

Fiscal Year (FY) 23 Preliminary Budget Development

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Overview

- » Provide the Board and Community with FY23 budget approach, strategies and preliminary budget assumptions
- » Review FY23 initial budget adjustments and recommended uses for Elementary and Secondary School Emergency Relief Funds (ESSER)
- » Share feedback from stakeholders and share additional feedback opportunities
- » Share next steps to Board action to adopt FY23 budget by June 2022

Agenda

- Review basis and assumptions thus far including
 - Guiding change and budget process for FY23
 - Board of Education Values
 - FY23 preliminary budget assumptions
 - Strategies to structurally balance the FY23 budget
 - Current reality before applying strategies
- FY23 initial budget adjustments and impact to current reality
- Summary of feedback and additional feedback opportunities
- Next Steps

FY23 Preliminary Adopted Budget

- Guiding change - FY23 budget

Guiding questions: Given ISD 191's strategic roadmap requires that the district optimizes resources for student learning. How will the budget for FY23 continue to support our mission and priorities, balance the budget and leverage every funding source available? How does the budget align with the goals of advancing equitable student outcomes and the district's strategic directions?

- FY23 Budget Goals, Process, and Timeline

Board of Education Guiding Values

- Creating a school system that values diversity and serves the unique needs of our students, families and staff
- Valuing the professionalism of our staff and their roles in serving our students and families
- Working within our budget to ensure programs and services are sustainable

Note: Established by board for negotiations with employee groups based on the district's mission of Each Student. Future Ready. Community Strong.

FY23 Preliminary Budget Revenue Assumptions

- Enrollment for K-12 assumed for FY23 will be 7,219 Fall and End of Year (EOY)
- Base model assumes the 2% increase on the General Education formula approved by 2021 legislative session
- ESSER III funds will be included and ESSER II funds are removed anticipating they will be fully spent
- Adjustments for reduction in enrollment and in compensatory
- Continued assumption of about \$13 million in special education and English learner cross subsidy

FY23 Preliminary Budget Expenditure Assumptions

- Salary and Benefit assumptions for all contracts applied
- Transportation increase assumed (in negotiations)
- 3% increase on utilities
- Long term facility maintenance projects = \$2.5 Million
- 0% increase on supplies and materials

FY23 Preliminary Budget Expenditure Assumptions

- ESSER III funds will replace ESSER II funds, for all additional positions considered to be continuing
- Adjustments for reduction in compensatory
- Legislative exemption may be granted to use the funds in the way that best meets our local needs. It may mean using the funding for more than one purpose, but on programming aligned with the district's community-driven priorities

FY23 Strategies to Structurally Balance the Budget

- Prioritize investment for instructional priorities, including PK-12 Pathways
- Rightsizing of the FTEs (Full-Time Equivalent) staff based upon enrollment
- Use of restricted funds before general undesignated funds
- Identify efficiencies in utilizing resources
- Strategic use of federal resources to equitably address the impact of the pandemic

FY23 Strategies to Structurally Balance the Budget

Prioritize Instructional Priorities

- Federal Title Funding (I,II,III,IV,VI)
- Achievement & Integration
- Curriculum Capital
- General Funds
 - Professional Development
 - Curriculum
 - Assessment



FY23 Strategies to Structurally Balance the Budget

Rightsizing

- Adjust instructional FTE's to maintain Board approved class size averages (rightsizing based on enrollment).
- Adjust staff FTE's to maintain expense to revenue ratio in certain categorical funding areas such as Compensatory, Achievement and Integration, and Title (rightsizing based on categorical funds).

Rightsizing, continued.

- Staffing allocations provided to building principals based on current Board approved class size averages.
 - K-5 average : 24.5 students per class with fewer students in Kindergarten and more in 5th grade classes.
 - 6-8 average : 21 students per FTE*
 - 9-12 average : 26 students per FTE*

*secondary program class sizes vary based on course type, external class size restrictions, instructional models, and graduation requirements.

FY23 Strategies to Structurally Balance the Budget

Strategic use of federal resources to equitably address the impact of the pandemic

Purpose:

Needed for relief, recovery, rebound

Health needs (physical, mental, social, emotional) connection to school (physical, digital, social-emotional) and effective learning opportunities

- Stakeholder feedback regarding priorities

FY23 Strategies to Structurally Balance the Budget

Use of restricted funds before general undesignated funds

Identify efficiencies in utilizing resources

Each budget manager with their supervisor are responsible for the following:

- Reviewing the budget to ensure that all expenditures for 2021-22 school year have been coded correctly
- Identify priority expenditures that must be sustained
- Identify any cost savings
- Make decisions about discretionary funds
- Submit budget adjustments and/or request for additional funding on Additional Budget Template

Cross-functional team reviews before submission to Superintendent

Strategies to Structurally Balance the Budget

Long-term strategies

- Comprehensive enrollment strategy (projected decline in enrollment was less for 2021-2022 school year)
- Energy efficiency (use of rebates for solar, etc.)
- Transportation pilot: after school activity routes
- Ongoing review of contracted services
- Debt service reduction
- Establish a Finance Advisory Committee

Current Reality FY 23-25 (with proposed adjustments)

General Fund Budget Comparative Summary

	Final Audit Results 2020-21	Adopted Budget 2021-22	Revised Budget 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Total Beginning Fund Balance	\$ 20,326,027	\$ 21,483,321	\$ 29,521,880	\$ 29,371,899	\$ 26,507,182	\$ 12,134,318
Revenues	129,973,192	123,498,369	126,417,450	124,822,041	123,058,232	121,967,015
Federal Relief Revenues	4,673,195	7,187,245	9,468,267	8,070,766	8,070,784	-
Expenditures	120,777,339	132,480,192	130,875,664	130,886,758	137,431,096	142,928,340
Federal Relief Expenditures	4,673,195	3,287,245	5,160,034	4,870,766	8,070,784	-
Variance (Revenues - Expenditures)	9,195,853	(5,081,823)	(149,981)	(2,864,717)	(14,372,864)	(20,961,325)
Total Ending Fund Balance	\$ 29,521,880	\$ 16,401,498	\$ 29,371,899	\$ 26,507,182	\$ 12,134,318	\$ (8,827,007)
Breakdown of Fund Balance Categories						
Nonspendable	\$ 382,338	\$ 367,587	\$ 382,338	\$ 367,587	\$ 382,338	\$ 367,587
Restricted	9,020,782	5,476,553	8,261,908	7,461,908	6,961,908	6,461,908
Committed	1,849,491	1,784,069	1,538,385	1,300,000	1,000,000	800,000
Assigned	5,081,823	-	-	-	-	-
Unassigned	13,187,446	8,773,289	19,189,268	17,377,687	3,790,072	(16,456,502)
Total Ending Fund Balance	\$ 29,521,880	\$ 16,401,498	\$ 29,371,899	\$ 26,507,182	\$ 12,134,318	\$ (8,827,007)
Unassigned Fund Balance %	10.51%	6.46%	14.11%	12.80%	2.60%	-11.51%
				(2,533,591)		
				-		
				(1,468,077)	DRAFT amount	
				(3,200,000)		

Initial Budget Adjustments

FY23 Initial Budget Adjustments

[Link to PDF of Initial DRAFT Budget Adjustments](#)

DRAFT- Finalizing the viability of a few departments proposals - still in process as of 2/21/22.

Adjustment Category and Item Description/ Department	F.T.E.	Budget Unit	Savings (Sai + Ben) *Estimates	Account Code	Rationale and Implications
1. Right size enrollment (Maintaining class size)			\$ (2,533,591)		
School Staffing and Compensatory	(22.50)	Teachers	\$ (2,475,000)		Projected less 217 students for fall 2023, maintains class size and adjusts for loss of compensatory
Building discretionary allocations (per pupil, capital, co-curricular)	N/A	BU 08010	\$ (58,591)	Various, BU 08010	Less dollars allocated to buildings as a result of declining enrollment. Dollars per student remained unchanged, but because we're projecting less students, then the buildings have less money in their allocations.
2. Prioritizing PreK-12 Pathways			\$ -		Funds expenses related to COVID-19 impact and requirements in MN Safe Learning Plan
3. Preliminary Adjustments			\$ (1,468,077)		
Marketing & Communications Consulting	N/A	BU 16060	\$ (28,000)	01 E 005 130 000 305 000	Less needed because of foundational work completed over previous two years.
Human Resources	N/A	BU 16040	\$ (28,825)	01 E 005 160 000 xxx 000	Less planned expenses for legal, dues & memberships, wellness, advertising (no college recruiting as planned)
Welcome Center/Student Registration	N/A	BU 16070	\$ (5,000)	01 E 200 180 000 311 000	Less subs needed for fall enrollment
Superintendent	N/A	BU 16020	\$ (61,665)	01 E 005 020 000 305/480 000; 01 E 005 020 302 500 000	reduce consultant fees, food and capital
Workers and Property Insurance	N/A	BU 16041	\$ (40,000)	01 E 005 810/400 000 270 000	Reduce workers comp budget
Business Office	N/A	BU 16050	\$ (3,000)	01 E 005 110 405 000	budget software license
Voluntary Pre Kindergarten	N/A	BU 17010	\$ (10,000)	01 E 005 200 000 401 000	Reduction in Supply budget
Special Education	N/A	BU 09030	\$ (300,000)	01 E 005 400 000 305/520 034	Construction Costs
Facilities	N/A	BU 19040	\$ (120,000)	01 E 005 020 000 305/520 020	reduce open facilities budget
Athletics	N/A	BU 11020	\$ (76,100)	01 E 014 296 000 187/188 315	Co-op Sports
Operations	N/A	BU 19010	\$ (118,800)	Various codes under 19010 - Custodial	Reduce consulting, phone service, supplies and equipment budgets
Operations	N/A	BU 19020	\$ (59,627)	Various codes under 19020 - Grounds & Maintenance	Reduce repairs, maintenance and supplies budgets
Operations	N/A	BU 19060	\$ (72,240)	Various codes under 19060 - Utilities	Reduce utilities budget
Finance	N/A	BU 16050	\$ (5,820)	Various codes with course 111	Limit travel/conferences, reduce consulting fees for services no longer needed, trim supplies budget
Middle School End Times	N/A	BU 09030	\$ (25,000)		Adjust end of school day at MS, savings in EA time and supervision
Principals	(2.00)	BU 17011, 17021	\$ (387,000)		Rightsizing
Realignment of district-wide positions		TBD	\$ (150,000)		Condensing responsibilities as available
Special Education Licensed Positions	(1-3FTE)	BU 09010	\$ (220,000)		Reviewing current open positions and future needs of the department as a whole
Middle School Sports and Activities	Various stipend positions	BU 11021	\$ 243,000		Reinstate sports and activities at MS
4. Maximizing Federal Funding			\$ (3,200,000)		
Use ESSER III 80% funds for current positions for the FY23 year			\$ (3,200,000)		
			\$ (7,201,668)		Grand Total Savings General Fund

ESSER III 80% - Funds for Supplemental Needs

Draft List as of
2/18/2022

Key

HS: High School

MS: Middle School

VA: Virtual Academy

VPK: Voluntary Pre

Kindergarten

SIOP: Sheltered Instruction

Observation Protocol

WB: William Byrne

HB: Harriet Bishop

Additional Needs Federally Funded			
Primary Class Sizes (K-20; 1-21, 2-22)	5	550,000	
HS Credit Recovery Teachers	2	220,000	
MS Math Interventionists	2	220,000	
MS VA Specialist	1	110,000	
Clerical VA/Tech	1	75,000	
Tech 1 Support	1	75,000	
HS VA Teachers	2	220,000	
Homebound Teachers	2	176,000	
Possible added support	3	330,000	
District Translators	2	175,000	
Health Services Staff support, stipend, sub, clerical	2	206,000	
VPK at the WB and HB sites	3	300,000	
Custodial Cleaning Supplies and Equipment and Overtime		210,000	
Professional Development		32,925	
SIOP Training		50,000	
Treatment Center Partnership		90,000	
Family Learning		150,000	3,189,925

FY 23 Preliminary Budget Development

ESSER III 20% & 5% - Funds for Supplemental Needs

ESSER III 20%	Kindergarten Jumpstart		\$	150,000	
	FIRE Academy		\$	9,600	
	Summer Camp support SISA		\$	49,445	
	Special Education Covid Recovery Services		\$	100,000	
	Tutoring/afterschool programming		\$	75,000	
	Sanneh Dreamline Tutors		\$	75,000	
	Summer School Programing		\$	325,000	
	Summer Activities and Camps TBD		\$	60,000	
	Summer School GTI		\$	50,000	
	Tour Historically Black Colleges and Universities and Tribal Colleges		\$	20,000	
	Summer School August 2Week Session like GTI		\$	200,000	\$ 1,114,045
ESSER III 5%	MTSS/PBIS and Tutoring		\$	57,661	\$ 57,661

Draft List as of
2/18/2022

Key

FIRE: Family Involvement in a Rich Education
SISA: Systems Improvement and Student Achievement
GTI: Gifted and Talented Institute
MTSS: Multi-Tiered System of Supports
PBIS: Positive Behavioral Interventions and Supports
TBD: To be discussed

FY23 Preliminary Budget Feedback

Completed:

- February- Online survey summary
- February 15: 6pm Somali Parent meeting summary
- February 16: 6pm Hispanic Parent meeting summary

Future Opportunities:

- Online survey opens, virtual meetings and presentations seeking input/feedback about budget priorities
- March 1 and March 7 Staff virtual meetings scheduled for 4:30pm
- March 7 virtual meeting for parents or staff at 9:45am
- March 8 and 9 Community Hybrid meetings offered to all families and public at 6pm

FY23 Input Survey Summary

Online Input Form - 63 responses

Top Priorities

- Reducing class size
- Providing mental health support
- Middle school athletics/activities

Most-mentioned efficiencies

- Reduce administration
- Have teachers/principals manage curriculum planning
- Use PALS funding to support reading instruction/intervention (extended year, before/after school)

Other Efficiencies

- Consolidate busing, invest in energy efficiency, small schools share a principal, cut back on low-class-size Pathways classes

FY23 Budget - Family Meetings

Somali family meeting input

- Priorities (Positives) - Parent engagement, cultural liaisons, afterschool enrichment, preschool programs

Hispanic family meeting input

- Priorities (Needs) - Stronger school-to-family communication (especially at secondary schools), additional social-emotional learning support for students

FY23 Adopted Budget Timeline

- February 24 - Board receives report on preliminary list of budget adjustments by department in board meeting
- Gather additional feedback from parents and community after February 24 board meeting
- March - board discussion in workshop
- March 10 - Superintendent presents recommended budget adjustments by department at regular board meeting
- March 24 - Superintendent presents final recommended budget adjustments by department in board meeting
- June 9 - FY23 Adopted budget presented
- June 16 - FY23 Adopted budget approved

*Thank
you*