



Saint Paul Public Schools

COB Meeting

Tuesday, March 6, 2018 4:30 PM

**SAINT PAUL PUBLIC SCHOOLS
INDEPENDENT SCHOOL DISTRICT NO. 625**

BOARD OF EDUCATION



Zuki Ellis
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ADMINISTRATION
Dr. Joe Gothard
Superintendent

BOARD OF EDUCATION COMMITTEES

Committee of the Board – Steven Marchese, Vice Chair

SPPS VISION STATEMENT

Imagine every student
Inspired, challenged, and cared for by exceptional educators
Imagine your family
Welcomed, respected, and valued by exceptional schools
Imagine our community
United, strengthened, and prepared for an exceptional future
Saint Paul Public Schools: Where imagination meets destination

MISSION of the Saint Paul Public Schools – PREMIER EDUCATION FOR ALL

Long-Range Goals Adopted by the Board:

HIGH ACHIEVEMENT

Learners will meet the highest district and state standards through a learning journey that is academically rich and rigorous.

MEANINGFUL CONNECTIONS

Learners will understand the relationship between their lives and the lives of others, and the relevance of their educational experiences to their roles in society.

RESPECTFUL ENVIRONMENT

The learning environment will be safe, nurturing and equitable for our diverse learners.

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
COMMITTEE OF THE BOARD MEETING
Administration Building
360 Colborne Street

March 6, 2018
4:30 PM

A G E N D A

I. CALL TO ORDER

A. Introductions

II. AGENDA

A. Superintendent's Update 5

B. Standing Item: SEAB Report

C. Legislative Update

1. Introduction

2. Presentation 22

3. Discussion

4. Action (TBD)

D. FY 2019 General Fund Budget Update

1. Introduction

2. Presentation 31

3. Discussion

4. Action (TBD)

E. First FY 2017-2018 Budget Revision

1. Introduction

2. Presentation 40

3. Discussion

4. Action (Approval of Revisions)

F. December 2017 Quarterly Budget Report

1. Introduction

2. Presentation 49

3. Discussion

4. Action (Acceptance of Report)

III. ADJOURNMENT

IV. Work Session



2017 Graduation Results

March 6, 2018

Outcomes

Introductions

What's Working

9

4-year Graduation

5-year, 6-year and 7-year Graduation



What's Working

- High School Focus on Freshman - Transition to High School
- Check and Connect (Target strategy for American Indian students and Special Education students)
- AVID and AVID strategies in Special Education courses
- Counselor professional learning communities
- College and Career Readiness
- Graduation to Greatness (Senior persistence)



4-Year:

Guide for Interpretation

Graduation Change In Calculation

This year's graduation results reflect MDE's **revisions to the graduation calculation**, as part of its implementation of the Every Student Succeeds Act (ESSA). To maintain comparability across years, MDE has **applied the changes retroactively** to previous years going back to the class of 2012.

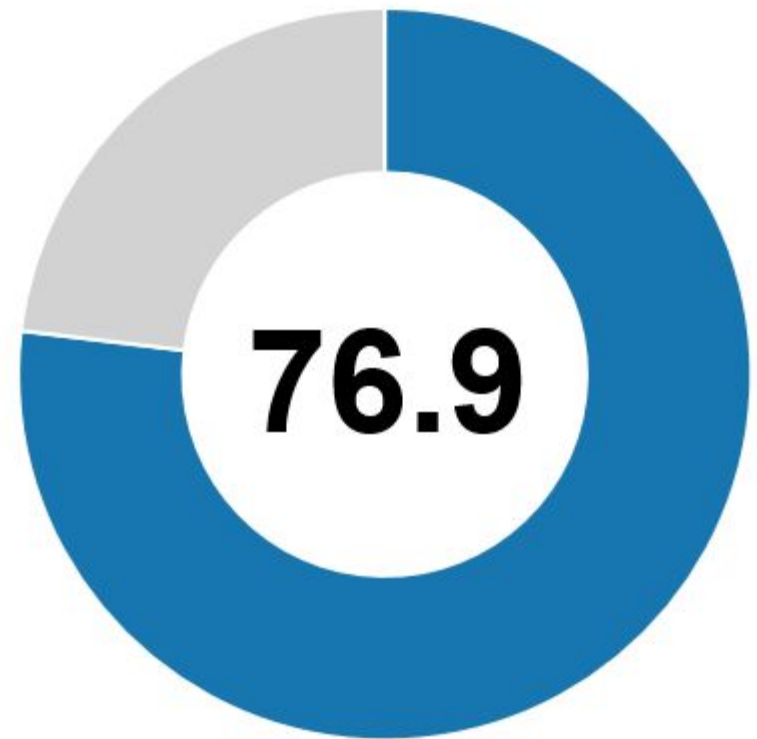
∞

Change in Reporting Student Racial Groups

Beginning in school year 2017-18, MDE and SPPS will no longer report results using FIVE student racial groups. We will report results using the **seven federal racial categories**. Under ESSA, EL, FRL, and SPED categories include a student if they are a member of those groups at any time in their HS tenure (Previously the categories were defined by students' status in 9th grade). This may result in a small change in grad rates for these categories.

SPPS 2017 4-Year Graduation

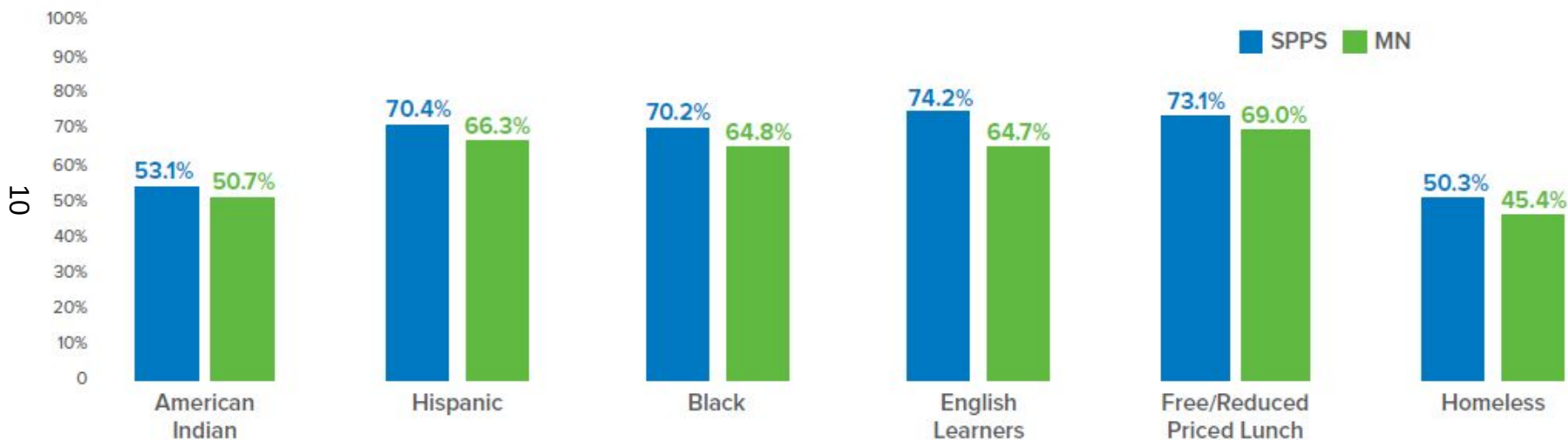
SPPS Class of 2017 4-year graduation rate is 76.9%; approximately 3 out of 4 students graduated in 4 years.



SPPS to State

SPPS to State Comparisons

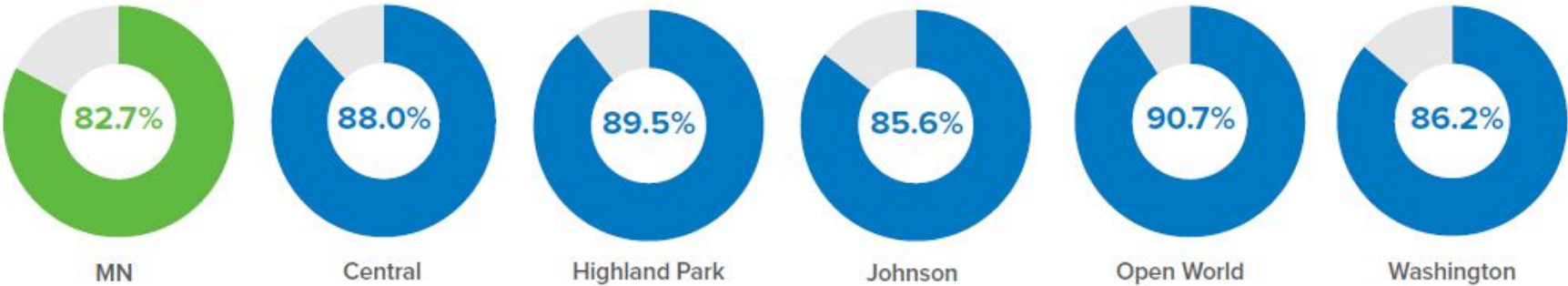
SPPS students in the Class of 2017 graduated in four years at a higher rate than their peers, statewide, in the following groups of students:



Surpassing State Averages: All Students

Schools Higher Than State: All Students

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Surpassing State Averages: Student Groups

5

- Five schools: Students experiencing homelessness

6

- Six schools: Hispanic students

12

7

- Seven schools: Black students, English Language Learners

8

- Eight schools: Low income/free- and reduced-price meal eligible students



5-Year, 6-Year, 7-Year: Guide for Interpretation

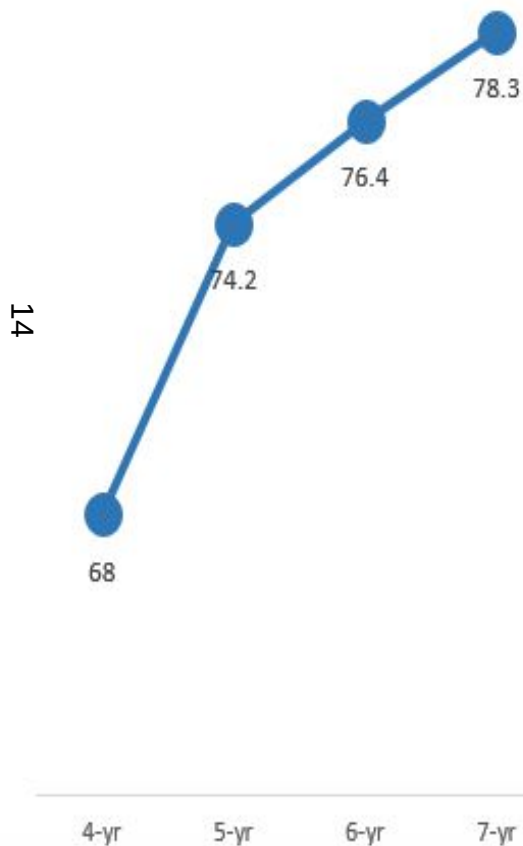
Cohort Definitions

The 5-year and 6-year graduation rates show the number of **students who took additional time to earn sufficient credits** or to meet other graduation requirements to receive a high school diploma from their district. These two extended-year graduation rates are calculated in the same way as the 4-year rate, but instead determine the percent of students graduating in five years and six years.

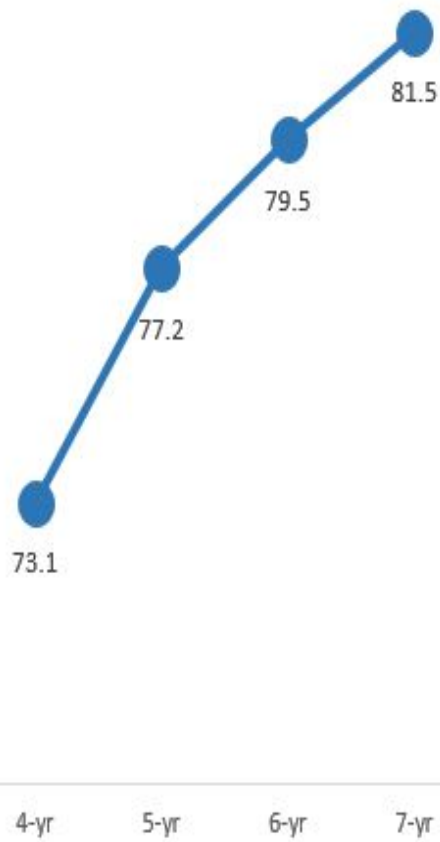
Cohorts are defined by the **expected graduating class**, and rates accrue cumulatively.



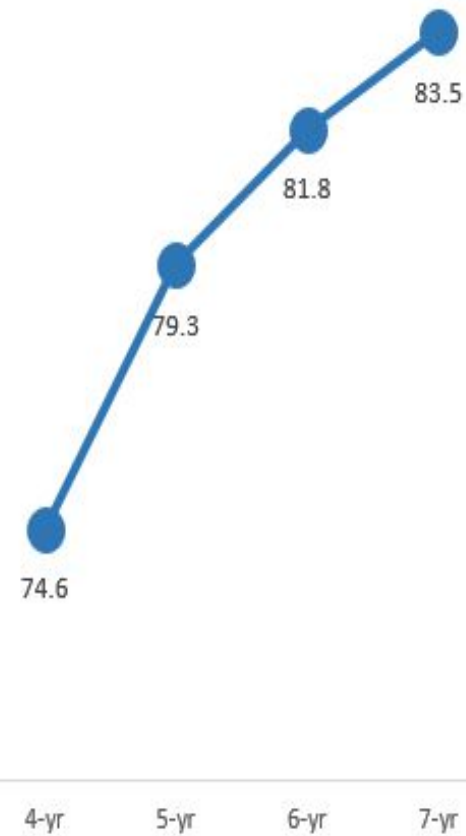
Class of 2012



Class of 2013



Class of 2014



Questions



Update on Strategic Plan Development



Committee of the Board Meeting
March 6, 2018

Mission

To provide a premier education
for all

Long Term Outcomes

- Eliminate disparities in achievement for racial groups and American Indian students
- Increase achievement of English Learners
- Increase kindergarten readiness
- Improve achievement in 3rd grade reading
- Improve achievement in 8th grade math
- Ensure all graduates are ready for career or college

Strategic Focus

Positive School and District Culture

Strategic Initiatives

Strategic Focus

Effective and Culturally Relevant Instruction

Strategic Initiatives

Strategic Focus

Program Evaluation and Resource Allocation

Strategic Initiatives

Strategic Focus

College and Career Paths

Strategic Initiatives

Strategic Focus

Family and Partner Community Advocates

Strategic Initiatives

Strategy Development Process Overview

Phase 1: Analysis (November – February)

- Environmental Scan
- Organizational Assessment
- Analyze implications

Completed

Phase 2: Strategy Development (February – June)

- Develop DRAFT strategic framework (long-term outcomes and strategic focus areas)
- **Community input sessions**
- Finalize strategic framework for Board vote at April BOE meeting
- Define strategic initiatives for presentation at June BOE meeting

Current
phase

Phase 3: Action Planning (June – December)

- Create action plans for phase 1 initiatives
- Develop monitoring and review process
- Announce complete strategic plan to SPPS community

Community Input Sessions

- The purpose of the sessions is to give feedback on the draft strategic framework
- Participants will discuss in small groups lead by a trained district facilitator
- Sessions will occur now through April 13th
- Groups can request an input session
- Districtwide community input session scheduled for March 21st



Strategy Development Process Overview

Phase 1: Analysis (November – February)

- Environmental Scan
- Organizational Assessment
- Analyze implications

Completed

Phase 2: Strategy Development (February – June)

- Develop DRAFT strategic framework (long-term outcomes and strategic focus areas)
- Community input tour
- Finalize strategic framework for Board vote at April BOE meeting
- Define strategic initiatives for presentation at June BOE meeting

Current
phase

Phase 3: Action Planning (July – December)

- Create action plans for phase 1 initiatives
- Develop monitoring and review process
- Announce complete strategic plan to SPPS community

Questions?

For more information visit: www.spps.org/strategicplan



Legislative Update

Mary Dougherty Gilbert
Legislative Liaison

Session Update

- Special Elections: two new members
- Legislative Funding Bill passed and signed
- House and Senate appointed conference committees for all major spending/tax bills
- Deadlines:
 - Policy - March 22 and March 29
 - Finance - April 20th
- Hot topics: bonding and tax conformity

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February Budget Forecast +\$329 M

- Surplus \$329 million, budget reserve at \$1.6 billion
- All revenue sources, i.e income, sales, corporate franchise up
- E-12 spending down \$54 million — \$19 million reduction in compensatory aid, and \$28 million due to reduction in special ed spending compared to forecast
- ²⁴ HHS spending also down, CHIPS adds \$255 million to forecast
- \$129 million added to fund legislature and commissions
- Next Biennium shows surplus — however \$1.2 billion more needed if add inflation
- Supplemental budget out March 15th



School Safety — Legislation

- Increase safe schools funding | support
- Expand long term facilities uses to include safety improvements | support
- Beef up background checks for gun purchases | support
- Court petition for deemed threat | support/interventions
- Threat assessment team/s | prefer district wide team
- Permit teachers to carry guns - overrides school policy on prohibition of guns | oppose

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School Safety — Legislation (cont.)

- Allow MDH to study gun violence | support
- Increase school linked mental health grants and support services personnel | support
- Multiple bills on professional code of ethics, licensing revocation for certain offenses

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E-12 Legislation

- Special Education Task Force — moving in both bodies
- PreK — Mpls/St. Paul own region, maintains commissioner authority for pathway II and funds base
- 27 • EL Increase — districts with high concentration EL Extended time for summer juvenile/corrections program
- Grow your own/teacher of color — teacher residency
- Referendum renewal without voter approval



Ed Proposals (cont.)

- Adds civics requirement and moves it to 11 and 12 grade
- No start times for secondary before 8:30 am
- Requires alternatives to suspensions
- Move administration of MCAs to May
- New school report card bill — 100 point system
- Counselors required to provide counseling for armed forces career options

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TRA and St. Paul Teacher Pension

Omnibus Pension Bill SF 2620/HF3053

- Includes funding for both St. Paul Teacher and TRA Employer Contribution increases
- Includes \$5 million direct payment to fund
- Other reform provisions benefits and earnings assumptions

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Questions?





FY 2018-2019 Budget Update Committee of the Board

March 6, 2018

Marie Schrul, Chief Financial Officer

Purpose

- To provide an update on the FY 2018-19 budget and timeline to the Committee of the Board



Agenda

- Update as of 3/6/18: The Finance Office is currently working on FY19 budget calculations for Schools & Programs
- Preliminary FY 2018-19 General Fund budget numbers & assumptions (no change)
- **Revised** Budget Adoption Calendar

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FY 2018-19 General Fund Budget

Preliminary Big Picture

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	FY18 Adopted (in \$M)	FY19 Preliminary (in \$M)	Difference (in \$M)
Revenue (current law)	\$521.4	\$528.0	\$6.6
Use of Fund Balance	0	0	0
Expenditures	\$521.4	\$545.2	(\$23.8)
Projected FY19 Shortfall	\$0	(\$17.2)	

FY 2018-19 General Fund Projected Revenue

Projected Revenue Changes:		Amount \$M
General Fund levy increase (revenue restricted to specific levy items)		\$5.3
State Aid increase (mostly due to increase in per pupil funding amount)		\$2.1
Compensatory Education decrease (based on 10/1/17 Free & Reduced lunch count)		(\$0.8)
Total FY19 Projected Revenue Increase		\$6.6

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FY 2018-19 General Fund Projected Expenditures

Projected Expenditure Changes:		Amount \$M
Inflationary impact of “rolling over” the FY 2017-18 Adopted salary & benefits budget		\$23.4
Inflationary impact of “rolling over” the FY 2017-18 Adopted non-salary budget		\$0.4
Total FY19 Projected Expenditure Increase*:		\$23.8

*Assuming all FY2017-18 budgeted expenditures are rolled forward to FY2018-19.



FY 2018-19 Budget Timeline

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Date	Description
December 19, 2017	SPPS Board of Education Certifies Pay 18 Levy for FY 2018-19
December 2017 - January 2018	FY 2018-19 Revenue & Expenditure Projections (utilizing FY19 enrollment by grade projections and preliminary 10/1/17 by school by grade enrollment numbers)
February 13, 2018	Presentation of FY19 Budget Guidelines & Preliminary FY19 General Fund budget summary at the Committee of the Board meeting
February 20, 2018	FY19 General Fund budget summary presentation at BOE meeting
February 26, 2018	REA Office & Asst Supts provide final FY19 enrollment by school by grade projections to Finance Dept
February 27-March 29, 2018	Finance prepares FY19 budget allocations & system testing (pending Feb 26 enrollment & planning criteria are received by the Finance Dept)



FY 2018-19 Budget Timeline

Date	Description
March 30, 2018	Distribute school allocations
April 6, 2018	Distribute General Fund program allocations
April 9-20, 2018	Joint FY19 Budget, Staffing, Enrollment meetings (Principals, Asst Supts, Human Resources, Finance, Title I, Student Placement)
∞ April 23- May 4, 2018	Districtwide School Budget Presentation timeline for all principals to present budget information at their sites
April 30, 2018	School budgets returned Program budgets returned HR Staffing worksheets due
June 19, 2018	FY 2018-19 Budget adopted by the Board of Education



Questions?



Fiscal Year 2017-18 Budget Revision

Marie Schrul
Chief Financial Officer
March 6, 2018



Purpose



To present information regarding the Fiscal Year
2017-18 budget revision



Agenda



- General Fund
 - Assigned Fund Balance Re-appropriation
- Fully Financed Funds
- Revenue changes - All Funds
- Expenditure changes – All Funds
- Questions



FY18 Budget Revision

(General Fund – Assigned Fund Balance Re-appropriation)

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Assigned Category	Amount	Description
Encumbrances	3,226,903	Open Purchase Order balances from FY17 carried over to FY18
Site & Program Carryover/ Fall Adjustments	3,370,628	FY17 carryover balance of non-salary items in school & program budgets, Fall 2017 enrollment adjustments
Total Assigned Fund Balance Re-appropriation	6,597,531	



FY18 Budget Revision

(Fully Financed Funds - Revenue and Expenditure Changes)

- Revision on Fully Financed funds reflects the approval of grants under \$500,000 that were not adopted in FY18 as well as revisions to adopted grants

	Description	Amount
1.	General Fund Fully Financed Increase	\$11,126,254
2.	Community Service Fully Financed Increase	\$1,188,622



FY18 Budget Revision

(All Funds - Revenue Changes)



45

Fund	Adopted Budget	Revision	Revised Budget
General Fund	\$521,446,074	\$0	\$521,446,074
General Fund Fully Financed	39,944,369	11,126,254	51,070,623
Food Service	29,366,500	0	29,366,500
Community Service	23,563,001	0	23,563,001
Community Service Fully Financed	7,409,063	1,188,622	8,597,685
Building Construction	30,994,856	0	30,994,856
Debt Service	37,860,000	0	37,860,000
Total Revenue	\$690,583,863	\$12,314,876	\$702,898,739



FY18 Budget Revision

(All Funds - Expenditure Changes)



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Fund	Adopted Budget	Revision	Revised Budget
General Fund	\$521,446,074	\$6,597,531	\$528,043,605
General Fully Financed	39,944,369	11,126,254	51,070,623
Food Service	29,366,500	0	29,366,500
Community Service	23,878,458	0	23,878,458
Community Service Fully Financed	7,409,063	1,188,622	8,597,685
Building Construction	57,618,661	0	57,618,661
Debt Service	51,592,123	0	51,592,123
Total Expenditures	\$731,255,248	\$18,912,407	\$750,167,655



FY18 Budget Revision



Questions?



FY18 Budget Revision



Recommendation:

To approve the Revised budget for Fiscal Year 2017-2018

March 5, 2018

To: Board of Directors, Saint Paul Public Schools
From: Marie Schrul, Chief Financial Officer 
Subject: Quarterly Financial Report for the quarter ending December 31, 2017

Attached are the following items for discussion at the Committee of the Board meeting on Tuesday, March 6, 2018:

- Highlights of the quarterly financial report
- Quarterly financial report for the period ending December 31, 2017
- Glossary of financial terms

I am looking forward to our discussion on this topic at Tuesday's meeting.

COB Action Item

Recommendation: Acceptance of the quarterly financial report for the period ending December 31, 2017

**SAINT PAUL PUBLIC SCHOOLS
QUARTERLY FINANCIAL REPORT**

**FOR THE PERIOD ENDING
December 31, 2017**

December 31, 2017 Quarterly Financial Report

The December 31, 2017 Quarterly Financial Report is an update to the Board of Education on the current fiscal year 2017-18 budget and it includes a projection of Revenue, Expenditures and Fund Balance as of June 30, 2018.

A budget is a living, viable document. Once the budget is adopted in June, the Board is asked 3 times during the following year to look at and approve the changes that occur in the District's revenue and expenditures in each of the 7 funds. The final determination, by fund, occurs each fall, following the acceptance of the audit report.

Reminder: The fund balance accounts within the General Fund are prescribed by the Governmental Accounting Standards Board, known as GASB 54. The unassigned fund balance in the General Fund is required to maintain a balance of 5% as referred to in Board policy. The fund balance in the Food Service fund is controlled by federal USDA regulations.

Highlights in the report include the following:

Page 1

The General Fund includes the five fund balance categories. Please refer to the financial definitions sheet for descriptions of fund balances.

General Fund revenue is projected to increase by \$5.8 m in the following areas: State aid of \$3.0 m due to an increase of regular K-12 enrollment from projected to actual (Oct 1) of 537 students; an increase of \$1.5 m in Compensatory Education revenue following a legislative formula change; and a projected increase in Special Education revenue of \$1.2 m.

General Fund expenditures are projected to be underspent by a total of \$2.5 m in the areas of: Intrасchool in the amount of \$1.6 m and overall operational savings in various sites and programs in the amount of \$0.9 m.

These changes result in a projected unassigned fund balance of 5.5%, which is within the 5% Board of Education policy.

Page 2

General Fund, Fully Financed: The Fully Financed fund must have revenue that equals expenditures. Revenue is projected to increase by \$1.3 m due to funding for the SUTR program (\$1.0m) and other grants of (\$0.3m). Expenditures are projected to be underspent by \$1.3 m, mainly in Title I. No change in fund balance is anticipated at this time.

Page 3

Food Service Fund: Revenue is projected to decrease by \$1.0 m due to a decrease in meals served (5.0% for breakfast and 2.0% for lunch). Reimbursement rates have increased by 2% to assist in offsetting the decrease. In addition, the Child and Adult Care Food Program (CACFP) has been integrated into more schools and programs this year for an increase in revenue of about \$0.5m more than last year.

Expenditures are projected to decrease by \$1.8 m. Projected reductions are in labor, food, and supply costs associated with the decrease in meals served and improvements in metrics tracking labor based on meals served per hour.

Fund balance is projected to increase by \$0.8 million.

Page 4

Community Service Fund: Revenue is projected to slightly decrease in the areas of tuition and fees. Expenditures are projected to decrease by \$0.2 m in the salary and benefit categories. Fund Balance is projected to decrease by \$0.2 m, mainly in the Restricted categories of Community Education and Adult Basic Education.

Page 5

Community Service, Fully Financed Fund: No changes to revenue are projected at this time. Expenditures are projected to increase by \$0.3 m in Community Service. Fund Balance will decrease by \$0.3 m in the Restricted category for Community Service.

Page 6

Building Construction Fund: Revenue is projected to increase by \$129.1 m from the following: 2017C Certificates of Participation issue of \$60.2m, 2018C Crosswinds Certificates of Participation issue of \$18.9m and the 2018B Certificates of Participation issue of \$50 m.

Expenditures are projected to increase by \$91.8 m as related to the Adams, Horace Mann and Humboldt projects funded by the 2017C Certificates of Participation issue and the 2018B Certificates of Participation issue and an increase in Capital Bond expenditures as related to the Facility Master Plan.

Fund Balance is projected to increase by \$10.6m. Use of funds from the 2017C and 2018B Certificates of Participation are restricted to construction approved by the Commissioner of Education in accordance with the District's Desegregation plan specific to construction at Adams Spanish Immersion, Horace Mann, Humboldt, American Indian Magnet, Obama and Phalen Lake Hmong Studies.

Page 7

Debt Service Fund: Fund balance is projected to increase by \$5.0 million due to the net effect of the escrow activity for bond refunding and the net change of revenue and expenditures.

Saint Paul Public Schools
General Fund
Results of Operations
Budget vs. Projected as of December 31, 2017

	Revised Budget	Projected	Budget Variance Favorable (Unfavorable)	
			Dollar	Percent
Fund Balance				
7/1/2017	\$92,514,781	\$92,514,781		
Revenue	\$521,446,074	527,221,582	5,775,508	1.11%
Expenditures	528,043,605	525,580,806	2,462,799	0.47%
Fund Balance				
6/30/2018		<u>\$94,155,556</u>		

Revenue

Revenue is projected to increase by \$5.8 m in the following areas: State aid of \$3.0 m due to an increase of regular K-12 enrollment from projected to actual (Oct 1) of 537 students; an increase of \$1.5 m in Compensatory Education revenue following a legislative formula change; and a projected increase in Special Education revenue of \$1.2 m.

Expenditures

Expenditures are projected to be underspent by a total of \$2.5 m in the areas of: Intrасchool in the amount of \$1.6 m and overall operational savings in various sites and programs in the amount of \$0.9 m.

Fund Balance Details

	7/1/2017	6/30/2018	Increase (Decrease)
Nonspendable			
Inventory and Prepaid Expense	1,441,906	1,300,000	(141,906)
	1,441,906	1,300,000	(141,906)
Restricted			
Operating Capital	2,741,310	3,100,000	358,690
Achievement & Integration	483,147	0	(483,147)
Teacher Development	83,626	0	(83,626)
Long Term Facilities Maintenance	0	0	0
OPEB Revocable Trust	34,476,447	35,500,000	1,023,553
	37,784,530	38,600,000	815,470
Committed			
Severance Pay	2,538,018	2,538,018	0
	2,538,018	2,538,018	0
Assigned			
Contractual Obligations	3,482,217	4,000,000	517,783
Strong Schools Initiative	7,100,000	6,500,000	(600,000)
Site Based Operations	6,078,918	6,000,000	(78,918)
Intrасchool Activities	3,215,835	3,200,000	(15,835)
	19,876,970	19,700,000	(176,970)
Unassigned			
Health and Safety	(3,768,183)	0	3,768,183
Long Term Facilities Mtc (LTFM)	(1,094,424)	0	1,094,424
Unassigned	35,735,964	32,017,538	(3,718,426)
	30,873,357	32,017,538	1,144,181
Total Fund Balance	\$92,514,781	\$94,155,556	\$1,640,775

- Unassigned fund balance is estimated to be \$32 million in the General Fund.
- Projected UFARS General Fund expenditures for the year are \$577.9 million.
- Unassigned fund balance on 06/30/18 of \$32 million represents 5.5% of current year expenditures which is within the limit of current Board policy.

Saint Paul Public Schools
Fully Financed General Fund
Results of Operations
Budget vs. Projected as of December 31, 2017

	Revised Budget	Projected	Budget Variance Favorable (Unfavorable)	
			Dollar	Percent
Fund Balance 7/1/2017	\$135,083	\$135,083		
Revenue	51,070,623	52,351,332	1,280,709	2.51%
Expenditures	51,070,623	52,351,332	(1,280,709)	(2.51%)
Fund Balance 6/30/2018		<u>\$135,083</u>		

Revenue

Revenue is projected to increase by approximately \$1.3 m due to funding for the SUTR program of \$1.0 m and other misc grants of \$0.3 m.

Expenditures

Expenditures are projected to be underspent by \$1.3 m, mainly in Title I.

Fund Balance

Fund Balance is projected to remain unchanged.

Saint Paul Public Schools
Food Service Fund
Results of Operations
Budget vs. Projected as of December 31, 2017

	Revised Budget	Projected	Budget Variance Favorable (Unfavorable)	
			Dollar	Percent
Fund Balance 7/1/2017	\$5,711,180	\$5,711,180		
Revenue	29,366,500	28,366,837	(999,663)	(3.4%)
Expenditures	<u>29,366,500</u>	<u>27,582,231</u>	<u>1,784,269</u>	<u>6.1%</u>
Fund Balance 6/30/2018		<u><u>\$6,495,786</u></u>		

Revenue

Revenue is projected to decrease by \$1.0 m due to a projected decrease in meals served this year. The projection for meal participation is (5.0%) for breakfast and (2.0%) for lunch based on reviewing statewide attendance & District adjusted enrollment data. Reimbursement rates have increased this year about 2% to offset some of the revenue decreases. In addition, the Child and Adult Care Food Program (CACFP) has been integrated into more schools and programs this year for an increase in revenue of about \$0.5m more than last year.

Expenditures

Expenditures are projected to decrease by \$1.8 m. Projected reductions are in labor, food, and supply costs associated with the decrease in meals served and improvements in metrics tracking labor based on meals served per hour.

Fund Balance

Fund balance is projected to increase by \$0.8 m.

**Saint Paul Public Schools
Community Service Fund
Results of Operations
Budget vs. Projected as of December 31, 2017**

	Revised Budget	Projected	Budget Variance Favorable (Unfavorable)	
			Dollar	Percent
Fund Balance 7/1/2017	\$2,846,753	\$2,846,753		
Revenue	23,563,001	23,514,113	(48,888)	(0.2%)
Expenditures	23,878,458	23,719,130	159,327	0.7%
Fund Balance 6/30/2018		<u>\$2,641,736</u>		

Revenue

Revenue is projected to slightly decrease in the areas of tuition and fees.

Expenditures

Expenditures are projected to decrease by \$0.2 m in the salary and benefit categories.

Fund Balance

Fund Balance is projected to decrease by \$0.2 m, mainly in the Restricted categories of Community Education and Adult Basic Education.

Saint Paul Public Schools
Fully Financed Community Service Fund
Results of Operations
Budget vs. Projected as of December 31, 2017

	Revised Budget	Projected	Budget Variance Favorable (Unfavorable)	
			Dollar	Percent
Fund Balance 7/1/2017	\$1,008,464	\$1,008,464		
Revenue	8,597,685	8,597,685	0	0.0%
Expenditures	8,597,685	8,885,552	(287,867)	(3.3%)
Fund Balance 6/30/2018		<u>\$720,597</u>		

Revenue

No changes to revenue are projected at this time.

Expenditures

Expenditures are projected to increase by \$0.3 m in Community Service.

Fund Balance

Fund Balance will decrease by \$0.3 m in the Restricted category for Community Service.

Saint Paul Public Schools
Building Construction Fund
Results of Operations
Budget vs. Projected as of December 31, 2017

	Revised Budget	Projected	Budget Variance Favorable (Unfavorable)	
			Dollar	Percent
Capital Bond Issues	\$20,805,924	\$20,805,924		
LTFM	0	0		
Certificates of Participation	9,715,008	9,715,008		
Fund Balance 7/1/17	30,520,932	30,520,932		
Capital Bond Issues	15,000,000	15,010,000	10,000	
LTFM	15,994,856	15,994,856	0	
Certificates of Participation	0	129,092,088	129,092,088	
Revenue	30,994,856	160,096,944	129,102,088	
Capital Bond Issues	23,000,000	55,330,787	(32,330,787)	
LTFM	15,994,856	15,994,856	0	
Certificates of Participation	18,623,805	78,115,709	(59,491,904)	
Expenditures	57,618,661	149,441,352	(91,822,691)	
Capital Bond Issues	12,805,924	(19,514,863)		
LTFM	0	0		
Certificates of Participation	(8,908,797)	60,691,387		
Fund Balance 6/30/18		\$41,176,524		

Revenue

Revenue is projected to increase by \$129.1 m from the following: 2017C Certificates of Participation issue of \$60.2m, 2018C Crosswinds Certificates of Participation issue of \$18.9m and the 2018B Certificates of Participation issue of \$50 m.

Expenditures

Expenditures are projected to increase by \$91.8 m related to the Adams, Horace Mann and Humboldt projects funded by the 2017C Certificates of Participation issue and the 2018B Certificates of Participation issue and an increase in Capital Bond expenditures as related to the Facility Master Plan.

Fund Balance

Fund Balance is projected to increase by \$10.6m. Use of funds from the 2017C and 2018B Certificates of Participation are restricted to construction approved by the Commissioner of Education in accordance with the District's Desegregation plan specific to construction at Adams Spanish Immersion, Horace Mann, Humboldt, American Indian Magnet, Obama and Phalen Lake Hmong Studies.

Saint Paul Public Schools
Debt Service Fund
Results of Operations
Budget vs. Projected as of December 31, 2017

	Revised Budget	Projected	Budget Variance Favorable (Unfavorable)	
			Dollar	Percent
Fund Balance	\$8,995,916	\$8,995,916		
Escrow Balance	50,101,593	50,101,593		
7/1/2017	59,097,509	59,097,509		
Revenue	37,860,000	38,893,856	1,033,856	
Refunding - Escrow	0	17,842,524	17,842,524	
	37,860,000	56,736,380	18,876,380	
Expenditures	36,382,123	36,514,305	(132,182)	
Escrow Payments	15,210,000	15,210,000	0	
	51,592,123	51,724,305	(132,182)	
Fund Balance	10,473,793	11,375,467		
Escrow Balance	34,891,593	52,734,117		
6/30/2018		\$64,109,584		

Revenue

Revenue is projected to increase by \$18.9 m related to the 2017D Refunding issue, an increase in interest revenue and cell tower rental revenue.

Refunding - Escrow Activity

The 2017D General Obligation School Building Refunding Bonds were issued with proceeds placed in Escrow as required by bond covenants. Escrow payments related to the 2017D Refunding issue will pay interest on the issue and principal for the 2011A issue of \$16.7m on February 21, 2021.

Expenditures

Expenditures are projected to increase by \$0.1 m due to issuance costs for the 2017D General Obligation School Building Refunding Bonds.

Fund Balance

Fund Balance is projected to increase by \$5.0 m, of which \$2.6 m is added to Escrow fund balance. The remaining \$2.4 m is added to the District's Restricted Debt Service Fund balance for future Board approved debt obligations.

Saint Paul Public Schools

Quarterly Report Financial Definitions

Reporting Funds

General Fund

- Consists of all activities that are not accounted for in a special purpose fund. The activities include all regular and special education classroom activities, student and district support services, as well as building and grounds operations and maintenance

General Fund Fully Financed

- Contains budgets with outside funding sources and specific uses. An outside funding source is either a private, state or federal grant or contract for services
- Most grants and contracts require specific financial reporting to ensure that funds are expended within the agreement's terms and conditions

Food Service Fund

- Must be established in a district that maintains a food service program for students
- Food Services are those activities which have as their purpose the preparation and serving of regular and incidental meals, lunches and snacks in connection with school activities

Community Service Fund

- Must be established in a district that provides services to residents in the areas of: Adult Basic Education, Early Childhood Family Education, School Readiness, School Age Care, Adults with Disabilities, general enrichment, youth and senior programs, recreation and other similar services

Community Service Fully Financed

- Contains budgets with outside funding sources and specific uses. An outside funding source is either a private, state or federal grant, or contract for services
- Most grants and contracts require specific financial reporting to ensure that funds are expended within the agreement's terms and conditions

Construction Fund

- Records financial activity relating to a building construction program resulting from the sale of general obligation bonds or certificates of participation by a School District
- Building Construction funds are held in trust and expended only for authorized projects
- Resources may be used for general construction, building additions, architectural and engineering costs or equipment

Debt Service Fund

- Must be established in a district that has outstanding bonded indebtedness, for building construction or operating capital
- Must record activity for initial or refunded bonds. The School Board may authorize the investment of debt funds in certain types of securities as specified by law. The earnings accrued from such investments become a part of the Debt Service Fund

Governmental Accounting Standards Board (GASB) 54 Fund Balance Designations and Definitions

Non-Spendable Fund Balance

- includes amounts not in spendable form (inventory, prepaid expenditures) or
- amounts that are legally or contractually required to be maintained intact

Restricted Fund Balance

- includes amounts that are subject to externally enforceable legal restrictions outside the control of the local government (ex: OPEB trust, ALC)

Committed Fund Balance

- includes amounts constrained for a specific purpose by a government using its highest decision-making authority (School Board). Action by the same group would be required to change the constraints placed on these resources. The action to commit fund balances must occur prior to fiscal year end (ex: Severance)

Assigned Fund Balance

- includes amounts constrained with the intent to be used for a specific purpose. Intent is expressed by the School Board or by a body (committee) or individual authorized by the governing body (ex: School Carryover, SSSC 2.0 initiatives, Contractual Obligations which are mainly encumbrances, i.e. purchase orders that are pending, but not paid by 6/30)

Unassigned Fund Balance

- includes amounts not classified as non-spendable, restricted, committed or assigned
- Board Policy sets the minimum at 5% of the annual General Fund expenditures for that fiscal year