



**Preliminary Fiscal Year 2022 Budget
Committee of the Whole ~ May 26, 2021**
(Recommended budget for FY22 must be adopted by June 30, 2021)

**Revenue & Expense Budget Summary - Fiscal Year 2022(FY22)
All Funds**

Preliminary DRAFT #2 - May 26, 2021

	Revenues	Expenses	Difference
General Fund	\$ 110,009,881.02	\$ 115,012,436.50	\$ (5,002,555.48)
Food Service Fund	\$ 3,945,850.00	\$ 4,247,662.00	\$ (301,812.00)
Community Service Fund	\$ 7,563,000.50	\$ 7,971,812.52	\$ (408,812.02)
Construction Fund	\$ -	\$ -	\$ -
Debt Service Fund	\$ 22,660,834.00	\$ 23,166,651.00	\$ (505,817.00)
Trust Fund	\$ 258,575.00	\$ 250,000.00	\$ 8,575.00
Internal Service Fund	\$ 917,000.00	\$ 917,000.00	\$ -
Student Activity Fund	\$ 1,341,256.00	\$ 1,341,256.00	\$ -

****Final FY22 Adopted Budget to be presented for approval at a June school board meeting.**

Review of Budget Goals that started in FY2021 and continuing to FY2022:

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 2022 (FY22)

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 FY22:

Federal:	\$ 5,591,509.00
State:	\$ 83,244,920.28
Local:	\$ 21,173,451.74
	\$ 110,009,881.02

Initial Budget Assumptions:

Basic Formula Allowance increases 2% from FY21 to FY22 based on current law.

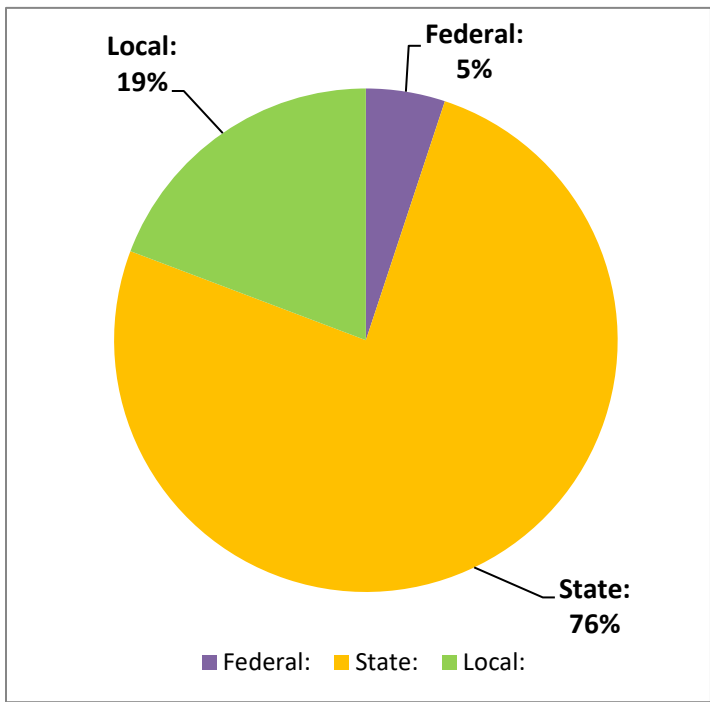
Pupil Counts are currently projected at 8,049 Adjusted Average Daily Membership (ADJ ADM). We may project slightly higher again at the June Budget meeting based on enrollment assessments.

FY19 Final ADJ ADM: 8,229
 FY20 Final ADJ ADM: 8,369
 FY21 Budgeted ADJ ADM: 8,180

Categorical Revenues are estimated at FY21 levels unless other information is known.

Federal Title program revenue estimates are projected 20% less, with a potential to have some carryover available.

Other local revenues are estimated by prior



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 2022 (FY22)

General Fund

Undesignated	\$	66,724,985.19
Federal Programs	\$	5,591,509.00
Special Education	\$	14,536,554.00
Transportation	\$	6,053,554.90
Telecom Access	\$	139,000.00
American Indian	\$	315,000.00
Medical Assistance	\$	600,000.00

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	\$	1,156,202.31
Operating Capital	\$	1,909,514.26
Basic Skills	\$	5,302,314.46
Gifted & Talented	\$	112,205.60
Learning & Dev.	\$	1,730,448.00
Alt. Learning Ctr.	\$	1,400,000.00
LT Fac. Maint.	\$	2,442,378.01
Achiev. & Integrat.	\$	1,674,034.37
Safe Schools	\$	322,180.92
Total Restricted:	\$	16,049,277.93
Total General Fund:	\$	110,009,881.02

Revenue Budget Comparison:

	Estimated FY22	Estimated FY21	Final FY20
Federal:	\$ 5,591,509.00	\$ 6,048,509.00	\$ 6,463,685.00
State:	\$ 83,244,920.28	\$ 85,275,966.19	\$ 87,254,553.00
Local:	\$ 21,173,451.74	\$ 21,550,166.05	\$ 22,037,496.00
	\$ 110,009,881.02	\$ 112,874,641.24	\$ 115,755,734.00
	\$ (2,864,760.22)	Increase/(Decrease) compared to FY21	

Revenue Notes:

Compensatory Revenue Reduction (Restricted):	\$	(1,326,000.00)
Projected increase in State Special Ed. Revenue:	\$	750,000.00
Revenue Loss due to Student Enrollment:	\$	(1,700,000.00)
Changes in General Fund Levies and other Misc:	\$	(450,000.00)
	\$	(2,726,000.00) *Highlighted amounts only-not the total change

Duluth Public Schools #709

Expense Budget Summary - Fiscal Year 2022 (FY22)

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.

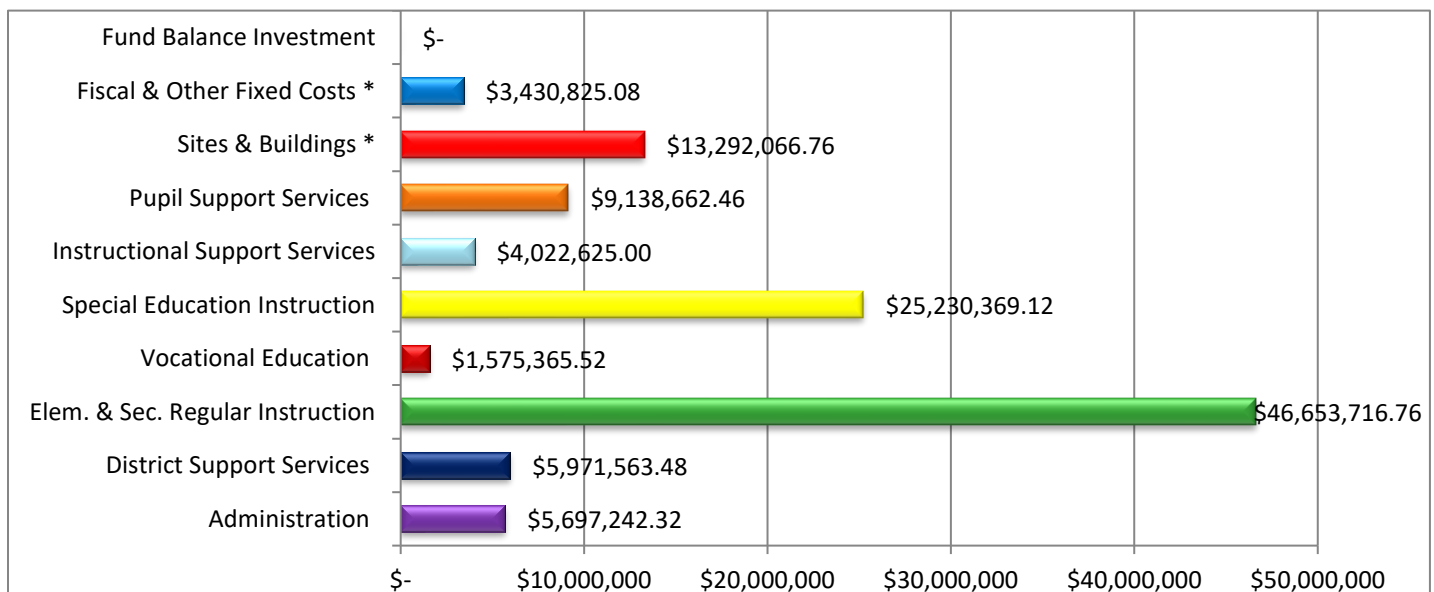
The program areas below are defined by the Minnesota Department of Education (MDE). Program areas may include expenses using restricted or unrestricted revenues.

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	FY22 Est. Budget Expense	FY21 Est. Budget Expense	Change
000-099 Administration	\$ 5,697,242.32	\$ 5,546,316.00	\$ 150,926.32
100-199 District Support Services	\$ 5,971,563.48	\$ 5,854,474.00	\$ 117,089.48
200-299 Elem. & Sec. Regular Instruction	\$ 46,653,716.76	\$ 45,738,938.00	\$ 914,778.76
300-399 Vocational Education	\$ 1,575,365.52	\$ 1,544,476.00	\$ 30,889.52
400-499 Special Education Instruction	\$ 25,230,369.12	\$ 24,735,656.00	\$ 494,713.12
600-699 Instructional Support Services	\$ 4,022,625.00	\$ 3,943,750.00	\$ 78,875.00
700-799 Pupil Support Services	\$ 9,138,662.46	\$ 8,959,473.00	\$ 179,189.46
800-899 Sites & Buildings *	\$ 13,292,066.76	\$ 13,031,438.00	\$ 260,628.76
900-999 Fiscal & Other Fixed Costs *	\$ 3,430,825.08	\$ 3,363,554.00	\$ 67,271.08
FD BAL Fund Balance Investment	\$ -	\$ -	\$ -

Total Expenses General Fund: \$ 115,012,436.50 \$ 112,718,075.00 \$ 2,294,361.50



Duluth Public Schools #709

Expense Budget Summary - Fiscal Year 2022 (FY22)

General Fund

Preliminary Budget Considerations - Revenues (highlighting major components)

1 Change in General Ed Revenue

Now Estimating a 2% increase in the Formula Allowance and a slight increase in enrollment from our 5/12/21 estimates.

Revenue Reductions: \$ (3,614,760.22)

May 12, 2021 projection: \$ (5,059,847.23)

(Increasing revenue estimates by approx. \$1.4 million)

2 Increase in Special Education: \$ 750,000.00

Includes projected increases in State Special Education revenue

Summary of Changes: \$ (2,864,760.22) Decrease

Preliminary Budget Considerations - Expenses (highlighting major components)

1 Investments & Reductions: \$ 2,294,361.50

Includes contractual wage & benefit changes, investments in special education staff & programs, general fund benefit increases in health insurance, investments in elementary staffing, and district wide staff changes.

* Includes staffing changes in District level programs

* Includes a 7% Increase in Health Insurance Premiums

* Includes some projected contractual increases in salary and wages

* Includes programmatic changes and adjustments in departments and buildings

* Current Intention is to keep programs and FTE as close to FY21 levels

Summary of Changes: \$ 2,294,361.50 Increase

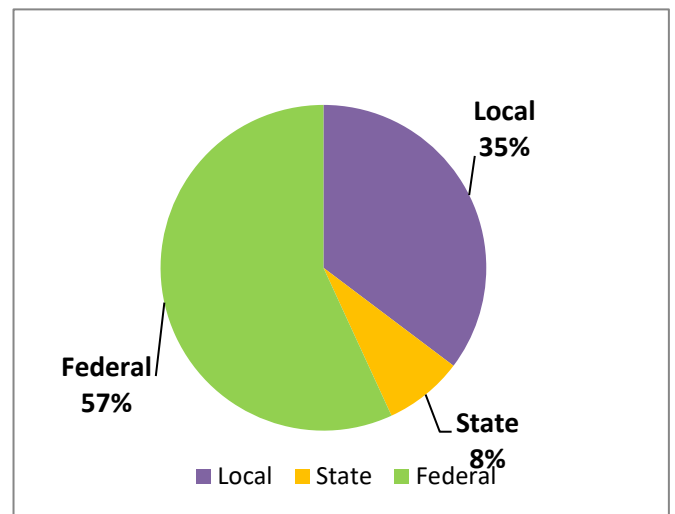
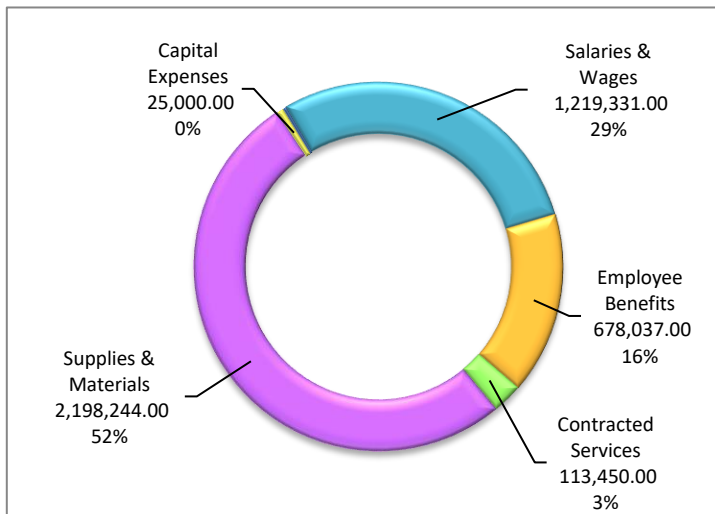
Preliminary FY22:	
Initial General Fund Revenue:	\$ 110,009,881.02
Initial General Fund Expenses:	\$ 115,012,436.50
Projected surplus/ (deficit):	\$ (5,002,555.48)
Projected on May 12, 2021:	\$ (6,447,642.49)

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22)

Food Service

Preliminary DRAFT #2 - May 26, 2021

OBJ	FY22 Budget Expense	FY21 Budget Expense	Change
100-199 Salaries & Wages	1,219,331.00	1,269,254.00	(49,923.00)
200-299 Employee Benefits	678,037.00	699,432.00	(21,395.00)
300-399 Contracted Services	113,450.00	113,450.00	-
400-499 Supplies & Materials	2,198,244.00	2,312,600.00	(114,356.00)
500-599 Capital Expenses	25,000.00	25,000.00	-
800-899 Other Expenses	13,600.00	13,600.00	-
Total Expenses Food Service Fund:	4,247,662.00	4,433,336.00	(185,674.00)



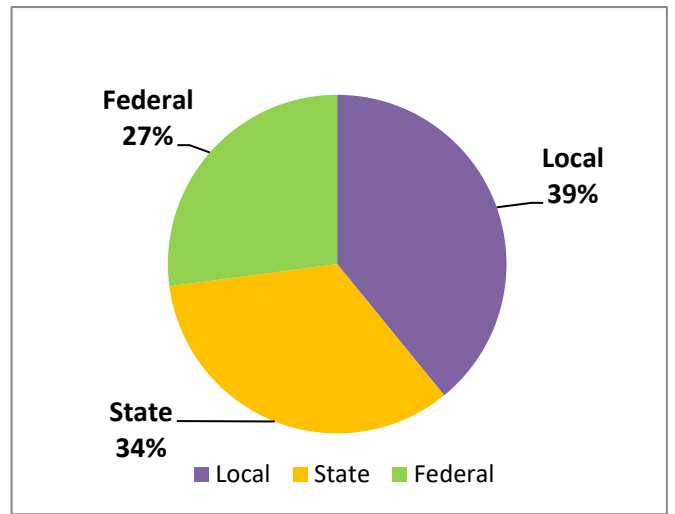
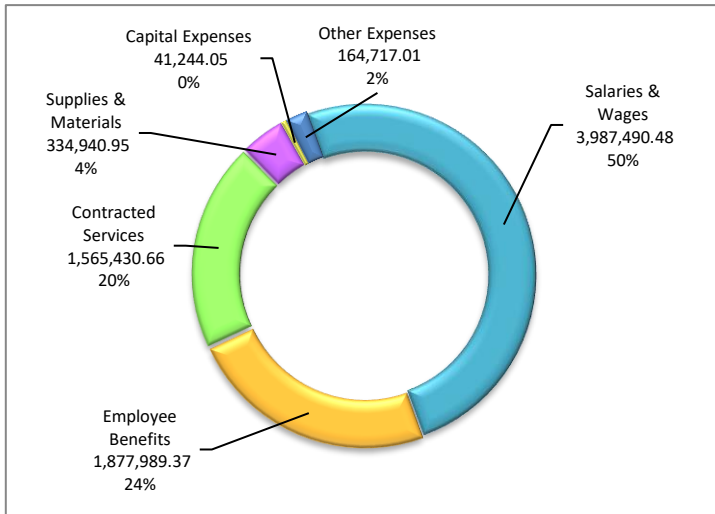
	FY22 Budget Revenue	FY21 Budget Revenue	Change
Local	1,392,000.00	1,492,000.00	(100,000.00)
State	310,000.00	310,000.00	-
Federal	2,243,850.00	2,491,000.00	(247,150.00)
Total Revenues Food Service Fund:	3,945,850.00	4,293,000.00	(347,150.00)

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22)

Community Service

Preliminary DRAFT #2 - May 26, 2021

OBJ	FY22 Budget Expense	FY21 Budget Expense	Change
100-199 Salaries & Wages	3,987,490.48	3,987,490.48	-
200-299 Employee Benefits	1,877,989.37	1,877,989.37	-
300-399 Contracted Services	1,565,430.66	1,565,430.66	-
400-499 Supplies & Materials	334,940.95	334,940.95	-
500-599 Capital Expenses	41,244.05	41,244.05	-
800-899 Other Expenses	164,717.01	164,717.01	-
Total Expenses Community Service Fund:	7,971,812.52	7,971,812.52	-



	FY22 Budget Revenue	FY21 Budget Revenue	Change
Local	2,958,204.46	2,958,204.46	-
State	2,556,175.95	2,556,175.95	-
Federal	2,048,620.09	2,048,620.09	-
Total Revenues Community Service Fund:	7,563,000.50	7,563,000.50	-

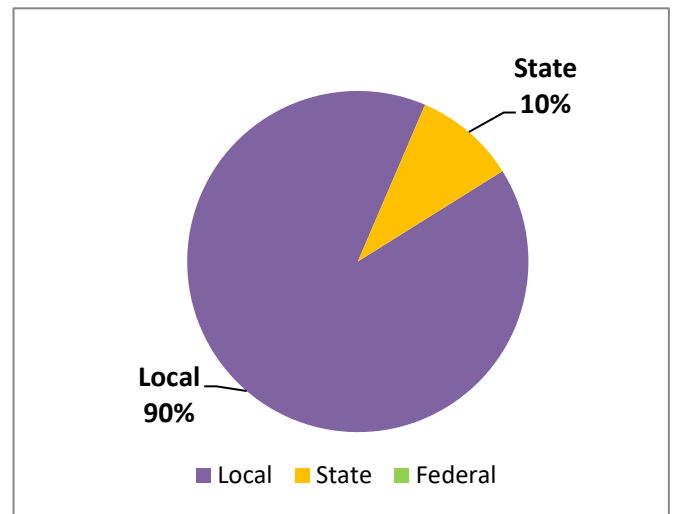
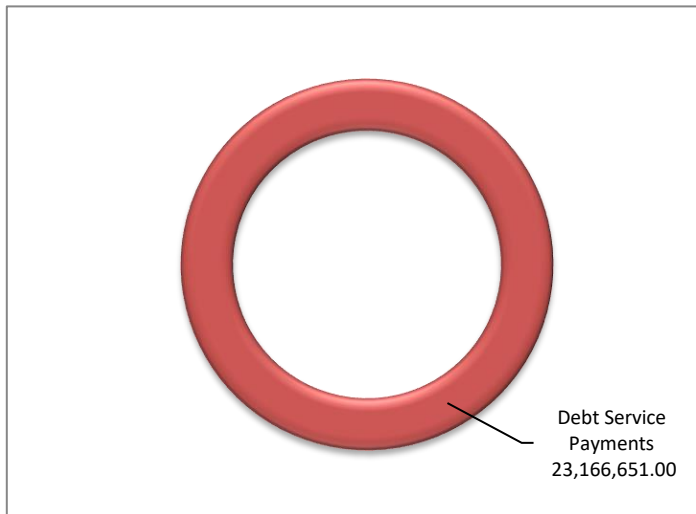
**AS of May 12, 2021 this Community Service Budget is still in progress. Due to Covid-19 impacts we are still analyzing changes and projections so at this time the FY21 budget is the base with some built in esclators for contractual increases. Changes will be updated as soon as they are available.

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22)

Debt Service

Preliminary DRAFT #2 - May 26, 2021

OBJ		FY22 Budget Expense	FY21 Budget Expense	Change
700-799	Debt Service Payments	23,166,651.00	21,506,300.00	1,660,351.00
900-999	Fiscal & Other Payments	-	-	-
Total Expenses Debt Service Fund:		23,166,651.00	21,506,300.00	1,660,351.00



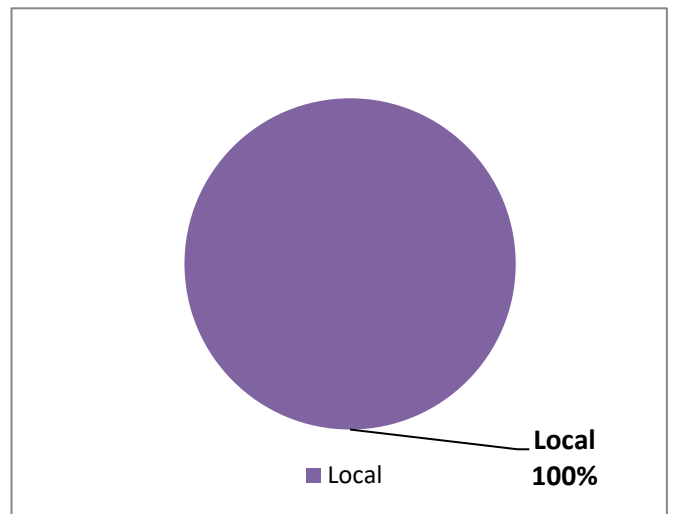
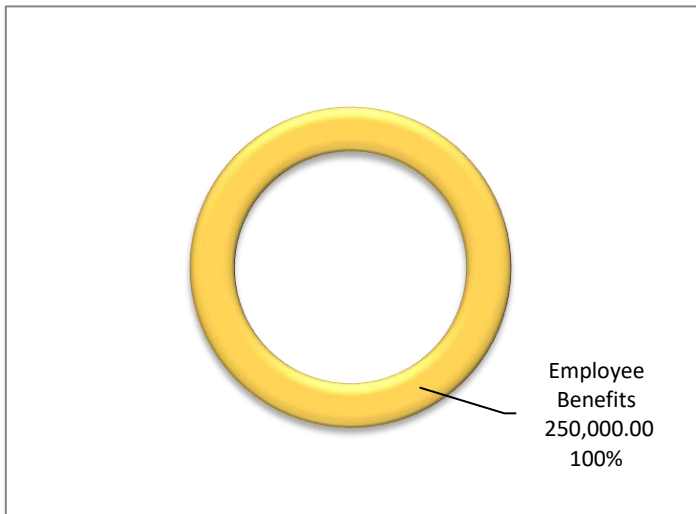
	FY22 Budget Revenue	FY21 Budget Revenue	Change
Local	20,472,271.00	19,609,723.00	862,548.00
State	2,188,563.00	2,188,563.00	-
Federal	-	-	-
Total Revenues Debt Service Fund:	22,660,834.00	21,798,286.00	862,548.00
Revenues Less Expenses:	(505,817.00)	291,986.00	(797,803.00)

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22)

Trust Fund

Preliminary DRAFT #2 - May 26, 2021

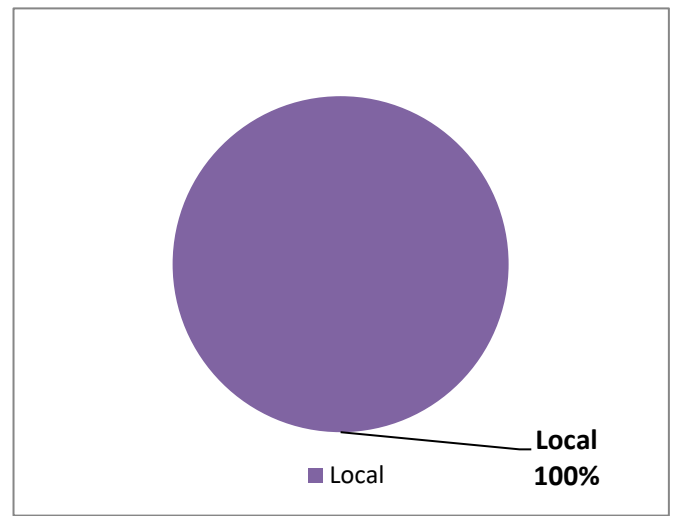
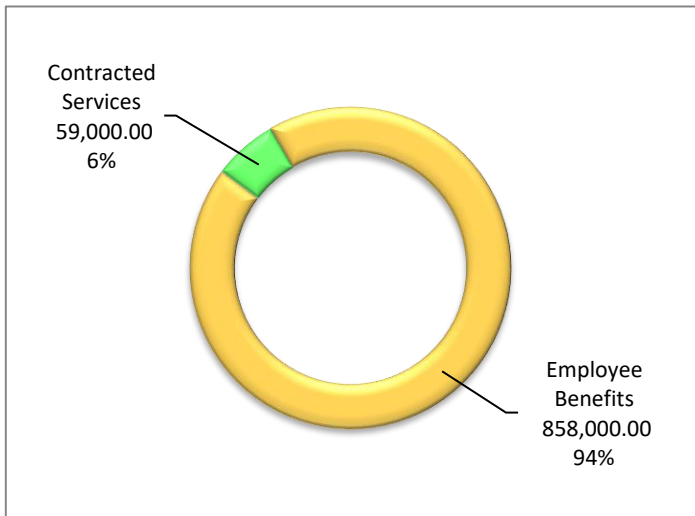
OBJ		FY22 Budget Expense	FY21 Budget Expense	Change
200-299	Employee Benefits	250,000.00	250,000.00	-
800-899	Other Expenditures	-	-	-
Total Expenses Trust Fund:		250,000.00	250,000.00	-



	FY22 Budget Revenue	FY21 Budget Revenue	Change
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 2022 (FY22)
Dental Internal Service Fund
Preliminary DRAFT #2 - May 26, 2021

OBJ		FY21 Budget Expense	FY20 Budget Expense	Change
200-299	Employee Benefits	858,000.00	819,400.00	38,600.00
300-399	Contracted Services	59,000.00	59,000.00	-
Total Expenses Dental Internal Service Fund:		917,000.00	878,400.00	38,600.00



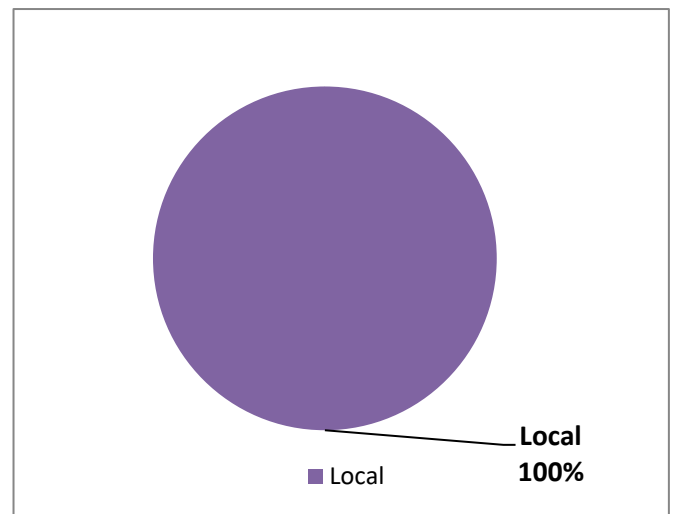
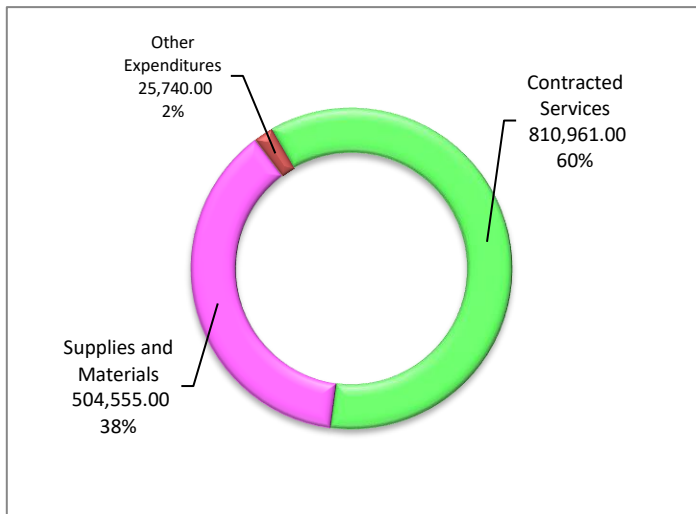
	FY21 Budget Revenue	FY20 Budget Revenue	Change
Local	917,000.00	878,400.00	38,600.00
State	-	-	-
Federal	-	-	-
Total Revenues Dental Internal Service Fund:	917,000.00	878,400.00	38,600.00
Revenues Less Expenses:	-	-	-

Revenue & Expense Budget Summary - Fiscal Year 2022 (FY22)

Student Activity Funds

Preliminary DRAFT #2 - May 26, 2021

OBJ		FY21 Budget Expense	FY20 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)



	FY21 Budget Revenue	FY20 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

2021-2022	K	1	2	3	4	5	Est FY22
ESTIMATED							Enrollment
Lester Park 510	95	85	85	85	110	85	545
Section FTE	4.00	4.00	3.00	3.00	4.00	3.00	21.00
Average Class Size	23.75	21.25	28.33	28.33	27.50	28.33	26.25
Congdon Park 435	90	88	92	95	90	95	550
Section FTE	4.00	4.00	3.00	4.00	3.00	4.00	22.00
Average Class Size	22.50	22.00	30.67	23.75	30.00	23.75	25.44
Lakewood 500	40	41	37	38	36	32	224
Section FTE	1.50	1.50	1.50	1.50	1.50	1.50	9.00
Average Class Size	26.67	27.33	24.67	25.33	24.00	21.33	24.89
Homecroft 475	70	70	66	66	55	50	377
Section FTE	3.00	3.00	3.00	3.00	2.00	2.00	16.00
Average Class Size	23.33	23.33	22.00	22.00	27.50	25.00	23.86
Lowell 520	44	42	55	40	35	33	249
Section FTE	2.00	2.00	2.00	2.00	1.50	1.50	11.00
Average Class Size	22.00	21.00	27.50	20.00	23.33	22.00	22.64
Lowell Sp Immersion	64	61	63	63	37	31	319
Section FTE	3.00	3.00	3.00	3.00	1.50	1.50	15.00
Average Class Size	21.33	20.33	21.00	21.00	24.67	20.67	21.50
Stowe 565	50	44	48	36	43	35	256
Section FTE	2.00	2.00	2.00	2.00	2.00	2.00	12.00
Average Class Size	25.00	22.00	24.00	18.00	21.50	17.50	21.33
Myers Wilkins 540	68	60	60	50	58	46	342
Section FTE	4.00	3.00	3.00	3.00	3.00	2.00	18.00
Average Class Size	17.00	20.00	20.00	16.67	19.33	23.00	19.33
Piedmont 550	80	74	59	64	70	72	419
Section FTE	4.00	4.00	3.00	3.00	4.00	4.00	22.00
Average Class Size	20.00	18.50	19.67	21.33	17.50	18.00	19.17
MacArthur 525	58	58	53	46	50	38	303
Section FTE	3.00	3.00	3.00	2.00	3.00	2.00	16.00
Average Class Size	19.33	19.33	17.67	23.00	16.67	19.00	19.17
Totals Grade Level	659	623	618	583	584	517	3584
Totals FTE	30.50	29.50	26.50	26.50	25.50	23.50	162.00
Average Class Size	24.55	23.90	26.17	24.38	25.78	24.29	24.84

*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.

Comparison for Elementary

	FY22				Final FY20
	June 2020	Sept. 2020	May 2021	Fall 2021	ADJ ADM
Congdon Park	588	548	499	550	588
Homecroft	402	408	351	377	398
Lakewood	231	235	212	224	229
Lester Park	592	573	536	545	586
Lowell English & Ojibwe	285	257	255	249	290
Lowell Spanish	222	288	254	319	223
Laura MacArthur	331	289	298	303	348
Myers-Wilkins	343	309	339	342	351
Piedmont	452	410	407	419	459
Stowe	266	251	238	256	280

Average Budgeted Elementary Class Sizes

	Budget 2019-20	Budget 2020-21	Budget 2021-22
Congdon Park	27.72	26.29	25.44
Homecroft	24.78	24.50	23.86
Lakewood	25.89	24.41	24.89
Lester Park	26.96	27.84	26.25
Lowell English & Ojibwe	22.67	21.39	22.64
Lowell Spanish	22.67	24.35	21.50
Laura MacArthur	19.44	20.00	19.17
Myers-Wilkins	19.36	18.13	19.33
Piedmont	21.89	21.77	19.17
Stowe	19.25	20.53	21.33

FY22 PROJECTED Enrollment for Secondary

	FY22 EST							Total
	6	7	8	9	10	11	12	
Lincoln Park Middle School	221	223	248					692
Ordean East Middle School	350	350	350					1050
Denfeld High School				270	255	250	225	1000
East High School				415	410	360	365	1550

Comparison for Secondary

	FY22				Final FY20
	June 2020	Sept. 2020	May 2021	Fall 2021	ADJ ADM
Lincoln Park Middle School	685	717	663	692	674
Ordean East Middle School	1099	1108	990	1050	1086
Denfeld High School	925	1034	994	1000	913
East High School	1424	1630	1469	1550	1374
	4133	4489	4116	4292	4047

Review of Covid-19 Additional Funds ISD #709

- CARES ACT Funds - ESSER & GEER :** This first round of Federal Funds distributed by MDE came in 2 categories ESSER Funds & GEER Funds. Funds were calculated by the MDE using Federally determined formulas. Districts were required to submit budgets for use of funds and would draw eligible funds through the State SERVS system once budgets were approved. Both ESSER & GEER funds may be spent through September 30, 2022. The main purpose for ESSER Funds is to mitigate the impacts of COVID-19 on school districts. The main purpose of GEER Funds is to support and enhance technology.
- CRF Funds:** A second round of Federal dollars were announced in July, Covid Relief Funds (CRF). These dollars were only eligible to be spent between July 1, 2020 and December 30, 2020. Budgets were required to be submitted to MDE and funds would be drawn through the SERVS system. Seventy-five percent of the funds needed to be drawn by November. Invoices needed to be received and purchased items in hand by December 30. The main purpose for CRF Funds is to mitigate the impacts of COVID-19 on school districts.
- St. Louis County CARES Act Grant:** ISD #709 applied for and successfully received a grant from St. Louis County to use some of their allocated CARES funds. The district was awarded funds in mid-October and all invoices must have been paid by December 1.

Current Distribution of COVID-19 Funds

Draft 3/19/21 (Subject to updates & changes)

	CRF Funds	St. Louis County	ESSER 1	ESSER 2
Salaries, Wages, and Benefits (Enrollment loss)			\$ 400,000.00	\$ 1,500,000.00
Includes support for child care and technology	\$ 287,649.00			\$ 500,000.00
Summer School/Credit Recovery/Learning Loss				\$ 150,000.00
Internet Accessibility/Hot Spots	\$ 140,000.00			\$ 108,000.00
PPE and Safety Equipment	\$ 60,913.00			
Cleaning & Maintenance Supplies		\$ 189,437.00		\$ 200,000.00
Transportation - Vehicle Replacement	\$ 180,000.00			
Technology Devices/Classroom Tech Supports	\$ 1,581,900.00	\$ 174,195.00		\$ 1,400,000.00
Technology Infrastructure				\$ 2,000,000.00
Child Care Supplies	\$ 2,000.00			
Instructional Supplies & Equipment		\$ 101,672.00		\$ 70,000.00
Transportation - Radio Communications/Vehicles		\$ 99,905.00		\$ 184,000.00
Contracted Services		\$ 150,205.00		
HealthSupplies/COVID Staffing		\$ 9,436.00		\$ 80,000.00
FY21 - Staffing Substitutes			\$ 700,000.00	
FY22 - Additional Counselors/MH Support				\$ 400,000.00
1:1 Program Staffing FY22/FY23			\$ 400,000.00	\$ 1,200,000.00
1:1 Hardware/Software FY22			\$ 600,000.00	
Maintenance and Cleaning FY22			\$ 300,000.00	
Ventilation Improvements				\$ 500,000.00
Wi-Fi Upgrades FY21			\$ 70,000.00	\$ 300,000.00
	\$ 2,252,462.00	\$ 724,850.00	\$ 2,470,000.00	\$ 8,592,000.00
	Expended	Expended	Budgeted/Spending	Estimated
				\$ 5,508,000.00
				Tech Related

ESSER and ARP Funds Update since March 2021:

1. ESSER III Funds have been estimated but not yet allocated to school districts. ISD #709 is estimated to receive \$20,241,588.20. These funds may be expended through Sept. 30, 2024 (with carryover provisions).
2. Additional ARP Funds are becoming available including state based programs and grants. Funds are being targeted for Summer Programming, districts eligible for McKinney-Vento funds, and to support mental health and other services to support students. These are still be worked out and allocations and instructions are forthcoming.
3. The Superintendent provided four priority areas for the district to focus on as we transition into the 2021-22 school year.
 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 determine ways to address the focus areas and provide a positive transition into the next school year.
5. More information and feedback on ESSER/ARP funding will be provided as more details are shared from the Minnesota Department of Education.

Budget Process Next Steps

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

Final information from the 2021 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 operating budget as well as other funds

Follow up with the Board on Updates to estimated FY22 budget

Special Board Meeting on June 24, 2021 to adopt the FY22 Budget