MINNEAPOLIS PUBLIC SCHOOLS

DATE: December 6, 2023
TO: Directors of Board of Education, Interim Superintendent Rochelle Cox
FROM: Finance Division
RE: Pro-Forma Financial Projections – General Fund

The Finance Division's Office of Budget & Planning has updated its annual pro-forma projections as mandated by Board Policy 3005, section 8. We corroborate the conclusions of our pro-forma projection from the previous year, and we foresee an impending financial crisis if the district persists in its current mode of operation. **Despite the inclusion of the unprecedented school aid package enacted by the Minnesota legislature in Spring 2023, the district will be unable to sustain the cessation of federal COVID-19 emergency funding while preserving its existing footprint and organizational structure.** The district also lacks an adequate fund balance to continue its current operations beyond a 12–18-month period, necessitating the need for tough financial decisions in the near future.

This document begins with a 'status-quo' projection of MPS finances, operating under the assumption that current programming remains constant. It goes on to provide analysis and discussion of the pro-forma. **The primary objective of this document is to inform the Board of Education, senior MPS leaders, and the MPS community about the financial well-being of our school district.** It is not intended to offer suggestions or propose solutions. This is not a budget projection, but a document crafted to inform stakeholders of approaching financial conditions. If the scenario outlined in this document comes to pass, it would indicate that the district failed to act on the cautionary notes contained within.

Status-Quo Projection

We have updated the pro-forma model that was utilized a year ago, incorporating revised assumptions about enrollment, revenue, and expenses for the forthcoming five years. Our enrollment model projects future enrollment based on historical averages of the percentage of students advancing to the subsequent grade year-on-year, as well as census data to estimate the size of future kindergarten cohorts. Our revenue model employs the current formulas and practices used by the Minnesota Department of Education (MDE) to calculate revenue. Our expenditure model uses the current year's budget as its foundation. All our models are based on assumptions that we deem to be reasonable. However, these are forward-looking models and are likely to deviate from actual results.

Table 1 - Status-Quo Pro-Forma Projection

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
	Actual	Actual	Actual	Prelim.	Budget	Proj.	Proj.	Proj.	Proj.	Proj.
Enrollment (ADM)	33,210	31,393	29,084	27,517	27,004	26,798	25,706	24,773	23,928	23,379
Revenue	$607.8M	$603.7M	$643.2M	$623.4M	$694.7M	$603.2M	$598.0M	$588.1M	$579.4M	$576.0M
Expenditures	$577.3M	$584.8M	$648.1M	$621.2M	$691.5M	$719.3M	$723.1M	$722.7M	$719.2M	$713.8M
Transfers/Other Financing	$1.1M	$0.0M	$23.8M	($3.4M)	($4.3M)	($5.3M)	($6.2M)	($7.5M)	($8.0M)	($8.7M)
Change in Fund Balance	$31.6M	$18.9M	$18.9M	($1.2M)	($1.1M)	($121.3M)	($131.4M)	($142.0M)	($147.7M)	($146.5M)
End of Year Fund Balance	$107.2M	$126.1M	$145.0M	$143.8M	$142.6M	$21.3M	($110.1M)	($252.1M)	($399.8M)	($546.4M)

We have updated the pro-forma model that was utilized a year ago, incorporating revised assumptions about enrollment, revenue, and expenses for the forthcoming five years. Our enrollment model projects future enrollment based on historical averages of the percentage of students advancing to the subsequent grade year-on-year, as well as census data to estimate the size of future kindergarten cohorts. Our revenue model employs the current formulas and practices used by the Minnesota Department of Education (MDE) to calculate revenue. Our expenditure model uses the current year's budget as its foundation. All our models are based on assumptions that

we deem to be reasonable. However, these are forward-looking models and are likely to deviate from actual results.

Our pro-forma projection (Table 1) forecasts a complete exhaustion of the general fund balance during the 2025-2026 academic year, which would result in the district entering statutory operating debt (SOD) by the end of that year. **The district's anticipated financial challenges can be attributed to three primary factors: a decrease in revenue due to continued declining enrollment; escalating costs amplified by higher-than-average inflation; and the cessation of COVID-19 emergency funding from the federal government.**

Assumptions

Our projection incorporates assumptions about enrollment, other revenue drivers, salaries, and other expenditures that significantly influence the outcome of the projection. These assumptions are derived from a range of factors, including but not limited to, historical trends and future expectations. It's crucial to bear in mind that these assumptions represent variables that are unknown and subject to change. The validity of these assumptions hinges on their reasonableness considering what we know and don't know.

Enrollment

In Minnesota, resident school districts do not hold a monopoly on student enrollment. Families residing in the district typically have three types of public schools to choose from: MPS schools, public charter schools, or the option to open enroll into another public school district, often located in a nearby suburb (also referred to as "enrollment options" or simply "options"). **Our enrollment projection presumes that MPS will continue to witness a decline in enrollment over the next five years. Our analysis suggests that this is primarily due to a decrease in the number of school-age children residing in the district.**

Enrollment in public school districts in Minnesota is quantified in terms of 'average daily membership' (ADM), which represents the average number of students enrolled at MPS on any given day during the academic year. We model our enrollment projections by considering several factors: the number of school-age or pre-school-age children living in the city, year-over-year promotion and attrition (the traditional rate of students progressing to the next grade in the following academic year), and any other relevant factors.

Revenue

MPS receives revenue through various channels, with the main sources being state aid, our local property tax levy, and federal funds designated for specific purposes. The complex structure of Minnesota's education finance laws results in a revenue stream from the state that comes with specific requirements. **For the last three years, MPS has also been able to access limited time federal funds distributed to districts to alleviate the negative effects of the COVID-19 virus and associated pandemic.** This includes the impact of lost instructional time, the health and safety of district students and employees, and other disruptions. **While these funding rounds have provided the district with much-needed resources, they will be unavailable after the current fiscal year.**

State Aid

Various forms of education aid from the state of Minnesota make up just under 56% of the district's General Fund funding. The General Fund is the primary funding source for most of the district's operations. s part of their work developing and passing a biennial budget earlier this year, the 93rd Minnesota Legislature made several historic increases to education funding across several areas:

- The basic funding formula was increased from $6,863 per pupil unit in FY23 to $7,138 per pupil unit in FY24, an increase of 4.0%, and $7,281 in FY25, an increase of 2.0%.[1]

[1] A student generating 1.0 ADM is counted as 1.0 pupil units if they are in sixth grade or earlier and 1.2 pupil units if they are in seventh grade or higher.

- Special Education cross-subsidy relief aid was increased from 6.43% of the cross-subsidy to 44%.[2]
- Compensatory Education, a funding formula that provides school-site aid that increases, on a per-pupil basis, at an increasing rate relative to poverty concentration, was increased commensurate with the increase in basic funding.
- The per-pupil unit rate for students identified as English Learners (ELL) was increased from $704 to $1,228. ELL Base aid was also increased.
- American Indian aid was increased.
- New aid entitlements were created to fund student support personnel and school libraries.

These changes are expected to drive an additional $31.7M of state aid in FY24 than would have been received under old law. While we anticipate increase to the formula of between 1.5% and 2.5% in future biennia, we have no reason to expect continued significant increases in state aid and have assumed as much.

We also assume that state aids tied to student eligibility for educational benefits (commonly known as "free/reduced lunch", or simply, "FRL") will decline proportionate to overall district enrollment. This assumption may be optimistic, since FRL counts have been decreasing faster than overall enrollment for several years. However, given the disruptions of the last few years we do not feel comfortable projecting such a decline to continue. Additionally, while the state has now implemented a universal student lunch program that provides free meals to all students, our FRL rate may be negatively impacted as families will not have as much of an incentive to complete the application for benefits, which is required annually. Fortunately, over 80% of our students every year who do qualify as FRL are qualified through direct certification.[3]

Property Tax Levy & Referendums

The annual property tax levy, including voter approved referendums, makes up about 20% of General Fund revenue. Around 60% of this amount requires periodic voter approval while the remaining portion is set either through statute or by the Board of Education. While the Board of Education has the power to under-levy it has not done so since the 2016 tax year (FY17). Since then, it has chosen to levy the maximum allowed by statute. We assume that the Board will continue this practice going forward.

The district currently receives property tax revenue from three voter approved referendums. Two of these referendums are considered "operating referendums" which allows the district to levy a certain amount per pupil unit. In 2016 voters passed a referendum renewal allowing the district to levy up to $1,604.31 per pupil unit each year and in 2018 voters passed another referendum allowing the district to levy up to $490 per pupil unit. By statute these per-pupil amounts increase with inflation. In the current year levy the district was allowed to levy up to $2,208.01 per pupil unit, an increase of $113.70 above the approved per pupil amount.

The district also receives property tax revenue through a "Capital Project Levy" that was approved by voters in 2018. This referendum allows the district to levy up to 2.249% of the district's net tax capacity "to provide funds for the purchase, installation, and maintenance of software applications and technology equipment, and for training and directly related personnel costs." This referendum accounts for $15.8M of anticipated FY24 revenue.

We have assumed that as these referendums expire voters will continue to support their renewal.[4]

[2] The cross-subsidy is the difference between the aid provided to a district to provide a mandatory service and the expense incurred by the district to provide it.

[3] Students who receive, or who are members of families that receive, certain forms of public assistance are automatically qualified for FRL. The resident county notifies the school district of these students, and no application for educational benefits is required.

[4] The 2016 Operating Referendum renewal passed with the support of 83.4% of voters. In 2018 the Operating Referendum passed with the support of 77.8% of voters and the Capital Projects referendum passed with the approval of 71.2% of voters.

Federal Funds & Grants

The district receives federal funds through various programs, including Title I, as well as revenue from a variety of federal, state, local, and private grants. While in a normal year less than 10% of the district's general fund revenue comes from federal sources, in recent years it has received an additional $264.6M in one-time federal funding as a response to the Covid-19 pandemic. This funding has come over several rounds established by three acts of Congress: the CARES Act, the CRRSA Act, and the ARP Act.

Although many of these funds were restricted to specific uses (such as protective equipment, out of school lunches, etc.) a significant portion of these funds were lightly restricted or essentially unrestricted. As a result, for the fiscal years 2022-2024 the district has been using around $60M annually to fund "continuity of services", essentially using these funds to maintain staffing and service levels even as enrollment, and corresponding revenue, has fallen (Table 2).

Table 2 - COVID-19 Emergency Funds: Awards and Usage by Year

Grant	Est Leg*	Award	Actual FY21	Actual FY22	Actual FY23	Budget FY24	Projected Adj FY24	Total
CRF	CARES	10,929	10,929	-	-	-	-	10,929
CRF - Nutrition	CARES	783	783	-	-	-	-	783
GEER	CARES	1,464	545	874	35	-	-	1,454
ESSER	CARES	18,706	9,849	8,581	170	-	-	18,600
ESSER II	CRRSA	71,006	-	63,081	7,925	-	-	71,006
ESSER II Summer School	CRRSA	2,257	-	1,063	1,194	-	-	2,257
ESSER III	ARP	127,575	-	-	58,358	63,375	5,842	127,575
ESSER III Learning Loss	ARP	31,894	-	-	6,319	29,026	(3,451)	31,894
Total		264,615	22,107	73,598	74,002	92,401	2,391	264,499

Legislation that established grant: CARES - Coronavirus Aid, Relief, and Economic Security Act (2020); CRRSA - Coronavirus Response and Relief Supplemental Appropriations Act (2021); ARP - American Rescue Plan Act (2021); All amounts 000's of $

As these funds will be unavailable after the current fiscal year, the district faces a significant decrease in revenue beginning in FY25. This is commonly known as the "fiscal cliff" and represents a sudden drop in school district funding that is expected to impact school districts across the United States.

Expenses

Salaries & Collective Bargaining

For this pro-forma, we assume a 2.5% increase in total cost each year for each union contract. Currently, eight of our twelve collective bargaining units (excluding trades) are working without a current contract. The district is already engaged in collective bargaining discussions with the Minneapolis Federation of Teachers, Teachers Chapter (MFT), the Minneapolis Federation of Teachers, ESP Chapter (ESP), the Minneapolis Federation of Teachers Adult Education chapter (ABE), and the Minneapolis Principal's Forum.

Engaging in union contract negotiations is a crucial aspect of the district's ongoing recovery efforts, following the labor pause in spring 2022 involving the MFT, ESP, and ABE bargaining units. This process presents a significant challenge that requires careful navigation. Furthermore, the district is committed to attracting professional, clerical, and service staff in a competitive market, where private-sector employers are also vying for talent. The district acknowledges the potential risk of market dynamics affecting its ability to secure these employees and is actively exploring strategies to address this.

In FY24, the district budgeted for a 5% 'vacancy rate' across all positions and plans to maintain this approach in the future. This implies that approximately 5% of district positions will be vacant at any given point throughout the year. This assumption recognizes that vacancies will always occur throughout the year as people enter and exit employment with the district. If the district fills more positions than anticipated, this could result in a budget variance that is unfavorable.

Food Service Subsidy
As part of the historic education spending package passed by the Minnesota legislature this year, school districts now provide a universal lunch program with meals free to all students. However, the amount of funding provided by the legislature is insufficient to fund the entirety of MPS' food service operations. This is because of the number of kitchens that must be operated across the district. The district still anticipates transferring funds form the General fund to the Food Service Fund at the end of every year to offset operating losses.

Costs Related to the District's Footprint
Due to the number and size of facilities operated by the district (the "footprint"), which exceeds all other school districts in the state, MPS incurs significantly higher purchased services expenses than other districts as a percentage of its overall budget. There are primarily three types of expenses that drive these costs: utilities, student transportation, and long-term facilities maintenance. This status-quo pro-forma assumes that MPS continues to incur these costs.

Costs Related to Special Education
MPS incurs significant costs related to the provision of Special Education services to eligible students and considers the appropriate provision of such services to be a moral mandate in addition to a legal and financial one. By law, the district must, annually, spend at least as much or more providing special education services than it did in any previous year, or prove that is has experienced a significant loss of students with Individualized Education Plans ("IEPs"). This is known as "maintenance of effort" (MOE) and is strictly scrutinized and enforced by MDE's special education finance office.

If MPS fails to make MOE in any given year funds in the amount totaling the difference between the required spending and the actual spending are "reclaimed" by the state out of the General Fund. Although the state has increased the amount of cross-subsidy reduction aid it provides, the district must still subsidize special education services out of its general fund, meaning that any funds reclaimed by the state do not actually represent special education aid, but General Fund funds provided to the district as aid for General Education. As such, we expect to continue spending as much or more on special education services going forward.

Projection

Our model projects a sharp decrease in revenue in FY25 followed by several years of steady revenue declines. This represents the sharp decline in federal funds in FY25 followed by steadily declining enrollment through the remainder of the projection.

In all our models we have made assumptions that we consider to be reasonable, but which are forward looking and may differ from actual results. These differences will arise due to internal decisions, external pressures, staffing decisions, or other unforeseen changes occurring within the district. They will also vary depending on the political and economic climate in which the district operates. This model is *status-quo* and forecasts what happens if MPS makes no major structural or financial changes.

Our status-quo projection anticipates fully depleting the general fund balance during the 2025-2026 school year, which would lead to statutory operating debt at the end of fiscal year 2026. There are three primary causes for MPS' anticipated financial issues:

1. Reduced revenue caused by continued declining enrollment.
2. Increasing costs exacerbated by higher-than-normal inflation.
3. The loss of COVID-19 Emergency funding from the Federal government.

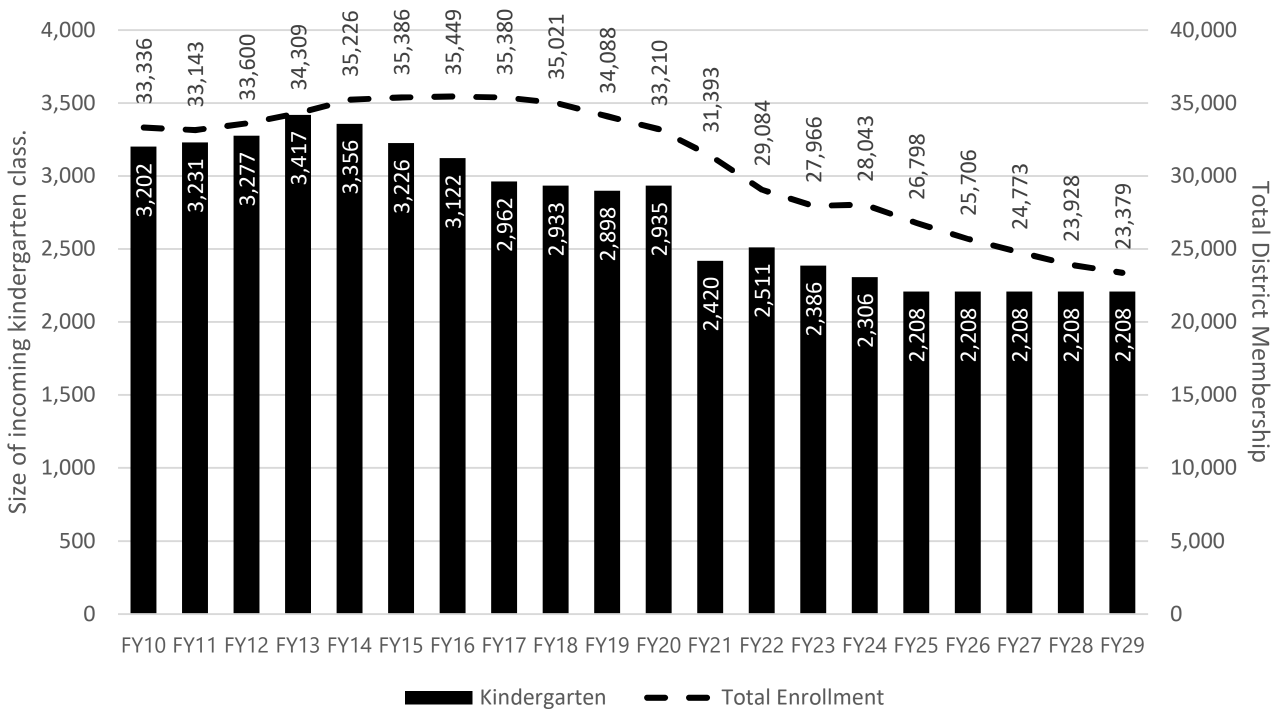
Analysis

MPS is challenged by declining revenue, driven by enrollment losses, as well as being burdened by an unsustainable cost structure. This section will focus on three key topics: what is causing the decline in district enrollment; the size and scope of the district's infrastructure; and the distribution of licensed staff throughout the district.

Enrollment Declines

We believe that enrollment declines over the last five years have been driven by fewer school age children living in the district. In 2019 there were over 55,000 residents of Minneapolis ages nine and under, whereas in 2022 there were just under 43,000. The loss of 12,000 city residents representing one of the primary groups served by MPS has reduced the overall need for public education services within the city. The decline in the number of children is especially pronounced for children under the age of five, where census data indicates a sudden and dramatic drop between 2020, in which 27,071 children under the age of five were recorded in the decennial census, and 2021, for which the census' American Community Survey estimated a total of 22,543.

Figure 1 - Kindergarten vs Total District Enrollment Trend



Fewer children under the age of five results in lower annual enrollment counts of kindergartners over the next five years. Since kindergarten is one of the main entry points for students into public education, lower kindergarten membership will eventually cause overall district membership to decline. However, the effect is not immediate, as demonstrated in Figure 1, where we see declining membership in kindergarten (the bars) begin declining in fiscal year 2013 whereas overall membership (dashed line) did not begin declining until fiscal year 2018. We believe that most of the decline in kindergarten enrollment has already happened, and that annual enrollment of kindergarten will stabilize at around 2,200 students. As the smaller classes of students begin to work their way through the thirteen-year public education cycle, eventually district enrollment will level off somewhere between 23,000 and 24,000 students.

Reinforcing our belief, that enrollment declines have been driven primarily by emigration from the district, is the significant reduction in the number of resident children who have utilized any form of public education overall. While MPS has lost 6,960.7 ADM over the last five years, other resident school districts have only picked up a net of 528.6 ADM resident to Minneapolis, and charter schools have only picked up 601.7. As a result, the number of children resident in Minneapolis utilizing *any* form of public education has fallen by 5,889.5 ADM.[5]

Contrary to the popular belief that Minneapolis as a resident district is losing students primarily to other public education providers, what we see in the data is a marked decline in the number of students identified as Minneapolis residents utilizing public education *at all.* While we may be losing students to other public providers, this is not so much a result of children leaving MPS so much as it is a result of children leaving the city entirely. This overall decline in the number of school-age children living in our district indicates that we should not expect enrollment levels to increase to pre-pandemic levels within the foreseeable future.

Table 3 - Net change in membership of Minneapolis residents utilizing public education.[6]

	MPS	Open Enrolled	Charter	Other Public	Net Change
FY18 to FY19	-1,009.1	94.8	204.1	-21.7	-731.9
FY19 to FY20	-812.5	-85.4	447.9	-23.6	-473.6
FY20 to FY21	-2,214.4	163.0	185.7	-6.1	-1,871.8
FY21 to FY22	-1,294.8	188.4	-17.3	-25.8	-1,149.6
FY22 to FY23	-1,629.9	167.8	-218.7	8.2	-1,672.5
Five Year Net Change	-6,960.7	528.6	601.7	-69.0	-5,899.5

District Footprint

Minneapolis Public Schools owns more square feet of active building space than any other district in the state. At last count[7] MPS had 8,625,108 square feet of used floorspace in its buildings, over a million square feet more than the next largest amount owned by a single district.[8] Of the five largest districts in the state, MPS also has the second highest average building size at 132,632 square feet, and the highest amount of square footage per ADM, at 298. (Table 4).

Table 4 - Real estate statistics for selected districts.

	Buildings Owned	Buildings Used		Square Feet Per	
		Total	Sq. Ft	Used Building	ADM
Minneapolis	74	70	8,625,108	123,216	298
Anoka-Hennepin	47	47	6,233,718	132,632	166
Osseo	30	30	3,809,691	126,990	188
Rosemount-Apple Valley-Eagan	38	39	4,587,031	117,616	160
Saint Paul	71	70	7,529,320	107,562	230

5 There has also been a net reduction of 69.0 resident ADM for students utilizing other forms of public education such as care and treatment facilities, shared time arrangements, etc.

6 These numbers were taken from MDE's "District / School ADM Report" in late October 2023. As FY23 numbers were not yet official at that time, the final ADM numbers may differ from those represented in the table.

7 All figures taken from MDE Data Center Reports

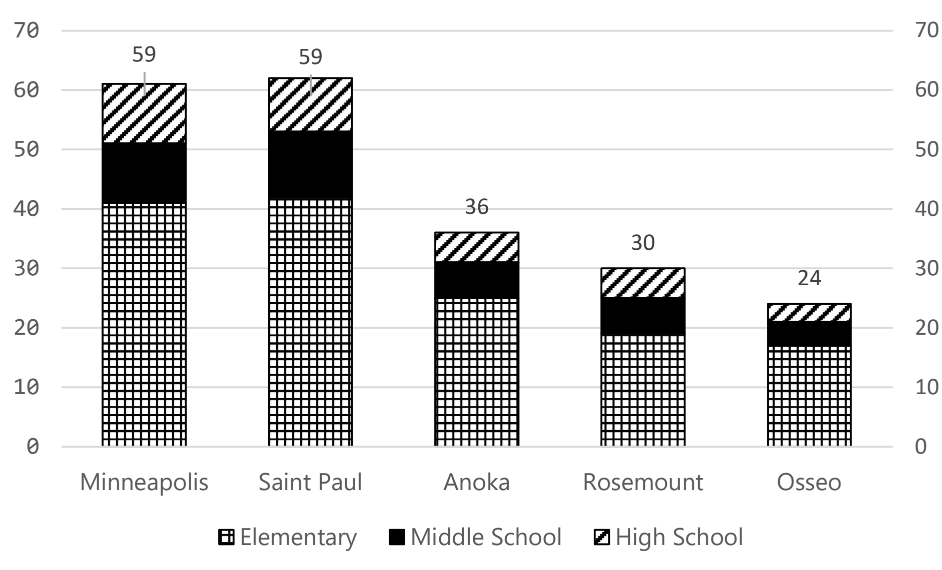
8 Saint Paul is the next largest district by building floor space, with 7,529,320.

In the previous section we looked at the reason for MPS' dramatic enrollment declines over the last five years and showed that those declines were mostly tied to outward migration from the city, indicating that at least for the time being, enrollment levels have settled at a "new normal" that reflects that outward migration. In this section we will attempt to estimate what the district footprint would look like if it were modeled on the footprints of the other large districts in the state.

One method of doing this calculation is to look at square feet per ADM. The average amount of square footage in used buildings per student in Minneapolis is 298, vs 186 for the other four large districts. At a very high level we can divide our total square footage by 186 to estimate the district's overall capacity, and doing this yields a result of 46,382, or about 60% higher than the FY22 PreK-12 ADM of 28,984. Evaluated slightly differently, 28,984 is about 62.5% of 46,382, and at a very high level we can say that the district is therefore at about 62.5% of its capacity.

One major cost of utilizing space so inefficiently is the cost of providing utilities to and maintaining all the extra space. For example, in FY23 MPS spent about $16M on utilities, $8M on long term facilities maintenance (LTFM) and about $16.5M on custodial costs and preventative maintenance. The total of these three numbers, $40.5M, stands as a good proxy for the cost of maintaining our existing footprint. If only 62.5% of our space is needed, that means that 37.5% of our space is not needed. We can approximate the cost of maintaining all this extra floor space as $40.5M X 37.5% = $15.2M.

Figure 2 - Number of schools by type for selected districts.[9,10]



Another way of evaluating the footprint of the district is to look at the number of schools and the total number of students at each school. Minneapolis and Saint Paul each have 59 traditional school sites vs 36 in Anoka-Hennepin, 30 in Rosemount-Apple Valley-Eagan, and 24 in Osseo. Since three of these districts (Osseo being the

[9] Does not include special sites, Special Education specific sites, or alternative schools. About 95% of students who attend these districts attend the schools represented in this chart, which are based on the FY23 10/1 counts.
[10] Minneapolis has two K-8 schools that are represented in both the elementary and middle school bars. Saint Paul has three secondary schools that are represented in both the middle and high school bars.

exception) have equivalent or higher enrollment than MPS it's worth asking ourselves how they operate with fewer school sites.

Table 5 - Average student count per school by district.

District	Elem. School	Middle School	High School
Minneapolis	323	524	839
Anoka	622	1,403	2,440
Osseo	516	1,034	2,171
Rosemount-App. Valley	648	1,081	1,833
Saint Paul	357	400	1,102
Avg Excl Mpls	501	868	1,718

Table 5 shows the average student count per school in the five largest districts in the state. It's immediately noticeable that MPS tends to operate lower enrolled schools, on average, than do other districts. Another way to gauge the excess amount of space that MPS has is to see how many schools MPS would have if it had average enrollments per school like other large schools in the area. These calculations are detailed in Table 6.

Table 6 - Number of schools needed by MPS to match averages of other large districts.

	Student	Avg Enrollment		MPS At Other District Average		
	Count	MPS	Other 4	Current	Equiv.	Change
Elementary	13,237	323	501	41	26	-15
Middle School	5,242	524	868	10	6	-4
High School	8,388	839	1,718	10	5	-5
Total at these Buildings	26,867	455	753	59	37	-24

Minneapolis currently has 59 schools: 39 elementary schools, 2 K-8 schools (which are reflected twice in the "Current" column above but are not double counted in the student count), and 10 high schools. These do not include other sites such as contract alternatives, care and treatment facilities, or special education schools. With 41 elementary school sites (the "Current" column) MPS averaged 323 students per site in the October 1, 2022 count whereas the other four large districts averaged 501 students per site. If MPS were to increase its average count per school to the 501 that other districts experience in their elementary schools, it would only need 26 elementary schools vs the 41 it currently operates.

We can perform similar calculations for middle schools and high schools, with the analysis indicating that if MPS operated at the average school sizes experienced across the other four large districts, where we currently have 59 schools we would only need 37. 37 schools is equivalent to 62.7% of the 59 schools we operate now, which is very close to the result of our calculation of square feet above.

Table 7 - Excess predictable staffing costs.

	Cost Including Fringe			
	Elem. School	Middle School	High School	Total
Principal	$190,910	$200,917	$207,922	$4,706,929
Secretary	$57,059	$57,059	$65,749	$1,412,866
Health Services Asst	$54,633	$54,633	$54,633	$1,311,192
Security Monitor		$44,448	$44,448	$400,032
Office Assistant			$57,165	$285,825
Total Minimum Cost	$302,602	$357,057	$429,917	
Excess	15	4	5	24
Cost of Excess	$4,539,030	$1,428,228	$2,149,586	$8,116,844

What is the cost of this excess? At minimum we know that we have redundant positions at each school that are part of the district's predictable staffing model. The predictable staffing model outlines positions that must exist in each building, but which would become redundant if programming in that building moved to another building. For example, every school must have a principal and a secretary, but only one of each. Therefore, we can say that *at minimum* the excess predictable staffing costs incurred by the district because of the district's excess footprint is $8.1M. (Table 7).

Distribution of Licensed Staff

The biggest expense related to excess capacity in the district is likely caused by the additional licensed staff necessary to provide instruction in the schools. Of the five large districts in Minnesota, MPS has the lowest student-to-licensed staff ratio, at 9.4 students per licensed staff vs a state average of 12.3.[11] However, this ratio includes all licensed staff, including school administrative staff, non-instructional staff, and other licensed staff who do not work directly with students.

To understand how this contributes to the cost impact of excess district capacity, we can look at the ratio of students to instructional staff. These are staff that are working directly with students. Table 8 displays the student to staff ratio for the five largest districts in the state, as well as the state average, for licensed instructional staff. MPS has a student to staff ratio of 12.9 for licensed instructional vs a state average of 16.8, almost 4 students more for each staff person. The next lowest ratio is in Saint Paul, which has 13.8 students per licensed instructional staff. If MPS were to adjust its staffing to match Saint Paul, it would only need 2,210 FTE of licensed instructional staff instead of 2,366 FTE. This difference of 155.8 teachers, which at the average teacher cost of $106,575 equals $16.6M, is a measure of the cost of MPS' excess district capacity.

Table 8 - Cost savings that would be realized by adjusting student to staff ratio to match other large districts.

	Licensed Instructional			Potential
Staff Like -	Ratio	Number	Delta	Savings
Minneapolis	12.9	2,366	0.0	$0
St Paul	13.8	2,210	-155.8	$16,601,363
Anoka	15.1	2,028	-338.4	$36,060,720
State Avg	16.8	1,992	-374.0	$39,859,706
Osseo	16.2	1,884	-481.8	$51,348,382
Rosemount	16.8	1,815	-551.4	$58,765,004

[11] These numbers are for FY22 and can be found at: https://public.education.mn.gov/MDEAnalytics/DataTopic.jsp?TOPICID=157

People are often surprised to learn that MPS has one of the lowest student-to-staff ratios in the state because at some schools, class sizes are at levels that would not be considered low or might even be considered high. Those people often have children in schools that are at or over capacity. However, there are several schools within the district that are below capacity. It is those schools that drive low student to teacher ratios. MPS currently has ten elementary schools with enrollment of less than 250, two middle schools with enrollment less than 300, and two high schools with enrollment below 500. It is very hard to operate these schools efficiently while still providing educational opportunities that are equitable and appropriate. There are two primary reasons why.

First, some schools simply do not have enough kids to have fully enrolled classrooms. It is not uncommon for some schools to operate with classes of 12-14 students in regular instruction. Even at our smallest schools, we budget for 18-22 students per classroom. In situations where class sizes are so small, there simply isn't enough enrollment at the school to operate at efficient student to staff levels. These schools often have the hardest time absorbing new kids into their programs because each additional child is, relatively, a much bigger increase than at a large school.

Second, each school has a certain level of student support that must be provided in the form of specialists (such as gym and music teachers), library media specialists, nurses, and paraprofessionals. A library media specialist that can effectively serve up to 500 kids is, by definition, working at half their capacity if they are working in a school with only 250. These inefficiencies force the district to employ more staff than other districts to provide in school services.

Consider the theoretical situation depicted in Table 9, two K-5 schools, each with 180 enrolled (30 per grade). As separate schools each requires 10 classrooms in order to honor the class size caps agreed to as part of the district's collective bargaining agreement with MFT. Between the two schools 20 classrooms must be maintained. However, if these schools combined into a school with 360 enrolled, 60 kids per grade, only 16 teachers would be required to fulfill the class size caps, a 20% reduction. This is how economies of scale drive higher student to staff ratios and how under-enrolled schools increase costs.

Table 9 - Efficiency example of combined school.

	Class Size Cap	Enrollment by Grade			Number of Rooms Required		
		School A	School B	Combined	School A	School B	Combined
Kindergarten	22	30	30	60	2	2	3
First Grade	22	30	30	60	2	2	3
Second Grade	22	30	30	60	2	2	3
Third Grade	25	30	30	60	2	2	3
Fourth Grade	30	30	30	60	1	1	2
Fifth Grade	30	30	30	60	1	1	2
Total		180	180	360	10	10	16

We believe that at minimum MPS could match the student to staff ratio seen in Saint Paul. Doing this would save the district $16.6M, which we can describe as the lowest possible cost of excess capacity involving the distribution of licensed staff at MPS. However, Saint Paul is a district that is also noted for its inefficiencies, and realistically MPS should be able to replicate more efficient districts such as Anoka-Hennepin, or even the state average.

The Cost of Excess Capacity
Through these examples we have shown how operating a school district with so much excess capacity has real, tangible costs. At minimum, we would assert that the excess capacity in our district costs *at least* $44.9M every year. In reality it is probably much more. Our analysis did not include costs such as transportation, capital projects, curriculum, or food service subsidies.

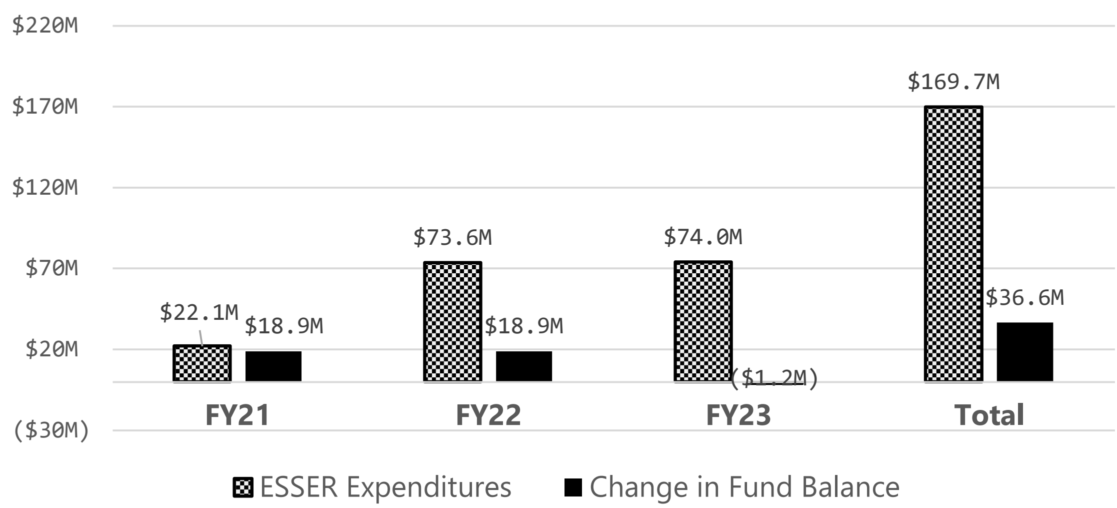
Table 10 - Minimum estimate of excess capacity cost

	Minimum Estimated Cost
Square Footage Related	$15,200,000
Predictable Staffing	$8,116,855
Licensed Staff Distribution	$16,601,603
Cost of Excess Capacity	$38,918,458

As enrollment drops the cost of running a district with so much extra capacity will continue to increase. This is the primary driver of the anticipated deficits that the district will experience if it continues operating as is. We do not believe that this issue can be solved by increasing enrollment, and therefore revenue. There are not enough children living in the district for that to be a realistic possibility. As such, it is the cost structure of the district that is unsustainable and must be addressed.

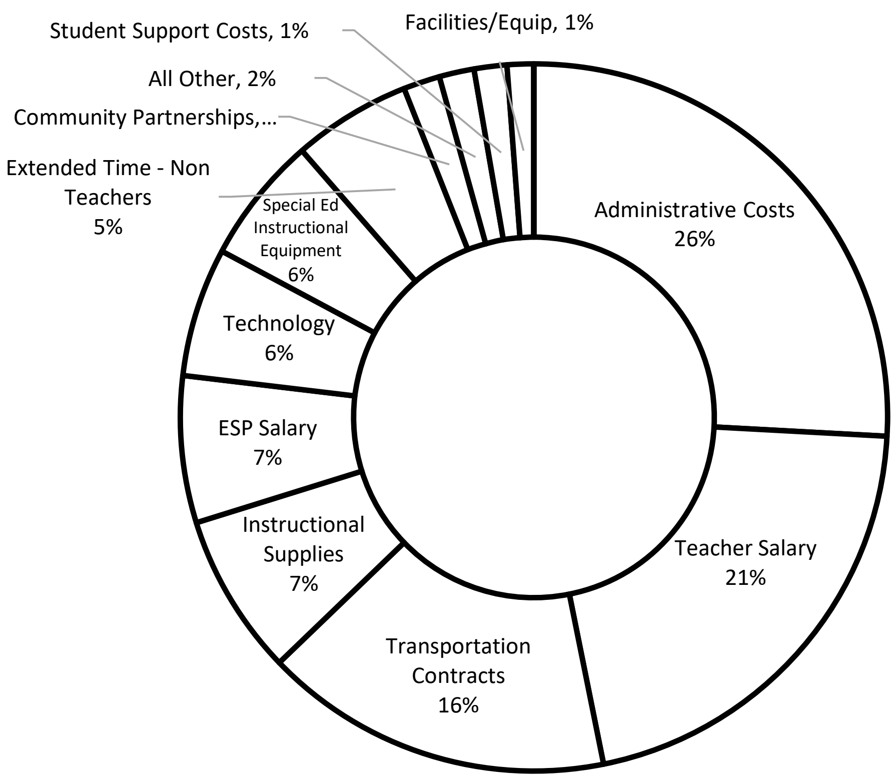
Supplanting with ESSER Funds
The Elementary and Secondary School Emergency Relief (ESSER) funds, established in response to the COVID-19 pandemic, are exempt from the typical "supplement, not supplant" requirement. This allows schools to use ESSER funds to replace state and local funding for certain expenses, providing flexibility in addressing pandemic-related challenges. However, ESSER funds are still subject to other federal requirements and must align with the program's purpose and goals.

Figure 3 - ESSER Expenditures vs General Fund Balance Changes



The ESSER III funds provide districts with the flexibility to allocate resources as they see fit. This could include addressing learning loss, improving school facilities, or investing in educational technology. The funds are designed to ensure continuity of services, allowing districts to respond effectively to the challenges of the pandemic. MPS chose to use the bulk of ESSER II and ESSER III funds to fund ongoing operations instead of one-time programs. This has allowed MPS to increase its fund balance over the course of the pandemic by supplanting less restrictive funding with ESSER in order to build fund balance. (Figure 3 illustrates this concept well) This was done in preparation for our current situation, to give the district appropriate time to make sound financial decisions in a time of potential crisis.

Figure 4 - ESSER Spending: FY21-FY23



As demonstrated in Figure 4, most of the expenditures that ESSER has been used for to date are ongoing costs, not one-time expenditures. This demonstrates the level of supplanting that was required to maintain a continuity of services, especially after the labor stoppage in the Spring of 2022. In order to address the financial impact of the agreements reached with the Minneapolis Federation of Teachers, as a result of that strike, ESSER funds that had previously been earmarked for other projects had to be repurposed to pay ongoing educator salaries. Some of the biggest items that were funded include administrative costs, predominantly at school sites (such as secretaries and clerical staff), teacher pay including extended time, and transportation contracts. These are all costs that would normally be funded out of other funding sources that were supplanted by ESSER. Had it not been for ESSER funding, had we attempted to continue with operations as currently practiced, we still would have had to incur these costs and would not have been able to build fund balance like we were able to do.

Discussion

The pro-forma projection does not serve as a forecast of future events. Rather, it underscores the necessity for change to ensure the longevity of MPS as an institution. While this pro-forma does not extend to proposing or endorsing solutions to the district's financial challenges, it does provide a platform for us to outline the strategies, procedures, and methodology employed by the Budget & Planning office in crafting a sustainable operational plan.

Governing Board Policy

In accordance with MPS Board Policy 3700, the district is obligated to take necessary measures to achieve or sustain an unassigned fund balance of at least 8% of the projected General Fund expenditures for the subsequent year. Fund balances represent the reserves held by the district to ensure operational liquidity in scenarios where revenue inflow is disrupted (for instance, during a government shutdown or property tax shift), or funds earmarked for specific programs. Given the board's directive to the Superintendent or her appointee to uphold this minimum fund balance, all financial plans devised by the district must be cognizant of this mandate.

To adhere to this stipulation during a period of escalating costs, MPS must consistently generate a modest unassigned surplus annually. This is since as anticipated operating expenses rise year after year, the 8% requirement correspondingly increases. Therefore, to remain in compliance with district policy, any budget formulated by the district must be balanced. A budget is deemed balanced when there are sufficient funds available to cover the district's expenses. These funds can either be revenue accrued by the district in the budgeted year, or they can be assigned funds from a previous year that are being utilized for their designated purpose.

Strategic Plan Alignment

MPS' current strategic plan is focused on creating a district where "all students – regardless of their background, zip code, and personal needs – will receive an anti-racist, holistic education that builds essential knowledge to prepare students for future success." To pursue this vision MPS leadership has identified four goal areas:

1. Academic Achievement – Every student achieves their full potential through equal access to programming that is academically rigorous and connects learning with students' experiences.
2. Student Well Being – Every student's physical and mental wellbeing is addressed as an integral part of their education.
3. Effective Staff – School and district staff approach all work centered on students and equity.
4. School and District Climate – MPS is seen by our community as welcoming, responsive, and connected.

The strategic plan describes several strategies that have been identified to pursue these goals as well as defining the necessary conditions required for those strategies to be effective. Implicit in the necessary conditions outlined in the plan is fiscal sustainability so that funds are available to do the work described. Since district leadership has defined the district's vision and identified the strategies that can be used to achieve that vision, the role of the Budget & Planning team is to make sure that district resources are being used, whenever possible, to support those strategies.[12]

For the FY24 budget the district implemented priority-based budgeting, which will continue in creating the FY25 budget. During the district's priority based budgeting process, central office departments are required to examine all of the work they are proposing to do in the next fiscal year and fit it into one of three areas: 1) work that is done to comply with the law, board policy, or collective bargaining agreements entered into by the district; 2) work that is essential for the continuous operation of the district (such as providing transportation or custodial services); or 3) work that is done in pursuit of fulfilling the objectives of the strategic plan. It is the expectation that most proposed expenditures will be included in the third group.

[12] Strategic Plan documents can be found at: https://mpls.k12.mn.us/strategic-plan

All proposed expenditures must be presented to a Budget Alignment Committee ("BAC") composed of the Superintendent, her delegates, the Budget & Planning team, and two school principals. The BAC is empowered to compare all programs presented and prioritize them relative to other programs presented, committing resources first to the more prioritized programs. By so doing they will assist the Superintendent in making her budget recommendations to the directors of the Board of Education.

While there are no current plans to reduce or modify school budget allocations, it needs to be stated clearly that budget allocation decisions are subject to change as the BAC and the Budget & Planning team receive and process new information. As such we will ask central office departments to develop their budget proposals to extend for two years, as the amount of resources available may be constrained by any transformational decisions made by the Board.

District Transformation Process

Additional work by the directors of the Board of Education (the "Board") is ongoing to define a transformational vision for what they would like the district to become. While the exact definition of what constitutes "transformation" is still being worked out, for the purposes of this document we consider it to be the set of outcomes that the Board considers optimal given all other constraints, including financial constraints.[13]

To date the Board has committed to a program of public and community engagement as well as a facilities study to identify and catalog district real-estate so that it can later be used to identify where the district has capital assets appropriate for the transformation, where it has gaps, and where the district may have capital assets that can be mothballed or disposed of.

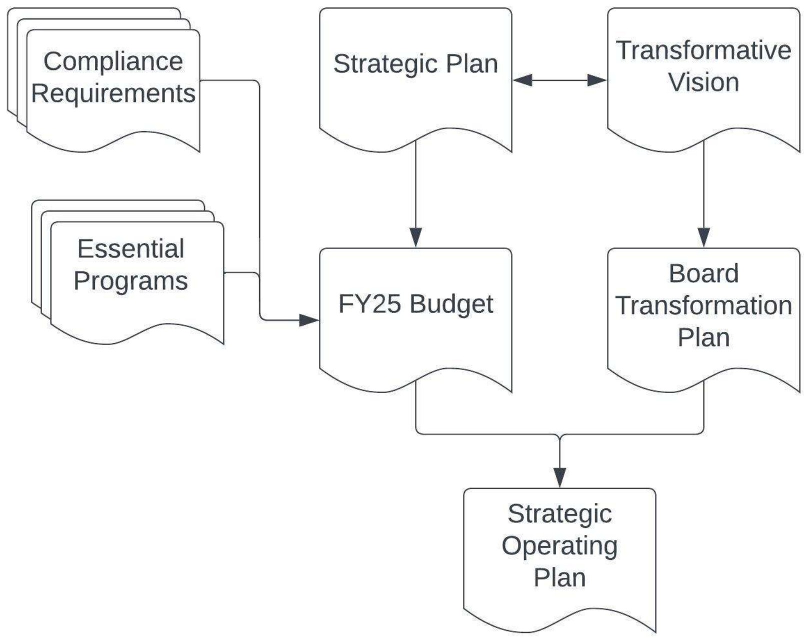
One common item that is discussed in the context of district transformation is school closures. While school closures could certainly be impactful in achieving financial sustainability and concentrating resources to improve quality, it is not the only approach. In our status quo pro-forma we assume that all schools remain open and that this course is likely unsustainable, but at this time no plans have been communicated to us that schools will close or any schools have been identified for closure.

Strategic Operating Plan

While MPS has produced annual *pro-forma* for several years, it has always been a status-quo projection. That is, what do the district's finances look like doing what we do now and after implementing plans already in place? While the pro-forma document is useful as an analytical tool – it helps us understand why our finances are the way they are – it is not useful as an actual financial plan. That planning exercise is a much bigger project involving many more stakeholders throughout the district. This year we are planning to produce a "Strategic Operating Plan" to serve as an actual financial map from the FY25 budget and to the transformed district envisioned by our Board.

[13] This is probably not the definition the Board would use to define district transformation because they have a wider scope through which they must view the process. From the perspective of the directors governing an academic institution, they are more concerned with the type and quality of programming being delivered. While there is certainly a financial aspect of that work, in this document we are primarily focused on what the Board desires the district to transform *into*, for reasons that will become clear.

Figure 5 - How information flows into the strategic operating plan.



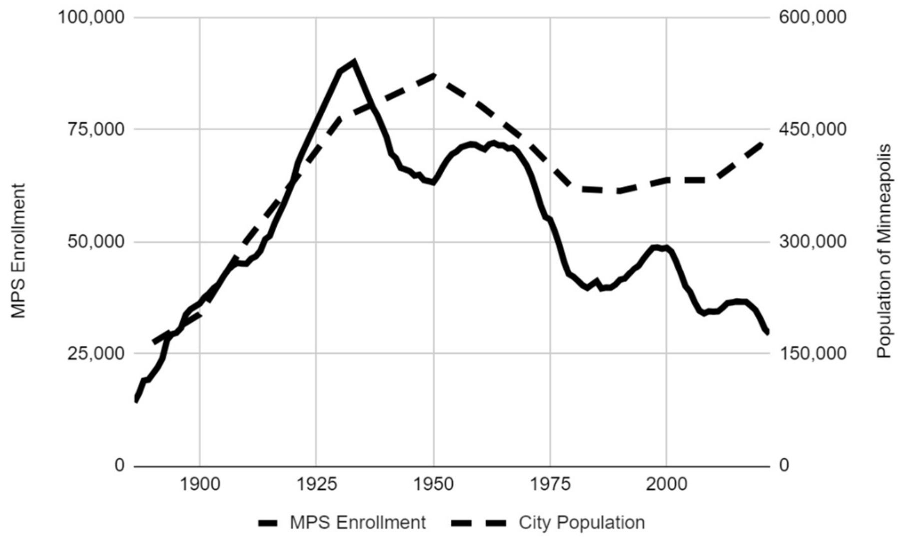
Construction of the Strategic Operating Plan is relatively straightforward. It consists of two somewhat separate, but heavily interrelated, paths: one undertaken by the Board (the transformation) and the other undertaken by the Superintendent and her staff (the Budget). These processes are not done in a vacuum, as each must inform the other, but must be done separately as they have different purposes and requirements. The FY25 budget developed by the Superintendent and then approved by the Board is the groundwork for the first year of the Strategic Operating Plan. The Transformation Plan, currently being developed by the Board, will describe their vision for how a future district will be organized. It, essentially, forms the final year of the Strategic Operating Plan. The Strategic Operating Plan process involves planning how the district uses years two, three and four to make the transformation successful. Doing this helps district leadership understand the financial realities of what they are attempting.

The Strategic Operating Plan is the financial expression of the Strategic Plan in that it conveys, over a five-year period, what that Strategic Plan will involve, as well as the associated costs. While this may be the first time the district has created such a plan, it is not a process that can be done once. As new information becomes available the Strategic Operating Plan must be updated regularly (ideally on an annual basis) to reflect that new information.

Taking a Long View

As we plan for a right-sized district that is focused and fiscally sustainable, we do want to take a step back and consider the long-term view. Unlike local charter schools, which exist to serve only their students, MPS as an institution exists to serve the community (and by extension the children who live there) as a whole. As such, as the resident school district MPS must take all comers. The district must stand ready to absorb any increased demand that may arise due to market changes or demographic shifts.

Figure 6 - MPS Enrollment vs City Population



MPS has experienced sudden increases before. From the late 1880s until the 1933, when the district reached its all-time high enrollment of 90,073[14], MPS experienced steep and sustained growth driven by industrialization and European immigration (Figure 6). The 1950s with the Baby Boomers and the 1990s with their children, the millennials, also saw substantial increases in enrollment.

Furthermore, Minneapolis is considered by many to be one of the cities least likely to be negatively impacted by climate change. One of the biggest impacts of climate change on the city, therefore, may be the people fleeing from climate-change impacts in their own areas that are significantly worse. In the event that migratory patterns within the United States shift northward, due to climate change or for whatever other reason, MPS will absorb the wave of students that comes with it and should keep this in mind as it plans for the future.

Conclusion

Public education is the cornerstone of our democracy. The gifts that it has given our country are vast to the point of incomprehensibility, which may be why there seem to be so many who take it for granted, and who view education as a government subsidized service as opposed to the public good that it is. While many readers may agree that the return on public education is so great that it will outsize any investment made in it, we live in a time and place where education funding is limited, and many services are not fully funded. In order to preserve itself as the public institution that it must be, MPS must adjust quickly to changes in demand, demographic shifts, and the preferences of families.

Minneapolis Public Schools is approaching a fiscal crisis if it continues to operate as it does right now. This is caused by an unsustainable cost structure, excess capacity, and ongoing enrollment declines. This is the result of excess capacity that was once needed to serve children who are no longer here. **Over the last five years these enrollment declines have been caused not by families opting for a different public education provider, but by fewer and fewer children calling Minneapolis their home.**

[14] The district underwent significant growing pains during this time. At the turn of the century the schools were so crowded that the Board of Education set up rented 'annexes' in church basements, the backrooms of taverns, and wherever else they could find room to serve as classrooms. While they were considered temporary, many were used continuously for years.

We have shown the outward migration of children in two ways: overall reduction in pupils claimed as Minneapolis residents to MDE by any local education agency in the state; and the reduction in estimated population of children in census data and in the American Community Survey. While there have been calls to fix the district's financial problems by attracting families away from open enrollment and charter schools, we continue to assert that there are not enough children living in the city to make this work. We will do all that we can to attract and retain families but should prioritize using our resources to serve the kids who are currently enrolled in the district.

Inefficiencies exist within our district, resources are too spread out and underutilized. We maintain too much excess capacity. These are real issues that can be solved, and it is now time to address them so that MPS can realize its vision that all students – regardless of their background, zip code and personal needs – will receive an anti-racist, holistic education that builds essential knowledge to prepare students for future success.

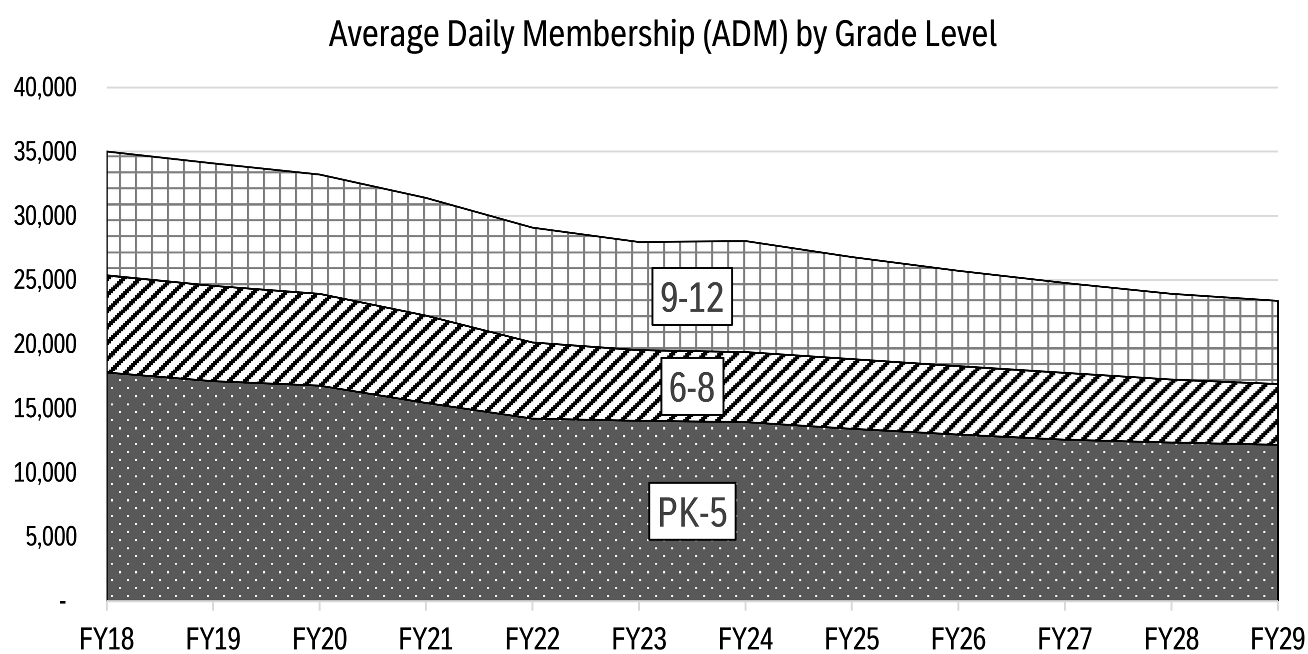
Appendix 1 – Pro-Forma Projection

All numbers are in 000's of $.

	Budget FY24	Projection FY25	Projection FY26	Projection FY27	Projection FY28	Projection FY29
Property Tax Levy	145,848	149,031	146,919	143,653	140,930	139,450
General Ed Aid	293,920	290,507	289,254	283,588	277,474	274,858
Special Ed Aid	93,185	92,479	90,484	89,420	89,453	90,011
Federal Revenue	145,626	55,000	55,000	55,000	55,000	55,000
All Other	16,111	16,219	16,331	16,446	16,564	16,686
Total Revenue	**694,691**	**603,237**	**597,988**	**588,107**	**579,421**	**576,005**
Salaries & Wages	374,045	389,310	388,356	384,693	378,400	370,770
Extended Time	18,852	18,861	19,003	18,983	18,810	18,521
Fringe	139,854	145,903	145,599	144,275	141,962	139,136
Purchased Services	119,163	124,427	128,160	131,492	135,445	139,516
Supplies	31,305	32,244	33,212	34,208	35,234	36,291
Equipment	785	808	832	857	883	910
Miscellaneous	7,489	7,714	7,945	8,184	8,429	8,682
Total Expenses	**691,493**	**719,268**	**723,108**	**722,692**	**719,163**	**713,825**
Fund Transfers	**(4,330)**	**(5,307)**	**(6,234)**	**(7,454)**	**(7,968)**	**(8,720)**
Net FB Change	**(1,133)**	**(121,338)**	**(131,354)**	**(142,039)**	**(147,710)**	**(146,540)**
Starting Fund Balance	156,599	155,466	34,129	(97,225)	(239,264)	(386,975)
Ending Fund Balance	**155,466**	**34,129**	**(97,225)**	**(239,264)**	**(386,975)**	**(533,515)**

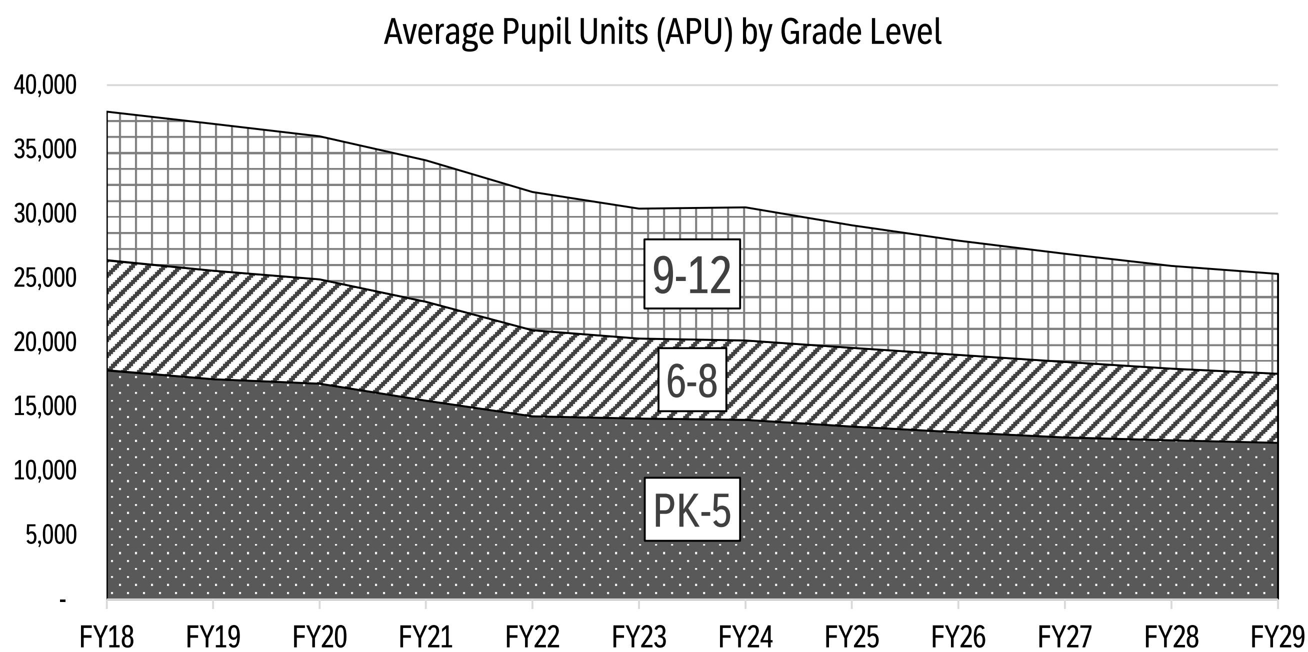
Appendix 2 – Projected Average Daily Membership (ADM)

Grade	Actual					Prelim	Fcst	Projected				
Level	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Pre-K	626	611	606	591	468	549	615	615	615	615	615	615
K	2,933	2,898	2,935	2,420	2,511	2,387	2,208	2,208	2,208	2,208	2,208	2,208
1	2,863	2,831	2,793	2,647	2,273	2,425	2,306	2,285	2,083	2,083	2,083	2,083
2	2,858	2,685	2,723	2,529	2,358	2,200	2,383	2,135	2,137	1,948	1,948	1,948
3	2,890	2,727	2,564	2,484	2,254	2,257	2,154	2,075	2,008	2,010	1,832	1,832
4	2,811	2,706	2,581	2,377	2,231	2,088	2,193	2,100	1,944	1,881	1,883	1,717
5	2,818	2,663	2,574	2,393	2,118	2,139	2,077	2,000	1,979	1,832	1,773	1,774
6	2,561	2,494	2,364	2,227	1,941	1,847	1,846	1,900	1,759	1,741	1,611	1,559
7	2,514	2,466	2,391	2,235	1,938	1,811	1,786	1,785	1,816	1,682	1,664	1,540
8	2,489	2,477	2,401	2,318	2,040	1,833	1,826	1,740	1,743	1,773	1,642	1,624
9	2,442	2,484	2,437	2,449	2,196	2,130	2,029	1,840	1,741	1,743	1,774	1,642
10	2,433	2,337	2,361	2,350	2,304	2,121	2,136	2,050	1,761	1,666	1,669	1,698
11	2,300	2,256	2,145	2,163	2,146	2,068	2,074	1,940	1,887	1,621	1,534	1,536
12	2,484	2,454	2,328	2,212	2,307	2,110	2,410	2,125	2,025	1,970	1,692	1,601
Total	35,021	34,088	33,202	31,393	29,084	27,966	28,043	26,798	25,706	24,773	23,928	23,379



Appendix 3 – Projected Average Pupil Units (APU)

Grade	Actual					Prelim	Fcst	Projected				
Level	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Pre-K	626	611	606	591	468	549	615	615	615	615	615	615
K	2,933	2,898	2,935	2,420	2,511	2,387	2,208	2,208	2,208	2,208	2,208	2,208
1	2,863	2,831	2,793	2,647	2,273	2,425	2,306	2,285	2,083	2,083	2,083	2,083
2	2,858	2,685	2,723	2,529	2,358	2,200	2,383	2,135	2,137	1,948	1,948	1,948
3	2,890	2,727	2,564	2,484	2,254	2,257	2,154	2,075	2,008	2,010	1,832	1,832
4	2,811	2,706	2,581	2,377	2,231	2,088	2,193	2,100	1,944	1,881	1,883	1,717
5	2,818	2,663	2,574	2,393	2,118	2,139	2,077	2,000	1,979	1,832	1,773	1,774
6	2,561	2,494	2,364	2,227	1,941	1,847	1,846	1,900	1,759	1,741	1,611	1,559
7	3,016	2,959	2,869	2,682	2,325	2,174	2,143	2,142	2,179	2,018	1,997	1,848
8	2,987	2,972	2,882	2,781	2,449	2,200	2,191	2,088	2,091	2,128	1,970	1,949
9	2,930	2,981	2,924	2,939	2,635	2,557	2,435	2,208	2,089	2,092	2,129	1,971
10	2,919	2,804	2,834	2,820	2,764	2,545	2,563	2,460	2,113	1,999	2,002	2,037
11	2,760	2,707	2,574	2,596	2,576	2,481	2,489	2,328	2,265	1,946	1,841	1,843
12	2,981	2,944	2,794	2,654	2,769	2,532	2,892	2,550	2,430	2,363	2,030	1,921
Total	37,953	36,983	36,015	34,139	31,671	30,381	30,495	29,094	27,900	26,864	25,923	25,307



Appendix 4 – Projected Revenue

General Education Aid	FY24B	FY25	FY26	FY27	FY28	FY29
Basic Revenue (Formula)	209,772	206,787	208,214	203,488	199,301	198,462
Extended Time	7,396	5,858	5,898	5,765	5,646	5,622
Declining Enrollment	1,097	2,198	1,048	2,198	2,027	1,351
Pension Adjustment	5,147	5,347	5,312	5,240	5,174	5,130
Gifted/Talented	382	369	363	349	337	329
Compensatory Education	47,935	47,358	46,532	45,390	44,481	43,928
ELL Revenue	4,298	4,544	4,278	4,104	3,955	3,820
ELL Concentration Revenue	1,526	1,613	1,519	1,457	1,404	1,356
ELL Cross Subsidy Reduction Aid	118	117	110	106	102	98
Alternative Attendance	150	134	133	133	132	132
Q-Comp	4,776	4,768	4,768	4,591	4,430	4,325
Integration Aid	9,112	8,956	8,799	8,472	8,175	7,981
Nonpublic Transportation	456	694	500	500	500	500
Access to Menstrual Products	59	59	59	59	59	59
American Indian Aid	873	873	873	873	873	873
School Library Aid	473	483	497	515	528	541
Student Support Personnel	351	351	351	351	351	351
Subtotal General Education Aid	293,920	290,507	289,254	283,588	277,474	274,858

Special Education Aid						
Initial Aid	45,324	43,666	42,895	41,302	39,855	38,909
Net Tuition Adjustment	(14,687)	(14,687)	(14,687)	(14,687)	(14,687)	(14,687)
Excess Cost Aid	13,848	13,342	13,106	12,619	12,177	11,888
Transportation Aid	27,918	27,406	26,149	24,763	23,778	22,989
Hold Harmless/Growth Limit		-	-	2,591	5,639	8,095
Cross Subsidy Reduction Aid	20,782	22,752	23,021	22,831	22,692	22,818
Subtotal Special Education Aid	93,185	92,479	90,484	89,420	89,453	90,011

Property Tax Levy						
Operating Capital	6,846	6,734	6,653	6,435	6,238	6,118
Local Optional Tier 1	8,805	8,521	8,370	8,059	7,777	7,592
Local Optional Tier 2	12,461	12,042	11,830	11,390	10,991	10,730
Referendum (Approved)	64,893	65,427	64,272	-	-	-
Referendum (Renewal)	-	-	-	61,885	59,716	58,298
Transition Revenue	5,499	5,315	5,221	5,027	4,851	4,735
Equity Revenue	1,470	1,420	1,395	1,343	1,296	1,265
Q-Comp	2,662	2,567	2,567	2,472	2,385	2,329
Integration Levy	3,922	3,854	3,787	3,646	3,518	3,435
Safe Schools	1,058	1,061	1,022	1,004	967	933
Judgements		530	-	-	-	-
Career & Tech Ed	947	6,003	6,004	6,034	6,065	6,097
Other Postemployment Benefits	3,817	2,890	2,890	2,890	2,890	2,890
Long Term Facilities Maintenance	3,549	3,656	3,765	3,878	3,995	4,114
Lease Levy	662	1,422	938	750	750	750
MERF/TRA	7,088	7,088	7,088	7,088	7,088	7,088
Cap Proj (Tech Levy)	15,849	20,501	21,116	21,749	22,402	23,074
Cap Proj (Tech Levy) Renew	-	-	-	-	-	-
Adjustments	6,320					
Subtotal Levy	145,848	149,031	146,919	143,653	140,930	139,450
Federal Revenue & Grants						
ESSER III General Use	63,375					
ESSER III Learning Loss	29,026					
Non-ESSER Federal Pass Through	47,643					
Title	-	55,000	55,000	55,000	55,000	55,000
Federal Grants	2,814					
State & Local Grants	1,743					
Private Grants	1,024					
Subtotal Federal & Grants	145,626	55,000	55,000	55,000	55,000	55,000
Other Revenue						
Investment Earnings	2,000	2,000	2,000	2,000	2,000	2,000
eRate Rebate	500	500	500	500	500	500
Contract Alternatives	3,611	3,719	3,831	3,946	4,064	4,186
Funded Programs	10,000	10,000	10,000	10,000	10,000	10,000
Subtotal Other Revenue	16,111	16,219	16,331	16,446	16,564	16,686
TOTAL GENERAL FUND REVENUE	694,691	603,237	597,988	588,107	579,421	576,005