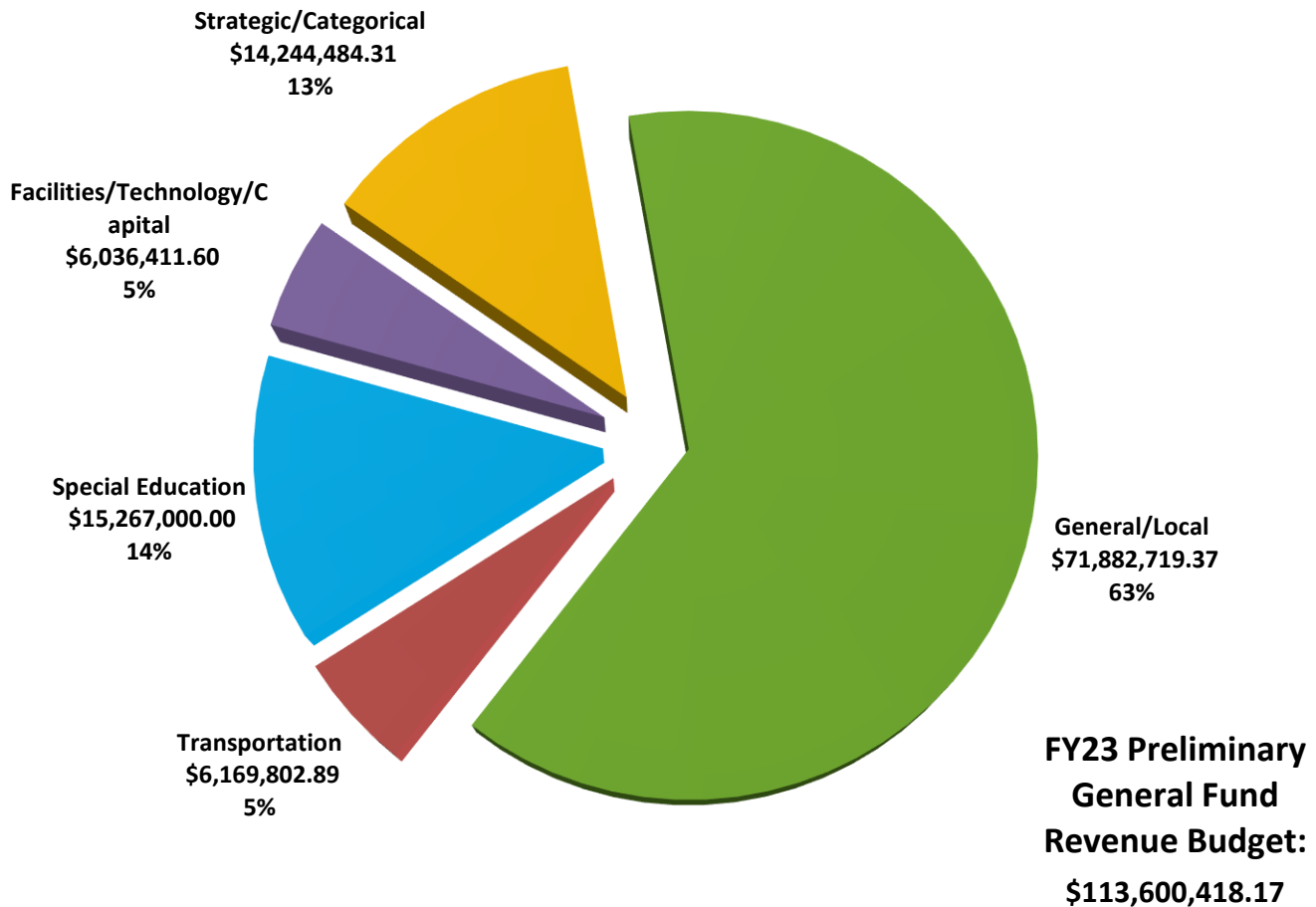
Federal Title program revenue estimates are projected to be similar to FY22 based on projections due to Free & Reduced counts.

Other local revenues are estimated by prior

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General Fund

These same revenue estimates can also be viewed in relation to what program areas they support. In each of these categories there may be further detail or distributions related to statute, policy, or district priorities.

Duluth Public Schools - FY23
GENERAL FUND - Preliminary Revenue Budget



Preliminary information - NOT FINAL - presented at

■ General/Local
 ■ Transportation
 ■ Special Education
 ■ Facilities/Technology/Capital
 ■ Strategic/Categorical

Strategic/Categorical:

Funding includes revenues that may apply to certain programs or District strategies.

Facilities/Technology/Capital:

Funding includes revenues designated for State directed or District directed foundational costs.

Special Education:

Funding includes estimated state reimbursement revenue for programs and Federal allocations.

Transportation:

Funding includes identified revenues attributable to regular and special transportation.

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Unrestricted:	\$	96,600,163.53
Restricted:		
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.	\$	1,634,206.55
Safe Schools	\$	322,167.96
Total Restricted:	\$	17,000,254.64
Total General Fund:	\$	113,600,418.17

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.

Some **Unrestricted Revenues** may have defined uses but do not require a designated set aside balance to reserve.

Restricted Revenues come from state and local sources (aid and levy).

Unrestricted Revenues come from federal, state, and local sources.

Federal Sources are often reimbursements and have allowable carryover provisions to subsequent fiscal years. Use of Federal funds have limitations.

Revenue Considerations:

***Possible adjustments to consider but not guaranteed**

\$	598,827.00	Value of 1% Increase in Formula Allowance
\$	4,000,000.00	ESSER Investment due to enrollment decline
\$	420,700.00	Re-Enrollment of Students in FY23 (partial return)
\$	250,000.00	Increase in SPED Cross Subsidy
\$	-	Possible Hold Harmless for Compensatory

\$ - Administrative Recommendation

\$ 113,600,418.17 RESIVED General Fund Revenue Budget

Revenue Budget Comparison:

	Preliminary Estimated FY23	Budgeted FY22	Final FY21	Final FY20
Federal:	\$ 5,738,555.00	\$ 5,591,509.00	\$ 6,618,218.79	\$ 6,463,685.00
State:	\$ 84,606,948.66	\$ 85,214,393.10	\$ 86,251,787.94	\$ 87,254,553.00
Local:	\$ 23,254,914.51	\$ 21,173,451.74	\$ 20,591,180.80	\$ 22,037,496.00
	\$ 113,600,418.17	\$ 111,979,353.84	\$ 113,461,187.53	\$ 115,755,734.00
ESSER Investment	\$ 4,000,000.00	\$ 3,000,000.00	\$ 4,999,620.22	
	\$ 117,600,418.17	\$ 114,979,353.84	\$ 118,460,807.75	
	\$ 1,621,064.33 Operational Increase/(Decrease) compared to FY22 (w/o ESSER)			

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	

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Expense Budget Summary - Fiscal Year 2023 (FY23)

General Fund

Overview/Definitions:

General Fund expenses encompass a wide range of categories and are identified through coding to represent programming areas and use of funds.

Expenses may be funded through unrestricted, restricted, or fund balances. If a fund balance is being used, revenues and expenses may not tie out.

An overall surplus or deficit is the combination of all available funding sources.

Staffing for FY23 is currently an estimate. The District will continue to analyze programs and pupil trends to determine base needs. Staff funded by entitlement revenues may need to be adjusted based on funding.

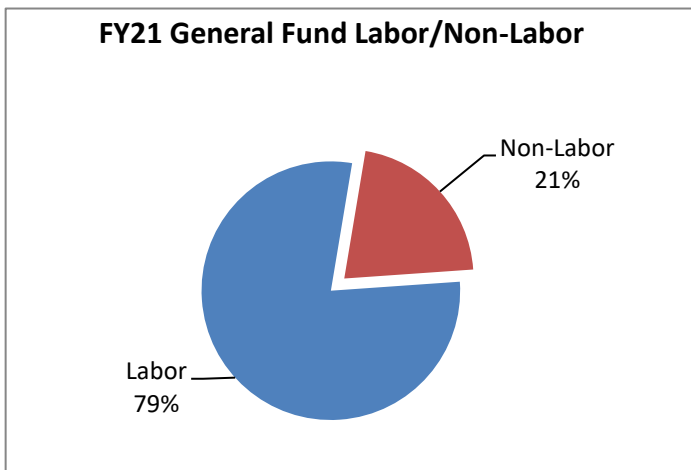
Consideration for effective use of funds will be the baseline to appropriately budget expenses in programs that best represent any restricted guidelines.

FY23 expense considerations may be the result of impacts from prior year budget or levy consequences.

Revenues that may become available through legislation or other sources not currently budgeted may trigger changes in expenses.

More meetings with building and program administration will be needed to determine any specific changes needed due to revenue adjustments, program reductions, or district priorities.

Labor/Non-Labor Summary



The majority of General Fund expenses are tied to salaries, wages, and benefits.

This pie chart shows the district's breakdown of Labor and Non-Labor expenses in the General Fund for Fiscal Year 2021.

It is expected that FY23 will look differently because of the use of Federal dollars for technology and equipment purchases.

This will be reviewed and updated for FY22 after

* Of the 79% Labor, 69% is Salaries and Wages and 31% is Benefits

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Expense Budget Summary - Fiscal Year 2023 (FY23)

General Fund

The **preliminary** expense budget was created using Fiscal Year 2022 (FY22) as a baseline and adjusting for a number of factors, including impacts from revenue. Due to COVID-19, FY21 has some unique factors. We will be spending the next 2 months going over expenses in more detail and providing adjustments.

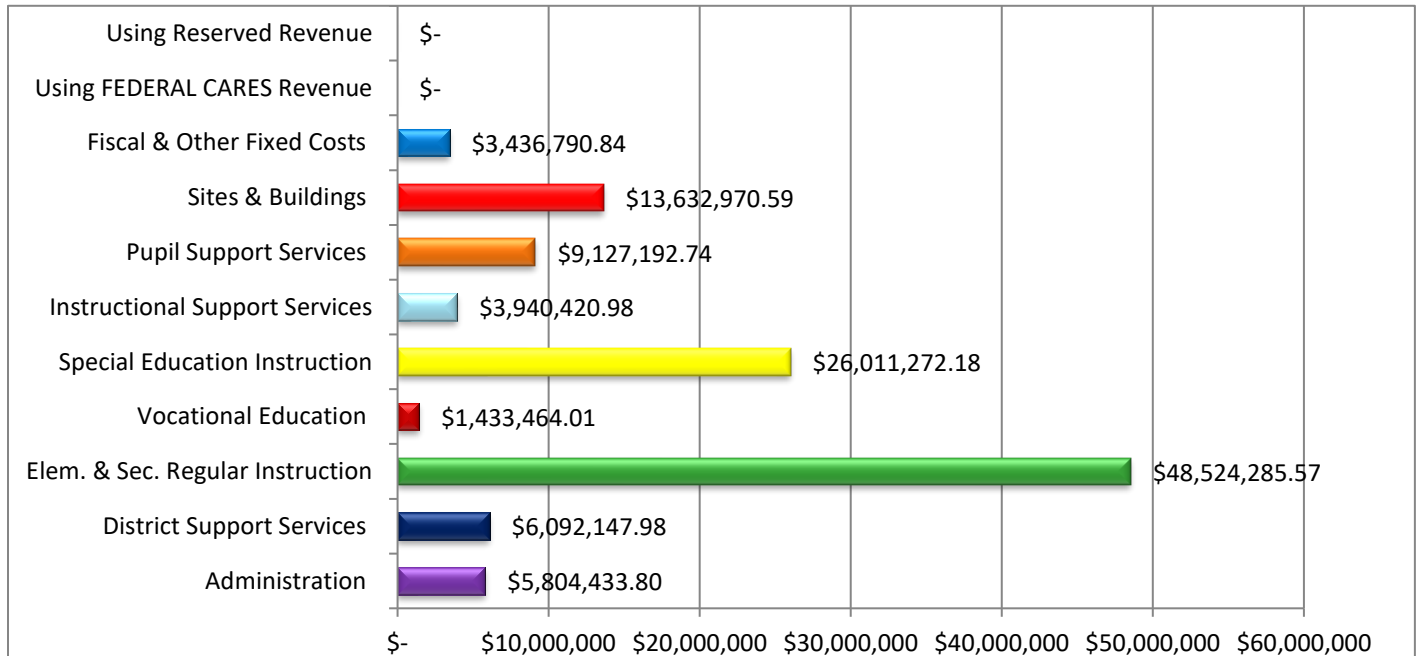
The program areas below are defined by the Minnesota Department of Education (MDE).

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 or need.

Expenses by Program Area - General Fund

PRO	FY23 BUDGET Expense	FY22 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 Using FEDERAL CARES Revenue			\$ -
FD BAL Using Reserved Revenue		\$ -	\$ -
Total Expenses General Fund: \$ 118,002,978.68 \$ 114,973,176.61 \$ 3,029,802.07			



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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 the 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

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.

Projected surplus/

(deficit): \$

(2,560.51) Will require additional budget adjustments.

