



FY17 General Fund Budget Update

Board of Education
May 17, 2016

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Chief Financial Officer



Purpose

To provide an update on the FY 2016-2017
General Fund budget to the Board of Education



Strong Schools, Strong Communities 2.0

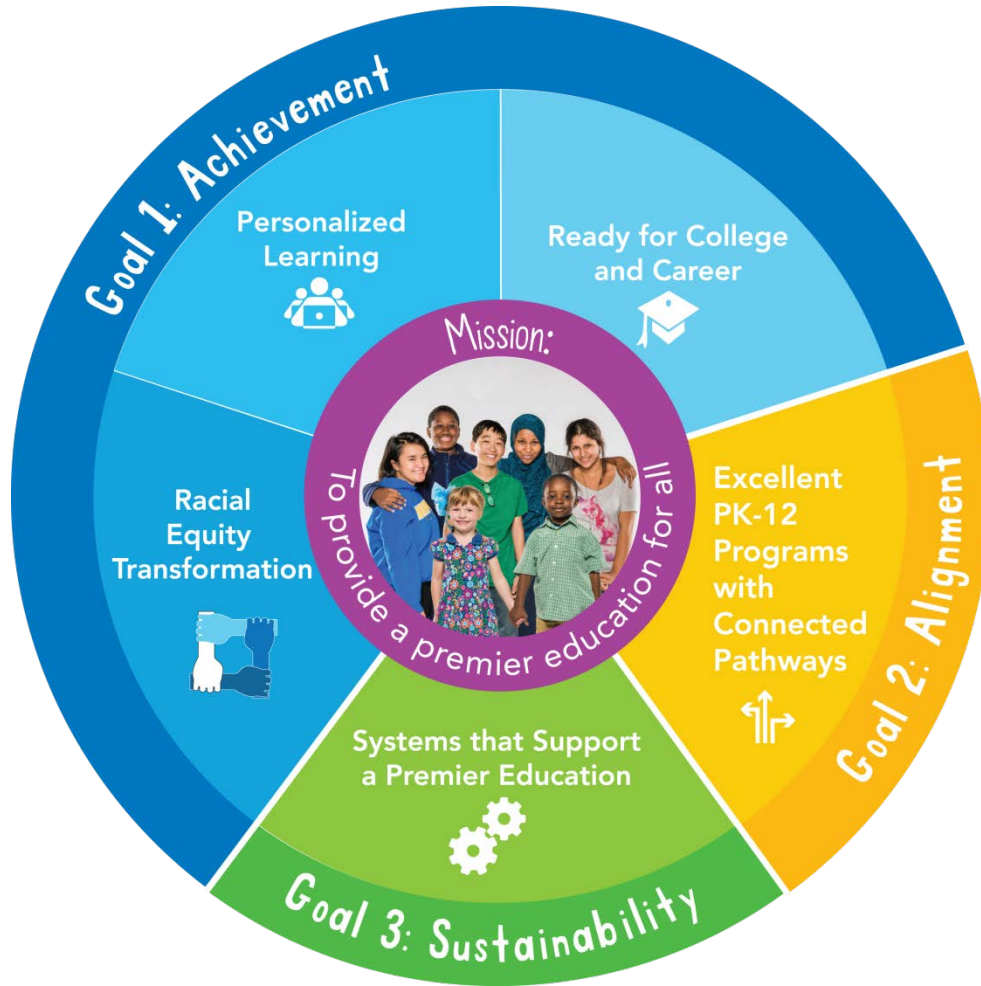
Goal 1: Achievement for all students

Goal 2: Alignment of school programs

Goal 3: Sustainability to optimize classroom resources and academics



SSSC 2.0 Focus Areas



Focus Areas

- Racial Equity Transformation
- Personalized Learning
- Ready for College and Career
- Excellent PK-12 Programs with Connected Pathways
- Systems that Support a Premier Education



FY 2016-17 Budget Guidelines

- SSSC 2.0 Plan is first consideration in funding.
- Class size ranges will determine teacher FTEs.
- Budget built on current laws.
- Blended Site-Based and Centralized funding method will be used for schools.
- A table detailing the average salary and benefits will be provided for budget preparations.
- **The budget should maintain an unassigned fund balance of at least five percent (5%) of the general fund expenditures in accordance with the BOE policy.**
- Non-School programs will be reported into three (3) categories: Central Administration, District-wide Support, and School Service Support.
- Fully Financed budgets with anticipated revenues and expenditures over \$500,000 for the 2016-2017 school year will be included in the Adopted budget.
- The FY 2016-17 budget must be approved by the Board of Education by June 30, 2016.

The Adopted budget will be published on the Business Office website (<http://businessoffice.spps.org/2016-17>).

General Budget Information

- FY 2016-17 General Fund revenue is projected to decrease by 4.6m (Comp Ed, Enrollment)
- The budget meets required contractual obligations
- All schools do not receive the same amount of money per pupil because:
 - Some school funding is categorical (it has specific criteria on its spending)
 - Funding for Comp Ed and Title I follow the students on a one year delay (previous year's Oct 1 count)
 - Higher poverty schools have greater access to categorical dollars than lower poverty sites
- School enrollment affects the dollars allocated



FY 2016-17 General Fund Preliminary Big Picture

	FY16 Adopted (in millions)	FY17 Preliminary (in millions)	Difference	% Change
Revenue	\$522.8	\$518.2	\$ (4.6)	(0.88%)
Use of Fund Balance	2.5	0	(2.5)	(100.0%)
Expenditures	525.3	533.3	(8.0)	(1.50%)
Balance	\$0	(\$15.1)		



FY 2016-17 General Fund Factors Impacting Shortfall

Item	Amount \$M
Projected Shortfall (as of 1/19/16)	(\$9.3)
Contractual commitments	(3.5)
Compensatory Revenue decrease	(1.1)
Gen Ed Revenue decrease (2/29 Projected enrollment)	(1.2)
Total Shortfall	(\$15.1)



FY17 Proposed General Fund Big Picture – Expenditures

Area	FY16 Adopted	FY17 Proposed	Change	Percent Change
Schools	\$253,330,183	\$247,561,456	(\$5,768,727)	(2.3%)
School Service Support	175,987,186	178,085,557	2,098,371	1.2%
District-wide Support	91,793,916	88,841,120	(2,952,796)	(3.2%)
Central Administration	4,154,590	3,692,306	(462,284)	(11.1%)
Total	\$525,265,875	\$ 518,180,439		



FY17 Proposed General Fund Budget Reductions of Central Administration Programs

Program Category	FY16 Adopted	FY17 Proposed	Reduction Amount	Reduction %	Inflation Amt Not Allocated	% Total Reduction
Central Administration	\$4,154,590	\$3,692,306	(\$462,284)	(11.1%)	(\$73,742)	(12.9%)

- Board of Education
- Superintendent’s Office
- Chief Executive Officer
- Chief Academics Officer
- Chief of Operations
- General Counsel
- Office of Elementary and Secondary Education
- Chief of Engagement

Departments with a 20% or more reduction:

- Chief Executive Officer (25%)
- Chief of Operations (100%)
- Office of Elementary and Secondary Education (21%)

Departments with an increase:

- Board of Education 18%





FY17 Proposed General Fund Budget Reductions of District-wide Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Difference Amount	% Change	Inflation Amt Not Allocated	% Total Change
District-wide Support	\$91,793,916	\$88,841,120	(\$2,952,796)	(3.2%)	(\$1,311,404)	(4.7%)

- Finance
- Enterprise Resource Planning
- Office of Equity
- Out for Equity
- Multicultural Resource Center
- Family & Community Engagement

- Communications
- MIS
- Human Resources
- Research & Evaluation
- Referendum Technology
- Technology Infrastructure

- Grounds
- Custodial
- Safety & Security
- Facility Planning/Leases/Health & Safety
- Employee Benefits
- Insurance
- Utilities
- Operations & Maintenance

Departments with a 9% or more reduction:

- Family & Community Engagement
- Communications
- Research & Evaluation

No departments received an increase





FY17 Proposed General Fund Budget Reductions of School Service Support Programs

Program Category	FY16 Adopted	FY17 Proposed	Amount of Increase	Increase %	Inflation Amt Not Allocated	% Total Reduction
School Svc Support	\$175,987,186	\$178,085,557	2,098,371	1.2%	(\$2,678,066)	(0.01%)

- Student Placement
- Indian Education
- Valley Branch
- Am Indian Studies
- TDAS
- MLL
- Substitutes

- Referendum Family Ed
- School to Work
- Special Education
- Third Party Reimb.
- Instructional Services
- Staff Development
- Leadership Development

- Counseling/Guidance
- OCCR
- Student Wellness
- Alt to Suspension
- Transportation***
- Referendum – PLTT
- Peer Assistance/Review
- Career in Education
- Pre-K Support
- Achievement Plus
- Athletics

Departments with an increase:

- Transportation 8%
- Indian Education/American Indian Studies 9%

All other departments were reduced between 1.3%-18.6%





FY17 General Fund Recommendations to Address Projected Shortfall of **\$15.1 million**

Description	Amount (\$M)
Eliminating the proposed 2017 contribution to the Other Post Employment Benefits (OPEB) trust	1.0
No annual inflationary increases for central administration & departments	4.1
Targeted reductions for central administration & departments	3.9
Eliminating job-embedded PD at non-Priority elementary, K-8 and 6-8 sites (restored \$3.0 m to sites on 4/25/16 to address funding challenges with specialized programs and class size)	4.5
Use of Fall Adjustment funding	1.8
Offering an early retirement incentive (not offering as of 4/25/16)	0
Total	\$15.3





Funding the Schools

Funding for SSSC 2.0



Funding Priorities

- Maintain the reduced class size agreement
- Every elementary student will have access to Art or Music and Physical Education
- 1,800 students are participating in full or half day 4-year old programming
- More access to technology for students and staff
- Every school has access to a field tech and all middle and high schools have technology integrationists to support personalized learning
- Significantly increased support services for students with additional social workers, counselors, school psychologists and nurses
- Investing in restorative practices pilot programming
- SSSC 2.0 Program Articulation



FY17 Proposed General Fund School Allocations

Area	FY16 Adopted	FY17 Proposed	Change	Percent Change
Schools	\$253,330,183	\$247,561,456	(\$5,768,727)	(2.3%)

- An additional \$2.3 million in Title I funds are being allocated among 53 of our 56 Title I schools
- Of the \$5.8 million reduction, \$1.2 million is related to a projected enrollment decrease and \$1.1 of Compensatory Education revenue loss (categorical revenue directly allocated to sites based on free & reduced lunch counts)
- Since fiscal year 2011-2012, an additional \$32 million of funding has been added to schools



SSSC 2.0 Class Size Ranges Higher Poverty Sites

Grade	FY17 Target Ranges
Pre-K	20
KG	20 – 24
1 – 3	22 – 25
4 – 5	25 – 28
6 – 8	29 – 33
9 - 12	30 - 35

Higher Poverty threshold is the top 30 schools per the teacher's contract



SSSC 2.0 Class Size Ranges Lower Poverty Sites

Grade	FY17 Target Ranges
Pre-K	20
KG	22 - 26
1 – 3	22 – 27
4 – 5	25 – 29
6 – 8	29 – 35
9 - 12	30 - 37



FY2016-17 Site Staffing Criteria

Site Configurations

- Pre-K – 5
- K – 8
- Dual Campus
- 6 – 8
- 6 – 12
- 9 - 12

Staffing Categories

- Principal
- Assistant Principal
- Administrative Intern
- Teachers
- Clerks
- Counselors
- Library Media Specialists
- Nurses
- Social Workers
- Psychologists
- MLL Teachers
- Library Support (EA or TA)
- SSSC 2.0 Site Staff for Program Articulation



FY 2016-17

Budget Adoption Calendar

Date	Description
November-December 2015	Community budget presentations (Introduction to School District Finance & SPPS Budget)
November – February 2016	FY 2016-17 budget planning meetings (Supt, Asst Supts, Finance, Cabinet, Program Administrators, Principals)
December 15, 2015	SPPS Board of Education Certifies Pay 16 Levy for FY 2016-17
January 2016	FY 2016-17 Revenue & Expenditure Projections
February 2016	SPPS Hyperion (new budget planning system) Go Live
February 5, 2016	REA Office provides preliminary FY17 enrollment projections
February 29, 2016	REA Office provides final FY17 enrollment projections to Finance
March 7, 2016	Presentation to District leadership at Cabinet meeting



FY 2016-17

Budget Adoption Calendar

Date	Description
March 8, 2016	Presentation of the FY 2016-17 Preliminary General Fund budget to the Committee of the Board
April 17-19, 2016	Distribute school allocations Distribute General Fund program allocations
April 18 – April 29, 2016	Joint budget & staffing meetings (Principals, Human Resources & Finance)
April 14-June 21, 2016	Community engagement budget presentations
April 29, 2016	School budgets returned Program budgets returned HR Staffing worksheets due
June 21, 2016	FY 2016-17 Budget adopted by Board of Education





Engagement Information

- Principal toolkit includes:
 - Allocation worksheet with directions and supporting documentation
 - Talking Points
 - Powerpoint draft that can be tailored to site to use with staff and community
 - Budget Video
- Business office website (businessoffice.spps.org)
 - FAQ & who to contact
 - Board presentations posted in Budget section
- Community meetings scheduled through Office of Family & Community Engagement (dates on next slide)

MN STATUTE 123B.77 ACCOUNTING, BUDGETING, AND REPORTING REQUIREMENT

Subd. 4. Budget approval.

Prior to July 1 of each year, the board of each district must approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted must be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.



FY 2013-14 MDE District/Site Level Expenditure Report

Fiscal Year 2014 MDE District/Site Level Expenditures & UFARS REPORTING

	Minneapolis	Anoka-Hennepin	Osseo	Saint Paul
Students Served	37,990.67	37,760.82	20,823.53	39,569.87
GF Expenditures	536,856,339.51	418,508,538.97	240,079,776.21	565,927,855.92
School Expenditures	369,778,676.14	321,505,981.02	148,114,980.03	409,959,631.94
School % of GF	68.88%	76.82%	61.69%	72.44%
Program Expenditures	167,077,663.37	97,002,557.95	91,964,796.18	155,968,223.98
Program % of GF	31.12%	23.18%	38.31%	27.56%
District Administration	28,812,553.76	12,744,444.45	7,239,351.47	22,184,330.19
Admin % of GF	5.37%	3.05%	3.02%	3.92%

Administration Expenditures:

- Data is from fiscal year 2013-14
- Comparison should be based on size of District & % of total General Fund
- St. Paul Administration expenditures include Other Post Employment Benefits (OPEB), St Paul Teachers Retirement Fund payment (per legislation, unique to St. Paul), one-time only HR/Finance system implementation costs
- The FY 2016-2017 allocation (same comparison) is \$19.9 million, or down 10%

Questions?