

Agenda
General Fund Budget Hearing
May 24, 2022
6:00 PM

- 1. General Fund Budget Hearing



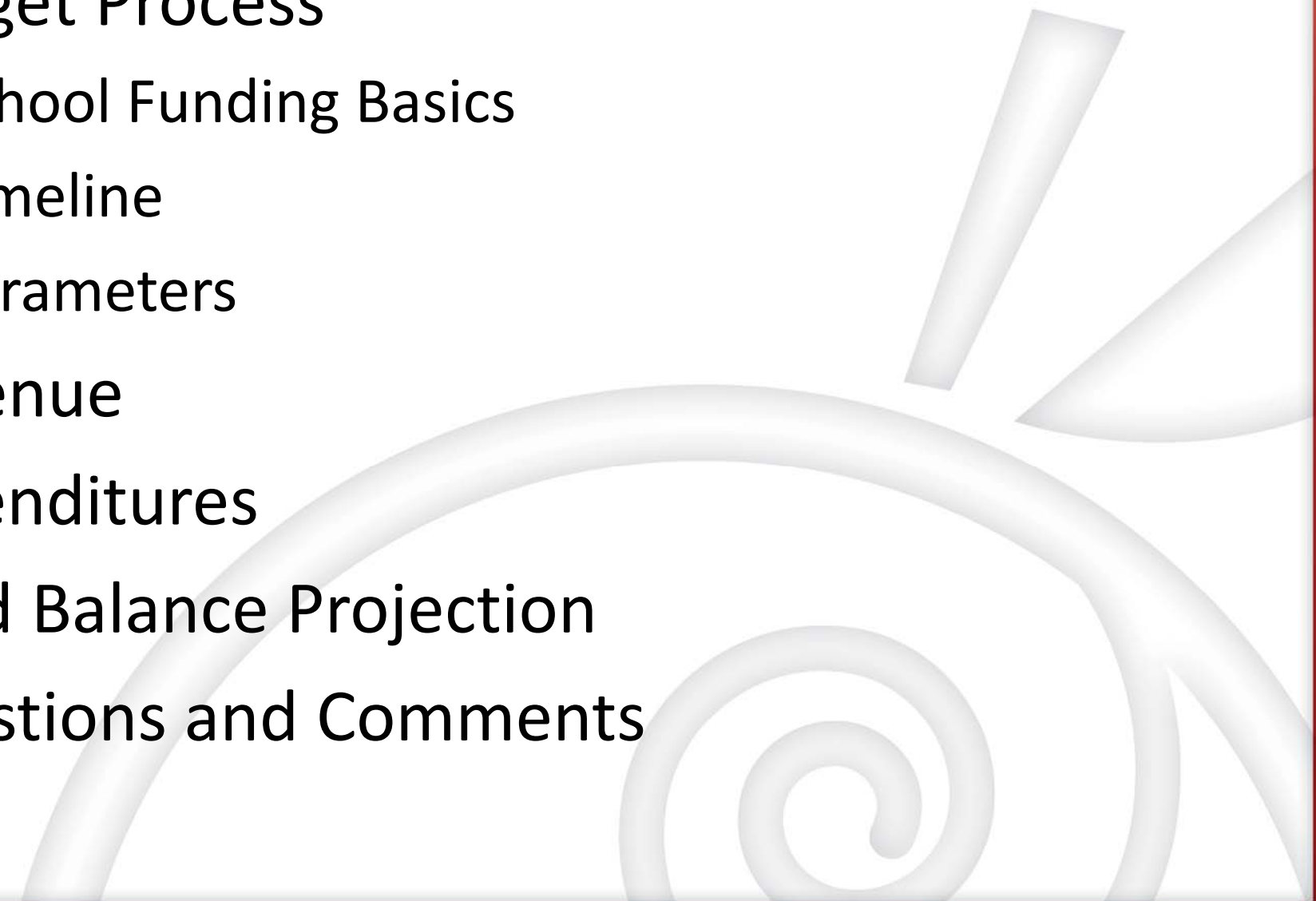
Roseville Area Schools

Quality Teaching & Learning for All...Equity in All We Do

2022-2023 General Fund Budget Hearing

May 24, 2022

Agenda

- Budget Process
 - School Funding Basics
 - Timeline
 - Parameters
 - Revenue
 - Expenditures
 - Fund Balance Projection
 - Questions and Comments
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MN Legislature Must Set Funding for Minnesota Public Schools

Minnesota Constitution ARTICLE XIII

MISCELLANEOUS SUBJECTS

Section 1

“UNIFORM SYSTEM OF PUBLIC SCHOOLS. The stability of a republican form of government depending mainly upon the intelligence of the people, it is the duty of the legislature to establish a general and uniform system of public schools. The *legislature shall make such provisions by taxation or otherwise* as will secure a thorough and efficient system of public schools throughout the state.”

Funding is Highly Regulated

State Sets:

- Formulas which determine revenue; most revenue based on specified amounts per pupil
- Tax policy for local schools
- Maximum authorized property tax levy (districts can levy less but not more than amount authorized by state, unless approved by voters in November)

State also authorizes school board to submit referendums for operating and capital needs to voters for approval

Budget Timelines for 2022-2023

Date	Budget Event	Action
June 2021	2021-2022 Budget Approved	Board Approval
September 21, 2021	Preliminary Levy set (Payable 2021; 2021-22 Revenue)	Board Approval
November 2, 2021	Community approves district's request to renew existing expiring operating levy and authorizes additional levy for 10 year period effective FY22-23 and expiring in FY31-32	District voters
December 14, 2021	Final Levy set (Payable 2021; 2021-22 Revenue) including additional voter approved authority	Board Approval
January 24, 2022	District Cabinet meeting – budget update, parameters and timeline	District Cabinet meeting
January 25, 2022	Review of 2021-22 revised general fund budget; Approve 2022-23 budget timeline and parameters.	Board meeting
January 26, 2022	Finance Advisory Committee – revised current year budget, 2021-22 budget parameters and timeline	Finance Advisory Committee

Budget Timelines for 2022-2023

Date	Budget Event	Action
February 22, 2022	Budget update to School Board	School Board
February 25, 2022	Staffing allocations set for 2022-23	District Lead Team
March 22, 2022	Budget update to School Board as needed	Administrative report to School Board
April 26, 2022	Update the School Board on any changes made to budget	Administrative report to School Board
May 24, 2022	Prior to the regular School Board meeting, the district holds a public hearing to share the 2022-23 DRAFT general fund budget and collect any public comment	Administrative report to School Board
June 14, 2022	Update the School Board on any changes made to the budget	Administrative report to School Board
June 28, 2022	School Board formally adopts 2022-23 Budget	Board Approval

Budget Assumptions - Revenue

- The per-pupil basic general education formula allowance for 2022-2023 is \$6,863, an increase of 2% over the current year.
- Operating referendum revenue continues to be based on Adjusted Pupil Units (APU) to an amount based on APU and equal to \$1,877 per APU. This APU amount is \$916 higher than 2021-2022 as a result of a voter-approved referendum in November 2021.
- Levy revenue will be based on the 2021 Pay 2022-23 Certified Levy approved in December 2021.

Budget Assumptions - Expenditures

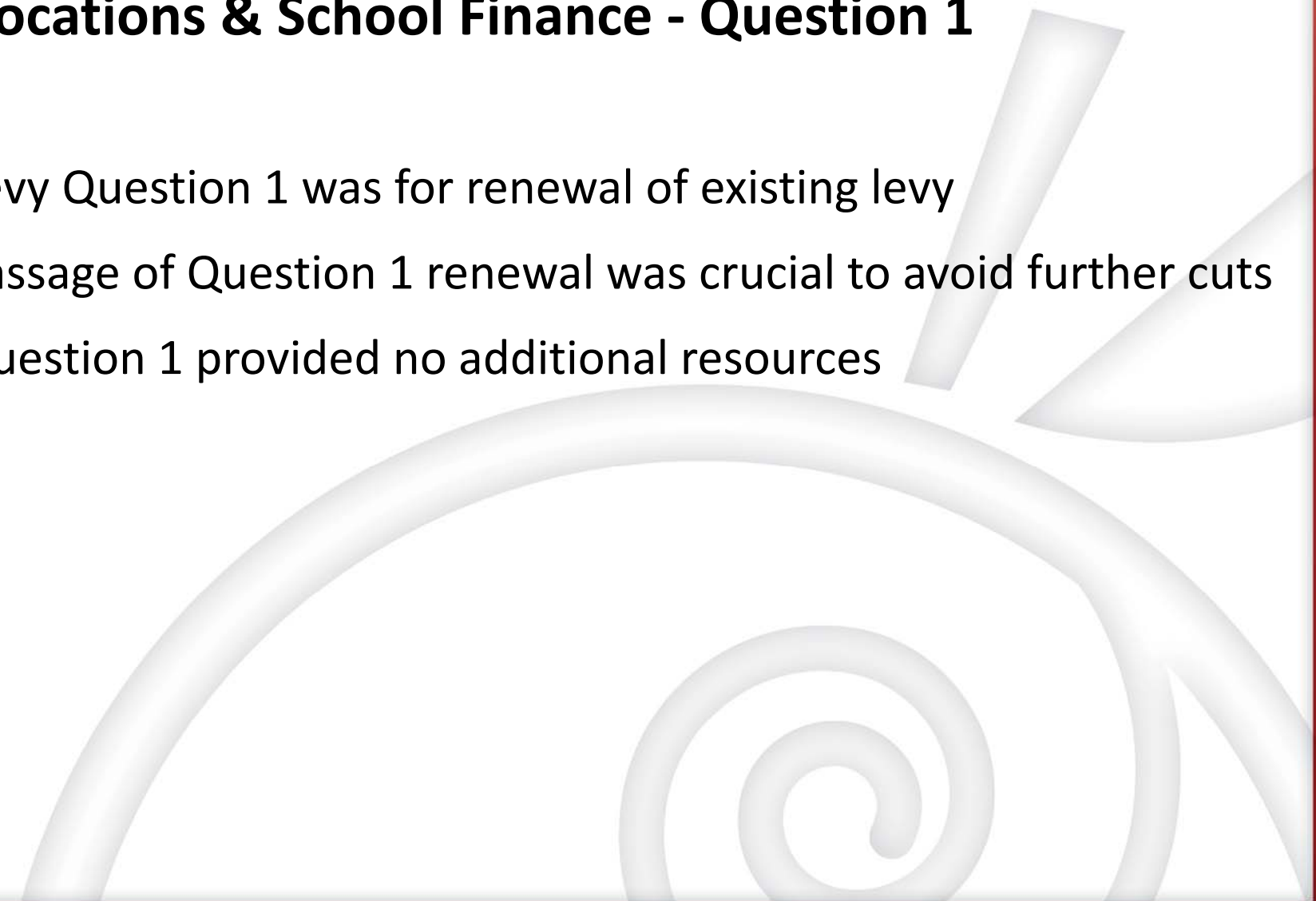
- Focus resources on equity and student achievement.
- Staffing adjustments will match enrollment changes and align with class size staffing targets. Class size targets will be reduced by 2 students per grade level in grades 1-12.
- Increased mental health and social emotional learning will be added due to passage of the operating referendum.

Budget Assumptions - Expenditures

- Estimated salary and benefit settlements for upcoming contract negotiations are included.
- Utility costs will be based on multiple year average usage with consideration given to current rates.
- Contracted transportation costs are estimated to increase due to bus driver shortage and increased fuel costs.
- All mandated reserve expense categories (i.e., Staff Development, Health & Safety, Safe Schools, Operating Capital) will be spent in compliance with statute.

Budget Impact of Operating Levy

Levy Allocations & School Finance - Question 1

- Levy Question 1 was for renewal of existing levy
 - Passage of Question 1 renewal was crucial to avoid further cuts
 - Question 1 provided no additional resources
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Budget Impact of Operating Levy

Levy Allocations & School Finance - Question 2

- \$1.6 million to reduce the class size averages by 2 students
- \$660 thousand for SEL/mental health supports
- \$5.5 million increased salary and benefit negotiations offset by state aid increase of \$2.5 million. Net cost \$3 million
- \$500 thousand estimated increase for increased transportation costs due to bus driver shortage and increased fuel costs.

Total \$5.8 million

Dollars beyond this are retained in the fund balance to increase financial stability. This was another levy commitment that we made.

Staffing Implications

- Our **Actual Student Enrollment** in 21-22 was 194 students **less** than what it was projected to be prior to the start of the school year.
 - Resulting in \$2 Million in decreased funding for our district
- Our **Projected Student Enrollment** for 22-23 is expected to increase in 21-22 by 8 students for total enrollment of 7,220 students.
- We also experienced an overall reduction in families qualifying for **Educational Benefits**, resulting in roughly \$600,000 less in state funding for our district

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Enrollment

	Enrollment Projections for 21-22. Current staffing based on this number	Actual Enrollment as of Feb 1, 2022	Difference	Enrollment Projections for 2022-2023
Elementary including PV 7/8	4045	3988	-57	4025
RAMS	922	847	-75	837
RAHS	2359	2296	-63	2278
FAHS	80	81	1	80
TOTALS	7406	7212	-194	7220

Average Class Size Targets

	Average Class Size Ratio for 2018-2019	Average Class Size Ratio for 2019-2020	Average Class Size Ratio for 2020-2021	Average Class Size Ratio for 2021-2022	Average Class Size Ratio for 2022-2023
Kindergarten	22	22	22	22	22
Grades 1-3	27	27.5	28	28	26
Grades 4-6	32	32.5	33	33	31
RAMS	34.2	34.7	35.2	35.2	33.2
RAHS	35.4	35.9	36.4	36.4	34.4

Staffing Allocations for 2022-2023

	Staffing FTE Allocations <i>without</i> Class Size Reductions	Staffing FTE Allocations <i>with</i> Class Size Reductions	Increase in Staffing FTE due to Class Size Reductions
Elementary including PV 7/8	172.62	180.39	7.77
RAMS	34.29	36.32	2.03
RAHS	78.70	83.25	4.55
FAHS	3.39	3.39	0
TOTALS	289.00	303.35	14.35

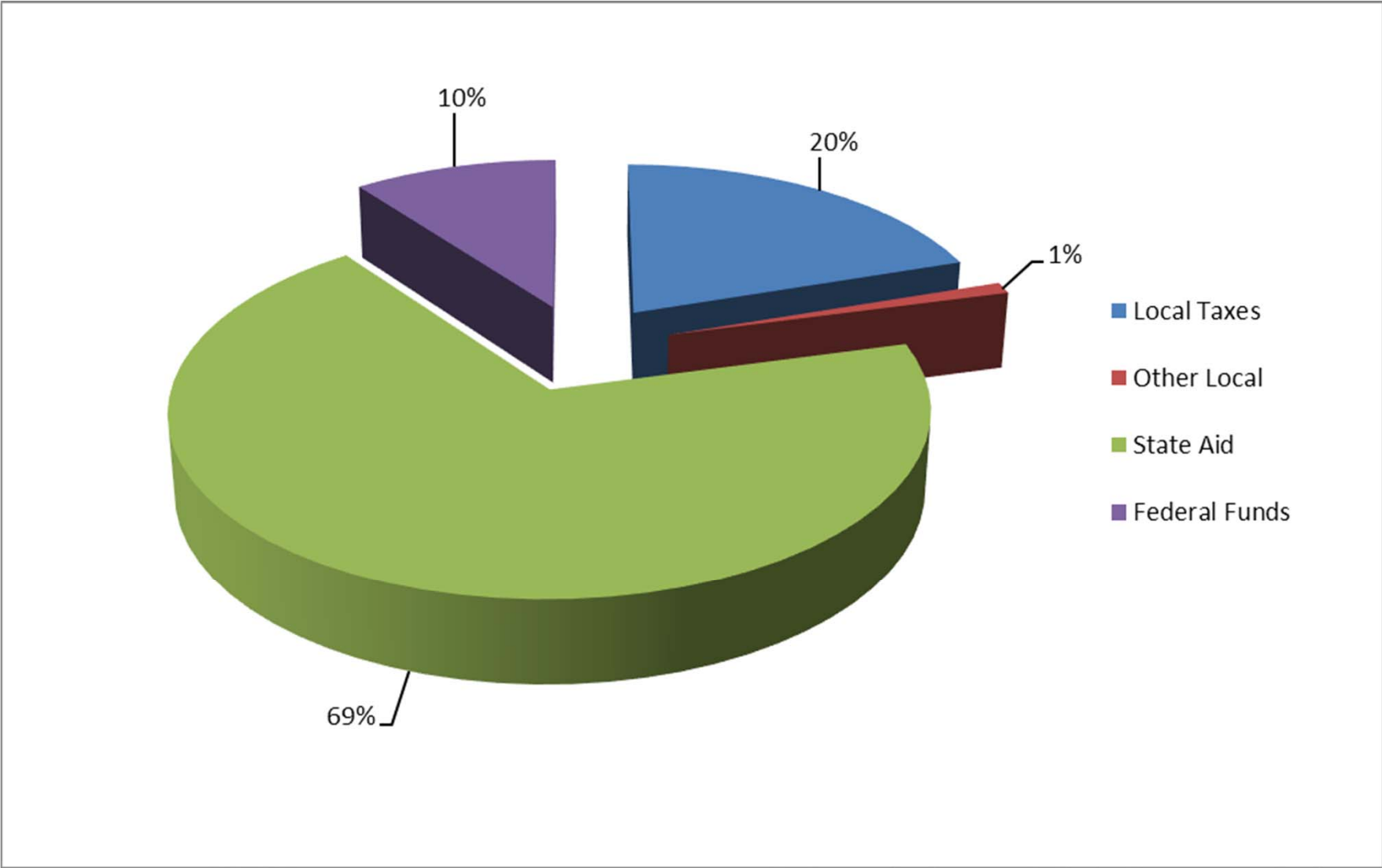
Revenue Budget

Source	Description	2021-22 Revised Budget	2022-23 Original Budget	\$ Difference	% Difference
1	Maintenance Levy	12,491,256	20,206,031	7,714,775	61.76%
2	Mobile Home Tax	20,000	20,000	-	0.00%
5	Unemployment Levy	219,356	219,356	-	0.00%
9	Fiscal Disparities	2,897,194	2,897,194	-	0.00%
10	County Apportionment	220,000	220,000	-	0.00%
15	Interest On Levy Pymt	5,000	5,000	-	0.00%
	Subtotal Local Taxes	15,852,806	23,567,581	7,714,775	48.67%
50	Fees From Patrons	285,000	280,000	(5,000)	-1.75%
51	Fees/Usage	275,000	250,000	(25,000)	-9.09%
51	Fines	-	-	-	-
60	Admissions & Stud Act Revenue	70,000	70,000	-	0.00%
71	MA Claims Revenue	600,000	400,000	(200,000)	-33.33%
92	Interest Earnings	10,000	10,000	-	0.00%
93	Rent Of School Facility	30,000	30,000	3	0.01%
95	Lease Revenue	10,000	10,000	-	0.00%
96	Gifts And Bequests	55,000	55,000	-	0.00%
98	Misc Student Fundraising	-	-	-	-
99	Miscellaneous Local Rev	105,600	105,600	-	0.00%
	Subtotal Other Local Revenue	1,440,600	1,210,600	(230,000)	-15.97%

Revenue Budget

Source	Description	2021-22 Revised Budget	2022-23 Original Budget	\$ Difference	% Difference
201	Endowment Aid	305,756	305,756	-	0.00%
211	General Ed Revenue	62,336,973	64,630,882	2,293,909	3.68%
212	Literacy Incentive Aid	376,435	394,512	18,077	4.80%
213	Shared Time	15,000	-	(15,000)	-100.00%
227	Abatement Aid	25,000	28,000	3,000	12.00%
300	State Aids & Grants	2,339,651	2,249,252	(90,399)	-3.86%
360	State Aid Special Ed	13,690,355	13,967,999	277,644	2.03%
370	Misc State Grants	72,626	72,626	-	0.00%
	Subtotal State Aids & Grants	79,161,796	81,649,027	2,487,231	3.14%
400	FEDERAL AIDS & GRANTS	4,016,310	3,667,431	(348,879)	-8.69%
400	CARES RELATED AIDS	7,640,800	8,432,666	791,866	10.36%
405	SUB GRANT FROM FED FUNDS	27,000	27,000	-	0.00%
	Subtotal Federal Aids & Grants	11,684,110	12,127,097	442,987	3.79%
	TOTAL GENERAL FUND	108,139,312	118,554,305	10,414,993	9.63%

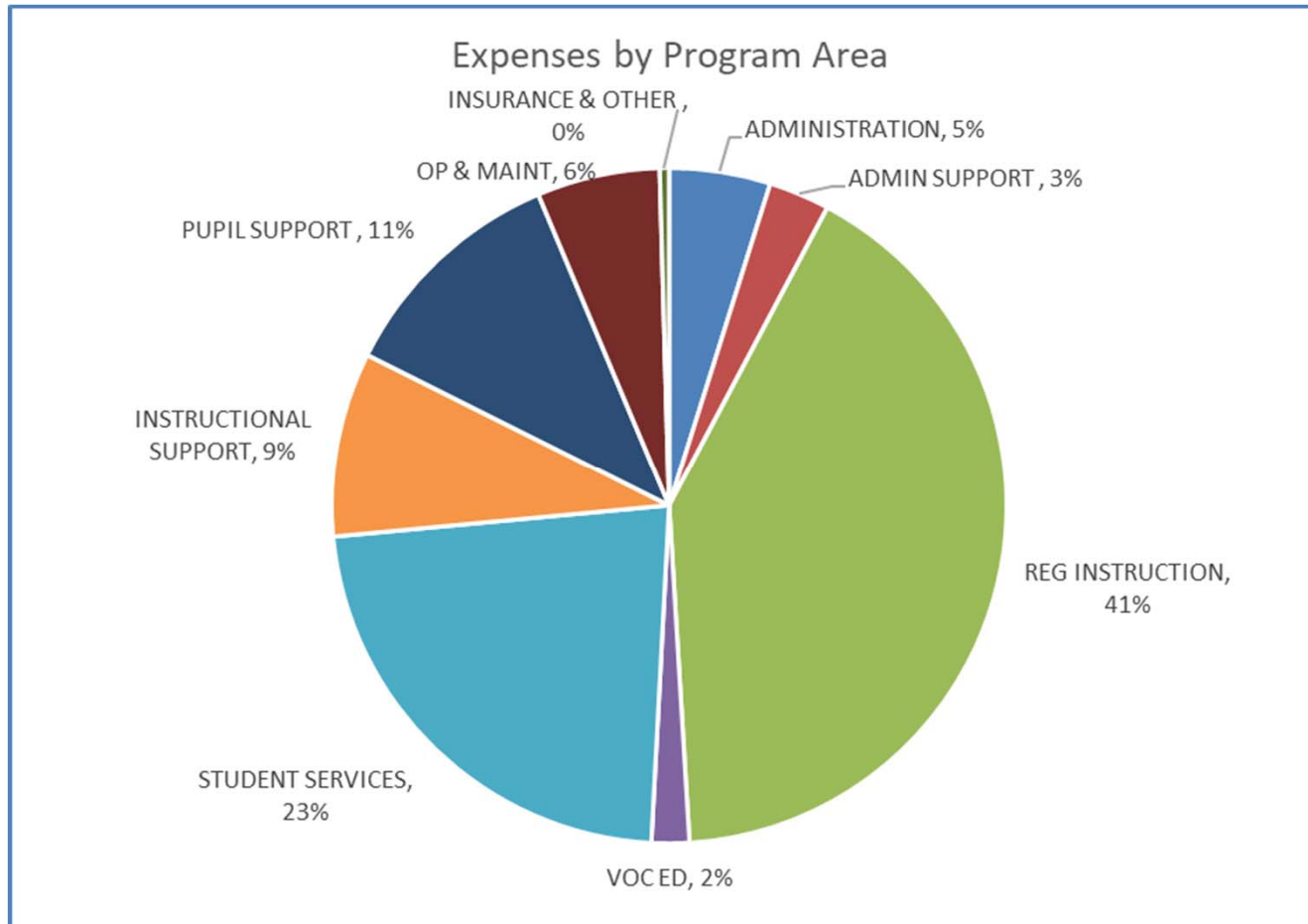
Revenue Budget



Expenditures by Program Area

PROGRAM	2021-22	2022-23	2022-23	%
	Revised Budget	Original Budget	Budget Inc/Dec	Change
ADMINISTRATION	5,435,012	5,575,054	140,042	3%
ADMIN SUPPORT	3,777,463	3,365,669	(411,794)	-11%
REG INSTRUCTION	45,150,284	47,493,184	2,342,900	5%
VOC ED	2,025,695	2,077,602	51,907	3%
STUDENT SERVICES	24,348,392	26,099,445	1,751,053	7%
INSTRUCTIONAL SUPPORT	10,798,269	10,191,292	(606,977)	-6%
PUPIL SUPPORT	12,755,792	12,989,650	233,858	2%
OP & MAINT	6,834,849	6,779,707	(55,142)	-1%
INSURANCE & OTHER	440,000	515,000	75,000	17%
TOTAL GEN FUND EXPENSES EXCLUDING	111,565,756	115,086,603	3,520,847	3%
EXCLUDING OPERATING CAPITAL AND LONG TERM FACILITIES MAINTENANCE				

Expenses by Program Area



Fund Balance Projection

ROSEVILLE AREA SCHOOLS
Budget Summary - Proposed Projections
2022 - 2023

	Estimated Fund Balance June 30, 2022	2022-2023 Proposed Revenue	2022-2023 Proposed Expenditures	Revenue Excess/(Deficit) Over Expenses	Estimated Fund Balance June 30, 2022
General Fund					
Unassigned Fund Balance	\$ 2,337,007	\$ 108,797,360	\$ 105,297,967	\$ 3,499,393	\$ 5,836,400
	\$ 2,337,007				\$ 5,836,400
Nonspendable (Inventories & Prepaid)	\$ 591,417				\$ 591,417
					\$ 6,427,817
Restricted for:					
Staff Development	\$ 31,691	\$ 1,135,417	\$ 1,167,108	\$ (31,691)	\$ -
Compensatory Ed	\$ -	\$ 6,388,878	\$ 6,388,878	\$ -	\$ -
Learning & Development	\$ -	\$ 1,703,241	\$ 1,703,241	\$ -	\$ -
Gifted and Talented	\$ -	\$ 107,536	\$ 107,536	\$ -	\$ -
School Safety	\$ -	\$ 421,873	\$ 421,873	\$ -	\$ -
Operating Capital	\$ 1,068,653	\$ -	\$ -	\$ -	\$ 1,068,653
Long-term Facilities Maintenance (LTFM)		\$ -	\$ -	\$ -	\$ -
Subtotal, Restricted	\$ 1,100,344	\$ 9,756,945	\$ 9,788,636	\$ (31,691)	\$ 1,068,653
Total, General Fund	\$ 4,028,768	\$ 118,554,305	\$ 115,086,603	\$ 3,467,702	\$ 7,496,470

Questions and Comments

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