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Brooklyn Center Community Schools 2023-24 Financial Forecast

March 15, 2023



**BROOKLYN
CENTER**
COMMUNITY
SCHOOLS

WE STAND FRONT AND CENTER

Purpose and Outcomes

- The purpose of our presentation today is to provide a foundation of information around the process of funding and budgeting in our school district.
- Outcomes
 - Share the current financial forecast of the district
 - Present enrollment trends
 - Provide background on categorical funding sources and what they mean
 - Build collective understanding of school finance and legislative priorities

MISSION

To become a justice-centered school community that fuels the unique genius of each student

VISION

Brooklyn Center Community Schools endeavors to be a collective who demonstrates passion, pride and perseverance.

We will fiercely lead the way in justice-centered education, striving against the permanence of racism and oppressive systems while embracing a future where our diversity fuels learning.

With every breath in our bodies, every ounce of influence we possess, and through every challenge, we stand front and center with the young people we love and serve.

VALUES



WE STAND FRONT AND CENTER IN BROOKLYN CENTER

Community Schools, we listen, relate, advocate and affirm, understanding that our role is to be a catalyst for student growth and unity.



WE DEMONSTRATE PASSION, PRIDE AND PERSEVERANCE

BCCS is a family, full of struggle and success. Through the heights of joy and the valleys of unrest, we rally for one another, believe in one another and make room to learn from mistakes.



WE ACKNOWLEDGE AND DISRUPT OPPRESSIVE SYSTEMS

We have inherited systems of learning that were set up to further disadvantage already marginalized and silenced communities. Our response is to dismantle harmful practices and replace them with healthy power dynamics that amplify and embrace student voices. We will align our resources in ways that continuously fight the permanence of racism.



OUR DIVERSITY FUELS LEARNING

We see each student as they are — capable of unique, lasting and critical contributions to our community. In BCCS we uphold our unique gifts and talents; our greatest hope is that each and every student is able to self-determine a joyful path.



WE FIERCELY LEAD IN JUSTICE-CENTERED EDUCATION

Our classrooms will reflect the students who populate these spaces. We insist that students have a voice in their learning and in resolving conflict and harm. As a district, we invite our students and surrounding community into conversations that affect curriculum and culture.

BCCS LAND ACKNOWLEDGEMENT

Brooklyn Center Community Schools acknowledges that we occupy the unceded ancestral and contemporary lands of the Dakota people. We also recognize the Anishinaabeg/Ojibwe whose lands were colonized by the United States and are currently occupied by the State of Minnesota. Our community sits upriver from Bdoté, the place where two rivers meet and most importantly, the center of Dakota spirituality and history. We commit to the work of being a justice-centered school community. Together, we will work to decolonize our minds and spaces, and to be good stewards to Mni Sota Makoce and good relatives to each other.

District Priorities

- Balanced budget
- Not return to statutory operating debt; build fund balance
- Delivery of 23-24 strategic plan focus and objectives

Create intentional work related to school safety, climate, and culture to bring about systemic change and further our work to build systems that are steeped in justice-centered, anti-oppressive practices.

Redesign every student's learning experience by focusing on developing critical literacy and STEAM programming, and supporting student achievement and growth.

Bring racial and social justice “Front and Center” by increasing trust, transparency, and collaboration throughout our organization.

School Funding - Highly Regulated by the State

- State sets formulas which determine revenue; most revenue is based on specified amounts per pupil
- State sets tax policy for local schools
- State sets maximum authorized property levy (districts can levy less but not more than amount authorized by state, unless approved by the voters)
- State authorizes school board to submit referendums for operating and capital needs to voters for approval

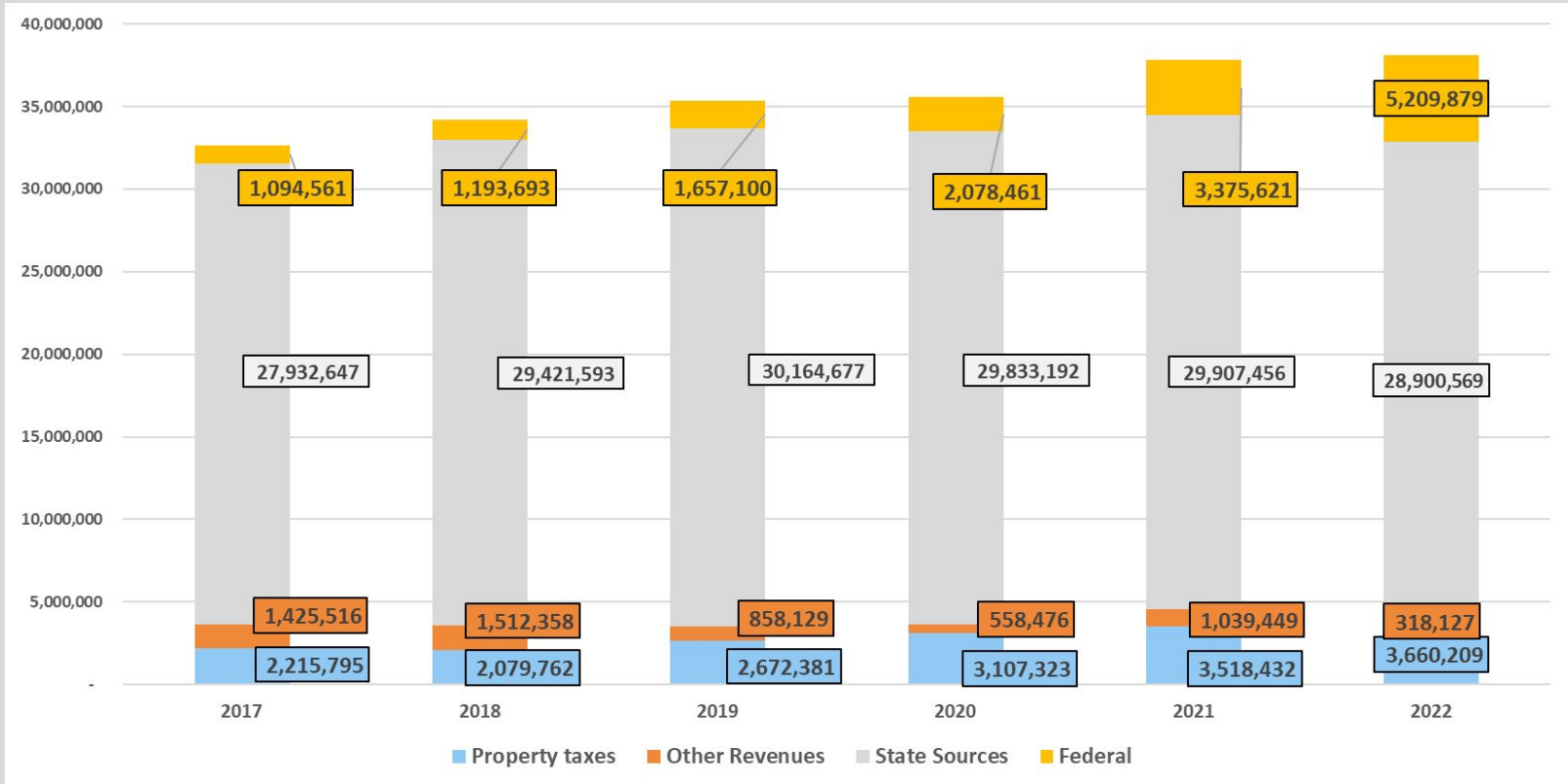
BCCS Main Funds

- General Fund - 01
- Food Service Fund - 02
 - May only be used for food services
- Community Service Fund - 04
 - May be used for School Readiness, Early childhood programs, Adult Basic Education
- Building Construction Fund - 06
- Debt Service Fund - 07
- OPEB Trust Fund - 45

General Fund comes from Aid from the State, Levy from local taxpayers, and federal and local grants



General Fund Sources of Revenue



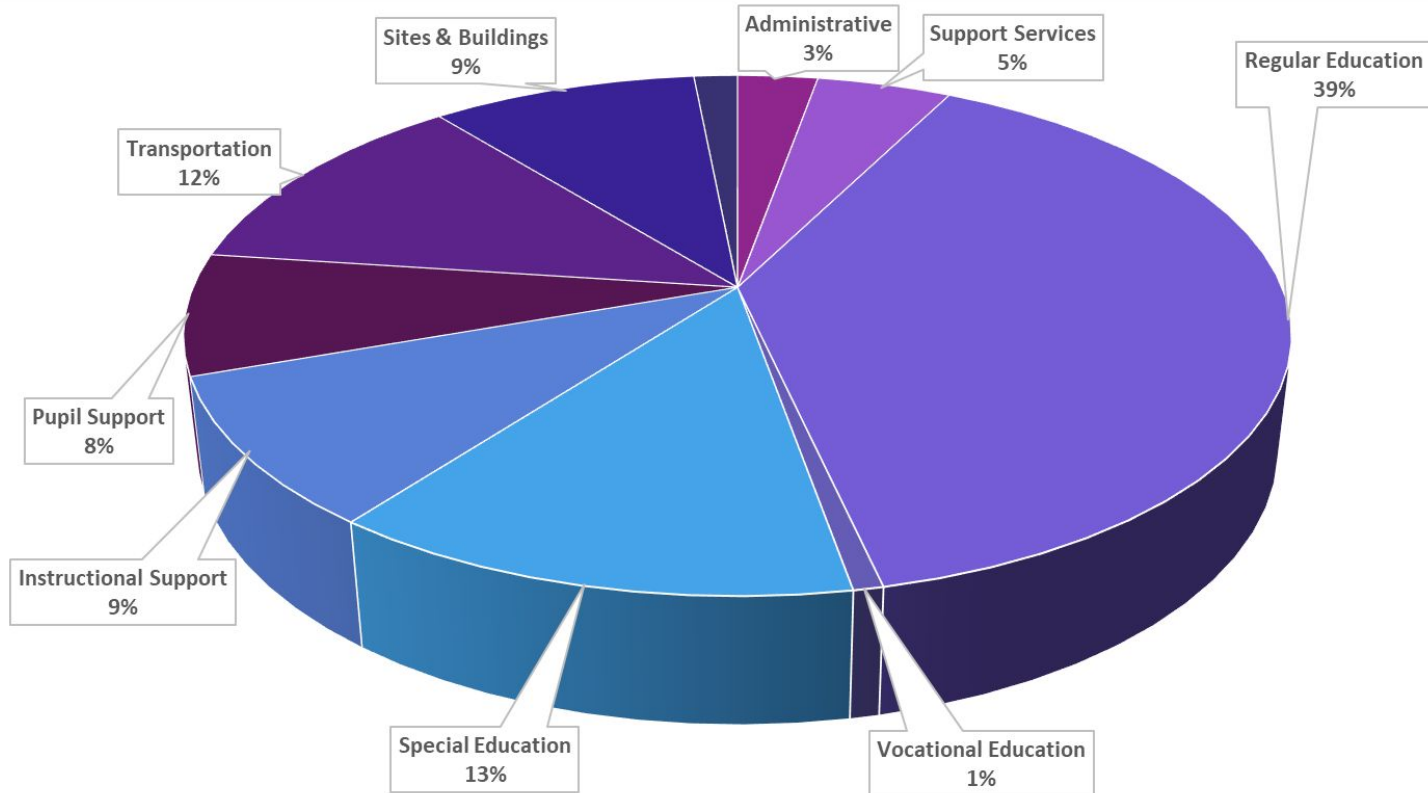
BCCS Main Sources of General Funds

General Fund - used for the widest variety of programs

Examples:

- Title IA - may only be used for programs to increase student achievement of marginalized groups
- Achievement & Integration - may only be used for achievement gap reduction and equity goals
- Long Term Facilities Maintenance - may only be used for deferred building maintenance
- Lease Levy - May only be used for building and capital lease payments

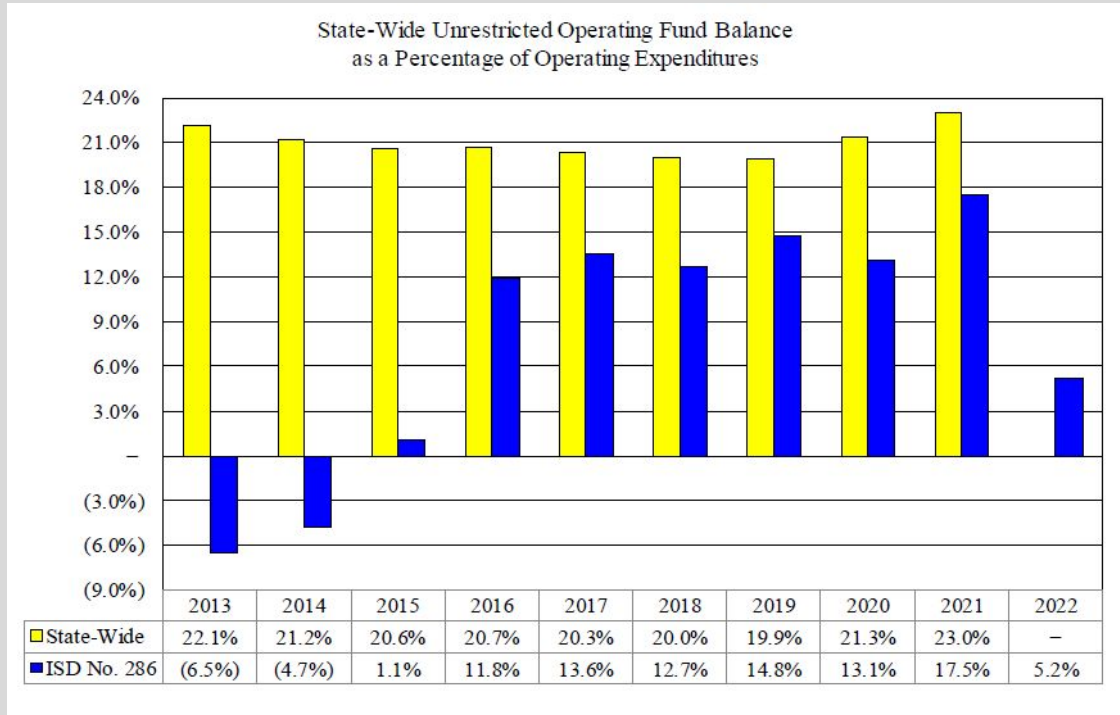
FY22 Expenses by Program



Per Pupil Funding

- 2022-23 General Fund Per Pupil: \$10,595
- Funding ranges between \$6,500 and \$15,000 depending on the needs of the student
- In some cases 1 student can require \$90,000 in expenditures due to the need for specialized programming
 - Legislation enacted in 2019 reduces the impact of this large costs by 6.43% or \$5,787 - helpful but not enough
- The most recent calculated Cross-Subsidy (FY21) was \$2 million

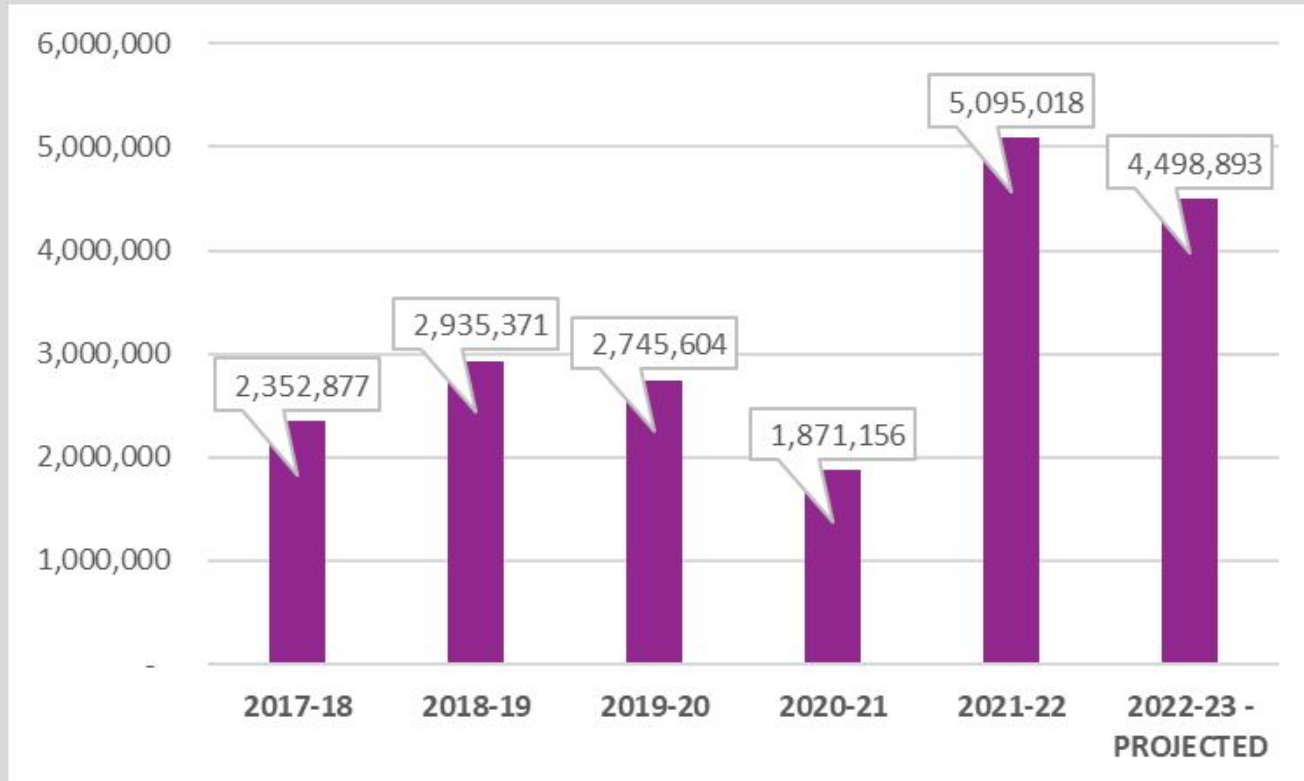
Fund Balance Trend



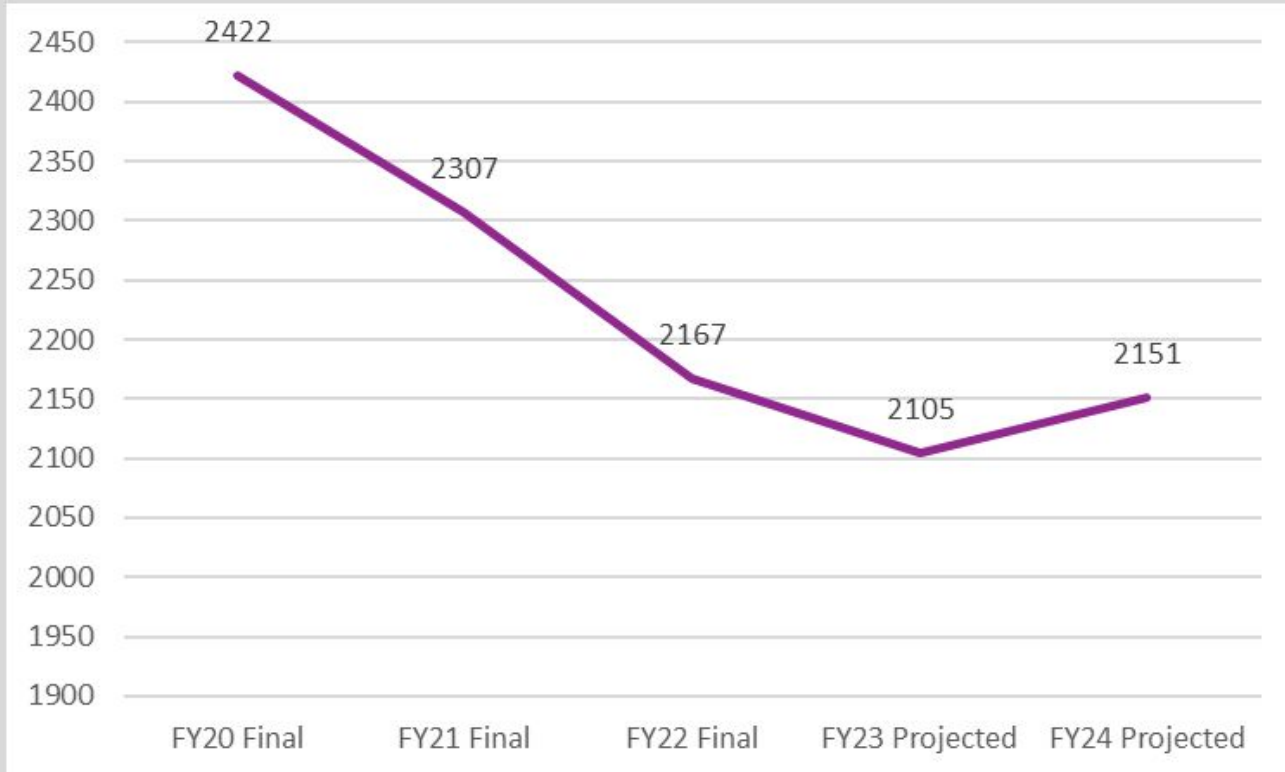
ARP/ESSER/CARES ACT Funding 2020-2023

- Full time in-person learning including social distancing
- Student data teams to determine appropriate support and interventions for students
- Continue safe mitigation protocols (masks, disinfecting, distancing, testing, screening)
- Chromebooks and iPads for student learning >> Technology to enhance student learning
- Additional counselors and social workers
- Family and community involvement
- Enrichment programs
- Justice-centered engagement opportunities for all stakeholders
- Pandemic quarantine costs, retention bonuses
- Additional Transportation costs

Transportation Costs - 2018-2023



BCCS Enrollment Trend



FY24 General Fund Revenue Reductions

- Levy: Increase of \$45,000
- State Aid: Increase of \$1,457,000 (4% Inc on formula + Enrollment Inc)
- Federal Aid: Decrease of \$4,515,000 (includes ESSER, Title, & MSAP)
- Local Grants: Decrease of \$141,000

Total Decrease in General Fund Revenue: \$3,154,000

FY24 General Fund Expenditure Reductions

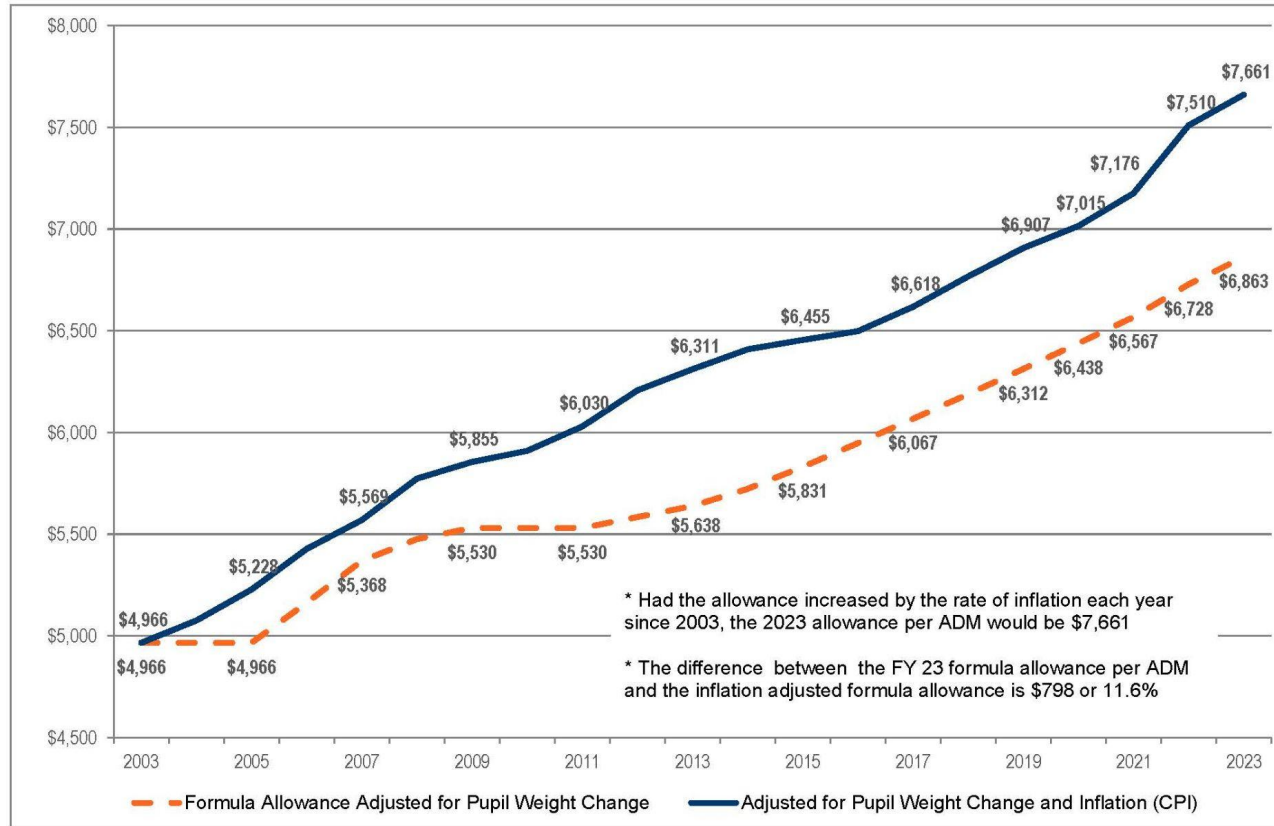
- FY24 Contract salary increases:
 - Teacher salary average: \$89,000 to \$93,000: $\$4,000 * 181 = \$724,000 = 7.8 \text{ FTEs}$
 - Other contract salary increases: \$764,000
 - Total salary increases: \$1,488,000
- Combined with revenue reduction of \$3,000,000 total reductions for FY24:
\$4,470,000
- Loss of \$4.5m in ESSER funds
- No available \$\$\$ in fund balance available for FY24 to reduce the impact

General Education Aid Formula Allowances 2013 to 2023

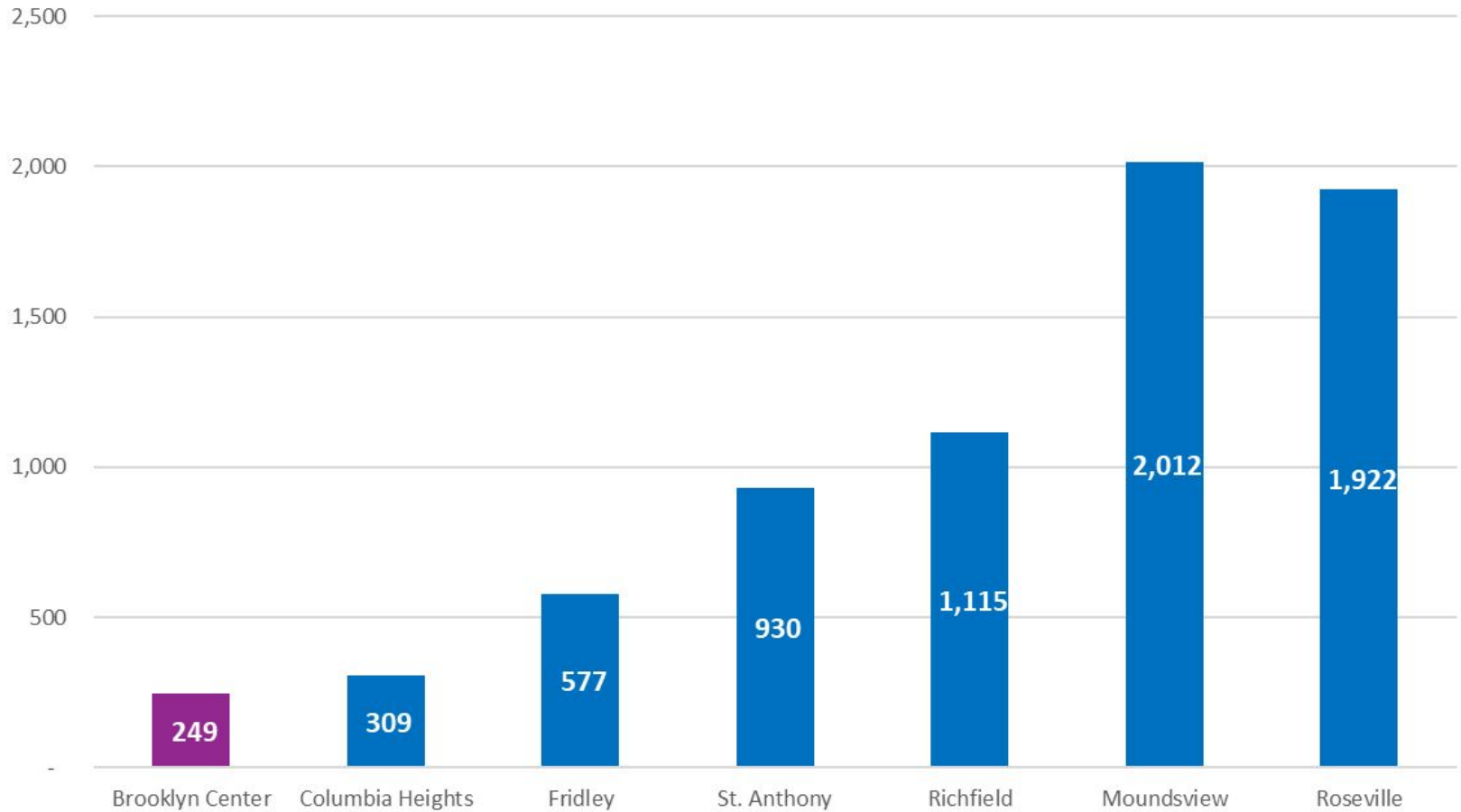
<u>Fiscal Year</u>	<u>Amount PPU</u>	<u>Percent Increase</u>
2013	5,224	1.0%
2014	5,302	1.5%
2015	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.45%
2023	6,863	2.0%

General Education Formula Allowance, 2003-2023

Adjusted for Pupil Weight Change and Inflation (CPI)



Operating Levy Authority for Neighboring Districts



Minnesota State Financial Forecast

- **Minnesota's projected budget surplus balloons to nearly \$17.5 billion**
- **Governor's budget proposes an increase in the funding formula by 4% and 2%**
- **Adjustments to legislation for inflation**
- **Additional money to go toward the cross-subsidies in Sped and EL**

2023-24 Budget Next Steps

- District Administration works to balance budget and forecast next year
- District wide financial presentations
- As we look over the next two years (SY24 and SY25):
 - SY24 - District will be cutting 4.5 million this year and no draw from fund balance
 - SY25 - Remains unknown due to end of ESSER dollars; unknown enrollment picture; and unknown legislative outcomes
- What will help?
 - Ask your state representative to use state surplus toward adequately funding schools
 - Schools collecting lunch forms directly impacts the amount of aid received
 - Recruit students to BCCS, spread the word!

Questions?

If you have any questions about the 2023-24 Financial Forecast of the district or any other questions about the budgeting process, please submit them using this link:

[Click here to submit your questions on the BCCS 2024 Financial Forecast.](#)

**SCAN THE
QR CODE TO ASK
A QUESTION**



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