

**South St. Paul**  
*Public Schools*



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# 2021-2022 Budgets

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First Reading: June 14, 2021  
Final Approval: June 28, 2021

# South St Paul Public Schools

Special School District No. 6

104 5th Ave S

South St Paul, MN 55075

[www.sspps.org](http://www.sspps.org)

651-457-9400

## School Sites

### **Kaposia Education Center**

1225 First Avenue South

Grades: PreK-5

### **South St Paul Secondary**

700 Second Street North

Grades 6-12

### **Lincoln Center Elementary**

357 9<sup>th</sup> Avenue North

Grades: PreK-5

### **Community Learning Center**

710 19<sup>th</sup> Avenue North

Grades 9-12

### **Family Education Center**

104 Fifth Avenue South

Early Childhood Family Education  
(ECFE)

## School Board

Chris Walker

Linda Diaz

Nikki Laliberte

Wendy Felton

Bill Arend

John Raasch

Monica Weber

Chair

Vice Chair

Clerk

Treasurer

Inspector

Inspector

Inspector

## Administration

Dr. Dave Webb

Aaron Bushberger

Superintendent

Finance Director

## District Financial Timeline

South St Paul Public Schools, along with all other Minnesota school districts, operates on a fiscal year from July 1 – June 30. The budget is presented to the School Board for approval each June. Management of the school district’s budget is a process that includes important steps that occur throughout the year. The life cycle of the 2021-22 budget began last fall and will conclude with the final audit scheduled for November 2022.

<b>September 2020</b>	The school board reviewed and approved the preliminary property tax levy for fiscal year 2021-22.
<b>December 2020</b>	The school board reviewed and approved the final property tax levy for fiscal year 2021-22.
<b>January 2021</b>	The school board began the 2021-22 budget planning process by reviewing the 2021-22 budget assumptions and budget projections.  The school board reviewed and approved the 2021-22 Budget Guiding Change Document.
<b>Mar-Apr 2021</b>	The school board reviewed and approved the proposed budget adjustments for 2021-22.

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<b>June 2021</b>	The school board will review and approve the 2021-22 budgets.
<b>December 2021</b>	The school board reviews and approves the first budget revision for the 2021-22 fiscal year.
<b>March 2022</b>	The school board reviews and approves the second budget revision for the 2021-22 fiscal year (if necessary).
<b>June 2022</b>	The district administration closes the district’s financial year and begins the audit process.
<b>November 2022</b>	The school board is scheduled to review and approve the final 2021-22 audit.

## District Financial Overview

Minnesota school districts are required by law to prepare financial reports and annual budgets. For school districts, these financial reports include the detailed tracking of revenues and expenditures within a structure known as the Uniform Financial Accounting and Reporting Standards (UFARS). The Minnesota Legislature mandated that school districts use the UFARS reporting system. This system allows school districts to meet legislative requirements, establish greater accuracy in reporting, and provide financial accountability of public funds.

A school district's operating budget is comprised of different revenue and expenditure categories called 'funds'. These funds are established within UFARS in accordance with statutory requirements and Generally Accepted Accounting Principles (GAAP). Each fund maintains its own separate revenues, expenditures and fund balances. South St Paul Public Schools currently uses seven funds:

Fund #	Fund Title	Common Purpose
01	General	Used to account for the general operating costs, such as educational activities, district instructional and student support programs, student support services, operations and maintenance costs and building and district administration.
02	Food Service	Record financial activities of a school district's food service program. Food service includes activities for the purpose of preparation and service of meals, snacks and milk in connection with school and community service activities.
04	Community Service	Used to record all financial activities of the Community Service program, including Early Childhood Family Education (ECFE), School Readiness, and Adult Basic Education (ABE)
07/47	Debt Service	Account for revenues and expenditures for a school district's outstanding bonded indebtedness.
20	Internal Service	The Internal Service Fund is used for two purposes: <ol style="list-style-type: none"> <li>1. Record revenues and expenditures for the district's dental and medical self-insurance programs. (No annual budget required)</li> <li>2. Record financial activity related to assets held in a revocable trust to finance the district's OPEB liabilities.</li> </ol>

# General Fund – Fund 01

<b>Budget Assumptions</b>
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## Revenue

1. Property Taxes – Property taxes are budgeted based on the 2020 Payable 2021 Levy that was approved by the Board of Education on December 14, 2020.
2. Other – The primary source of revenue in this area is participation and admission fees. Revenue is based on the fees approved by the Board of Education. Other sources include the district’s student activities accounts and third party billing revenue.
3. State Sources – The following primary state funding sources have been budgeted:
  - a. General Education Revenue – the budget is based on \$6,698 per pupil unit, which is a 2% increase over the 2020-21 level of \$6,567.
  - b. Compensatory Revenue – the budget is based on the MDE’s entitlement report, which is based on the October 1, 2020 Free/Reduced student count.
  - c. Special Education Revenue – the budget is based on the special education formula and projected operating expenditures.
  - d. Other State Funding – budgets have been projected based on the approved levy, projected enrollment and MDE estimates.
4. Federal Sources – The district receives funding for Title I, Title II, Title III and Special Education. The district has budgeted for all federal programs at a similar level as 2020-21. In addition, the district has budgeted for additional federal programs for the 2021-22 school year. This includes GEER/ESSER I funding under the CARES Act (\$500,000) and ESSER II funding under the CRRSA Act (\$1.7 million).
5. Enrollment – The table below shows the actual Average Daily Membership (ADM) for 2019-20, the budgeted ADM for 2020-21 and the projected ADM for 2021-22.

Grade	2019-20 Actual	2020-21 Budget	2021-22 Projected
ECSE (1)	45	29	45
VPK (2)	101	68	57
K-5	1,395	1,309	1,256
6-8	766	731	692
9-12	982	973	982
<b>Total</b>	<b>3,289</b>	<b>3,110</b>	<b>3,032</b>

(1) ECSE = Early Childhood Special Education

(2) VPK = Voluntary Pre-Kindergarten

## Expenditures

1. General Expenditures – The school board approved budget adjustments at their April 12, 2021 meeting. These adjustments included increases and decreases in different areas of the budget.
2. Salaries and Employee Benefits – Employee compensation is based on current collective bargaining agreements and estimates are used for any contracts that are currently in negotiations.
3. Class Size Norms – Class size norms remain unchanged from the 2020-21 school year. Staffing is based on the following class size norms:

Grade	2020-21 Norms	2021-22 Norms
K	20-24	20-24
1	21-25	21-25
2	22-26	22-26
3	23-27	23-27
4	24-28	24-28
5	25-29	25-29
6-8	27-31	27-31
9-12	29-33	29-33

4. Other Budgets – Most other budgets were held constant. Some budgets were increased for inflation – around a 2% increase from the 2020-21 budget.

**SPECIAL SCHOOL DISTRICT NO. 6**  
**General Fund**  
**2021-2022**

	2019-2020 <u>Actual</u>	2020-2021 <u>Budget</u>	2021-2022 <u>Proposed</u>
Revenue			
Local sources			
Property taxes	\$6,592,421	\$7,165,588	\$7,489,545
Investment earnings	121,398	0	0
Other	1,071,864	707,380	720,332
State sources	35,626,546	33,574,045	32,781,307
Federal sources	1,378,700	2,249,120	3,523,480
Total revenue	<u>44,790,929</u>	<u>43,696,133</u>	<u>44,514,664</u>
Expenditures			
Current			
Salaries	27,075,116	26,000,755	26,050,186
Employee benefits	11,410,583	10,161,692	10,144,973
Purchased services	5,210,746	5,131,645	5,330,440
Supplies and materials	1,394,702	1,051,816	1,087,055
Other expenditures	118,424	131,395	131,570
Capital outlay	1,929,930	1,768,830	1,965,605
Total expenditures	<u>47,139,501</u>	<u>44,246,133</u>	<u>44,709,829</u>
Other financing sources (uses)			
Capital lease issued	0	0	0
Sale of capital assets	2,690	0	0
Transfers (out)	-100,000	-200,000	0
Total other financing sources (uses)	<u>-97,310</u>	<u>-200,000</u>	<u>0</u>
Net change in fund balances	-2,445,882	-750,000	-195,165
Fund balances			
Beginning of year	<u>8,423,613</u>	<u>5,977,731</u>	<u>5,227,731</u>
End of year	<u>\$5,977,731</u>	<u>\$5,227,731</u>	<u>\$5,032,566</u>
Fund Balance %			
Restricted	1.2%	2.1%	1.8%
Unrestricted	11.5%	9.7%	9.5%
Total	<u>12.7%</u>	<u>11.8%</u>	<u>11.3%</u>

## Food Service Fund – Fund 02

<b>Budget Assumptions</b>
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### Revenue

1. Federal Sources – The district will be able to offer free meals to all students for the 2021-22 school year under the Seamless Summer Option (SSO) program through the USDA. Federal reimbursements under the SSO program are \$2.4625 for each breakfast, \$4.3175 for each lunch and \$1.02 for each snack.
2. Other – Primarily Meal Sales – A minimal amount of adult meal sales is budgeted.
3. State Sources – No State funding is budgeted due to the federal SSO program.

### Expenditures

1. Salaries and Employee Benefits – Employee compensation is based on current collective bargaining agreements and estimates are used for any contracts that are currently in negotiations.
2. Other Costs – Other costs are based on projected supplies, materials and food related costs.
3. Capital outlay – Capital outlay is budgeted based on expected costs related to equipment replacements in the kitchens.



**SPECIAL SCHOOL DISTRICT NO. 6**  
**Food Service Fund**  
**2021-2022**

	2019-2020 <u>Actual</u>	2020-2021 <u>Budget</u>	2021-2022 <u>Proposed</u>
Revenue			
Local sources			
Investment earnings	\$10,798	\$0	\$0
Other - primarily meal sales	283,501	15,246	33,347
State sources	160,577	0	0
Federal sources	<u>1,610,074</u>	<u>1,125,974</u>	<u>2,060,753</u>
Total revenue	2,064,950	1,141,220	2,094,100
Expenditures			
Current			
Salaries	595,823	490,388	482,915
Employee benefits	219,540	176,612	175,466
Purchased services	168,141	150,944	184,761
Supplies and materials	1,015,818	496,490	978,374
Other expenditures	166,915	103,035	142,130
Capital outlay	<u>101,866</u>	<u>97,635</u>	<u>25,000</u>
Total expenditures	2,268,103	1,515,104	1,988,646
Net change in fund balances	-203,153	-373,884	105,454
Fund balances			
Beginning of year	<u>860,324</u>	<u>657,171</u>	<u>283,287</u>
End of year	<u>\$657,171</u>	<u>\$283,287</u>	<u>\$388,741</u>
Fund Balance %	<u>29.0%</u>	<u>18.7%</u>	<u>19.5%</u>

## Community Service Fund – Fund 04

<b>Budget Assumptions</b>
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### Revenue

1. Property Taxes – Property taxes are budgeted based on the 2020 Payable 2021 Levy that was approved by the Board of Education on December 14, 2020. The district levies for General Community Education, Early Childhood Family Education (ECFE), Youth Services, Home Visiting and School Age Care – Disabled.
2. Other Sources – Primarily Tuition and Fees – The district collects participation fees in the following areas: Camps and Clinics, Preschool, School Age Care, Youth Development, After School Youth, Community Theatre (summer), Senior Citizen Programming and Early Childhood Family Education (ECFE).
3. State Sources – State funding for General Community Education, ECFE and School Readiness are based on Minnesota Department of Education (MDE) projections. State funding for Adult Basic Education (ABE), Childhood Screening and Non-Public Pupil Aid are based on district estimates.

### Expenditures

1. Salaries and Employee Benefits – Employee compensation is based on current collective bargaining agreements and estimates are used for any contracts that are currently in negotiations.
2. Other Costs – Other costs are based on projected supplies, materials and other related costs.

**SPECIAL SCHOOL DISTRICT NO. 6**  
**Community Service Fund**  
**2021-2022**

	2019-2020 <u>Actual</u>	2020-2021 <u>Budget</u>	2021-2022 <u>Proposed</u>
Revenue			
Local sources			
Property taxes	\$416,805	\$397,549	\$386,465
Investment earnings	9,976	0	0
Other - primarily tuition and fees	736,682	78,000	707,108
State sources	886,753	880,364	900,791
Federal sources	12,488	111,357	12,000
Total revenue	<u>2,062,704</u>	<u>1,467,270</u>	<u>2,006,364</u>
Expenditures			
Current			
Salaries	1,321,225	1,052,481	1,259,767
Employee benefits	494,297	375,065	470,294
Purchased services	292,802	234,500	126,778
Supplies and materials	59,576	48,000	110,966
Other expenditures	1,235	0	0
Capital outlay	0	0	0
Total expenditures	<u>2,169,135</u>	<u>1,710,046</u>	<u>1,967,805</u>
Other financing sources (uses)			
Transfers in	<u>100,000</u>	<u>200,000</u>	<u>0</u>
Net change in fund balances	-6,431	-42,776	38,559
Fund balances			
Beginning of year	<u>140,440</u>	<u>134,009</u>	<u>91,233</u>
End of year	<u><u>\$134,009</u></u>	<u><u>\$91,233</u></u>	<u><u>\$129,792</u></u>
Fund Balance Components			
Community Education Programs	\$41,716	\$43,863	\$73,138
Early Childhood Family Education	11,900	20,551	27,105
School Readiness	77,423	21,598	20,075
Adult Basic Education	<u>2,970</u>	<u>5,221</u>	<u>9,474</u>
Total	<u><u>\$134,009</u></u>	<u><u>\$91,233</u></u>	<u><u>\$129,792</u></u>

## Debt Service Fund – Fund 07 and 47

<b>Budget Assumptions</b>
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### Revenue

1. Property Taxes – Property taxes are budgeted based on the 2020 Payable 2021 Levy that was approved by the Board of Education on December 14, 2020. The district is required to levy 105% of the scheduled bond principal and interest payments.

### Expenditures

1. Principal and Interest – The district makes payments based on the scheduled bond principal and interest payments.
2. Fiscal Charges and Other – The district incurs trustee costs related to the payments on the bonds.

**SPECIAL SCHOOL DISTRICT NO. 6**  
**Debt Service Fund**  
**2021-2022**

	2019-2020 <u>Actual</u>	2020-2021 <u>Budget</u>	2021-2022 <u>Proposed</u>
Revenue			
Local sources			
Property taxes	\$3,075,876	\$2,843,592	\$2,985,491
Investment earnings	26,508	0	0
Other sources	221,000	221,000	0
Total revenue	<u>3,323,384</u>	<u>3,064,592</u>	<u>2,985,491</u>
Expenditures			
Debt Service			
Principal	1,995,000	2,045,000	1,975,000
Interest	1,100,938	1,056,238	1,010,338
Fiscal charges and other	6,649	6,600	6,000
Total expenditures	<u>3,102,587</u>	<u>3,107,838</u>	<u>2,991,338</u>
Net change in fund balances	220,797	-43,246	-5,847
Fund balances			
Beginning of year	<u>747,159</u>	<u>967,956</u>	<u>924,710</u>
End of year	<u><u>\$967,956</u></u>	<u><u>\$924,710</u></u>	<u><u>\$918,863</u></u>