

Committee of the Whole Board Meeting-Budget
Duluth Public Schools, ISD 709

Agenda

Thursday, May 12, 2022
District Services Center
709 Portia Johnson Dr.
Duluth, MN 55811
4:30 PM

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FISCAL YEAR 2022/2023 UPDATE**
Cathy Erickson
4. **ADJOURN**

2

ESSER UPDATE: Spending/Budget Expenses as of 5/1/2022							
				Fy 22 Budget Spent or	FY22 Budget Amt.	New Allocation	New Allocation
Budget Program:	Budget Dept.	Description:	Budget Amt:	Encumbered:	Rolling Over to FY23:	Year 2 of 2 FY23:	From Unspent Funds
000	Administration	Strategic Planning/Equity Audit/Boundary Study	\$200,000	\$48,000.00	\$152,000	\$100,000.00	
100	Dist. Services	HR Director Investment	\$40,000	\$40,000.00		\$40,000.00	
100	Dist. Services	Skyward Devices for Online Timecards	\$40,000	\$24,000.00	\$16,000	\$50,000.00	
100	Dist. Services	Support for recruitment, skyward/frontline conversion, business services	\$90,000	\$151,591.00		\$50,000.00	
200	Elem/Sec Instruct.	Temporary Elem Interventionists	\$900,000	\$425,000.00			\$900,000.00
200	Elem/Sec Instruct.	Temporary Secondary FTE	\$540,000	\$540,000.00			\$300,000.00
200	Elem/Sec Instruct.	Temporary District Wide Floating Subs	\$480,000	\$280,000.00			
		Middle School Interventionists	\$160,000	\$160,000.00			\$160,000.00
600	Instruct. Support	Secondary MTSS Strategies	\$100,000	\$100,000.00			
600	Instruct. Support	Professional Development Investment	\$1,500,000	\$100,000.00	\$1,000,000		
600	Instruct. Support	Blended Learning Supports - Devices, Staff, Infrastructure	\$1,990,000	\$2,406,520.00		\$1,990,000.00	
600	Instruct. Support	Technology Devices - SmartBoards (Primary Elementary)	\$1,000,000	\$869,872.00			
600	Instruct. Support	Technology Devices - Replacement Desktops (District Wide)	\$400,000	\$400,000.00		\$400,000.00	
600	Instruct. Support	Leadership TOSA's - Elementary	\$700,000	\$570,000.00			
600	Instruct. Support	Director of Instruction investment	\$200,000	\$200,000.00		\$200,000.00	
700	Pupil Support	Secondary Counselors - Site & Sources of Strength	\$450,000	\$450,000.00			\$400,000.00
700	Pupil Support	Social Emotional Supports	\$200,000	\$20,000.00			\$40,000.00
700	Pupil Support	Social Emotional Curriculum (2nd Step)	\$100,000	\$100,000.00			
700	Pupil Support	Support for Transportation, Food Service, and Site Monitors	\$85,000	\$195,267.00		\$85,000.00	
700	Pupil Support	District Attendance Supports	\$100,000	\$20,000.00			
700	Pupil Support	Additional COVID Supports - Clerical		\$15,000.00			
800	Sites & Blds.	Building Improvements	\$850,000	\$99,000.00	\$751,000		
200	Elem Sec Suppt.	Alternative for Suspension Program				\$300,000.00	
700	Pupil Support	Support at Denfeld		\$75,000.00			
ALL	All Departments	COVID Stipend		\$685,000.00		\$500,000.00	
200	Elem Sec Suppt.	Additional Professional Development Day				\$405,000.00	
FD BAL		ESSER INVESTMENT for Staff & Programs based on FY21	\$4,000,000	\$3,000,000.00		\$4,000,000.00	
			\$14,125,000	\$10,974,250.00	\$1,919,000.00	\$8,120,000.00	\$1,800,000.00
		Carrying Over to FY23:		\$1,919,000.00			
		NEW Reallocations to FY23 from unspent:		\$1,800,000.00			
				\$14,693,250.00			
District must also use \$4 million for out of school day/year programs/costs. (9/30/24)		ESSER II Estimated Revenue:	\$8,800,000	Estimated Spending FY22:		\$10,974,250	
		ESSER III Estimated Revenue:	\$16,000,000	Estimated Spending FY23:		\$11,839,000	
			\$24,800,000	Current Unencumbered ESSER:		\$1,986,750	

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

		6	7	8	FY 23 EST ENROLLMENT
Lincoln Middle School		206	192	210	608
SECONDARY REGULAR & VOCATIONAL FTE:	30.1	8	6.2	5.6	
AVERAGE CLASS SIZE:		25.75	30.97	37.50	20.20
CERTIFIED/Non Certified SITE SUPPORT STAFF FTE:	9.60		SUPPORT STAFF PER FTE:		63.33

		6	7	8	FY 23 EST ENROLLMENT
Ordean East Middle School		345	340	355	1040
SECONDARY REGULAR & VOCATIONAL FTE:	41	9.2	16.25	16.25	
AVERAGE CLASS SIZE:		37.50	20.92	21.85	25.37
CERTIFIED/Non Certified SITE SUPPORT STAFF FTE:	6.8		SUPPORT STAFF PER FTE:		152.94

		9	10	11	12	FY 23 EST ENROLLMENT
Denfeld High School		231	224	229	185	869
SECONDARY REGULAR & VOCATIONAL FTE:	41.5					
AVERAGE CLASS SIZE:						20.94
CERTIFIED/Non Certified SITE SUPPORT STAFF FTE:	6.4			SUPPORT STAFF PER FTE:		135.78

		9	10	11	12	FY 23 EST ENROLLMENT
East High School		390	370	350	333	1443
SECONDARY REGULAR & VOCATIONAL FTE:	55.2					
AVERAGE CLASS SIZE:						26.14
CERTIFIED/Non Certified SITE SUPPORT STAFF FTE:	5.2			SUPPORT STAFF PER FTE:		277.50

*Enrollment Projections Subject to Change

*FTE includes Regular Classroom certified teachers. Funding sources include general

*Special Education certified teachers are not included in FTE projections, but

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	4.00	4.00	3.00	4.00	3.00	4.00	22.00
Average Class Size	16.75	18.25	28.67	23.00	28.67	22.25	22.93
Homecroft 475	67	70	67	63	61	51	379
Section FTE	3.00	3.00	3.00	3.00	2.00	2.00	16.00
Average Class Size	22.33	23.33	22.33	21.00	30.50	25.50	24.17
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	4.00	3.00	21.00
Average Class Size	25.00	21.25	25.33	27.00	20.75	37.00	26.06
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	4.00	3.00	21.00
Average Class Size	18.75	16.75	25.00	20.67	16.00	22.00	19.86
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	31.00	30.00	26.50	27.50	25.50	22.50	163.00
Average Class Size	22.26	21.44	25.39	23.59	25.36	27.68	24.29

*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.

Fiscal Year 2020-21 (FY21) General Fund Expenditure Comparison of Simiar Size Districts

COW-Budget Meeting, Thursday, May 12, 2022

School District:	Burnsville Public School District - #191		Duluth Public School District - #709		Stillwater Public School District - #834		Eden Prairie Public School District - #272		St. Cloud Public School District - #742
Adjusted ADM FY21 Final:	7,831.05		7,864.10		8,180.78		8,598.39		9,308.57
SPED child count (Dec. 1, 2020):	1,744		1,658		1,469		1,048		2,542
SPED % on Child Count:	16.99%		16.75%		16.39%		11.84%		18.19%

Expenses by PROGRAM:

000-099 District & Sch. Adm.	5,020,125.00	4.00%	5,413,012.55	4.57%	7,097,726.17	5.90%	3,963,185.86	3.14%	4,091,670.00	2.74%
100-199 District Supp Srv.	4,091,220.45	3.26%	7,452,387.55	6.29%	7,021,885.62	5.83%	6,580,215.01	5.21%	4,400,554.46	2.95%
200-299 Regular Instruct.	52,076,386.96	41.51%	46,104,075.65	38.93%	50,773,313.29	42.18%	56,646,816.26	44.89%	55,318,872.95	37.09%
300-399 Vocational Instruct.	2,088,352.26	1.66%	1,286,315.95	1.09%	1,688,940.41	1.40%	2,608,997.47	2.07%	1,557,278.07	1.04%
400-499 Spec. Ed. Instruct.	24,703,002.86	19.69%	24,128,481.37	20.37%	21,263,769.68	17.67%	21,733,158.50	17.22%	33,126,530.69	22.21%
500-599 Community Education		0.00%		0.00%	23,949.00	0.02%		0.00%		0.00%
600-699 Instruct. Support Srv.	14,355,693.20	11.44%	5,131,277.39	4.33%	6,881,670.25	5.72%	10,288,447.85	8.15%	16,142,150.28	10.82%
700-799 Pupil Support Srv.	9,837,710.97	7.84%	8,799,549.25	7.43%	12,875,242.45	10.70%	10,008,665.96	7.93%	15,042,493.33	10.09%
800-899 Sites-Bldg., Equip.	12,886,100.82	10.27%	12,071,382.75	10.19%	15,241,906.89	12.66%	13,058,211.33	10.35%	18,277,054.84	12.26%
900-999 Fiscal and Other	391,943.04	0.31%	8,039,082.75	6.79%	497,989.94	0.41%	1,299,113.04	1.03%	1,177,840.71	0.79%
TOTAL	125,450,535.56	100.00%	118,425,565.21	100.00%	120,366,393.70	100.00%	126,186,811.28	100.00%	149,134,445.33	100.00%

Expenses by OBJECT:

100-199 Salary & Wages	71,179,402.96	56.74%	62,624,816.10	52.88%	61,916,226.09	51.44%	76,370,725.32	60.52%	85,992,181.27	57.66%
200-299 Employee Benefits	29,301,358.73	23.36%	28,524,989.09	24.09%	27,990,570.31	23.25%	24,508,861.73	19.42%	25,523,735.22	17.11%
300-399 Purchased Service	14,698,494.40	11.72%	9,472,900.25	8.00%	19,462,028.87	16.17%	13,544,591.22	10.73%	23,054,830.60	15.46%
400-499 Supplies & Material	5,537,599.49	4.41%	5,856,812.23	4.95%	5,669,768.37	4.71%	5,604,977.91	4.44%	7,424,820.18	4.98%
500-588 Capital Expendit.	3,936,577.35	3.14%	4,357,146.61	3.68%	4,080,611.49	3.39%	4,627,284.50	3.67%	5,433,815.41	3.64%
590-599 Other Capital Exp.		0.00%		0.00%		0.00%		0.00%		0.00%
700-799 Debt Service		0.00%	5,054,112.31	4.27%	819,588.91	0.68%		0.00%	2,215,983.74	1.49%
800-899 Other Expense	797,102.63	0.64%	-137,545.49		427,599.66	0.36%	640,860.60	0.51%	725,093.84	0.49%
900-999 Transfers & Leases		0.00%	2,672,334.00	2.26%		0.00%	889,510.00	0.70%	-1,236,014.93	-0.83%
TOTAL	125,450,535.56	100.00%	118,425,565.10	100.00%	120,366,393.70	100.00%	126,186,811.28	100.00%	149,134,445.33	100.00%

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.

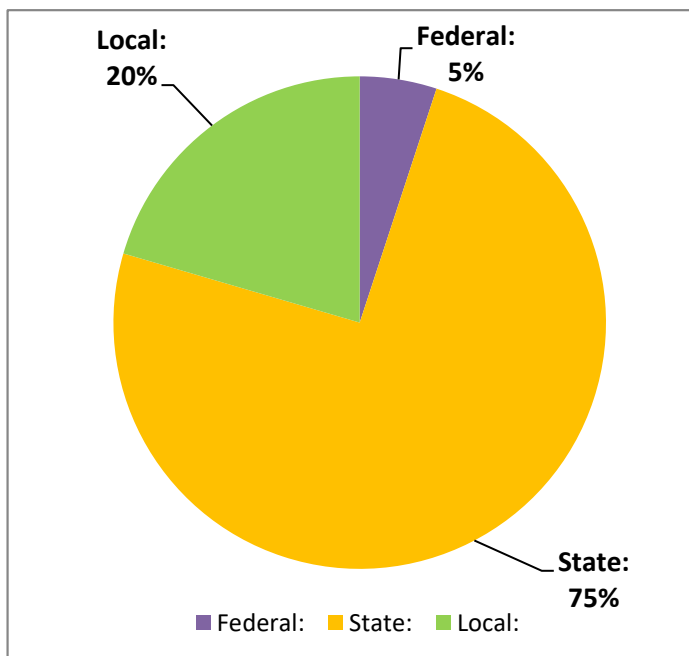
State revenue may be a component of statewide funding formulas, categorical aids in which a district must qualify, or state grants with specific scope and requirements.

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

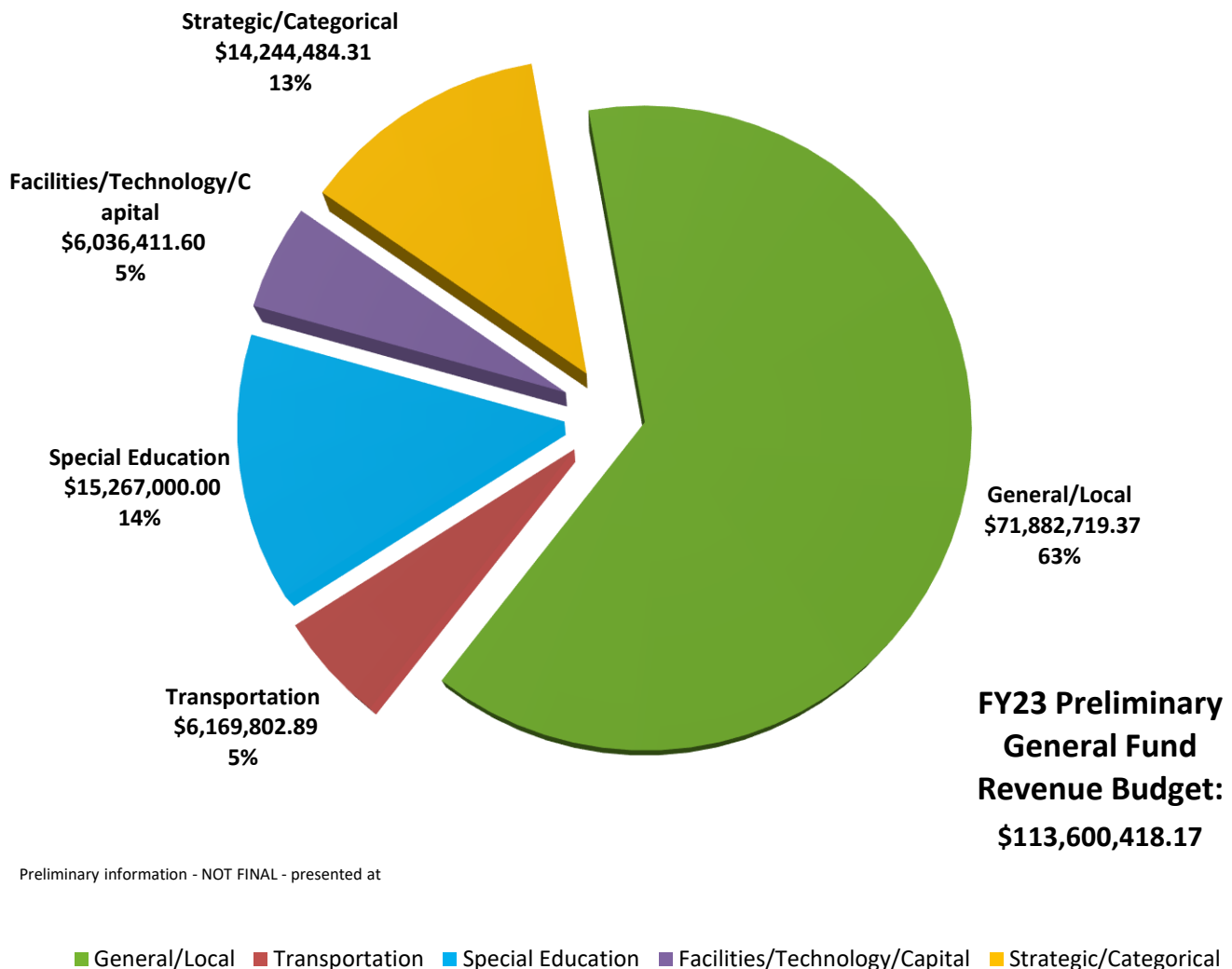
Duluth Public Schools #709

Revenue Budget Summary - Fiscal Year 2023 (FY23)

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



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.

Duluth Public Schools #709

Revenue Budget Summary - Fiscal Year 2023 (FY23)

General Fund

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	

Duluth Public Schools #709

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.

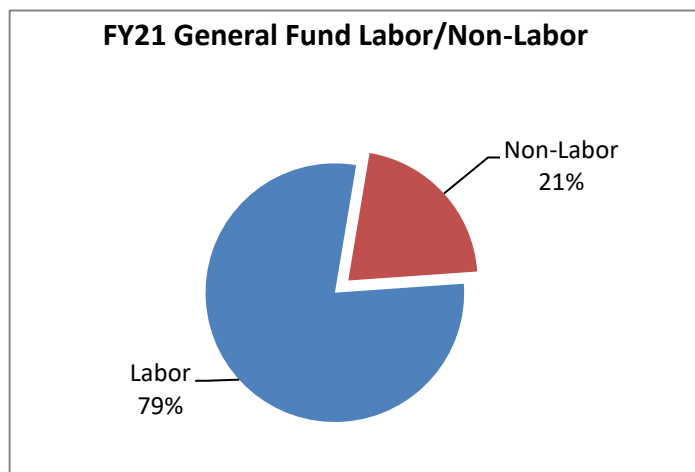
Consideration for effective use of funds will be the baseline to appropriately budget expenses in programs that best represent any restricted guidelines.

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

Duluth Public Schools #709

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).

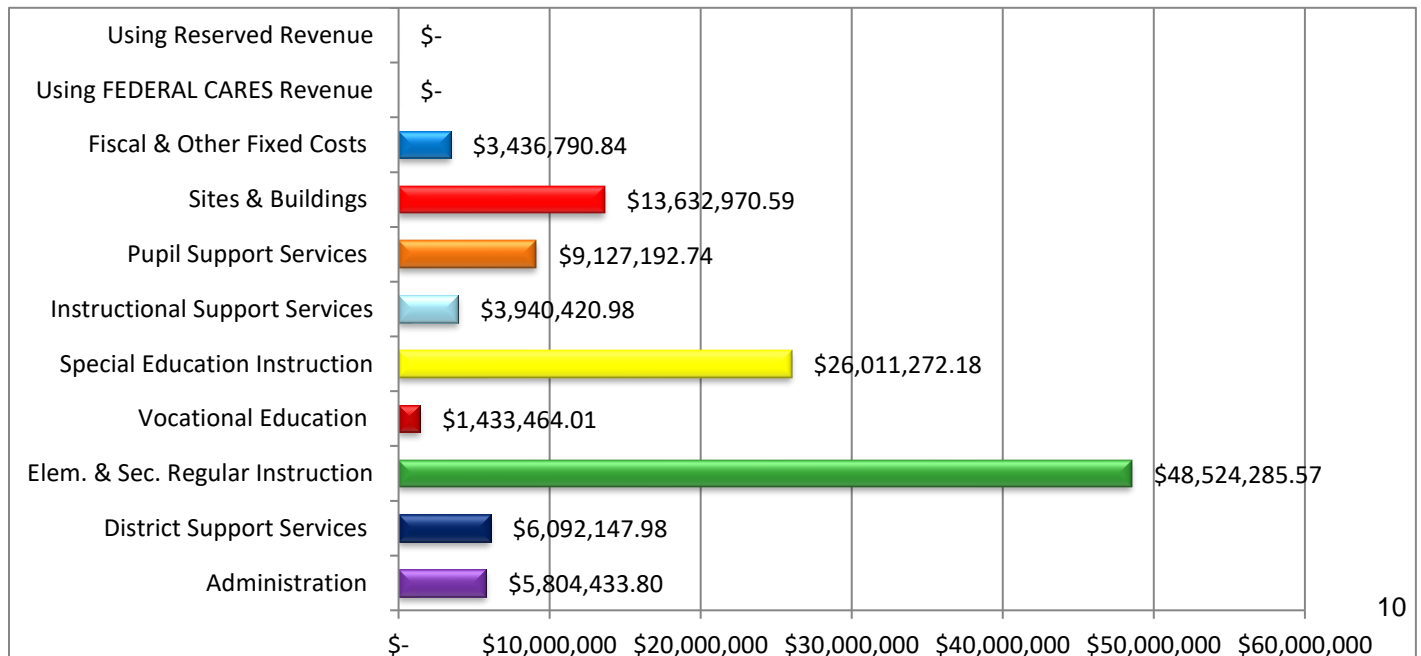
Program areas may include expenses using restricted or unrestricted revenues.

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



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 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
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Initial Expenses:	\$	118,002,978.68
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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.

