



Budget

For the 2017-2018 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, staff and 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

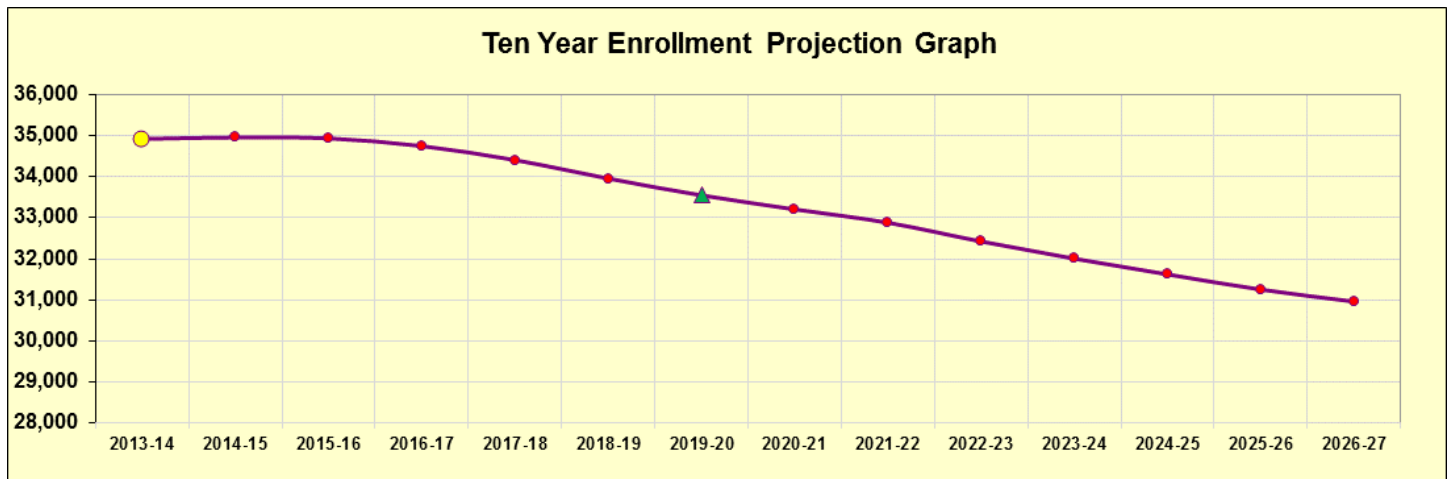
Enrollment based revenue streams are based on a formula using Adjusted Pupil Unit. The school district reports how many students at each grade level are enrolled each day. Our revenue is based on the weighted adjusted pupil unit.

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



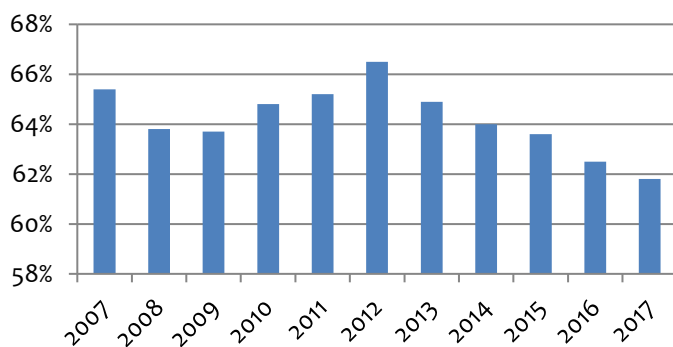
MINNEAPOLIS	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Kindergarten	2939	2939	2939	2939	2939	2939	2939	2939	2939	2939	2939
Grade 1	2949	2826.8	2826.8	2826.8	2826.8	2826.8	2826.8	2826.8	2826.8	2826.8	2826.8
Grade 2	2989	2833.6	2716.2	2716.2	2716.2	2716.2	2716.2	2716.2	2716.2	2716.2	2716.2
Grade 3	2979	2877.1	2727.5	2614.5	2614.5	2614.5	2614.5	2614.5	2614.5	2614.5	2614.5
Grade 4	2922	2837.4	2740.3	2597.8	2490.2	2490.2	2490.2	2490.2	2490.2	2490.2	2490.2
Grade 5	2791	2768.4	2688.2	2596.3	2461.3	2359.3	2359.3	2359.3	2359.3	2359.3	2359.3
Grade 6	2531	2493.4	2473.2	2401.6	2319.4	2198.9	2107.7	2107.7	2107.7	2107.7	2107.7
Grade 7	2493	2455.3	2418.8	2399.3	2329.8	2250.1	2133.1	2044.7	2044.7	2044.7	2044.7
Grade 8	2338	2465.7	2428.5	2392.4	2373	2304.3	2225.5	2109.8	2022.4	2022.4	2022.4
Grade 9	2458	2479.9	2615.4	2575.9	2537.6	2517.1	2444.2	2360.6	2237.8	2145.1	2145.1
Grade 10	2493	2445.7	2467.5	2602.3	2563	2524.9	2504.5	2431.9	2348.7	2226.6	2134.4
Grade 11	2362	2340	2295.6	2316	2442.6	2405.7	2369.9	2350.7	2282.7	2204.6	2090
Grade 12	2501	2642.1	2617.4	2567.8	2590.7	2732.2	2690.9	2650.9	2629.5	2553.3	2466
Total-Graph Below	34745	34404.4	33954.5	33545.9	33204.1	32879.1	32421.8	32002.4	31619.6	31251	30956.3
Change		-340.6	-449.9	-408.6	-341.8	-325	-457.3	-419.4	-382.8	-369.1	-294.2
% Change		-0.98%	-1.31%	-1.20%	-1.02%	-0.98%	-1.39%	-1.29%	-1.20%	-1.17%	-0.94%



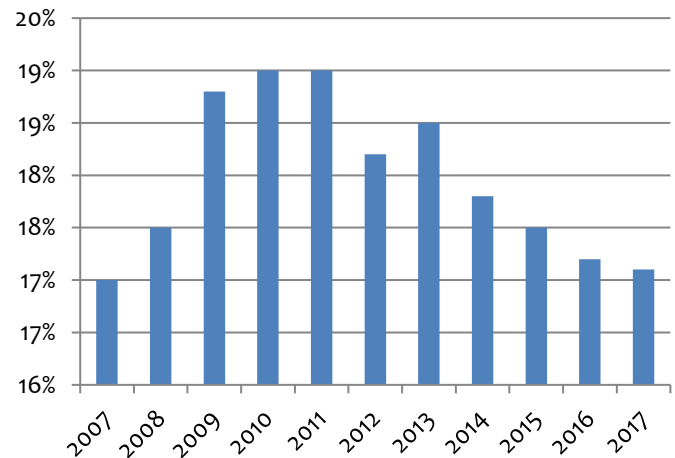
MPS has a greater concentration of students eligible for free/reduced priced meals, students receiving Special Education services and English Learners than the state as a whole. These students generate additional revenue so that MPS may support them with the additional services they need.

Support Services Received by Students Based on 2017 Data from the Minnesota Department of Education		
	MPS	Minnesota
Students Eligible for Free/Reduced Priced Meals	61.8%	37.7%
Special Education Students	17.1%	15.4%
English Learners	22.6%	8.3%

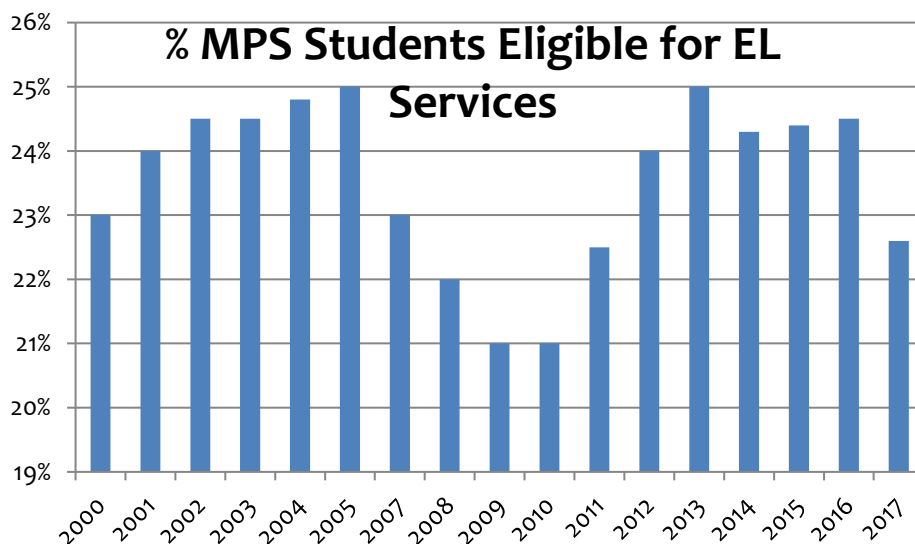
Percent of Students Eligible for Free/Reduced Price Meals in Fall



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 75 sites comprising 8.4 million square feet in FY18.

- 42 elementary school buildings
- 10 middle school buildings
- 7 high school buildings
- 8 other academic buildings
- 1 alternative school building
- 5 administrative buildings
- 2 leased buildings generating revenue

MPS has purchased a block of sites located on East Lake Street adjacent to South High to replace 2225 East Lake Street. 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 2017-2018 Budget

Enrollment and Revenue Assumptions

In making revenue projections, MPS assumed the following:

- Enrollment will decrease by 341 students. A detailed description of grade by grade changes can be found on page 6
- Basic formula will be flat at \$6,067 per adjusted pupil unit.

Expenditure Assumptions

- Benefits remain at 34 percent of salary.
- The amount budgeted for the average teacher salary increased to \$72,004.
- 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 are 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 similar to prior year.
- All department allocations were reduced in order to fund strategic priorities including the Phillips Pool, new K-5 Literacy Adoption, legal settlements, and risk management.

Priorities Reflected in the 2017-2018 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 strive to maintain lower class sizes in all schools including high priority
- 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

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 FY17-18 year, we will engage in cost saving measures to ensure the fund balance amount can be increased.

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.

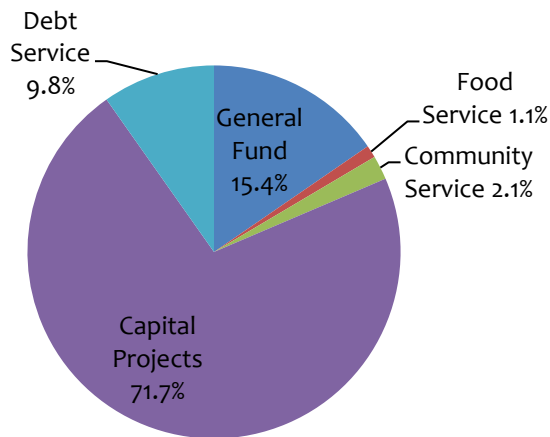
MPS policy states that the general fund unassigned/unreserved fund balance must be at least 8 percent of budgeted expenses, with an annual review to assess risk and increase the targeted level of fund balance, if appropriate. Using 2009 data, a comparison of 20 districts with risks comparable to MPS 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 \$19.8 million of unassigned General Fund fund balance for risk management. This will be 3.7% of our budgeted expenses.

FY 17-18 All Funds Summary Fund Balance

	June 30, 2016 Audited Fund Balance	Forecasted FY 17 Fund Balance Change	FY 2017, Projected Fund Balance	FY 2018 Revenues	FY 2018 Expenditures	FY 2018, Projected Fund Balance
General Fund	\$80,717,365	(\$13,000,000)	\$67,717,365	\$585,958,061	\$607,152,201	\$46,523,225
Food Service	\$2,115,546	\$1,055,084	\$3,170,630	\$22,187,392	\$22,120,076	\$3,237,946
Community Service	\$7,433,000	\$1,008,037	\$8,441,037	\$28,765,723	\$30,919,937	\$6,286,823
Capital Projects	\$141,287,222	\$74,925,540	\$216,212,762	\$126,055,955	\$126,055,955	\$216,212,762
Debt Service	\$28,431,083	\$1,065,617	\$29,496,700	\$78,132,877	\$78,132,877	\$29,496,700
Total All Funds	\$259,984,216	\$65,054,278	\$325,038,494	\$841,100,008	\$864,381,046	\$301,757,456

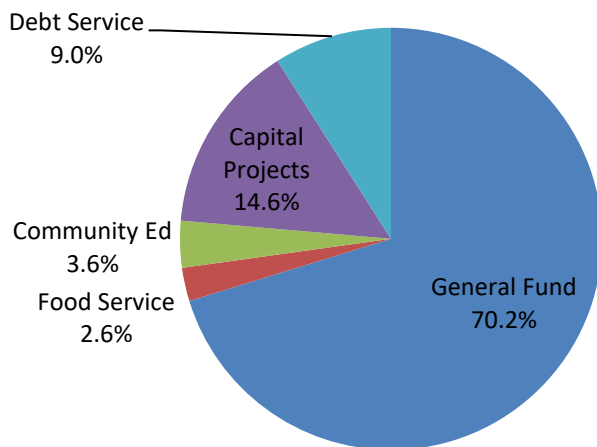
All Funds % of Fund Balance



FY 17-18 Budget: All Funds Summary

	FY 2017, Forecasted Fund Balance	FY 2018 Revenues	FY 2018 Expenditures	FY 2018, Projected Fund Balance
General Fund	\$67,717,365	\$585,958,061	\$607,152,201	\$46,523,225
Food Service	\$3,170,630	\$22,187,392	\$22,120,076	\$3,237,946
Community Service	\$8,441,037	\$28,765,723	\$30,919,937	\$6,286,823
Capital Projects	\$216,212,762	\$126,055,955	\$126,055,955	\$216,212,762
Debt Service	\$29,496,700	\$78,132,877	\$78,132,877	\$29,496,700
Total All Funds	\$325,038,494	\$841,100,008	\$864,381,046	\$301,757,456

2017-18 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 2016	Forecasted FY 2017	Budgeted FY 2018
* Beginning Fund Balance	\$ 79,946,226	\$ 80,717,365	\$ 67,717,465
Annual Revenue	\$607,155,855	\$592,255,466	\$585,958,061
Total Revenue	\$ 687,102,081	\$ 672,972,831	\$ 653,675,526
Annual Expenditures	\$ 606,384,716	\$605,255,466	\$607,152,201
Transfers	-	-	-
* Ending Fund Balance	\$ 80,717,365	\$ 67,717,465	\$ 46,523,325
<i>* Beginning and ending fund balances include unrestricted and restricted dollars.</i>			
Restricted Reserves	\$ 26,204,097	\$ 26,497,770	\$ 26,717,465
Unreserved/Unrestricted Fund Balance	\$ 54,513,268	\$41,219,695	\$ 19,805,860

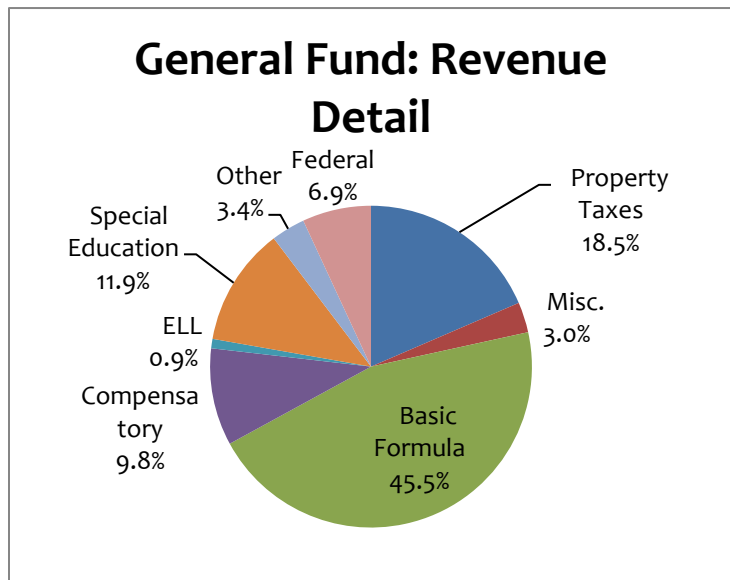
General Fund: Revenue Details

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. Currently \$1,604 per pupil .</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</div> <div>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>Pre-K</div><div>K – Grade 6</div><div>Grades 7-12:</div></div>	<div>0.6 max</div> <div>1.0</div> <div>1.20</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 2015	Actual FY 2016	Forecasted FY 2017	Budgeted FY 2018
Local				
Property Taxes	\$106,397,151	\$116,602,944	\$114,424,468	\$119,784,624
Misc.	\$20,084,230	\$24,220,768	\$24,131,550	\$17,831,550
State Aids				
Basic Formula	\$244,328,419	\$256,355,677	\$258,880,386	\$260,009,333
Compensatory	\$57,197,597	\$59,153,739	\$58,691,170	\$62,190,900
ELL	\$5,494,880	\$5,533,200	\$5,533,200	\$5,533,200
Special Education	\$60,283,869	\$59,198,766	\$61,000,000	\$64,786,718
Other	\$23,928,730	\$30,015,237	\$22,794,692	\$20,000,000
Federal	\$38,310,414	\$40,075,524	\$40,500,000	\$40,500,000
Transfers	\$12,555,464	\$16,000,000	\$13,000,000	-
Total Revenue	\$568,580,754	\$607,155,855	\$598,955,466	\$590,636,325

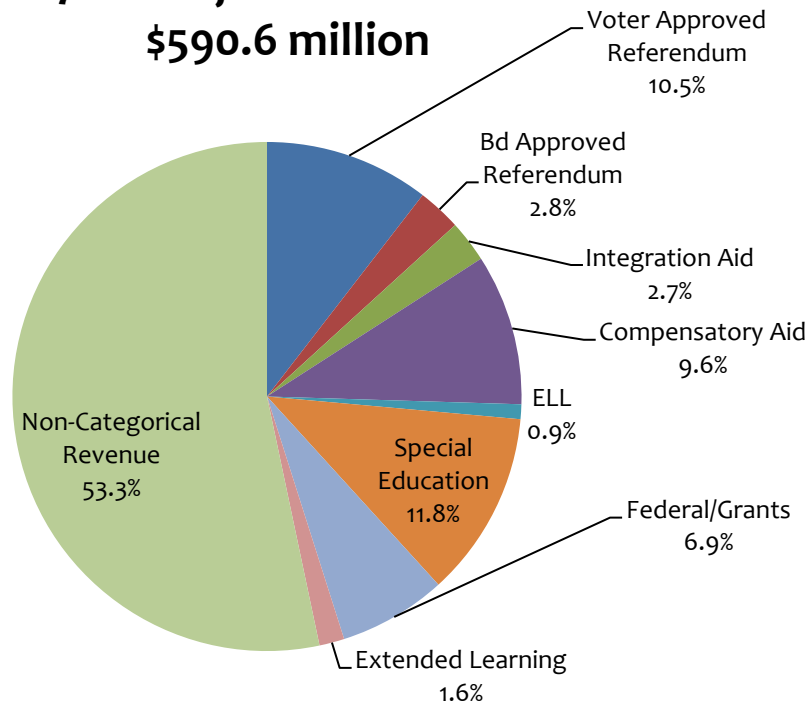


Categorical Revenue: Summary

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	\$61,854,172	Resources committed by the school district to class size, early literacy, technology, textbooks, science and math.
Local Optional Referendum	\$16,347,320	Resources committed by the school district to class size, early literacy, technology, textbooks, science and math.
Integration Aid	\$15,689,345	Programs funded with integration aid must support the goals of closing the achievement gap and increasing racial interaction.
Compensatory Aid	\$56,657,700	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	\$69,786,718	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	\$310,197,864	
Total Revenue	\$585,958,061	

2017-18 Projected Revenue: \$590.6 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 based on the classrooms offered at the high schools.
- 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, 2016.
- 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 SERT's needed at the school. The allocation is based on service minutes, evaluation time, travel time, school demographics (mobility, ELL, free & reduced lunch, etc), grade level, citywide programs at sites and service delivery models.
- Middle schools and high schools are 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 program adjustment 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 are given for Principals and Assistant Principals.
- Small Schools under 250 students are given an allocation of \$200 per student.

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

Referendum 2017-2018

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	\$56,657,589	Distributed on a per pupil basis.
ELL Classrooms	\$8,188,691	ESL teachers in schools
CTE Lab	\$175,000	New CTE labs
Textbooks	\$2,639,756	Textbook replacement
Literacy Adoption	\$5,000,000	New Literacy Adoption
ESL Teachers for Schools with low numbers of EL students	\$578,907	
Instructional Technology	\$4,854,908	
Counselor at Contract Alternative sites	\$106,641	
Total	\$78,201,492	

Integration Plan 2017-2018

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	
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.	\$ 3,042,040
Check and Connect Promotes academic engagement, performance and enrichment of at-risk and disengaged students through cognitive behavioral intervention, mentorship, and family-centered collaboration.	\$ 350,000
Racially Isolated Schools Per pupil allocation	\$ 2,000,000
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.	\$ 450,000
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.	\$ 175,000
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.	\$ 225,000
West Metro Education Program Integration Tuition Provides support for student participation in West Metro Education Program schools and programming.	\$ 360,000
Jobs for Americas Graduates	\$ 200,000
Spring Break/Winter Break Institute	\$ 60,000

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	
Office of Black Male Achievement NUA training	\$ 320,000
Magnet School Transportation	\$ 3,821,863
MTSS/Multi Cultural Curriculum/Materials	\$ 1,019,621
Equity Initiatives	\$ 809,693
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.	\$ 875,000
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.	\$ 105,000
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.	\$ 640,000
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.	\$ 1,136,128
TOTAL	\$15,689,345

Title I Allocations 2017-2018

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	\$996,522
Public School Allocations	12,458,271
Research, Evaluation and Assessment (REA)	237,000
Family Involvement Funds to Schools	209,869
District Family Engagement and CPEO	434,532
School Readiness/High 5	3,911,278
Neglected and Delinquent Services	205,000
Homeless Highly Mobile Services	861,177
Administration, Required Mailings	1,445,593
Indirect Costs	1,325,058
Total	\$22,084,300



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 2015	Actual FY 2016	Forecasted FY 2017	Budgeted FY 2018
Beginning Fund Balance	\$3,302,499	\$5,426,039	\$7,433,000	\$8,441,037
Annual Revenue	\$26,664,323	\$28,570,581	\$32,359,457	\$28,765,723
Total Revenue	\$29,966,822	\$33,996,620	\$39,792,457	\$37,176,760
Annual Expenditures	\$24,540,783	\$26,563,620	\$31,351,420	\$30,919,937
Ending Fund Balance	\$5,426,039	\$7,433,000	\$8,441,037	\$6,286,823
Revenues	Actual FY 2015	Actual FY 2016	Forecasted FY 2017	Budgeted FY 2018
Local	\$14,354,831	\$14,436,103	\$17,198,953	\$14,534,704
State	\$10,655,058	\$12,125,120	\$13,306,513	\$12,207,936
Federal	\$1,654,434	\$2,009,358	\$1,853,991	\$2,023,083
Total Revenues	\$26,664,323	\$28,570,581	\$32,359,457	\$28,765,723
Expenditures	Actual FY 2015	Actual FY 2016	Forecasted FY 2017	Budgeted FY 2018
Salaries & Benefits	\$19,602,391	\$20,752,755	\$22,605,249	\$23,559,483
Purchase Services	\$3,686,582	\$4,087,368	\$5,731,266	\$4,825,367
Supplies & Materials	\$1,057,469	\$1,186,962	\$2,811,234	\$2,146,413
Equipment	\$166,044	\$467,269	\$156,678	\$166,660
Other	\$28,297	\$69,266	\$46,993	\$222,014
Total Expenditures	\$24,540,753	\$26,563,620	\$31,351,420	\$30,919,937

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 2015	Actual FY 2016	Forecasted FY 2017	Budgeted FY 2018
Beginning Fund Balance	\$1,238,920	\$1,632,480	\$2,115,546	\$3,170,630
Annual Revenue	\$19,618,519	\$22,510,886	\$22,605,862	\$22,187,392
Total Revenue	\$20,857,436	\$24,143,366	\$24,721,408	\$25,358,022
Annual Expenditures	\$19,224,956	\$22,027,820	\$21,550,778	\$22,120,076
Ending Fund Balance	\$1,632,480	\$2,115,546	\$3,170,630	\$3,237,946
Revenues	Actual FY 2015	Actual FY 2016	Forecasted FY 2017	Budgeted FY 2018
Federal (Meal Payments)	\$2,397,523	\$2,874,591	\$2,274,785	\$2,249,956
State	\$941,289	\$778,305	\$792,561	\$845,811
Federal	\$16,268,907	\$18,833,351	\$19,293,516	\$19,091,625
Other	\$10,797	\$24,636	\$245,000	-
Total Revenues	\$19,618,516	\$24,143,366	\$22,605,862	\$22,187,392
Expenditures	Actual FY 2015	Actual FY 2016	Forecasted FY 2017	Budgeted FY 2018
Salaries & Benefits	\$7,525,989	\$7,525,989	\$9,557,314	\$10,946,270
Purchase Services	\$1,363,872	\$1,363,872	\$1,345,804	\$1,440,445
Supplies & Materials	\$9,838,591	\$9,838,591	\$10,529,905	\$9,232,353
Equipment	\$478,245	\$478,245	\$100,000	\$501,008
Other	\$18,259	\$18,259	\$17,755	-
Total Expenditures	\$19,224,956	\$19,224,956	\$21,550,778	\$22,120,076

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 2015	Actual FY 2016	Forecasted 2017	Budget FY 2018
Beginning Fund Balance	\$51,656,431	\$166,323,664	\$92,470,330	\$159,333,322
Annual Revenue	\$221,494,726	\$110,225,030	\$128,894,925	\$140,000,000
Total Revenue	\$273,451,157	\$276,548,694	\$221,365,255	\$299,333,322
Annual Expenditures	\$107,127,493	\$184,078,364	\$62,031,933	\$125,052,032
Ending Fund Balance	\$166,323,664	\$92,470,330	\$159,333,322	\$174,281,290
Revenues				
Local	\$9,450,263	\$1,802,571	\$1,757,205	\$1,250,000
State				
Federal				
Other	\$212,044,463	\$108,422,459	\$127,137,720	\$138,750,000
Total Revenue	\$221,494,726	\$110,225,030	\$128,894,925	\$140,000,000
Expenditures				
Salaries & Benefits	\$16,169,643	\$16,191,741	\$17,071,574	\$16,956,758
Purchased Services	\$9,656,595	\$9,450,204	\$10,888,849	\$30,736,185
Supplies & Materials	\$5,240,641	\$7,494,766	\$7,386,353	\$5,349,201
Equipment/Construction	\$76,056,854	\$150,911,070	\$26,665,321	\$72,005,688
Other	\$3,760	\$30,583	\$19,836	\$4,200
Total Expenditures	\$107,127,493	\$184,078,364	\$62,031,933	\$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 \$624,800,000. The school district will have repaid 49 percent by 2021 and 55.0 percent by 2022.

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

	Actual FY 2015	Actual FY 2016	Forecasted FY 2017	Budget FY 2018
Beginning Fund Balance	\$24,811,138	\$32,228,625	\$28,431,083	\$26,957,004
Annual Revenue	\$80,474,869	\$84,328,151	\$77,685,854	\$78,132,877
Annual Expenditures	\$73,057,382	\$88,125,693	\$79,159,933	\$78,132,877
Ending Fund Balance	\$32,228,625	\$28,431,083	\$26,957,004	\$26,957,004
Revenues				
Local	\$51,664,478	\$58,946,528	\$64,966,529	\$64,351,905
State	\$11,228,396	\$11,267,351	\$10,970,315	\$11,340,000
Federal	\$1,894,189	\$1,548,773	\$1,743,880	\$2,440,972
Bond/Premium	\$15,687,806	\$12,565,499	\$4,829	-
Total Revenues	\$80,474,869	\$84,328,151	\$77,685,854	\$78,132,877
Expenditures				
Debt Principal & Interest	\$157,468,791	\$88,125,693	\$79,159,933	\$78,132,877
Debt Refunding	-	-	-	-
Other	-	-	-	-
Total Expenditures	\$157,468,761	\$88,125,693	\$79,159,933	\$78,132,877



Year Ending	General Obligation Bonds Payable		Certificates of Participation Bonds Payable		Total		Total Payment
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Prin + Int
2018	32,057,433	15,584,677	22,130,000	11,580,600	54,187,433	27,165,277	81,352,710
2019	30,587,433	13,953,063	22,590,000	10,446,028	53,177,433	24,399,090	77,576,523
2020	31,322,433	12,891,463	17,805,000	9,366,083	49,127,433	22,257,545	71,384,978
2021	30,302,433	11,752,913	15,555,000	8,523,385	45,857,433	20,276,298	66,133,731
2022	29,812,433	10,681,763	13,430,000	7,792,510	43,242,433	18,474,273	61,716,706
2023	26,247,433	9,610,813	14,040,000	7,169,285	40,287,433	16,780,098	57,067,531
2024	22,727,433	8,654,143	14,685,000	6,515,275	37,412,433	15,169,418	52,581,851
2025	21,397,433	7,874,180	15,330,000	5,823,975	36,727,433	13,698,155	50,425,588
2026	29,860,535	6,479,174	16,015,000	5,101,575	45,875,535	11,580,749	57,456,284
2027	19,780,000	5,081,494	16,725,000	4,346,225	36,505,000	9,427,719	45,932,719
2028	17,950,000	4,362,031	17,475,000	3,547,600	35,425,000	7,909,631	43,334,631
2029	18,550,000	3,700,100	18,265,000	2,712,500	36,815,000	6,412,600	43,227,600
2030	17,980,000	3,001,850	18,980,000	1,950,050	36,960,000	4,951,900	41,911,900
2031	14,390,000	2,320,738	7,590,000	1,157,100	21,980,000	3,477,838	25,457,838
2032	10,815,000	1,746,588	4,140,000	820,475	14,955,000	2,567,063	17,522,063
2033	10,030,000	1,272,788	2,120,000	582,725	12,150,000	1,855,513	14,005,513
2034	8,255,000	840,438	2,200,000	444,925	10,455,000	1,285,363	11,740,363
2035	5,785,000	451,750	2,280,000	301,925	8,065,000	753,675	8,818,675
2036	1,585,000	162,500	2,365,000	153,725	3,950,000	316,225	4,266,225
2037	1,665,000	83,250	-	-	1,665,000	83,250	1,748,250



