



Roseville Area Schools

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

2021-2022 General Fund Budget Hearing

May 25, 2021

Agenda

- Budget Process
 - School Funding Basics
 - Timeline
 - Parameters
- Revenue
- Expenditures
- Fund Balance Projection
- Next Steps
- Questions and Comments

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 2021-2022

Date	Budget Event	Action
June 2020	2020-2021 Budget Approved	Board Approval
September 22, 2020	Preliminary Levy set (Payable 2021; 2021-22 Revenue)	Board Approval
December 15, 2020	Final Levy set (Payable 2021; 2021-22 Revenue)	Board Approval
January 20, 2021	District Leadership Team Meeting – budget update, parameters and timeline	District Leadership Meeting
January 20, 2021	Finance Advisory Committee – revised current year budget, 2021-22 budget parameters and timeline	Finance Advisory Committee
January 26, 2021	Review of 2020-21 revised general fund budget; Approve 2021-22 budget timeline and parameters.	Board meeting
February 9, 2021	School Board approves revised 2020-21 budget	Board Approval
February 23, 2021	Budget update to School Board as needed	School Board
February 25, 2021	Staffing allocations set for 2021-22	District Lead Team

Budget Timelines for 2021-2022

Date	Budget Event	Action
March 23, 2021	Budget update to School Board as needed	Administrative report to School Board
April 20, 2021	Update the School Board on Budget development as needed	Administrative report to School Board
May 25, 2021	Prior to the regular School Board meeting, the District held a public hearing to share the 2021-22 DRAFT general fund budget and collect any public comment	Administrative report to the public
June 1, 2021	District administration reviews information gathered at public hearing and makes final adjustments to proposed budget	District Lead Team
June 8, 2021	Update the School Board on any changes made to budget	Administrative report to School Board
June 22, 2021	School Board formally adopts 2021-22 Budget	Board Approval

Budget Assumptions - Revenue

- The per-pupil basic general education formula allowance is currently \$6,567. 2021-2022 is the first year in the new state budget biennium and while per pupil funding has yet to be set, for budgeting purposes we are assuming an increase of 1% or \$66 over the current fiscal year, for a total \$6,633 basic formula allowance.
- Operating referendum revenue continues to be based on Adjusted Pupil Units (APU) to an amount based on APU and equal to \$1,686 per APU. This APU amount includes \$724 in Local Option Revenue and \$962 in voter-approved funds.
- Levy revenue will be based on the 2020 Pay 2021-22 Certified Levy.

Budget Assumptions - Expenditures

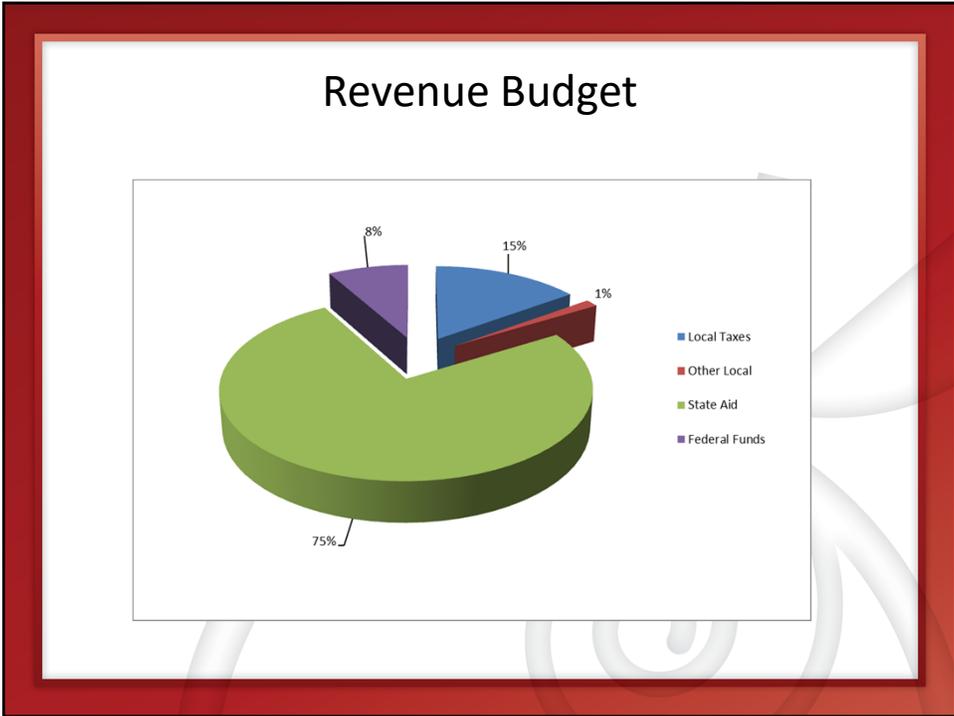
- Focus resources on equity and student achievement.
- Staffing adjustments will match enrollment changes and align with class size staffing targets. Class size targets will be maintained at the current level
- Estimated salary and benefit settlements for upcoming contract negotiations are included.
- Utility costs will be based on multiple year average usage with consideration given to current rates
- All mandated reserve expense categories (i.e. Staff development, Health & Safety, Safe Schools, Operating Capital) will be spent in compliance with statute.

Revenue Budget

Source	Description	2020-21 Revised Budget	2021-22 Original Budget	\$ Difference	% Difference
1	Maintenance Levy	14,234,640	12,588,450	(1,646,190)	-11.56%
2	Mobile Home Tax	20,000	20,000	-	0.00%
5	Unemployment Levy	53,346	219,356	166,010	311.19%
9	Fiscal Disparities	3,141,635	2,800,000	(341,635)	-10.87%
10	County Apportionment	220,000	220,000	-	0.00%
15	Interest On Levy Pymnt	5,000	5,000	-	-
	Subtotal Local Taxes	17,674,621	15,852,806	(1,821,815)	-10.31%
50	Fees From Patrons	345,000	310,000	(35,000)	-10.14%
51	Fees/Usage	10,000	275,000	265,000	2650.00%
51	Fines	-	-	-	-
60	Admissions & Stud Act Revenue	25,000	70,000	45,000	180.00%
71	MA Claims Revenue	464,746	600,000	135,254	29.10%
92	Interest Earnings	60,000	10,000	(50,000)	-83.33%
93	Rent Of School Facility	23,000	30,000	7,000	30.43%
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	52,000	57,000	5,000	9.62%
	Subtotal Other Local Revenue	1,044,746	1,417,000	372,254	35.63%

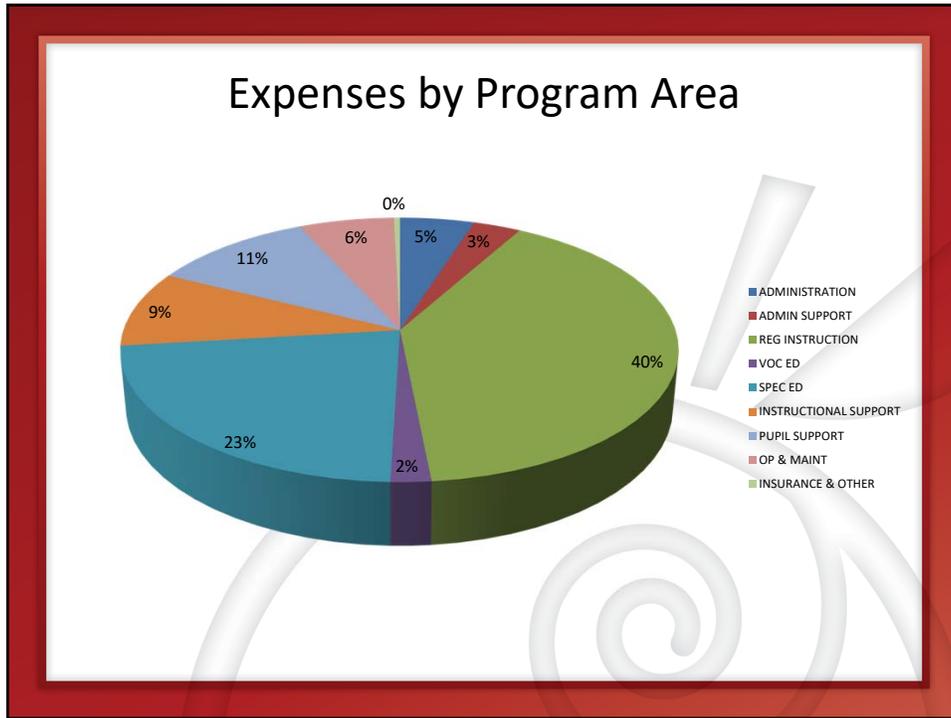
Revenue Budget

Source	Description	2020-21 Revised Budget	2021-22 Original Budget	\$ Difference	% Difference
201	Endowment Aid	319,366	319,588	222	0.07%
211	General Ed Revenue	62,385,364	62,708,192	322,828	0.52%
212	Literacy Incentive Aid	389,000	389,000	-	0.00%
213	Shared Time	16,893	15,000	(1,893)	-11.21%
227	Abatement Aid	26,625	25,000	(1,625)	-6.10%
300	State Aids & Grants	2,330,544	2,382,445	51,901	2.23%
360	State Aid Special Ed	13,343,509	13,898,720	555,211	4.16%
370	Misc State Grants	60,832	60,832	-	0.00%
	Subtotal State Aids & Grants	78,872,133	79,798,777	926,644	1.17%
400	FEDERAL AIDS & GRANTS	3,510,143	3,645,454	135,311	3.85%
400	CARES RELATED AIDS	2,597,821	4,962,045	2,364,224	
405	SUB GRANT FROM FED FUNDS	27,000	27,000	-	0.00%
	Subtotal Federal Aids & Grants	6,134,964	8,634,499	2,499,535	40.74%
	TOTAL GENERAL FUND	103,726,464	105,703,082	1,976,618	1.91%



Expenditures by Program Area

	2020-21	2021-22	2021-22	%
PROGRAM	Revised Budget	Original Budget	Budget Inc/Dec	Change
ADMINISTRATION	5,239,580	5,323,567	83,987	1.6%
ADMIN SUPPORT	3,480,647	3,417,728	(62,919)	-1.8%
REG INSTRUCTION	43,900,624	43,261,062	(639,562)	-1.5%
VOC ED	2,137,554	2,178,648	41,094	1.9%
STUDENT SERVICES	22,285,766	24,289,617	2,003,851	9.0%
INSTRUCTIONAL SUPPORT	11,357,392	9,995,281	(1,362,111)	-12.0%
PUPIL SUPPORT	10,512,301	11,600,497	1,088,196	10.4%
OP & MAINT	6,589,534	6,833,230	243,696	3.7%
INSURANCE & OTHER	320,000	440,000	120,000	37.5%
TOTAL GEN FUND EXPENSES	105,823,398	107,339,630	1,516,232	1.4%
EXCLUDING OPTG CAPITAL & LONG-TERM FACILITIES MNTNCE (LTFM)				



Fund Balance Projection

	Estimated Fund Balance June 30, 2021	2020-2021 Proposed Revenue	2020-2021 Proposed Expenditures	Revenue Excess/(Deficit) Over Expenses	Estimated Fund Balance June 30, 2022
General Fund					
Unassigned Fund Balance	\$ 4,527,539	\$ 96,450,438	\$ 98,086,986	\$ (1,636,548)	\$ 2,890,991
	\$ 4,527,539				\$ 2,890,991
Nonspendable (Inventories & Prepaid)	\$ 792,020				\$ 792,020
					\$ 3,683,011
Restricted for:					
Staff Development	\$ -	\$ 1,083,889	\$ 1,083,889	\$ -	\$ -
Compensatory Ed	\$ -	\$ 5,975,306	\$ 5,975,306	\$ -	\$ -
Learning & Development	\$ -	\$ 1,678,219	\$ 1,678,219	\$ -	\$ -
Gifted and Talented	\$ -	\$ 106,226	\$ 106,226	\$ -	\$ -
School Safety	\$ -	\$ 409,004	\$ 409,004	\$ -	\$ -
Operating Capital	\$ 1,324,869	\$ -	\$ -	\$ -	\$ 1,324,869
Long-term Facilities Maintenance (LTFM)	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal, Restricted	\$ 1,324,869	\$ 9,252,644	\$ 9,252,644	\$ -	\$ 1,324,869
Total, General Fund	\$ 6,644,428	\$ 105,703,082	\$ 107,339,630	\$ (1,636,548)	\$ 5,007,880

Next Steps

- Changes resulting from MN Special Legislative Session (tentative June 14)
- Consideration of referendum authority beyond 2021-2022 – last year of operating referendum authority

Local Support – Operating Levy

- Current levy will expire if not renewed by voters in November 2021.
 - Loss of \$8 million per year, or nearly 8% of our operating budget.
- Without additional revenue, student programming will be impacted.
- Options for November 2021 ballot: levy renewal + possible increase.
- Decision timeline:
 - April 13: Community survey results
 - May 11: Levy scenarios and discussion
 - May 25: Budget update, legislative session update
 - June 8: Review options and ballot language 2021 levy request
 - June 22: Vote on Nov 2021 levy request

Board Considerations for Renewal of Operating Referendum – November 2021

- **Question 1** - Request renewal (\$962.20 per pupil unit) of current operating levy authority plus inflationary factor for 10 year period
- Decision on a **second question** on whether to request increased authority in an amount to adequately address increased class sizes, maintain comprehensive programs, and provide financial stability

Questions and Comments

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- Director of Business Services
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