

The Budget.

For the 2015-2016 fiscal school year.



MINNEAPOLIS
PUBLIC SCHOOLS

Urban Education. Global Citizens.

**Minneapolis Public Schools
Special School District No. 1**

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District Overview

Minneapolis Public Schools promises an inspirational education experience in a safe, welcoming environment for all diverse learners to acquire the tools and skills necessary to confidently engage in the global community.

Our Mission: To ensure that all students learn. We support their growth into knowledgeable, skilled and confident citizens capable of succeeding in their work, personal and family lives into the 21st century.

Our Vision: Every child college and career ready.

Theory of Action: Schools are the unit of change.



Our Students

As a large urban school district, with a very diverse student population, we often experience trends and challenges first.

Our new strategic plan offers the opportunity to take bold action to close the achievement gap and provide the education that all children need to take their place in the world as they move on to higher education and the careers of the future. We are taking action by accelerating a shift in funding, priorities and programs system-wide to improve outcomes for students and families.

The state of Minnesota uses a weighted student formula for enrollment based revenue streams, providing different funding for students at different grade levels. The current weights are:

- Kindergarten – Grade 6 = 1.0
- Grades 7-12 = 1.2

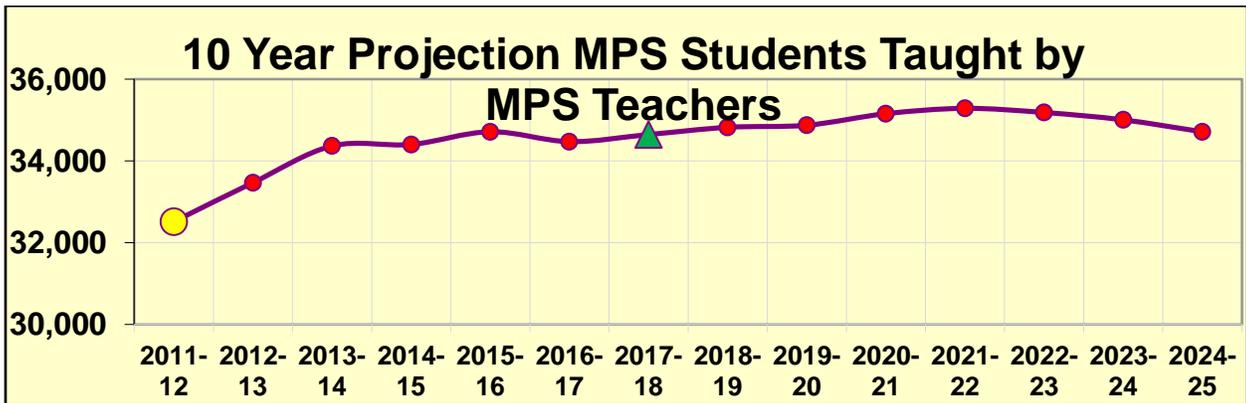
Enrollment based revenue streams are based on a formula using Adjusted Pupil Unit. The school district reports how many students at each grade level are enrolled each day. Our revenue is based on the weighted adjusted pupil unit.

MPS enrollment is projected to increase every year for the next ten years, resulting in increased revenue from enrollment based sources.

Enrollment projections are based on birth rate in the city of Minneapolis, Charter schools opening and closing, housing availability in the City and historical MPS enrollment trends. MPS is working with the State demographer to use State information in its model for developing and using enrollment projections to ensure that the Board of Education and District leadership have the most accurate information possible for planning.

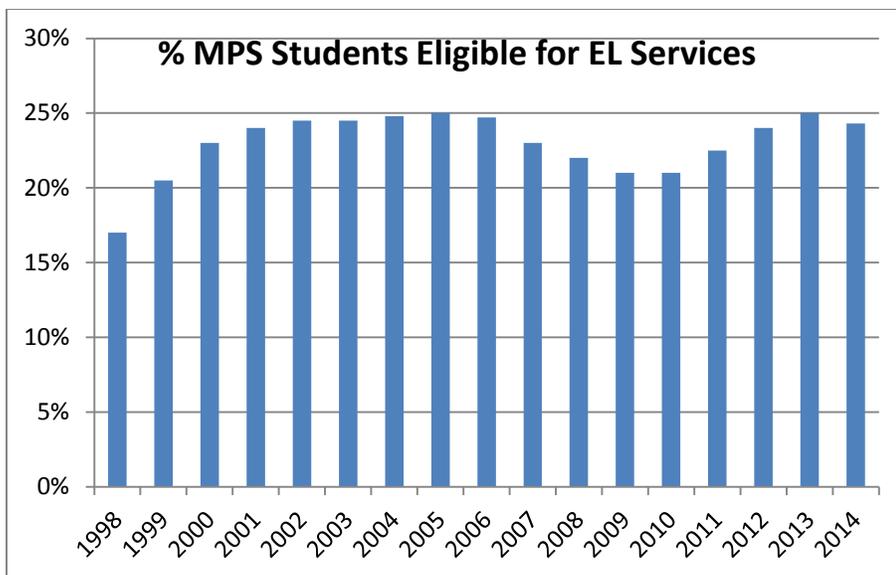
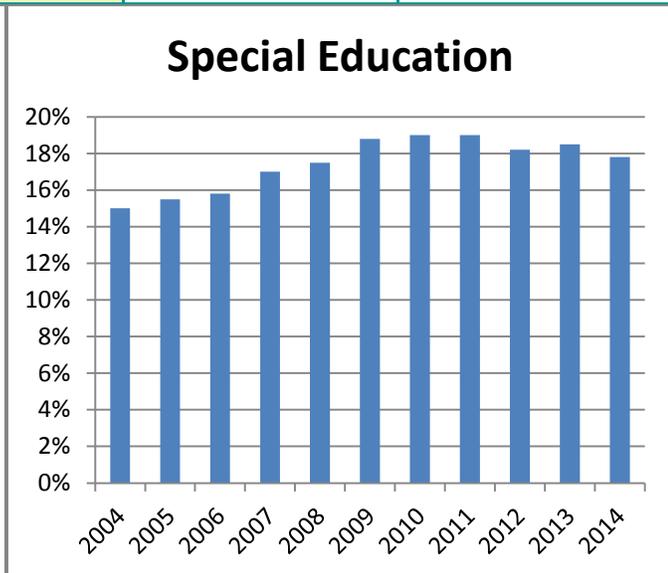
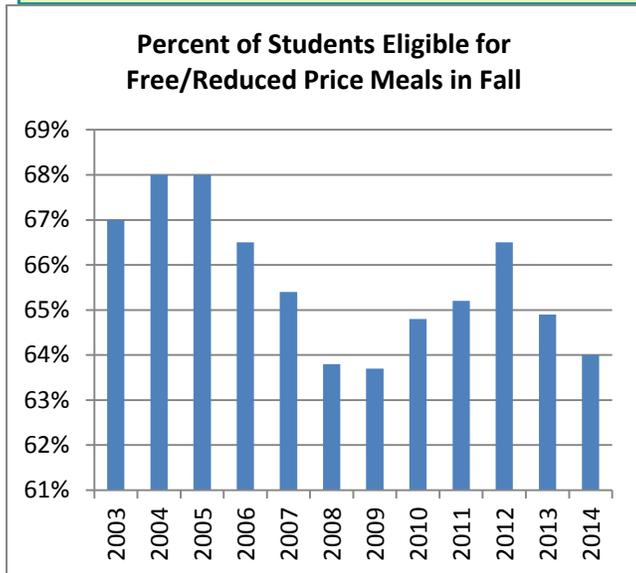


MINNEAPOLIS	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Kindergarten	3182	3185	3132	3147	3177	3133	3088	3062	3035	3009	2982
Grade 1	3201	3097	3013	3019	3034	3062	3020	2977	2951	2926	2900
Grade 2	3215	3111	2927	2924	2929	2944	2971	2931	2888	2864	2839
Grade 3	3063	3157	3046	2875	2871	2877	2891	2918	2878	2837	2812
Grade 4	2979	3021	3105	3004	2835	2832	2837	2851	2878	2839	2798
Grade 5	2887	2874	2910	2996	2899	2736	2732	2738	2751	2777	2739
Grade 6	2362	2572	2566	2667	2746	2657	2507	2504	2509	2522	2545
Grade 7	2286	2284	2471	2523	2622	2700	2612	2465	2462	2467	2479
Grade 8	2363	2264	2233	2426	2478	2575	2651	2565	2421	2418	2423
Grade 9	2396	2444	2154	2302	2501	2554	2654	2732	2644	2495	2492
Grade 10	2288	2354	2393	2142	2288	2486	2539	2638	2716	2628	2480
Grade 11	1976	2124	2159	2207	1975	2110	2292	2341	2433	2505	2424
Grade 12	2204	2225	2362	2413	2467	2208	2358	2562	2617	2719	2800
Total-MPS	34402	34713	34472	34645	34822	34873	35155	35285	35184	35004	34713
Change		311	-241	173	177	51	282	130	-101	-180	-291
% Change		0.90%	-0.70%	0.50%	0.51%	0.15%	0.81%	0.37%	-0.29%	-0.51%	-0.83%



MPS has a greater concentration of students eligible for free/reduced priced meals, students receiving Special Education services and English Learners than the state as a whole. These students generate additional revenue so that MPS may support them with the additional services they need.

Support Services Received by Students Based on 2014 Data from the Minnesota Department of Education		
	MPS	Minnesota
Students Eligible for Free/Reduced Priced Meals	64.0%	38.3%
Special Education Students	17.8%	14.9%
English Learners	24.3%	8.3%



17% of MPS K-12 students are eligible for State English Learner revenues.

32% of MPS K-12 students speak a Home Language Other Than English.

Our Facilities

Property resources support the academic growth of our students and staff and include the facilities below that foster educational and professional growth. MPS owns and operates 73 sites comprising 8 million square feet in FY16.

- 40 elementary schools
- 8 middle schools
- 7 high schools
- 6 other academic sites
- 12 alternative school sites
- 5 administrative sites
- 4 leased sites generating revenue

Other sites include:

- Franklin and Webster will reopen in August 2015.
- Four sites are leased and generating revenue: Hamilton, Tuttle and Lincoln.
- Three sites are closed and vacant: Cooper, Gordon, and Willard with a combined total of 113,319 sq. ft.

MPS has sold one site in the last year:

- 807 NE Broadway

MPS has purchased a block of sites located on East Lake Street adjacent to South High to replace the Brown Building

Sale Offers have been received and accepted on one site:

- 2225 West Lake Street (Brown Building) from Hennepin County with an expected closing date in FY16



Understanding the Budget Cycle

The District's budget cycle is a continuous, multi-step process that spans multiple years.

The decisions made in each step determine the options available in the following steps.

May	The District submits a five year Capital Plan to the Minnesota Department of Education. The Capital plan determines the funds needed for the Capital Services portion of the levy and the amount of bonds the district will need to issue.
October	The District updates its enrollment, revenue and expense projections for the following year.
December	<p>The Board certifies the property tax levy. The levy consists of revenue for the General Fund, Community Services, the Capital Fund and Debt Service. The district must consider the priority needs in each of these four areas, the impact of decisions on future years; and the property tax burden on the taxpayers of Minneapolis.</p> <p>The debt service portion of the levy is determined by the amount of bonds the district has issued. Most bonds require 15 years of debt service. Debt service issued on bonds sold in the fall typically begins in the following fiscal year. The needs in these areas must be balanced with the need for general fund revenue for the core work of schools.</p>
February	The District determines its preliminary budget for the following year. In budget years for State Government, including Spring 2015, the preliminary budget is based on projections about what state allocations will be. Allocations must be made before State Government has completed its work so that schools and departments can make program and staffing decisions in a timely manner.
March	The District makes allocations to schools and departments. Schools and departments determine their budgets within the parameters provided by the funding sources and the district.
June	<p>The District adjusts its budget to reflect State Government action.</p> <p>The Board adopts the final budget.</p>
October-November	The district sells the bonds that were agreed upon as part of the previous May's Capital Plan and the levy certification process.

Establishing the 2015-2016 Budget

Enrollment and Revenue Assumptions

In making revenue projections, MPS assumed the following:

- Enrollment will increase by 311 students. A detailed description of grade by grade changes can be found on page 8
- Basic formula will increase to \$5948 per adjusted pupil unit.

Expenditure Assumptions

- Benefits continue to be budgeted at 31 percent of salary.
- The amount budgeted for the average teacher salary increased to \$68,092.
- Actual salaries were budgeted for positions and Minneapolis Association of Administrators and Supervisors (MAAS), Minneapolis Associations of Confidential Administrators (MACA), Association of Minneapolis School District Professional Employees (AMP), Executive Leadership Team (ELT) and Chief Leadership Team (CLT) contracts. Average salaries were used for all other positions.
- District Level positions were eliminated in order to increase allocations going directly to schools.

Risks

- Retirements and new hires may not be enough to hold the average teacher salary constant.
- Department budgets are planned based on prior year spending and projected changes. Factors outside the school district's control will impact actual expenditures.
- Federal Title allocation to the District is expected to be reduced.
- Utilities are budgeted under projected costs because projections have been higher than actuals for the past several years.
- Transportation redesign work may affect actual expected costs.

Priorities Reflected in the 2015-2016 Budget

The budget invests in the school district's student focus.

Academic Priorities:

- Empower Principals in the District Theory of Action "Schools are the Unit of Change."
- Enhance all employees' understanding of the needs of our diverse student body and their families
- Generate additional support for talent development and advance learner education

Accelerate growth for students who need it most:

- Lower class sizes in all schools including high priority
- Strengthen academic intervention strategies including more math and reading specialists
- Expand ESL services across the district
- Decrease Special Education Resource Teachers case-loads to better serve students.

Increase flexibility at schools:

- Increase discretionary dollars to schools for allow for more choices in services provided
- Add dollars to Middle and High Schools to allow for additional time for students
- Realign central office resources to schools to improve efficiencies in service delivery

Use time strategically to boost student achievement

- Continue to provide extended instructional time at select sites through Spring/Winter Break Academies and Saturday School
- Generate more aligned summer school opportunities

Prepare every student for college and career:

- Continue to invest in distinctive programs such as Check and Connect, GEMS, GISE, and AVID
- Continue to support ACT preparation

Recruit and retain top talent to meet our diverse student needs

- Support for teachers and support staff that is tied to student outcomes
- Support full implementation of teacher evaluation
- Incentivize teachers for leadership roles and principals to lead high priority schools
- Maintain compensation at parity with other districts

Fund Balance

The district had to use fund balance for the first time in several years to balance the FY14-15 expenses. During the FY15-16 year, we will engage in cost saving measures to ensure the fund balance amount is restored.

A fund balance allows the school district to manage risk and to respond to unforeseen circumstances without having to borrow money. We assess risk to determine how large a fund balance MPS needs. If the fund balance is too large, we might be unduly restricting services for today's students. If the fund balance is too small, we will not be able to manage risks.

In general, the more risk a school district faces the larger its fund balance should be. Examples of current risks are:

- Contract settlements; or
- Unusually cold winter with higher than predicted utilities costs.

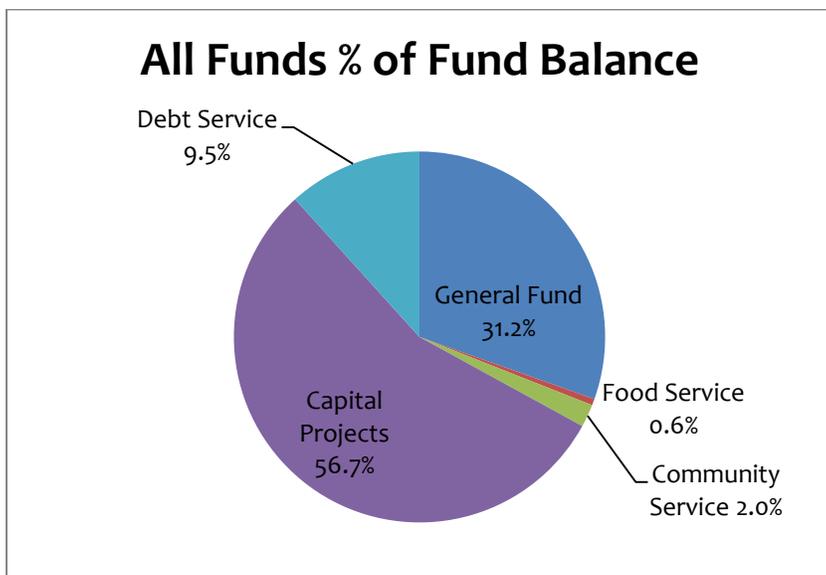
The fund balance can change in two ways. The school district may plan to increase the fund balance when it is too low. The fund balance also decreases if expenses exceed revenues. During the FY14-15 school year, there were several strategies that were not anticipated in the original budget. These included increased service to EL students, increasing support to the Office of Black Male Achievement, a decrease in the projected enrollment resulting in fewer students attending MPS, and establishing an Office of Global Education.

Some funds are reserved by law in the fund balance and can only be used for specified purposes. The school district assigns some funds for specific projects or services including Q Comp and Extended Learning dollars.

MPS policy states that the general fund unassigned/unreserved fund balance must be at least 8 percent of budgeted expenses, with an annual review to assess risk and increase the targeted level of fund balance, if appropriate. Using 2009 data, a comparison of 20 districts with risks comparable to MPS showed that the average fund balance was 16% and mean was 15%. Financial experts recommend a fund balance between 8% and 15% depending on the amount of risk. A fund balance of 12% provides about six weeks of operating expenses.

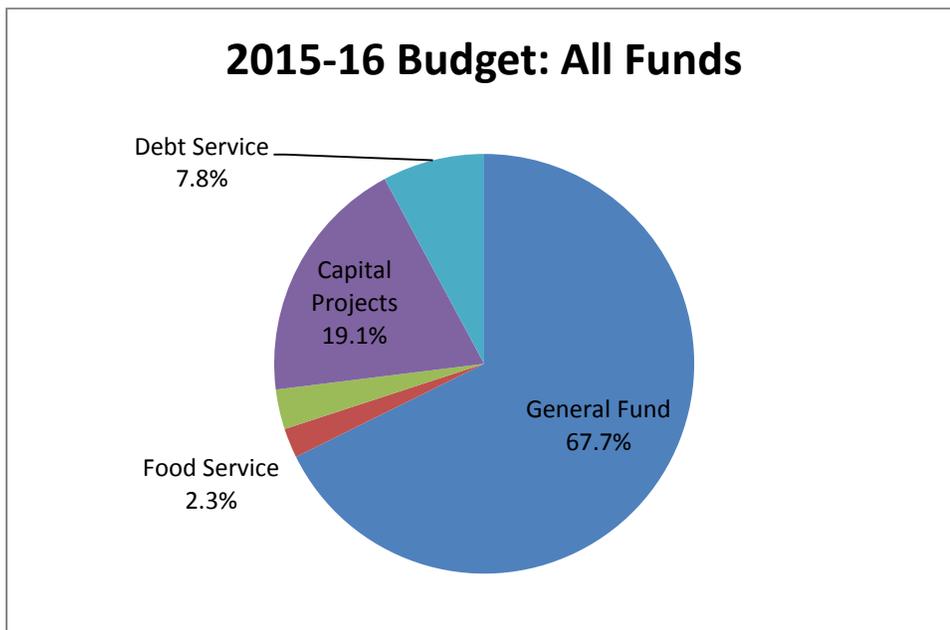
The district projects that it will have \$43.0 million of unassigned General Fund fund balance for risk management. This will be 7.7% of our budgeted expenses.

All Funds Summary Fund Balance						
	June 30, 2014 Audited Fund Balance	Forecasted FY 15 Fund Balance Change	FY 2015, Projected Fund Balance	FY 2016 Revenues	FY 2016 Expenditures	FY 2016, Projected Fund Balance
General Fund	\$87,258,622	(\$12,555,464)	\$74,703,158	\$570,812,186	\$557,340,838	\$88,174,506
Food Service	\$1,238,920	\$374,278	\$1,613,198	\$18,753,953	\$18,753,953	\$1,613,198
Community Service	\$3,302,499	\$2,463,141	\$5,765,640	\$25,278,402	\$25,278,402	\$5,765,640
Capital Projects	\$51,956,431	\$154,518,607	\$156,475,041	\$161,187,499	\$157,358,804	\$160,303,736
Debt Service	\$24,811,138	\$2,066,799	\$26,877,937	\$64,691,905	\$64,691,905	\$26,877,937
Total All Funds	\$168,567,610	\$146,867,361	\$265,434,974	\$840,723,945	\$823,423,902	\$282,735,017



2015-16 Budget: All Funds Summary

	July 1, 2015 Projected Fund Balance	FY 2016 Revenues	FY 2016 Expenditures	June 30, 2016, Projected Fund Balance
General Fund	\$74,703,158	\$570,812,186	\$557,340,838	\$ 88,174,506
Food Service	\$1,613,198	\$18,753,953	\$18,753,953	\$1,613,198
Community Service	\$5,765,640	\$25,278,402	\$25,278,402	\$5,765,640
Capital Projects	\$156,475,041	\$161,187,499	\$157,358,804	\$160,303,736
Debt Service	\$ 26,877,937	\$64,691,905	\$64,691,905	\$26,877,937
Total All Funds	\$265,434,974	\$840,723,945	\$823,423,902	\$282,735,017



General Fund

The general fund is the primary operating fund of the school district.

Major sources of revenue include property taxes, miscellaneous local revenues and state aid.

Expenditures include expenses of the school district such as salaries, supplies/materials, contractual services, utilities, transportation and other operating expenses. Expenditures are accounted for by programs related to administration, instruction, instructional support, maintenance, student support, transportation and facility/operating costs.

Grant funds are also included within the general fund. These numbers account for the revenue and expenditure activities related to specific grants and projects funded through federal and state sources or other outside agencies. These numbers also include Elementary and Secondary Education Act (ESEA), also known as Title I, resources as well as federal special education dollars.

General Fund: Summary			
	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
* Beginning Fund Balance	\$ 90,131,147	\$ 87,258,622	\$ 74,703,158
Annual Revenue	\$533,983,769	\$542,849,636	\$570,812,186
Total Revenue	\$ 624,114,916	\$ 630,108,258	\$ 645,515,344
Annual Expenditures	\$ 536,856,294	\$555,405,100	\$557,340,838
Transfers	-	-	-
* Ending Fund Balance	\$ 87,258,622	\$ 74,703,158	\$ 88,174,506
<i>* Beginning and ending fund balances include unrestricted and restricted dollars.</i>			
Restricted Reserves	\$ 42,344,730	\$ 40,127,431	\$ 45,127,431
Unreserved/Unrestricted Fund Balance	\$ 44,913,892	\$34,575,727	\$ 43,047,075

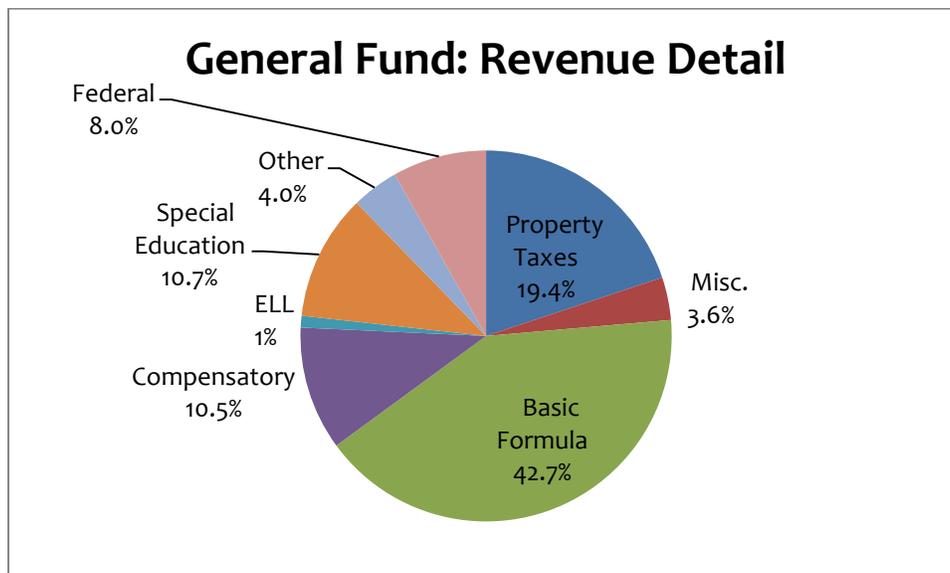
General Fund: Revenue Details

Below is an explanation of how the school district gets its general fund dollars.

		Examples				
Local						
	There are two types of property tax levies.					
Property taxes	<ol style="list-style-type: none"> 1. Voter determined. \$300 per pupil is School Board approved. 2. Levies set by the school board, within limits set by the state legislature. In some instances, if the school board does not levy the full amount the legislature allows, the district also loses state aid. 	Referendum Safe schools levy Alternative facilities Health and Safety Integration				
Misc.	Other sources of revenue; see examples.	School-funded projects Gifts Rent Grants				
State Aid						
Basic Formula	The basic formula is an amount per pupil. The amount varies depending on the grade level of the students: <table border="0" style="margin-left: 40px;"> <tr> <td>K – Grade 6</td> <td>1.0</td> </tr> <tr> <td>Grades 7-12:</td> <td>1.20</td> </tr> </table>	K – Grade 6	1.0	Grades 7-12:	1.20	
K – Grade 6	1.0					
Grades 7-12:	1.20					
Categorical Aid	Categorical aid is aid for specific purposes and it comes in three types. <ol style="list-style-type: none"> 1. Based on the adjusted pupil formula. 2. Based on student characteristics, such as eligibility for ELL services or free/reduced priced meals. 3. Partial reimbursement for services. 	Gifted and Talented Alternative Compensation Limited English Proficiency Compensatory Education Integration Aid Special Education				
Federal						
Federal	The federal government provides funding to school districts that first flows through the state. The two largest are funds for the Elementary and Secondary Education Act (ESEA, currently known as NCLB) and the Individuals with Disabilities Act (IDEA), which provides funds for Special Education services.	ESEA: Title I Title II Title III IDEA				

General Fund: Revenue Details

Revenue Details	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Local				
Property Taxes	\$104,543,376	\$110,080,085	\$107,258,065	\$110,893,080
Misc.	\$20,456,071	\$21,919,937	\$20,922,216	\$20,758,000
State Aids				
Basic Formula	\$216,083,699	\$220,914,536	\$226,956,314	\$243,728,248
Compensatory	\$53,381,487	\$56,082,283	\$57,902,737	\$60,122,666
ELL	\$5,069,115	\$5,431,302	\$5,390,100	\$5,690,000
Special Education	\$49,866,548	\$52,716,789	\$57,916,257	\$61,165,419
Other	\$4,942,536	\$22,619,756	\$22,229,917	\$22,794,692
Federal	\$50,540,918	\$44,219,081	\$44,274,030	\$45,660,081
Transfers	(\$26,104,494)	-	-	-
Total Revenue	\$524,883,750	\$533,983,769	\$542,849,636	\$570,812,186

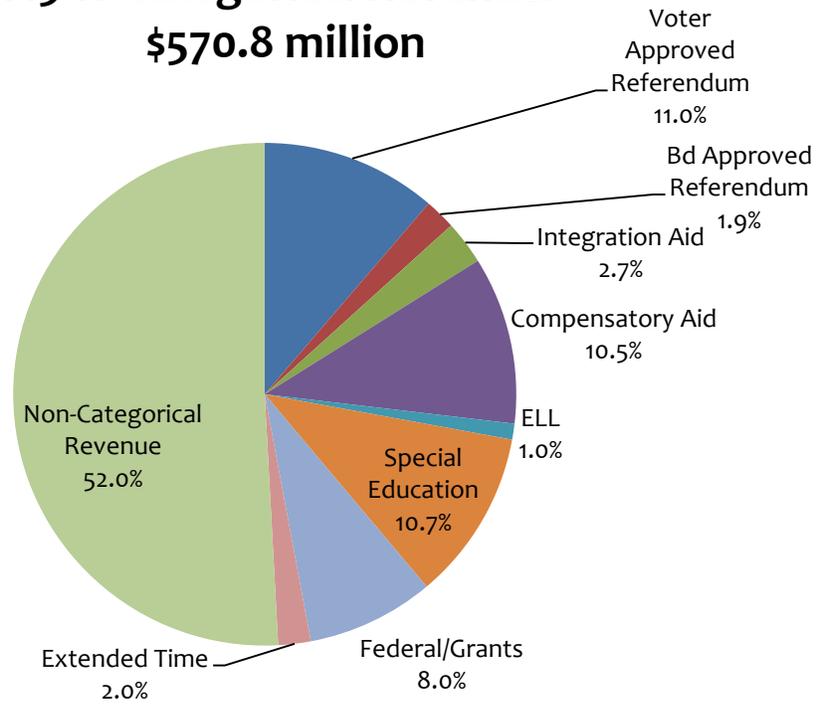


Categorical Revenue: Summary

Almost half of the school district's general fund revenue is categorical aid, meaning that its use is restricted.

Categorical Revenue Summary		
Voter Approved Referendum	\$62,958,509	Resources committed by the school district to class size, early literacy, technology, textbooks, science and math.
Board Approved Referendum	\$11,082,900	Resources committed by the school district to class size, early literacy, technology, textbooks, science and math.
Integration Aid	\$15,615,031	Programs funded with integration aid must support the goals of closing the achievement gap and increasing racial interaction.
Compensatory Aid	\$60,122,666	State statute identifies 10 uses for compensatory aid funds. View here.
LEP	\$5,690,000	State Limited English Proficiency (LEP) funds must be used to support the education of English Learners.
Special Education	\$61,165,419	State and federal education dollars may only be used for special education services.
Federal/Grants	\$45,660,081	Federal funds must supplement, not supplant, state and local dollars. Restrictions on use depend on the specific grant.
Extended Time	\$11,627,399	Extended time dollars support credit recovery and academic support for qualifying students through after-school and summer school programs.
Non-Categorical Revenue	\$296,890,181	
Total Revenue	\$570,812,186	

2015-16 Categorical Revenue: \$570.8 million



School Allocation Methodology

The school district defines core expectations for each grade configuration and provides each school with a budget allocation. The principal and site leadership team determine how to use the budget, based on core expectations and specific student needs and program priorities at the individual schools.

View the [allocations](#) for each school. (Click on the “school allocations” tab at the bottom of the spreadsheet.)

Allocations were determined using the process described below.

- Per pupil allocations are based on a weighted formula:
 - K= 1.0
 - Grades 1-8 = 1.0
 - Grades 9-12 = 1.1
- Class size referendum funds and basic per student allocations are distributed on a per pupil basis.
- High school Career and Technical Education (CTE) allocations are taken out of the basic per student allocation.
- Compensatory education is the full amount allocated to each site, based on the state formula. The state formula is based on students eligible for free/reduced priced meals as of October 1, 2014.
- EL allocations are 73 percent of the amount needed to fund the English as a Second Language teachers needed for the school, based on a ratio established by the Multilingual department. Schools are expected to use compensatory revenue or their basic allocation to fund the remaining 27 percent.
- Special Education Resource Teacher (SERT) allocations are 100 percent of the amount needed to fund the SERTs needed at the school, based on the contract ratio of 1:20 and 1:18 at High Priority Schools as determined by the Special Education Department.
- Middle schools and high schools were given additional dollars for additional student contact time. This could include programs like a 7 period day or additional after school activities.
- Some schools were given a **program adjustment**. The components of a minimal school program vary depending on grade level, size, and student characteristics. Associate Superintendents work with school principals to determine what is most critical at their schools. Program adjustments were also given to some schools with new grade configurations to grow their programs.
- Additional funds were allocated for specific programs and services, such as Advancement Via Individual Determination (AVID), International Baccalaureate (IB), and Magnet Schools.
- Allocations were given for Principals, Assistant Principals, High School Athletics, Media Materials, Q Comp, School Psychologists, Speech Language Clinicians, Math and Reading Specialists instead of remaining in Department budgets.
- Schools were given additional dollars to reduce K-3 class sizes.

Central Office Allocations

In this budget cycle we knew that we could not reach our goal of developing a sustainable budget without scrutinizing central office budgets. There was work done to reduce the Central Office staff at Davis Center

All central offices develop strategic plans and make budget requests aligned to those plans. Budget decisions were based on operational and strategic priorities and identification of opportunities to improve the effectiveness and efficiency of services. The departments “starting point” was actual expenditures from the previous year. This is the first step in having departments develop “Zero-based” budgets.

The school district continued the process of right-sizing departments. All departments were asked to reevaluate priorities and reduce resources not aligned to the most important priorities.

View [department allocations](#). (Click on the “department allocations” tab at the bottom of the spreadsheet.)

Relationship of School and Department Budgets

The table on the next page displays the budget in four categories:

- 1) Direct allocations to schools;
- 2) Department allocations to schools, which are positions budgeted centrally but assigned to specific schools (examples include principals and building engineers);
- 3) Department allocations supporting direct services to schools and students are direct services to schools and students that are not associated with a specific staff person assigned to a specific school (examples include family engagement liaisons, extended learning and budget/finance specialists); and
- 4) Direct allocations to departments are the remaining funds for operational functions that serve the school district as a whole (examples include Human Resources, the superintendent’s office and Payroll).



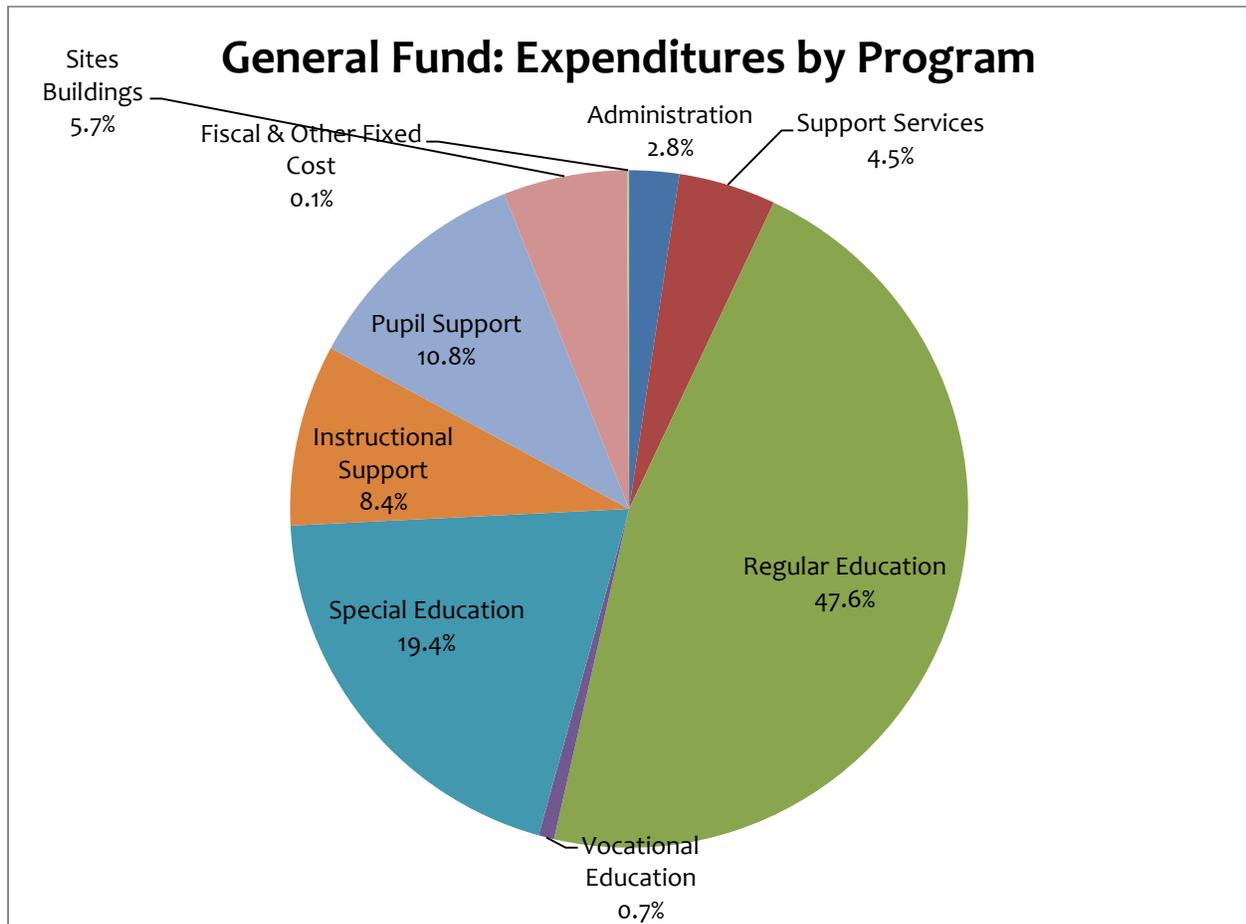
General Fund Expenditures by Program

Below is an explanation of the program codes that Minnesota school districts are required to use when reporting their expenditures to the Minnesota Department of Education.

Program	Definition	Examples
Administration	School district and school administration and heads of instructional areas	<ul style="list-style-type: none"> – Board of Education – Superintendent’s office – Associate superintendents – Principals – Directors of Teaching and Learning, ELL, other instructional areas
District Support Services	Services provided centrally	<ul style="list-style-type: none"> – Human Resources – Finance – Communications – Technology support – Legal services – Research, Evaluation and Assessment
Regular Education	All activities dealing directly with the teaching of students and the interaction between teachers and students	<ul style="list-style-type: none"> – Pre-K-12 classroom teachers – Teacher and principal training and recruiting – English Language Learner services – Gifted and Talented – Student Activities – Athletics
Vocational Education	Courses and activities that develop the knowledge, skills, attitudes and behavioral characteristics for students seeking career exploration and employability	<ul style="list-style-type: none"> – Career and Technical Education (CTE)
Special Education	Services for Special Education students	<ul style="list-style-type: none"> – General Special Education – Speech/language services – Developmental disabilities – Physically impaired – Deaf/Hard of Hearing – Emotional/Behavioral disorders – Learning disabilities – Autism spectrum – Early Childhood Special Education
Instructional Support	Activities for assisting instructional staff with the content and process of providing learning experiences for K-12 students	<ul style="list-style-type: none"> – Assistant principals – Curriculum development – Library/media – Professional development
Pupil Support	All services to students that are not classified as instructional services	<ul style="list-style-type: none"> – Counseling and Guidance – Health services – Psychologists and social workers – Transportation
Sites and Buildings	Acquisition, operation, maintenance, repair and remodeling of all facilities and grounds	<ul style="list-style-type: none"> – Plant operations
Fiscal and Other Fixed Costs	Costs not recorded above	<ul style="list-style-type: none"> – Post-employment benefits – Insurance

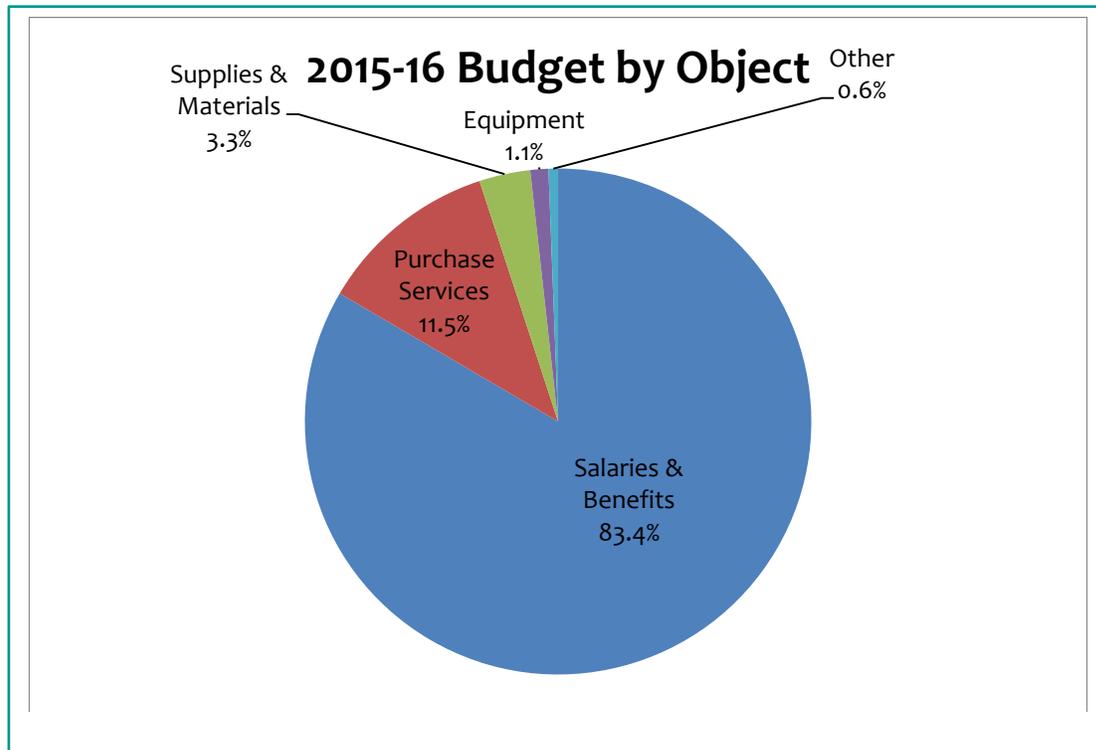
General Fund Expenditures by Program

	Actual FY 2013	Actual FY 2014	Forecast FY 2015	Budgeted FY 2016
Administration	\$13,210,075	\$13,879,619	\$16,035,013	\$13,247,433
Support Services	\$20,963,914	\$22,980,865	\$25,858,259	\$25,879,424
Regular Education	\$245,525,210	\$247,063,307	\$254,352,631	\$259,383,292
Vocational Education	\$4,038,638	\$3,735,366	\$4,024,660	\$4,133,044
Special Education	\$108,595,041	\$112,831,353	\$109,975,810	\$110,973,821
Instructional Support	\$40,622,211	\$38,055,158	\$44,974,857	\$48,313,676
Pupil Support	\$53,807,517	\$52,355,745	\$60,413,141	\$61,959,862
Sites Buildings	\$33,175,600	\$35,180,060	\$32,974,532	\$32,898,286
Fiscal & Other Fixed Cost	\$539,461	\$566,697	\$6,796,197	\$552,000
Capital Outlay	\$16,866,445	\$10,208,124		
Total	\$537,344,112	\$536,856,294	\$555,405,100	\$557,340,838



General Fund: Expenditure Details by Object

	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Salaries & Benefits	\$435,744,859	\$439,120,612	\$460,827,296	\$465,093,209
Purchase Services	\$66,810,447	\$70,562,385	\$73,225,208	\$64,244,389
Supplies & Materials	\$13,658,086	\$14,670,896	\$12,239,796	\$18,216,551
Equipment	\$16,866,438	\$9,640,654	\$7,538,137	\$6,397,100
Other	\$4,264,282	\$3,349,565	\$1,574,663	\$3,389,589
Total	\$537,344,112	\$537,344,112	\$555,405,100	\$557,340,838



Referendum 2015-2016

MPS is committed to using referendum funds to manage class size; support early childhood, literacy, math and science; fund textbooks and technology; and increase rigor, effective instruction and best practices.

Class Size	\$52,159,530	Distributed on a per pupil basis.
ELL Classrooms	\$6,446,484	ESL teachers in schools
ELL Itinerant staff	\$101,615	ESL teachers to serve schools with small EL populations
Textbooks	\$2,500,000	Textbook adoption
Reading & Math Specialists	\$9,331,280	Placed at schools based on test scores
Instructional Coach for Contract Alternative Schools	\$89,193	
Literacy Specialists	\$178,400	Positions in Teaching & Learning Department for school assignment based on academic needs
Science Center/Science Programs	\$705,000	
Instructional Technology	\$2,529,907	
Total	\$74,041,409	

Integration Plan 2015-2016

Programs and services funded with integration funds must support the goals of the school district's state-approved integration plan and advance the goals of increasing racial interaction and increasing academic achievement for students of color.

Strategy, Program or Department	Fiscal Year 2016
STUDENT FOCUSED PROGRAMS	
ACT Preparatory Courses Supports 11th grade students who qualify for free/reduced lunch to take an ACT preparatory course provided by MPS through a contracted partner.	\$ 163,000
Advancement Via Individual Determination Enhances academic engagement, performance and enrichment of at-risk and disengaged students through cognitive behavioral intervention, mentorship, and family-centered collaboration.	\$ 3,842,040
Check and Connect Promotes academic engagement, performance and enrichment of at-risk and disengaged students through cognitive behavioral intervention, mentorship, and family-centered collaboration.	\$ 1,000,000
Expanded School Choice Provides students who qualify for free and reduced lunch an opportunity to attend a low poverty school outside their designated attendance area.	\$ 189,000
Fast Track Scholars District-wide integrated learning camp experience for student transitioning from 8 th grade to 9 th grade to help student transition to high school.	\$ 50,000
Science, Technology, Engineering & Mathematics; Girls in Engineering, Mathematics & Science; & Guys in Science & Technology Facilitate measureable gains for girls and boys in the areas of science and mathematics with emphasis on underrepresented ethnic groups and free and reduced lunch students.	\$ 900,000
Learning Works at Blake Offers a challenging academic enrichment program to a representative group of motivated, high potential middle school students.	\$ 50,000
Minnesota Urban Debate League Program of Augsburg College that empowers students to become engaged learners, critical thinkers, and active citizens who are effective advocates for themselves and their communities.	\$ 300,000
Project Success Assists in the transition of 8th grade students becoming freshmen by impacting student acclimation with a direct focus on inter-racial student contact, and offers monthly supports to middle and high schools emphasizing goal-setting, and school orientation experiences.	\$ 525,000
West Metro Education Program Integration Tuition Provides support for student participation in West Metro Education Program schools and programming.	\$ 505,500
Jobs for Americas Graduates	\$ 898,740

Spring Break/Winter Break Institute During school breaks, provide students in K-8 an opportunity to accelerate academic progress and increase classroom time for students who have been disproportionately impacted by suspension or out of class time discipline	\$ 1,199,783
Summer Academy	\$ 200,000
PreK Summer Program	\$ 125,000
School Within a School	\$ 200,000
Equity Initiatives	\$ 2,045,105
Office of Human Capital Diversity Recruitment and Retention – increase the development of a diverse workforce by providing teacher licensure preparation for existing students and MPS staff.	\$ 1,200,000
Office of New Schools/Partnership Schools Mastery Program – Support meaningful collaboration efforts with high performing charter schools. Equity training initiative for teaching staff. Development of quarterly assessments aligned to Minnesota standards to be utilized in MPS high schools and summer enrichment activities designed to prepare students for advanced coursework.	\$ 100,000
Office of Family, Student & Community Engagement Engage families in culturally responsive ways through Family and Community Outreach initiatives and maintain enrollment practices that promote diversity and inclusion.	\$ 1,321,863
Office of Research, Evaluation, & Assessment Program evaluation that supports accountability to funders and program effectiveness allowing for data based decision making in the allocation of resources and program implementation.	\$ 100,000
Behavior Standards Initiative and Office of Civil Rights Implement research based strategies that address academic disparities between student groups, close achievement gaps, and positively impact student behavior reducing out of class time.	\$ 700,000
TOTAL	\$15,615,031.00

Title I Allocations 2015-2016

Title I is a federally funded program through the Elementary & Secondary Act (ESEA) designed to provide support to students to ensure that they meet high standards. MPS receives these funds to provide educational services and resources to schools with at least 35 percent of students who qualify to receive free and reduced priced meals.

Title I Allocations	
Non-Public School Allocations	\$893,687
Public School Allocations	13,663,706
Research, Evaluation and Assessment (REA)	250,000
Family Involvement Funds to Schools	228,074
District Family Engagement and CPEO	520,000
School Readiness/High 5	3,765,162
Neglected and Delinquent Services	244,935
Homeless Highly Mobile Services	800,000
Administration, Required Mailings	1,241,145
Indirect Costs	1,484,341
Total	23,091,050



Community Services

The community services fund is used to account for services provided for learning and involvement opportunities for lifelong learners of all ages, including Minneapolis residents. Community services funds are intended to provide K-12 students the opportunity to utilize educational facilities and programs during non-school hours, including the summer months. Fees may be charged for these programs. Community services revenue may also be used for educational programming serving adults with disabilities, school-age care, Adult Basic Education (ABE), School Readiness and Early Childhood Family Education (ECFE).

The community education grant fund is also part of the community services fund and is used to account for the revenues and expenditures for activities related to certain grants and projects funded through state or other local outside agencies. Included within these numbers are the resources designated for non-public education.

	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Beginning Fund Balance	\$2,662,561	\$3,110,990	\$3,302,499	\$5,765,640
Annual Revenue	\$24,566,271	\$24,428,568	\$26,733,808	\$25,278,402
Total Revenue	\$27,228,832	\$27,539,558	\$30,036,307	\$31,044,042
Annual Expenditures	\$24,117,842	\$24,237,059	\$24,270,667	\$25,278,402
Ending Fund Balance	\$3,110,990	\$3,302,499	\$ 5,765,640	\$5,765,640
Revenues				
	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Local	\$13,362,523	\$10,994,660	\$15,114,036	\$14,159,895
State	\$9,583,381	\$11,693,633	\$9,965,339	\$9,514,448
Federal	\$1,620,367	\$1,740,275	\$1,654,433	\$1,604,059
Total Revenues	\$24,566,271	\$24,428,568	\$26,733,808	\$25,278,402
Expenditures				
	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Salaries & Benefits	\$19,023,052	\$19,523,519	\$19,332,274	\$17,759,575
Purchase Services	\$3,555,013	\$3,528,599	\$3,686,582	\$6,469,254
Supplies & Materials	\$1,051,054	\$973,301	\$1,057,469	\$873,724
Equipment	\$333,960	\$87,843	\$166,044	\$162,300
Other	\$154,763	\$123,797	\$28,298	\$13,549
Total Expenditures	\$24,117,842	\$24,237,059	\$24,270,667	\$25,278,402

Food Services

The food service fund is a self-sustaining enterprise in which revenue and expenses are balanced over time. It is used to record all financial activities of the school district's food service program. Food service includes all planning, preparation and serving of meals and snacks in connection with school and community service activities. Eighty-five percent of Food Service Fund revenues primarily come from federal sources. Food service revenue may only be used for food service programs.

All expenditures related to meal preparation must be recorded in the food service fund. The majority of expenditures consist of labor and food costs (84 percent). Purchased services, supplies and equipment account for 16 percent of the fund's expenditures. Eligible expenditures include application processing, meal accountability, food preparation, meal service and kitchen custodial service, according to Minn. Stat. §124D.111, subd. 3.

Capital expenditures may be made from the food service fund only if the fund's year-end restricted balance is greater than the cost of the equipment to be purchased and if prior approval has been obtained from the Minnesota Department of Education's Nutrition Section, according to Minn Stat. § 124D.111, subd. 3.

	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Beginning Fund Balance	\$4,234,725	\$2,001,133	\$1,238,920	\$1,613,198
Annual Revenue	\$17,209,875	\$18,215,170	\$19,721,296	\$18,753,953
Total Revenue	\$21,444,600	\$20,216,303	\$20,960,216	\$20,367,151
Annual Expenditures	\$19,443,467	\$18,977,383	\$19,347,018	\$18,753,953
Ending Fund Balance	\$2,001,133	\$1,238,920	\$1,613,198	\$1,613,198
Revenues				
	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Federal (Meal Payments)	\$1,765,586	\$2,037,860	\$3,181,344	\$2,318,489
State	\$685,397	\$659,818	\$659,784	\$611,748
Federal	\$14,758,892	\$15,517,492	\$15,880,168	\$15,823,716
Other	\$0	-	-	-
Total Revenues	\$17,209,875	\$18,215,170	\$19,721,296	\$18,753,953
Expenditures				
	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budgeted FY 2016
Salaries & Benefits	\$5,580,357	\$6,829,112	\$7,367,660	\$7,017,584
Purchase Services	\$1,300,299	\$1,366,511	\$1,363,872	\$1,027,500
Supplies & Materials	\$10,174,258	\$10,132,721	\$10,118,666	\$9,874,916
Equipment	\$2,373,308	\$627,366	\$478,245	\$88,300
Other	\$15,245	\$21,673	\$18,575	\$10,000
Total Expenditures	\$19,443,467	\$18,977,383	\$19,347,018	\$18,753,953

Capital Projects

The capital projects fund is used to record all operations of the school district's building construction program, which is funded by the sale of bonds or the alternative facilities bonding/pay-as-you-go levy program. At Minneapolis Public Schools, construction is defined as new construction, remodel, capital renewal, capital maintenance, preventative maintenance and repair.

Revenue sources in the capital fund for fiscal year 2015 are comprised of project funding from:

- Active projects funded from fund balance carryover from prior general obligation bond sales
- New projects funded from the fall 2013 anticipated general obligation bond sale
- Active FY15 projects funded from the December 2013 Alternative Facilities bond sale
- FY14 Projects funded by annual pay-as-you-go Alternative Facilities levy proceeds (pay 2014)
- New FY15 projects funded from the December 2014 Alternative Facilities bond sale
- Fund balance to cover construction completion.

View the list of [planned capital projects](#).

Capital/Construction Fund

	Actual FY 2013	Actual FY 2014	Forecasted 2015	Budget FY 20165
Beginning Fund Balance	\$26,787,247	\$38,744,890	\$51,956,431	\$156,475,041
Annual Revenue	\$65,478,278	\$63,631,133	\$220,464,808	\$161,187,499
Total Revenue	\$92,365,525	\$102,376,023	\$272,421,242	\$317,662,540
Annual Expenditures	\$53,620,632	\$50,419,592	\$115,946,201	\$157,358,804
Ending Fund Balance	\$38,744,890	\$51,956,431	\$156,475,041	\$160,303,736
Revenues				
Local	\$1,755,928	\$5,618,683	\$8,715,957	\$1,250,000
State				
Federal				
Other	\$63,822,350	\$58,012,450	\$211,748,851	\$159,937,499
Total Revenue	\$65,578,278	\$63,631,133	\$220,464,808	\$161,187,499
Expenditures				
Salaries & Benefits	\$11,937,099	\$13,213,878	\$14,460,000	\$15,000,000
Purchased Services	\$7,310,443	\$7,292,235	\$11,800,000	\$15,986,000
Supplies & Materials	\$4,267,049	\$5,434,413	\$6,300,000	\$6,615,000
Equipment/Construction	\$30,055,017	\$24,471,693	\$84,380,000	\$119,750,804
Other	\$51,024	\$7,373	\$6,201	\$7,000
Total Expenditures	\$53,620,632	\$50,419,592	\$115,946,201	\$157,358,804

Debt Service

MPS policy places two limits on school district debt.

1. 70 percent of debt should be repaid within 10 years.
2. Total school district annual debt payment shall not exceed 15 percent of total operating revenue.
Refinancing shall not be included in the 15 percent calculation.

MPS currently owes \$496,154,000. The school district will have repaid 61.5 percent by 2021 (seven years) and 66.0 percent by 2022 (eight years).

Debt payments, less refinancing, are 10 percent of total operating revenue.

	Actual FY 2013	Actual FY 2014	Forecasted FY 2015	Budget FY 2016
Beginning Fund Balance	\$28,649,043	\$44,633,373	\$24,811,138	\$11,287,378
Annual Revenue	\$87,185,463	\$137,646,526	\$75,124,181	\$64,691,905
Annual Expenditures	\$71,201,133	\$157,468,761	\$73,057,382	\$57,711,088
Ending Fund Balance	\$44,633,373	\$24,811,138	\$26,877,937	\$18,268,195
Revenues				
Local	\$73,781,081	\$118,038,842	\$62,803,024	\$53,351,905
State	\$11,340,222	\$11,292,182	\$10,898,390	\$11,340,000
Federal	\$2,064,160	\$1,849,803	\$1,422,767	-
Bond Premium	-	\$6,465,699	-	-
Total Revenues	\$87,185,463	\$137,646,526	\$75,124,181	\$64,691,905
Expenditures				
Debt Principal & Interest	\$71,201,133	\$157,468,791	\$72,908,380	\$63,691,905
Debt Refunding	-	-	-	-
Other	-	-	\$149,002	\$100,000
Total Expenditures	\$71,201,133	\$157,468,761	\$73,057,382	\$64,691,905



Year Ending	General Obligations		Certificates of Participation		Total Debt Payment		Total Debt
	Bonds Payable		Payable		Principal	Interest	Principal & Interest
	Principal	Interest	Principal	Interest			
June 30,							
2015	\$27,165,000	\$ 9,272,833	\$ 17,495,000	\$ 6,302,547	\$44,660,000	\$ 15,575,380	\$ 60,235,380
2016	28,201,000	7,847,010	17,060,000	5,337,668	45,261,000	13,184,678	58,445,678
2017	21,140,000	6,998,413	17,695,000	4,659,593	38,835,000	11,658,006	50,493,006
2018	17,380,000	6,236,735	14,605,000	3,908,218	31,985,000	10,144,953	42,129,953
2019	14,240,000	5,623,750	13,940,000	3,264,048	28,180,000	8,887,798	37,067,798
2020	14,430,000	5,115,897	8,740,000	2,602,303	23,170,000	7,718,200	30,888,200
2021	12,950,000	4,596,650	6,060,000	2,198,255	19,010,000	6,794,905	25,804,905
2022	12,975,000	4,147,054	3,470,000	1,927,130	16,445,000	6,074,184	22,519,184
2023	9,430,000	3,685,720	3,595,000	1,786,405	13,025,000	5,472,125	18,497,125
2024	7,490,000	3,335,735	1,605,000	1,634,525	9,095,000	4,970,260	14,065,260
2025	5,815,000	3,089,030	1,660,000	1,538,225	7,475,000	4,627,255	12,102,255
2026	47,230,000	2,224,576	1,720,000	1,438,625	48,950,000	3,663,201	52,613,201
2027	5,890,000	1,337,594	1,785,000	1,335,425	7,675,000	2,673,019	10,348,019
2028	5,255,000	1,138,831	1,850,000	1,219,400	7,105,000	2,358,231	9,463,231
2029	5,370,000	959,750	1,920,000	1,099,150	7,290,000	2,058,900	9,348,900
2030	4,300,000	763,900	2,000,000	974,350	6,300,000	1,738,250	8,038,250
2031	4,460,000	605,588	1,975,000	844,350	6,435,000	1,449,938	7,884,938
2032	4,620,000	447,338	2,050,000	715,975	6,670,000	1,163,313	7,833,313
2033	4,780,000	283,286	2,120,000	582,725	6,900,000	866,011	7,766,011
2034	2,750,000	113,438	2,200,000	444,925	4,950,000	558,363	5,508,363
2035			2,280,000	301,925	2,280,000	301,925	2,581,925
2036			2,365,000	153,725	2,365,000	153,725	2,518,725
2037							



