

The Budget

For the 2016-2017 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 turn everyday achievement into student achievement. Minneapolis Public Schools embraces diversity in our students, in our staff and in the programs we offer to accelerate learning.

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 Promise: 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 Students

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

Minneapolis Public Schools continues to follow the Acceleration 2020 Strategic Plan. The Plan has six high-level goals for the District. 1 & 2) Improved Student Outcome Equity, 3) Family & Community Partnerships, 4) Effective Teachers, School Leaders and Staff, 5) Stewardship and 6) Resources for Students and Schools

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:

- Pre-Kindergarten = up to 0.6
- Kindergarten – Grade 6 = 1.0
- Grades 7-12 = 1.2

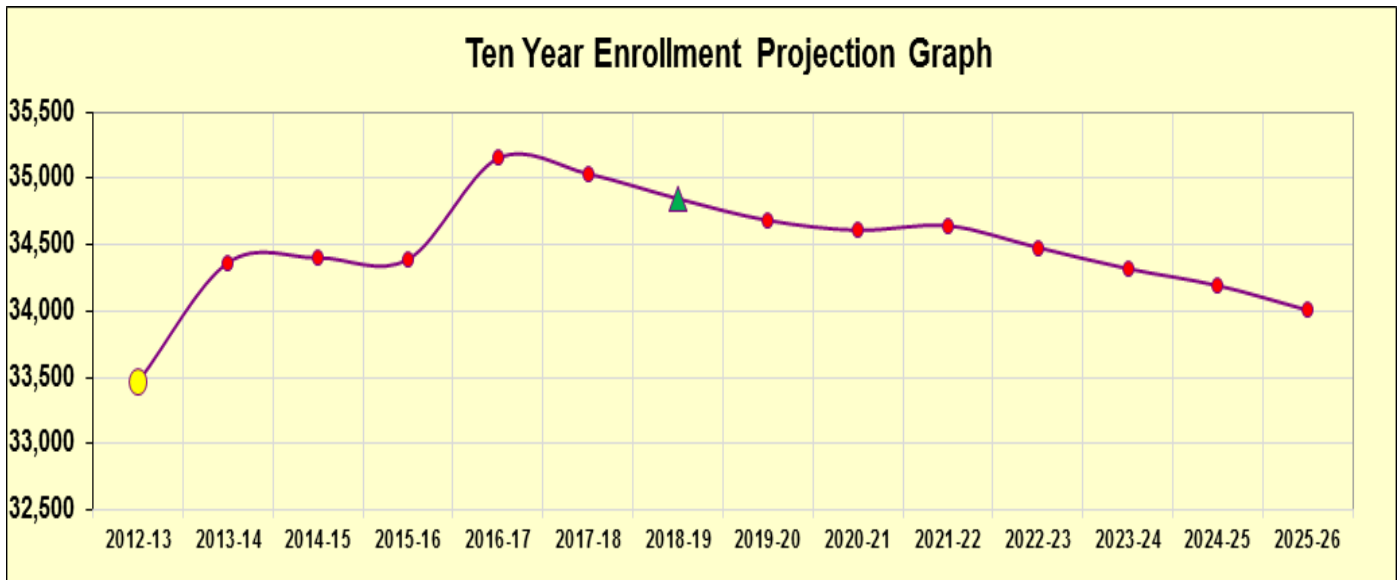
Enrollment based revenue streams are based on a formula using Adjusted Pupil Unit. The school district reports how many students at each grade level are enrolled each day. Our revenue is based on the weighted adjusted pupil unit.

MPS enrollment is projected to slightly increase every year for the next ten years, resulting in a slight increase in 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.



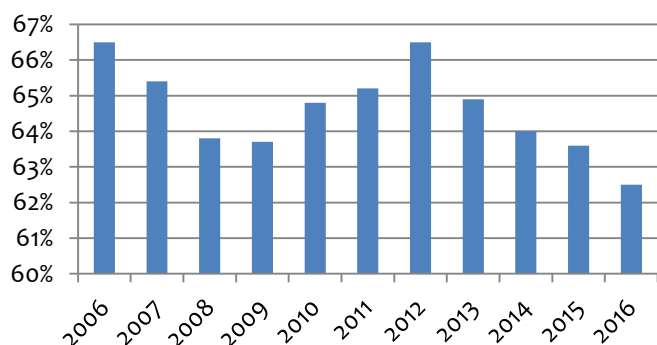
MINNEAPOLIS	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Kindergarten	3100	3145	3145	3145	3145	3145	3145	3145	3145	3145	3145
Grade 1	3124	3058	3057	3057	3057	3057	3057	3057	3057	3057	3057
Grade 2	3110	3073	2964	2963	2963	2963	2963	2963	2963	2963	2963
Grade 3	3122	3073	2992	2886	2884	2884	2884	2884	2884	2884	2884
Grade 4	2974	3046	2998	2919	2815	2814	2814	2814	2814	2814	2814
Grade 5	2856	2852	2922	2875	2799	2700	2699	2699	2699	2699	2699
Grade 6	2563	2583	2560	2622	2580	2512	2423	2422	2422	2422	2422
Grade 7	2297	2529	2518	2495	2556	2515	2449	2362	2361	2361	2361
Grade 8	2229	2273	2470	2459	2437	2496	2457	2392	2307	2306	2306
Grade 9	2355	2371	2301	2499	2489	2466	2526	2486	2420	2335	2334
Grade 10	2344	2442	2343	2273	2469	2459	2437	2496	2456	2392	2307
Grade 11	2098	2260	2240	2149	2085	2265	2256	2235	2289	2253	2194
Grade 12	2219	2448	2530	2507	2405	2334	2535	2524	2502	2562	2522
Total-MPS	34391	35153	35037	34848	34684	34611	34644	34480	34320	34193	34008
Change		762	-116	-188	-164	-74	34	-165	-159	-127	-186
% Change		2.22%	-0.33%	-0.54%	-0.47%	-0.21%	0.10%	-0.48%	-0.46%	-0.37%	-0.54%



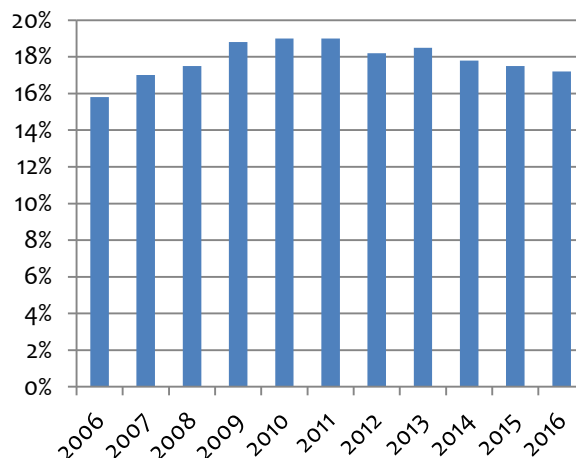
MPS has a greater concentration of students eligible for free/reduced priced meals, students receiving Special Education services and English Learners than the state as a whole. These students generate additional revenue so that MPS may support them with the additional services they need.

Support Services Received by Students Based on 2016 Data from the Minnesota Department of Education		
	MPS	Minnesota
Students Eligible for Free/Reduced Priced Meals	62.5%	38.1%
Special Education Students	17.2%	15.1%
English Learners	24.5%	8.3%

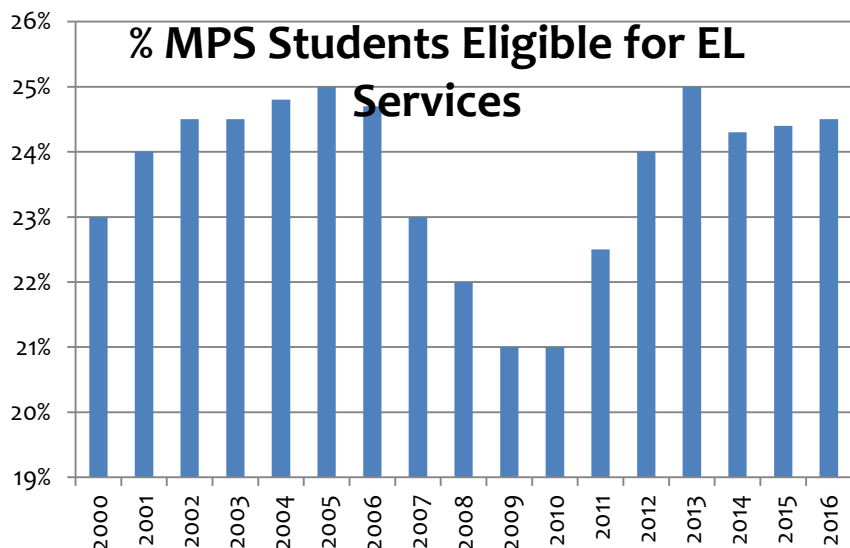
Percent of Students Eligible for Free/Reduced Price Meals in Fall



Special Education



% MPS Students Eligible for EL Services



16.5% 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 74 sites comprising 8.4 million square feet in FY17.

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

MPS has sold two site in the last year:

- 807 NE Broadway
- 2225 Lake Street

MPS has purchased a block of sites located on East Lake Street adjacent to South High to replace the Brown Building. Construction of the replacement building begins in FY17 and continues into FY18.

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 2016, 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 2016-2017 Budget

Enrollment and Revenue Assumptions

In making revenue projections, MPS assumed the following:

- Enrollment will increase by 762 students. A detailed description of grade by grade changes can be found on page 8
- Basic formula will increase to \$6,067 per adjusted pupil unit.

Expenditure Assumptions

- Benefits are increased to 34 percent of salary.
- The amount budgeted for the average teacher salary increased to \$70,244.
- 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.
- The District continued to allocate as many resources to schools as possible.

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.
- All department allocations were reduced in order to fund strategic priorities including North High STEM, 800 West Broadway, and the Phillips Pool.

Priorities Reflected in the 2016-2017 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:

- Continue to maintain lower class sizes in all schools including high priority
- Strengthen academic intervention strategies including Academic Specialists
- Expand ESL services across the district
- Decrease Special Education Resource Teachers case-loads to better serve students.

Increase flexibility at schools:

- Ensure schools are able to fund class room teachers at the targeted class sizes

- Continue 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

During the FY16-17 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 FY15-16 school year, there were several expenditures that were overspent. These included the Minnesota Employees Retirement Fund obligation, the Superintendent search, out of district tuition, and operations costs.

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.

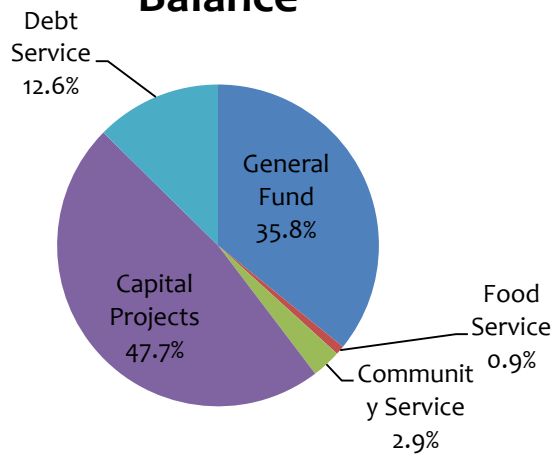
MPS policy states that the general fund unassigned/unreserved fund balance must be at least 8 percent of budgeted expenses, with an annual review to assess risk and increase the targeted level of fund balance, if appropriate. Using 2009 data, a comparison of 20 districts with risks comparable to MPS 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 \$32.4 million of unassigned General Fund fund balance for risk management. This will be 5.7% of our budgeted expenses.

FY 2016-17 All Funds Summary Fund Balance

	June 30, 2015 Audited Fund Balance	Forecasted FY 16 Fund Balance Change	FY 2016, Projected Fund Balance	FY 2017 Revenues	FY 2017 Expenditures	FY 2017, Projected Fund Balance
General Fund	\$79,946,226	\$771,139	\$80,717,365	\$585,955,466	\$585,955,466	\$80,717,365
Food Service	\$1,632,480	\$483,065	\$2,115,545	\$21,463,172	\$21,550,778	\$2,027,939
Community Service	\$5,426,039	\$2,006,960	\$7,432,999	\$28,936,046	\$29,759,444	\$6,609,601
Capital Projects	\$166,323,664	(\$73,853,334)	\$92,470,330	\$140,000,000	\$125,052,032	\$107,418,298
Debt Service	\$32,228,625	(\$3,797,542)	\$28,431,083	\$78,132,877	\$78,132,877	\$28,431,083
Total All Funds	\$285,557,034	(\$74,389,712)	\$211,167,322	\$854,487,561	\$840,450,597	\$225,204,286

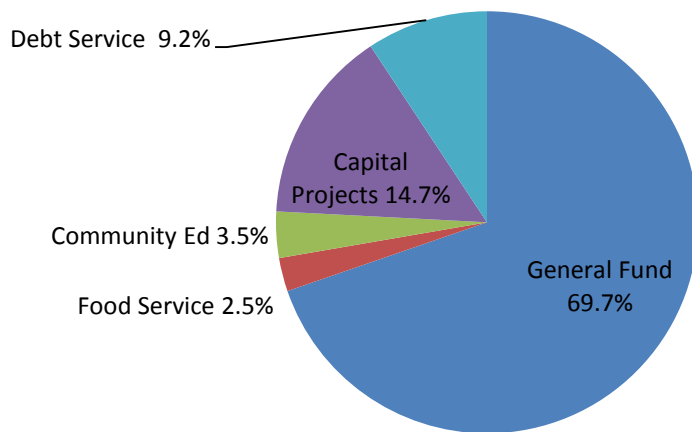
All Funds % of Fund Balance



FY 2016-17 Budget: All Funds Summary

	FY 2016, Projected Fund Balance	FY 2017 Revenues	FY 2017 Expenditures	FY 2017, Projected Fund Balance
General Fund	\$80,717,365	\$585,955,466	\$585,955,466	\$80,717,365
Food Service	\$2,115,545	\$21,463,172	\$21,550,778	\$2,027,939
Community Service	\$7,432,999	\$28,936,046	\$29,759,444	\$6,609,601
Capital Projects	\$92,470,330	\$140,000,000	\$125,052,032	\$107,418,298
Debt Service	\$28,431,083	\$78,132,877	\$78,132,877	\$28,431,083
Total All Funds	\$211,167,322	\$854,487,561	\$840,450,597	\$225,204,286

2016-17 Budget: All Funds



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 2015	Forecasted FY 2016	Budgeted FY 2017
* Beginning Fund Balance	\$ 87,258,622	\$ 79,946,226	\$ 80,717,365
Annual Revenue	\$568,580,754	\$607,155,855	\$585,955,466
Total Revenue	\$ 655,836,376	\$ 687,102,081	\$ 632,043,996
Annual Expenditures	\$ 575,593,150	\$606,384,716	\$585,955,466
Transfers	-	-	-
* Ending Fund Balance	\$ 79,946,226	\$ 80,717,365	\$ 80,717,365
<i>* Beginning and ending fund balances include unrestricted and restricted dollars.</i>			
Restricted Reserves	\$ 30,260,887	\$ 26,204,097	\$ 26,204,097
Unreserved/Unrestricted Fund Balance	\$ 49,665,339	\$54,513,268	\$ 54,513,268

General Fund: Revenue Details

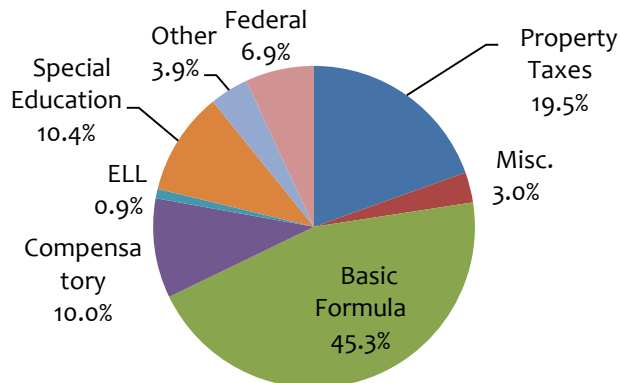
Below is an explanation of how the school district gets its general fund dollars.

		Examples
Local		
Property taxes	There are two types of property tax levies.	
	<div><div>1. Voter determined. \$300 per pupil is School Board approved.</div><div>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.</div></div>	<div>Referendum</div> <div>Safe schools levy</div> <div>Alternative facilities</div> <div>Health and Safety Integration</div>
Misc.	Other sources of revenue; see examples.	<div>School-funded projects</div> <div>Gifts</div> <div>Rent</div> <div>Grants</div>
State Aid		
Basic Formula	The basic formula is an amount per pupil. The amount varies depending on the grade level of the students:	
	<div><div>K – Grade 6</div><div>Grades 7-12:</div><div>1.0</div><div>1.20</div></div>	
Categorical Aid	Categorical aid is aid for specific purposes and it comes in three types.	
	<div><div>1. Based on the adjusted pupil formula.</div><div>2. Based on student characteristics, such as eligibility for ELL services or free/reduced priced meals.</div></div>	<div>Gifted and Talented</div> <div>Alternative Compensation</div> <div>Limited English Proficiency</div> <div>Compensatory Education</div> <div>Integration Aid</div>
	<div>3. Partial reimbursement for services.</div>	<div>Special Education</div>
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.	<div>ESEA:</div> <div>Title I</div> <div>Title II</div> <div>Title III</div> <div>IDEA</div>

General Fund: Revenue Details

Revenue Details	Actual FY 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2017
Local				
Property Taxes	\$110,080,085	\$106,397,151	\$116,602,944	\$114,424,468
Misc.	\$21,919,937	\$20,084,230	\$18,285,936	\$17,831,550
State Aids				
Basic Formula	\$220,914,536	\$244,328,419	\$273,368,383	\$265,177,386
Compensatory	\$56,082,283	\$57,197,597	\$59,153,739	\$58,691,170
ELL	\$5,431,302	\$5,494,880	\$5,390,100	\$5,533,200
Special Education	\$52,716,789	\$60,283,869	\$60,283,869	\$61,000,000
Other	\$22,619,756	\$23,928,730	\$19,760,469	\$22,794,692
Federal	\$44,219,081	\$38,310,414	\$38,310,414	\$40,500,000
Transfers	-	\$12,555,464	\$16,000,000	-
Total Revenue	\$533,983,769	\$568,580,754	\$607,155,854	\$585,955,466

General Fund: Revenue Detail

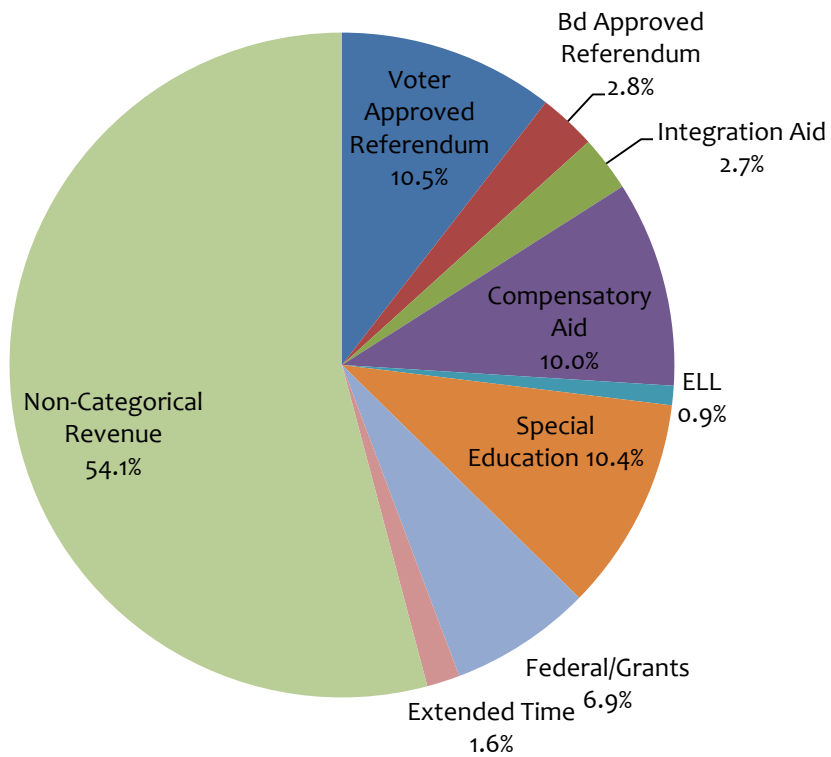


Categorical Revenue: Summary

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	\$61,563,246	Resources committed by the school district to class size, early literacy, technology, textbooks, science and math.
Board Approved Referendum	\$16,306,107	Resources committed by the school district to class size, early literacy, technology, textbooks, science and math.
Integration Aid	\$15,762,665	Programs funded with integration aid must support the goals of closing the achievement gap and increasing racial interaction.
Compensatory Aid	\$58,691,170	State statute identifies 10 uses for compensatory aid funds. View here.
LEP	\$5,533,200	State Limited English Proficiency (LEP) funds must be used to support the education of English Learners.
Special Education	\$61,000,000	State and federal education dollars may only be used for special education services.
Federal/Grants	\$40,500,000	Federal funds must supplement, not supplant, state and local dollars. Restrictions on use depend on the specific grant.
Extended Time	\$9,391,742	Extended time dollars support credit recovery and academic support for qualifying students through after-school and summer school programs.
Non-Categorical Revenue	\$317,207,336	
Total Revenue	\$85,955,466	

2016-17 Categorical Revenue: \$585.9 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).

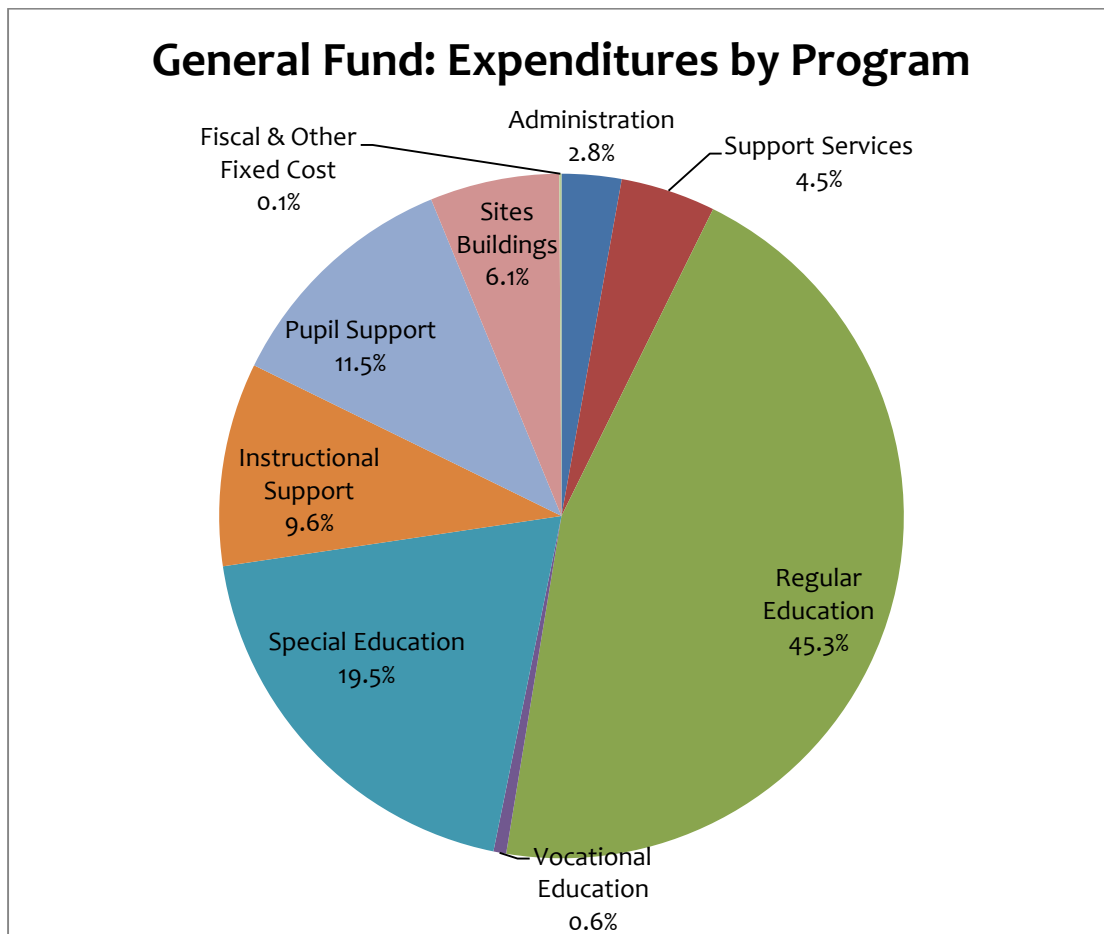


General Fund Expenditures by Program

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.

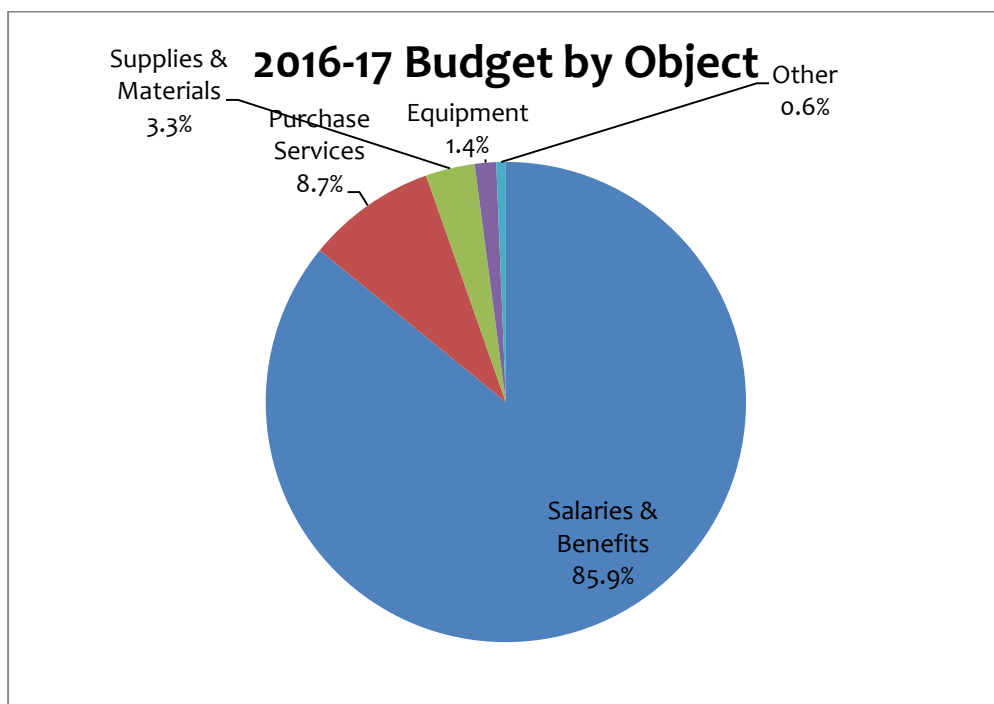
Program	Definition	Examples
Administration	School district and school administration and heads of instructional areas	<ul style="list-style-type: none"> – Board of Education – Superintendent's office – Associate superintendents – Principals – Directors of Teaching and Learning, ELL, other instructional 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 2014	Actual FY 2015	Forecast FY 2016	Budgeted FY 2017
Administration	\$13,879,619	\$16,070,932	\$17,725,429	\$16,533,116
Support Services	\$22,980,865	\$28,140,125	\$22,918,730	\$26,277,704
Regular Education	\$247,063,307	\$261,018,680	\$282,542,725	\$265,319,733
Vocational Education	\$3,735,366	\$3,906,467	\$4,087,875	\$3,521,738
Special Education	\$112,831,353	\$115,090,317	\$120,999,749	\$114,038,772
Instructional Support	\$38,055,158	\$45,674,033	\$54,092,408	\$56,272,126
Pupil Support	\$52,355,745	\$63,500,540	\$68,084,121	\$67,562,950
Sites Buildings	\$35,180,060	\$34,311,403	\$35,347,707	\$35,823,380
Fiscal & Other Fixed Cost	\$566,697	\$567,196	\$585,971	\$605,947
Capital Outlay	\$10,208,124	\$7,613,457		
Total	\$536,856,294	\$575,893,150	\$606,384,715	\$585,955,466



General Fund: Expenditure Details by Object

	Actual FY 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2017
Salaries & Benefits	\$435,744,859	\$474,197,501	\$507,625,120	\$503,259,968
Purchase Services	\$66,810,447	\$74,019,688	\$70,430,357	\$51,119,151
Supplies & Materials	\$13,658,086	\$12,435,934	\$15,563,277	\$19,390,364
Equipment	\$16,866,438	\$7,613,457	\$10,348,818	\$8,440,786
Other	\$4,264,282	\$7,626,570	\$2,417,143	\$3,745,197
Total	\$537,344,112	\$575,893,150	\$606,384,715	\$585,955,466



Referendum 2016-2017

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	\$55,704,459	Distributed on a per pupil basis.
ELL Classrooms	\$7,056,799	ESL teachers in schools
ELL Itinerant staff	\$564,764	ESL teachers to serve schools with small EL populations
Textbooks	\$4,169,630	Textbook adoption
Academic Specialists	\$7,754,605	Placed at schools based on test scores
Instructional Coach for Contract Alternative Schools	\$89,189	
Instructional Technology	\$2,529,907	
Total	\$77,869,353	

Integration Plan 2016-2017

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.	\$ 700,000
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.	\$ 275,000
West Metro Education Program Integration Tuition Provides support for student participation in West Metro Education Program schools and programming.	\$ 305,000
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
Magnet School Transportation	\$ 1,500,000
School Within a School	\$ 200,000
Equity Initiatives	\$ 3,268,239
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.	\$ 600,000
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.	\$ 300,000
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	\$15,762,665

Title I Allocations 2016-2017

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	\$726,575
Public School Allocations	10,806,361
Research, Evaluation and Assessment (REA)	193,000
Family Involvement Funds to Schools	179,739
District Family Engagement and CPEO	434,532
School Readiness/High 5	3,205,864
Neglected and Delinquent Services	205,000
Homeless Highly Mobile Services	683,808
Administration, Required Mailings	1,630,590
Indirect Costs	1,054,970
Total	\$19,120,439



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 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2017
Beginning Fund Balance	\$3,110,990	\$3,302,499	\$5,426,039	\$7,433,000
Annual Revenue	\$24,428,568	\$26,664,323	\$28,570,581	\$28,936,046
Total Revenue	\$27,539,558	\$29,966,822	\$33,996,620	\$36,369,046
Annual Expenditures	\$24,237,059	\$24,540,783	\$26,563,620	\$29,759,444
Ending Fund Balance	\$3,302,499	\$5,426,039	\$ 7,433,000	\$6,609,602
Revenues	Actual FY 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2016
Local	\$10,994,660	\$14,354,831	\$14,436,103	\$14,769,160
State	\$11,693,633	\$10,655,058	\$12,125,120	\$12,910,753
Federal	\$1,740,275	\$1,654,434	\$2,009,358	\$1,256,133
Total Revenues	\$24,428,568	\$26,664,323	\$28,570,581	\$28,936,046
Expenditures	Actual FY 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2017
Salaries & Benefits	\$19,523,518	\$19,602,391	\$20,752,754	\$21,142,298
Purchase Services	\$3,528,599	\$3,686,582	\$4,087,368	\$5,886,051
Supplies & Materials	\$973,301	\$1,057,469	\$1,186,963	\$2,354,592
Equipment	\$87,843	\$166,044	\$467,269	\$347,300
Other	\$123,798	\$28,297	\$69,266	\$29,203
Total Expenditures	\$24,237,059	\$24,540,753	\$26,563,620	\$29,759,444

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 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2017
Beginning Fund Balance	\$2,001,133	\$1,238,920	\$1,632,480	\$2,115,546
Annual Revenue	\$18,215,170	\$19,618,519	\$22,510,886	\$21,463,172
Total Revenue	\$20,216,303	\$20,857,436	\$24,143,366	\$23,578,718
Annual Expenditures	\$18,977,383	\$19,224,956	\$22,027,820	\$21,550,778
Ending Fund Balance	\$1,238,920	\$1,632,480	\$2,115,546	\$2,027,940
Revenues	Actual FY 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2017
Federal (Meal Payments)	\$2,037,860	\$2,397,523	\$2,874,594	\$2,650,000
State	\$659,818	\$941,289	\$778,305	\$845,811
Federal	\$15,517,492	\$16,268,907	\$18,833,351	\$17,967,361
Other	\$0	\$10,797	\$24,636	-
Total Revenues	\$18,215,170	\$19,618,516	\$22,510,886	\$21,463,172
Expenditures	Actual FY 2014	Actual FY 2015	Forecasted FY 2016	Budgeted FY 2017
Salaries & Benefits	\$6,829,112	\$7,525,989	\$8,388,090	\$9,459,732
Purchase Services	\$1,366,511	\$1,363,872	\$1,670,142	\$1,539,093
Supplies & Materials	\$10,132,721	\$9,838,591	\$11,301,644	\$10,285,753
Equipment	\$627,366	\$478,245	\$648,374	\$256,200
Other	\$21,673	\$18,259	\$19,570	\$10,000
Total Expenditures	\$18,977,383	\$19,224,956	\$12,027,820	\$21,550,778

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 2014	Actual FY 2015	Forecasted 2016	Budget FY 2017
Beginning Fund Balance	\$38,744,890	\$51,956,431	\$166,323,664	\$141,287,222
Annual Revenue	\$63,631,133	\$221,494,726	\$110,225,031	\$140,000,000
Total Revenue	\$102,376,023	\$273,451,157	\$276,548,695	\$281,287,222
Annual Expenditures	\$50,419,592	\$107,127,493	\$135,261,473	\$125,052,032
Ending Fund Balance	\$51,956,431	\$166,323,664	\$141,287,222	\$156,235,190
Revenues				
Local	\$5,618,683	\$9,450,263	\$1,802,571	\$1,250,000
State				
Federal				
Other	\$58,012,450	\$212,044,463	\$108,422,460	\$138,750,000
Total Revenue	\$63,631,133	\$221,494,726	\$110,225,031	\$140,000,000
Expenditures				
Salaries & Benefits	\$13,213,878	\$16,169,643	\$15,224,607	\$16,620,000
Purchased Services	\$7,292,235	\$9,656,595	\$9,450,204	\$11,000,000
Supplies & Materials	\$5,434,413	\$5,240,641	\$7,494,766	\$4,400,000
Equipment/Construction	\$24,471,693	\$76,056,854	\$103,061,313	\$93,020,832
Other	\$7,373	\$3,760	\$30,583	\$11,200
Total Expenditures	\$50,419,592	\$50,419,592	\$135,261,473	\$125,052,032

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 and 66.0 percent by 2022.

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

	Actual FY 2014	Actual FY 2015	Forecasted FY 2016	Budget FY 2017
Beginning Fund Balance	\$44,633,373	\$24,811,138	\$32,228,625	\$28,431,083
Annual Revenue	\$137,646,526	\$80,474,869	\$84,328,151	\$78,132,877
Annual Expenditures	\$157,468,761	\$73,057,382	\$88,125,693	\$78,132,877
Ending Fund Balance	\$24,811,138	\$32,228,625	\$28,431,083	\$28,431,083
Revenues				
Local	\$118,038,842	\$51,664,478	\$58,946,528	\$64,351,905
State	\$11,292,182	\$11,228,396	\$11,267,351	\$11,340,000
Federal	\$1,849,803	\$1,894,189	\$1,548,773	\$2,440,972
Bond Premium	\$6,465,699	\$15,687,806	\$12,565,499	-
Total Revenues	\$137,646,526	\$80,474,869	\$84,328,151	\$78,132,877
Expenditures				
Debt Principal & Interest	\$157,468,791	\$73,057,382	\$88,125,693	\$78,132,877
Debt Refunding	-	-	-	-
Other	-	-	-	-
Total Expenditures	\$157,468,761	\$73,057,382	\$88,125,693	\$78,132,877



Year Ending	General Obligations		Certificates of Participation		Total Debt Payment		Total Debt
	Bonds Payable		Payable				Principal & Interest
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	
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							



