



Saint Paul
PUBLIC SCHOOLS

Saint Paul Public Schools FY24 Budget and Beyond

October 2023

Today's Topics

Overview of the SPPS Total Budget

FY24 SPPS General Fund Revenue

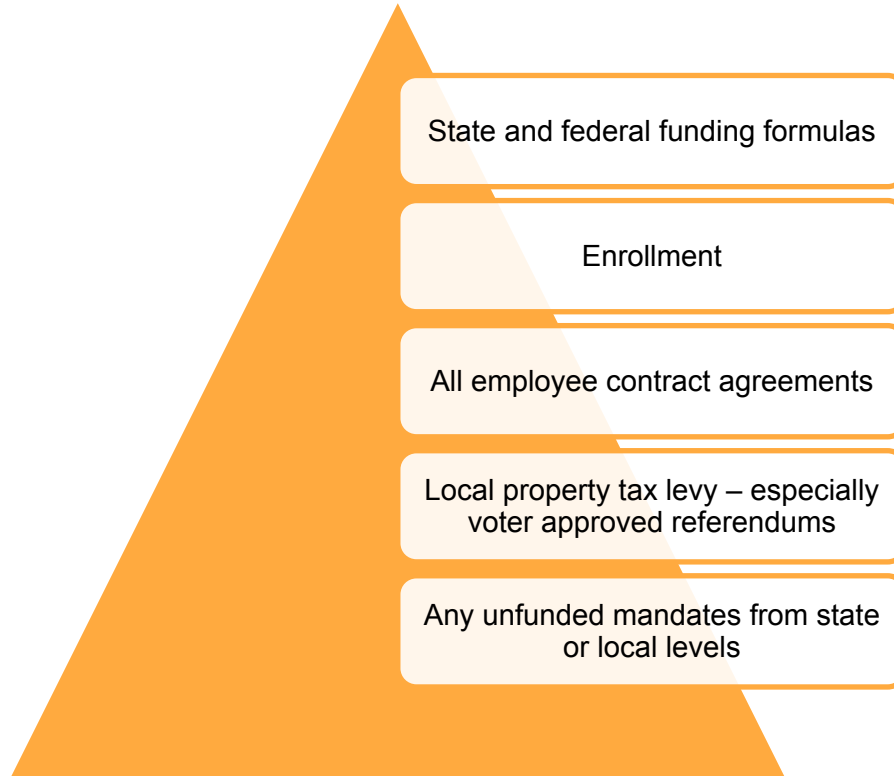
FY24 SPPS General Fund Expense

FY24 SPPS Fund Balance

FY25 & Beyond: The Challenge Ahead of Us

SPPS Total Budget

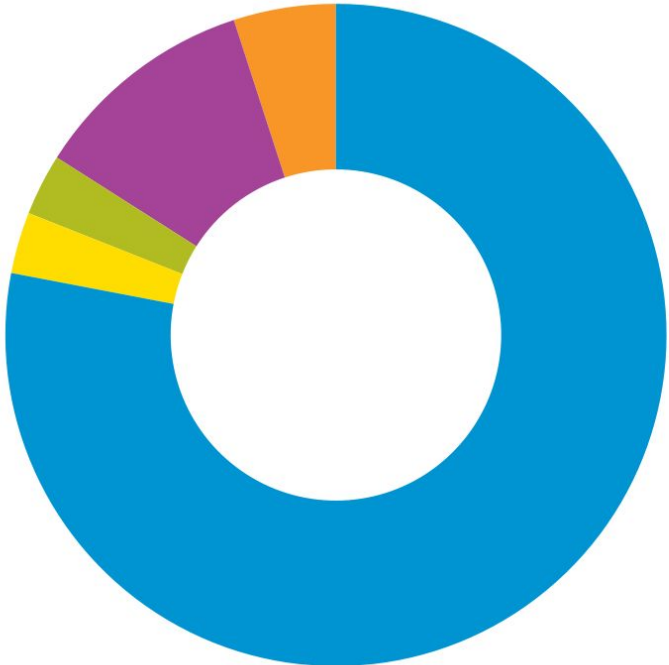
Key Drivers to School District Budgets



Current Assumptions and Parameters for Fiscal Year 24

- State funding formula: Base allocation, Special Ed, EL cross subsidy, and Compensatory Aid
- Enrollment
- Employment contract agreements
- Unemployment insurance and Family and Medical Leave
- Continued investments in the strategic plan, comprehensive school structures, ESSER strategies, and new opportunities such as East African Magnet School
- Anticipated general fund deficit spend in FY24 that will keep district in compliance with Board policy of maintaining at least a 5 percent fund balance

FY24 Expense by Fund



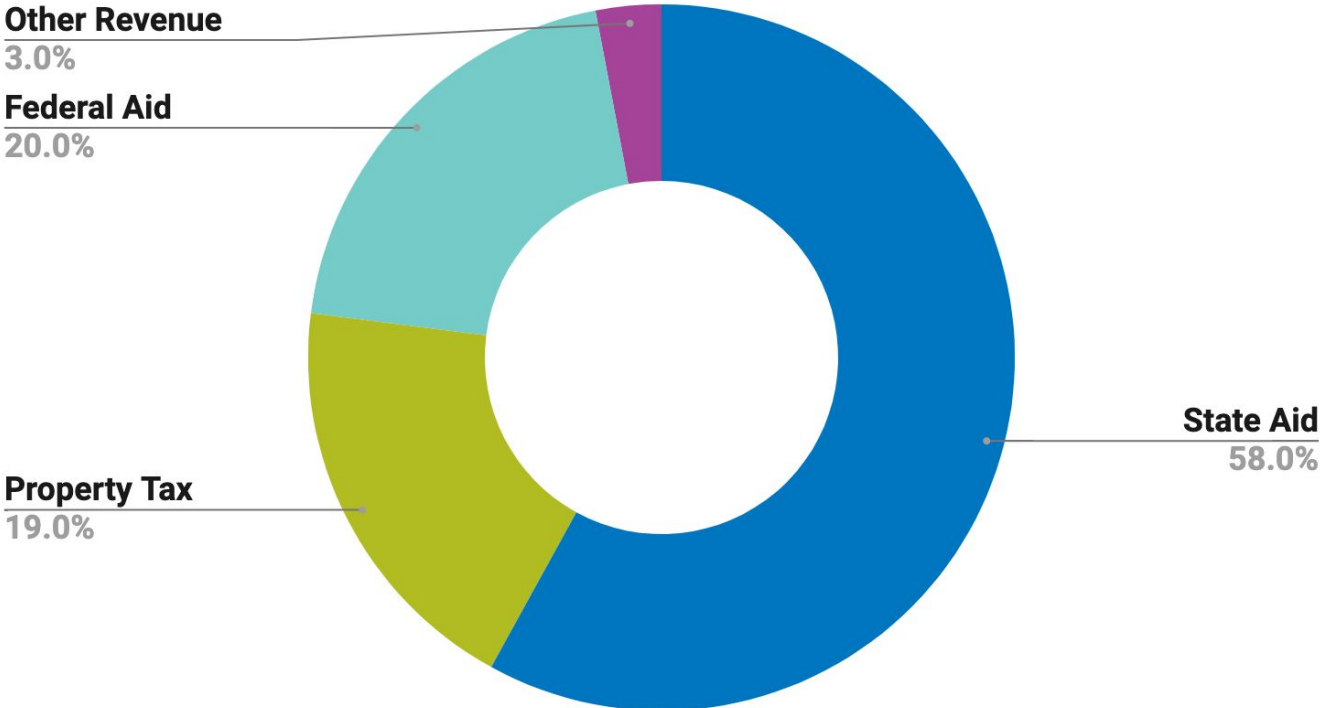
- General Fund (78%)
- Food Service (3%)
- Community Service (3%)
- Building Construction (11%)
- Debt Service (5%)

Summary All Funds - Fund Balance Budget

	Beginning Fund Balance	FY24 Proposed Revenue Budget	FY24 Proposed Expense Budget	Projected Ending Fund Balance
General Fund	\$165,721,421	\$766,654,615	\$801,094,756	\$131,281,280
Food Service Fund	7,580,115	28,782,398	33,615,465	2,747,048
Community Service Fund	12,071,056	33,635,320	35,149,600	10,556,776
Capital Projects Fund	125,279,340	135,000,000	114,685,153	145,594,187
Debt Service Fund	48,424,260	56,763,413	51,333,088	53,854,585
Total – All Funds	\$359,076,192	\$1,020,835,746	\$1,035,878,062	\$344,033,876

FY24 General Fund Revenue

FY24 General Fund Revenue Sources



FY24 General Fund Revenue

	FY 2022-23 Adopted Budget	FY 2023-24 Proposed Budget	Difference
State Revenue	\$297,069,681	\$288,706,481	\$(8,363,200)
Levy	143,841,363	147,199,735	3,358,372
Compensatory Ed	54,578,042	71,175,991	16,597,949
Special Education	62,000,000	86,086,729	24,086,729
Federal Revenue	153,226,223	154,040,421	814,198
Other Revenue	8,513,618	19,445,258	10,931,640
Total	\$719,228,927	\$766,654,615	\$47,425,688

FY24 General Fund Expense

FY24 General Fund Expense



- **Administration Support Services (8%)**
- **Student Programs & Services (76%)**
- **Maintenance Operations, Equipment & Other Fiscal Expense (16%)**

FY23 to FY24 Budget Comparisons

	FY23	FY24	Percent Change
Total General Fund Budget	\$761,358,394	\$801,094,756	5%
Administration Support Services	\$91,363,007	\$64,087,580	-29.9%
Student Programs & Services	\$563,405,212	\$608,832,015	8.1%
Maintenance, Operations, Equipment & Other Fiscal Expense	\$106,590,175	\$128,175,161	20.25%

FY24 General Fund Expense

	FY 2022-23 Adopted Budget	FY 2023-24 Proposed Budget	Percent Change
School Sites	\$419,941,289	\$454,013,719	8%
School Support Services (counselors, social workers, assistant principals, curriculum, education technology)	186,736,862	203,738,110	9%
Maintenance Operations, Equipment & Other Fiscal Expense (include examples)	78,415,876	101,845,377	30%
Districtwide Support Services (HR, tech services, communications, finance)	26,336,471	34,711,505	31%
Administration (BOE, Superintendent, principals, lead clerks)	7,798,426	6,786,045	-13%
Total	\$719,228,924	\$801,094,756	11%

FY24 Fund Balance

Results of Budget Parameters: Revenue

Basic State Aid Allowance	\$9,432,288
SPED and EL Cross Subsidy	\$24,766,988
Compensatory Aid	\$16,597,949
Library and Student Support	\$963,776
Unemployment insurance aid	\$2,025,000
Total New State Revenue for FY24	\$53,786,001

Results of Budget Parameters: Expense

Forecasted enrollment decline	-\$12,848,000
All employment contract agreements	-\$17,856,000
Inflation on all operating purchases	-\$7,300,000
Unemployment insurance and FML	-\$7,572,308
Continued investments in comprehensive school funding and maintenance of existing ESSER II services	-\$22,959,904
Districtwide investments (new school programs, student supports, teacher recruitment, yellow buses, safety and security measures)	-\$19,689,930
Total Investments and Offsets	-\$88,226,142

Summary of New Revenue and Expense for FY24

Total new state revenue	\$53,786,001
Total investments and offsets	-\$88,226,142
Change in FY24 Fund Balance	-\$34,440,141

FY24 Proposed Revenue Budget	FY24 Proposed Expense Budget	Change in FY24 Fund Balance
\$766,654,615	\$801,094,756	-\$34,440,141

Summary of Key Points for FY24 Budget

1. Increases in new state aid revenue are positive. Some of that is offset by revenue loss due to declining enrollment and ESSER II funding expiring.
2. District plans to draw down part of its general fund balance to maintain existing programming, student supports and new initiatives.
3. Unassigned general fund balance is anticipated to be 5.12 percent at the end of FY24. This remains in compliance with School Board Policy 701.01.
4. ESSER III funds will expire after FY24. SPPS anticipates budget prioritization and realignment for FY25.
5. Anticipated increase in construction fund revenue is based on anticipated bond sale in early FY24 to continue SPPS Builds initiatives.

General Fund Balance: Past

Total General Fund
Balance
June 30, 2022

\$165,513,015

Restricted Fund
Balance
June 30, 2023

\$92,008,996
restricted by Statute

Unassigned Fund
Balance
June 30, 2022

\$73,504,019
10.2% of General Operations

\$47,722,136 of this is restricted
for the OPEB Trust

The Challenge Ahead of Us

General Fund Balance: FY23

- FY23 financial results are currently in the annual audit process.
- Based on final FY23 budget approved in April 2023, ending unassigned general fund balance on June 30, 2023, is anticipated to be \$73,712,425.
- This is 9.7 percent of general operating, or 35 days of general operating.
- Auditor guidelines for a school district is to have between 8 and 16 percent unassigned general fund balance or a minimum of 30 days of general operating.

General Fund Balance: FY24

- As referenced earlier, the district plans to deficit spend in FY24 by \$34.4 million.
- This will decrease the general unassigned fund balance to 5.12 percent, or 19 days of general operating.
- Having expenses come into alignment with revenues to create a balanced budget will be required for the 2024-2025 year.

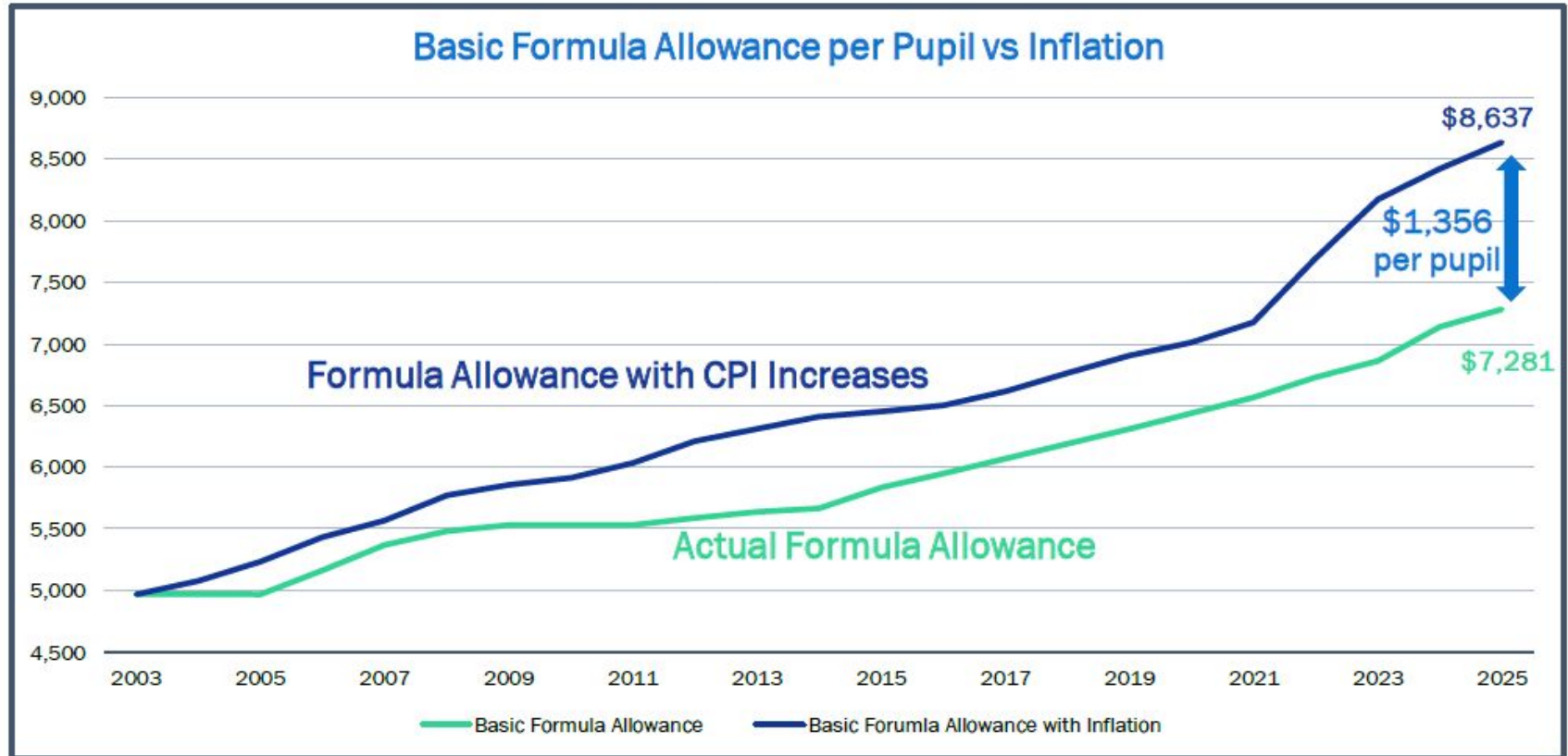
General Fund: FY24

- In addition, the district currently has \$114.2 million budgeted in FY24 for positions, services, and programs using ESSER III (ARP) funds.
- These federal funds will expire in September 2024, and the district will no longer have access to this revenue stream.

The Challenge and Task for FY25 and Beyond

- The district plans to deficit spend in FY24 by \$34.4 million. Left unchecked, with inflation, this deficit would grow to \$36.1 million in FY25.
- Combined with this, the district currently has \$114.2 million budgeted in FY24 for staff, services and programs using ESSER III (ARP) funds, which expire in September 2024.
- **Therefore, based on current data, the district will have at least a \$150.3 million budget shortfall for FY25.**

The Challenge and Task (continued...)



Other factors that could alter current financial outlook

- Enrollment stabilizing, or possibly increasing.
- FY23 final audit results and change in fund balance
- Supplanting unspent ESSER III funds on existing positions currently not funded through ARP in FY24
- Employment contract settlements
- Spending choices and budget control for the current FY24 year.
- Any new funding from state or federal level...???

Questions?

Thank You!