



Fridley Public Schools

Adopted Budget Fiscal Year 2024-25

June 18, 2024



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INTRODUCTORY SECTION

Organizational Overview

Fridley School Board

Board Member	Position
Jake Karnopp	Chair
Nikki Auna	Vice Chair
Erik Keeler	Treasurer
Ross Meisner	Clerk
Avonna Starck	Director
Sara Jones	Director

Fridley Administrative Team

Position	Name
Superintendent	Dr. Brenda Lewis
Senior Officer of Academics and Innovation	Harold Scott
Senior Officer of Operations & System Alignment	Rochelle Cox
Director of Special Services	Laura Seifert
Assistant Director of Special Services	Dr. Danielle Thompson
Director of Administrative Services	Lori Andler
Director of Nutritional Services	Renee Arbogast
Director of Community Education	Stephen Keeler
Director of Technology	Yvonne Anderson
Director of Early Childhood & Family/Community Engagement	Dr. Aimee Fearing
Director of Human Resources	Center for Effective School Operations (CESO)
Director of Finance	Center for Effective School Operations (CESO)
Director of Transportation	Center for Effective School Operations (CESO)
High School Principal	Kelly McConville
High School Assistant Principal	Lamii Zarlee
High School Activities Director	Justin Reese
Middle School Principal	Dr. Amy Cochran
Middle School Assistant Principal	Matthew Engelhardt
Principal of Alternative Services & PreK	Kari Varichak
Hayes Elementary Principal	Angaelicka Iverson
Hayes Elementary Assistant Principal	Greg Beeck
Stevenson Elementary Principal	Veronica Mathison
Stevenson Elementary Assistant Principal	Abby Jensen

Budget Executive Section

Classroom Staffing:

Based on estimated enrollment and Fridley Maximum Class Size:

Grade	Class Size
Pre-Kindergarten	20
Kindergarten	24
Grades 1-2	25
Grade 3-4	28
Grades 5	25
Grades 6-8	34
Grades 9-12	34

Financial Overview

Overview of Funds

To understand this budget document, it is helpful to know that there are significant legal restrictions on how school districts must spend and account for the public funds that are received. It is important to be aware of the fund structure discussed below because, **with very few exceptions, money cannot be transferred from one fund to another.** There are also revenue streams within the funds that are restrictive; Integration Aid, for example, can only be spent for items as noted in the District Integration plan, and may not be used for general classroom expenses. The district's 2025 fiscal year coincides with the school year, spanning from July 1, 2024 through June 30, 2025.

General Fund:

The General Fund contains all revenue and expenses for the general, day-to-day operations of the district. This includes salaries and benefits for teachers, paraprofessionals, administrators, custodians, and clerical; instructional supplies, technology, transportation, textbooks, and money spent to operate and repair District buildings. The district breaks out portions of this activity for internal tracking and budgeting purposes. Internal funds include (01) General Fund, (03) Transportation, (08) Student Activities and (05) Capital Outlay.

The Transportation Fund contains all revenue and expenses for regular "to and from" school day transportation; it does not include special education costs or extracurricular trips.

The Student Activity Fund is used to account for those activity groups that are for the students and run by the students. These groups have adult advisors, but the nature of activities is dictated by the students. Revenues usually consist of fundraisers and donations, while expenses are most often food, clothing, and travel.

The Capital Outlay Fund is used to track the restricted revenue sources of Operating Capital and Long-Term Facilities Maintenance, which are a combination of state aid and local property taxes. Operating Capital is allocated to each building based on enrollment and is used for building-level long term program goals (textbooks, furniture, software, and hardware purchases). The remaining amounts are allocated between curriculum, technology, and grounds. Long-Term Facilities Maintenance revenue is dedicated to finance long term building repair projects, including but not limited to roofing, parking lots, HVAC systems and fire suppression systems.

Food Service Fund:

The Food Service Fund (02) contains all revenue and expenses for the school breakfast, lunch, and summer feeding programs. The funding for these programs includes local fees, state aid and federal aids. The Minnesota Department of Education (MDE) requires all funding to follow federal guidelines and therefore is extremely restrictive on allowable expenses. For example, the fund could be used to purchase an oven for the kitchen but may not be used to purchase cafeteria tables.

Community Service Fund:

The Community Service Fund (04) is used to track revenue and expenses for community education programs such as Early Childhood Family Education, School Readiness (preschool), Adult Basic Education, Key Club and Tiny Tigers Kid Care (childcare programs), and youth and adult enrichment and recreation. The fund is also used to track nonpublic school state aid flow through for textbooks, health, and counseling. Revenues primarily come from fees charged for programs, supplemented by local property taxes and state aid.

Building Construction Fund:

The Building Construction Fund (06) is used to track expenses for major building projects and for Long-Term Facility Maintenance projects exceeding \$2,000,000. Proceeds from debt issuances are placed in this fund and then spent down.

Debt Service Fund:

The district has two debt service funds: (07) Debt Service Fund and (47) OPEB Debt Service Fund. The ‘regular’ debt service fund is used to pay the debt service on bonds sold to finance construction or maintenance projects. The OPEB debt service fund is used to pay the debt service on bonds that were sold to finance the district’s severance and other post-employment benefits such as health insurance for retirees.

OPEB Revocable Trust Fund:

The OPEB Revocable Trust Fund contains the proceeds from the bond that was issued to finance retiree benefits related to health insurance. Each year the district transfers a portion of the investments to the General Fund to pay for retiree benefits.

Other Information**State Basic General Education Aid**

The largest single funding source for the district is basic General Education Aid. The State Legislature sets the basic formula allowance for each year; total basic general education revenue is then calculated by multiplying the formula allowance by the number of pupil units. Pupil units are calculated using a weighting system applied to the average daily membership. For example, a 1st grader that is enrolled all year is assigned a weight of 1.0, and so generates \$7,281 in basic formula revenue. A 9th grader that is enrolled all year is assigned a weight of 1.2 and would generate \$8,737 in basic formula revenue.

Historical General Education Aid Formula Allowance		
Year	Amount	Percent Increase
2017	\$6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%
2022	6,728	2.5%
2023	6,863	2.0%
2024	7,138	4.0%
2025	7,281	2.0%
2026	7,427-7,650	2.0%-3.0%

Historical Enrollment and Estimated Enrollment for 2024-2025 (Average Daily Membership):

Grade	19-20	20-21	21-22	22-23	23-24*	24-25 Budget
K	212	200	182	189	192	189
1	201	198	203	182	175	144
2	189	186	186	186	165	143
3	200	181	185	190	176	147
4	214	194	169	185	175	141
5	215	189	190	151	163	139
6	236	228	183	192	163	157
7	195	234	221	184	175	199
8	206	208	233	231	172	204
9	253	237	236	230	225	224
10	267	262	247	252	233	227
11	227	240	225	221	219	239
12	205	198	215	193	189	235
TOTAL ADM	2,818	2,755	2,676	2,586	2,422	2,336

Grades	19-20	20-21	21-22	22-23	23-24*	24-25 Budget
K-5	1,229	1,148	1,115	1,084	1,045	1,027
6-8	637	670	638	607	510	499
9-12	952	937	923	895	867	810
Total	2,818	2,755	2,676	2,586	2,422	2,336

*Estimate from the December 2023 Student Count

FINANCIAL SECTION

Fund Balance

The level of spending is set with several considerations in mind, but one of the chief items is to maintain an adequate level of reserves for unanticipated events. The district's goal is to achieve an unassigned fund balance in operating funds between 6 and 8 percent of the annual operating budget. The balance can be considered the district's savings account and maintaining a prudent fund balance is important for the stability of the district. The projected unassigned general fund balance (01) for June 30, 2025 is a negative \$410,110. This represents -1.02% of the operating expenditures.

Unanticipated events that could require the district to use unassigned fund balance include:

- Property tax delinquencies and abatements
- Enrollment fluctuations
- Unanticipated price increases for essential purchases (e.g. utilities, health insurance)
- State revenue reductions or aid "pro-rations"
- Federal sequestration
- Pandemics

General Fund

Budget amounts are shown first at summary level for the General Fund, and then broken out by building level. The expenditures include all operations, including staff wages and benefits, supplies, and services. Overall, expenditures would be expected to increase with anticipated contract settlements as staff wages and benefits represent 80% of the overall budget. Also considered are rising utility costs and new staff positions.

Fund Balance Summary - General Fund

Fund	FY24 Projected Fund Balance	FY25 Revenue	FY25 Expenditures	FY25 Projected Fund Balance
General Fund				
Unassigned General Fund	\$1,931,294	\$37,681,793	\$40,023,197	(\$410,110)
Non-Spendable	\$193,913	-	-	\$193,913
Restricted				
Student Activities	\$107,460	\$50,000	\$47,500	\$109,960
Staff Development	-	412,512	412,512	-
Capital Project Levy	(114,510)	1,272,850	1,125,050	33,290
Operating Capital	244,053	684,903	928,956	-
Learning and Development	-	552,307	552,307	-
Area Learning Center	-	730,000	730,000	-
Gifted and Talented	-	36,721	36,721	-
Basic Skills	-	7,248,145	7,248,145	-
Achievement & Integration	-	776,612	776,612	-
Safe Schools	88,434	102,651	219,626	(28,541)
Long-Term Facilities Maintenance	(957,892)	1,260,906	1,264,825	(961,811)
Medical Assistance	1,983,047	500,000	2,201,948	281,099
Career & Technical Education	-	155,418	155,418	-
Total Restricted	\$1,350,592	\$13,783,025	\$15,699,620	(\$566,003)
Assigned				
Students	\$207,955	\$80,300	\$80,300	\$207,955
Separation Benefits	350,589	-	-	350,589
Curriculum Adoption	250,000	-	250,000	-
Total Assigned	\$808,544	\$80,300	\$330,300	\$558,544
Total General Fund	\$4,284,343	\$51,545,118	\$56,053,117	(\$223,656)

FINANCIAL SECTION (CONTINUED)

Fund Balance Summary - Other Funds				
Fund	FY24 Projected Fund Balance	FY25 Revenue	FY25 Expenditures	FY25 Projected Fund Balance
Food Service Fund				
Restricted	\$581,941	2,506,900	2,965,554	123,287
Non-Spendable	22,213	-	-	22,213
Total Food Service Fund	\$604,154	2,506,900	2,965,554	\$145,500
Community Education Fund				
Regular Community Ed	(\$931,536)	\$1,706,394	\$1,726,460	(\$951,602)
Restricted for Community Ed	242,405	675,000	478,507	438,898
Early Childhood Family Ed	68,255	180,144	183,043	65,356
School Readiness	61,777	175,000	157,103	79,674
Nonspendable	21,658	-	-	21,658
Total Community Ed Fund	(\$537,441)	\$2,736,538	\$2,545,113	(\$346,016)
Building Fund	\$10,593	\$3,288,759	\$3,280,000	\$19,352
Debt Service Fund				
General Debt Service	\$1,036,751	\$4,852,485	\$5,004,143	\$885,093
OPEB Debt Service	131,594	-	-	131,594
Total Debt Service Fund	\$1,168,345	\$4,852,485	\$5,004,143	\$1,016,687
Internal Service Fund				
Medical Self Insurance	\$5,234,581	\$6,316,012	\$6,919,682	\$4,630,911
Dental Self Insurance	\$319,719	411,941	\$380,459	351,201
Total Internal Service Fund	\$5,554,300	\$6,727,953	\$7,300,141	\$4,982,112
OPEB Revocable Trust Fund	\$3,225,953	\$340,000	\$561,250	\$3,004,703
Total Other Funds	\$10,025,904	\$20,452,635	\$21,656,201	\$8,822,338
Total All Funds	\$14,310,247	\$71,997,753	\$77,709,318	\$8,598,682

Summary

	Description	2023-2024 Revised	2024-2025 Adopted	Increase / (Decrease)
Revenues:				
	Levy	\$7,915,765	\$8,353,434	\$437,669
	Education Aids	28,853,380	29,268,808	415,428
	Categorical State Aids	10,466,638	11,039,378	572,740
	Local Revenues	1,729,519	1,000,190	(729,329)
	Federal Programs	2,995,889	1,883,308	(1,112,581)
	Total Revenues	\$51,961,191	\$51,545,118	(\$416,073)
Expenditures:				
	Salaries and Wages	\$27,685,531	\$30,686,897	\$3,001,366
	Employee Benefits	10,007,192	10,888,148	880,956
	Purchased Services	10,745,044	9,688,644	(1,056,400)
	Supplies and Materials	2,316,465	1,684,351	(632,114)
	Capital Expenditures	1,310,461	1,940,976	630,515
	Other Expenditures	176,550	273,735	97,185
	Other Financing Uses	890,366	890,366	-
	Total Expenditures	\$51,131,609	\$56,053,117	\$2,921,508
	Change in Fund Balance	(\$1,170,418)	(\$4,507,999)	(\$3,337,581)

Revenues:

Overall revenues are declining by 0.8%, due in part to declining enrollment but also due to decreases in federal programs. Federal aid has fluctuated as the district spends down the allocations from the various pandemic funding streams, including the Coronavirus Aid, Relief and Economic Security Act (CARES) and the American Rescue Plan Act (ARP). Many of these grants have been used to fund staffing and to keep class sizes lower.

Increases for levy and state education aid are due to the 2% increase in the basic per pupil formula for General Education Aid and continued increases in property value. The largest categorical state aid is Special Education funding of which the legislature approved additional Special Education Aid in 2023 to help cover the difference between expenses incurred for these services and the previous funding level of about 60%. Local revenues continue to decrease despite rising interest rates and participation fees.

Expenditures:

Overall expenditures are increasing by 5.71%, largely due to increasing salaries and positions. Salaries and wages, along with employee benefits, are increasing by \$3.8 million, or 9.33%. The reduction in fund balance is directly related to the cost of staff, which is where future budget reductions will need to take place in order to balance the budget. Capital expenditures also continue to put pressure on the general fund as deferred maintenance needs continue to be addressed.

INFORMATIONAL SECTION

Levy Summary

A portion of the district's funding comes from local property taxes, for the General Fund this revenue makes up approximately 16% of funding. The district receives general education revenue from both state aid payments and local property taxes; the mix of aid and levy is designed to equalize local tax burdens between wealthier and less wealthy districts. In the debt service fund, amounts are levied to repay bonds that were used to finance building projects. There are also specific levies to support community education programming. For the 2025 budget, the School Board approved final levy amounts in December 2023, tax payments are collected throughout the 2024 calendar year, and amounts are recognized as revenue for fiscal year 2025. The following page shows the breakdown of the levy categories by fund.

Levy Summary			
Description	2023 Pay 24 Levy	2024 Pay 25 Levy	Change
General	\$7,915,765	\$8,353,434	\$437,669
Community Service	349,660	354,005	4,345
General Debt Service	3,695,681	4,395,827	700,146
OPEB Debt Service	539,304	-	(539,304)
Total Levy	\$12,500,410	\$13,103,266	\$602,856
Percent Increase			4.82%

Levy Summary

Fund Level Category	2022 Pay 23 Levy	2023 Pay 24 Levy	\$ Change	% Change
General Fund				
Voter Approved Operating Referendum	\$1,678,485	\$1,695,969	\$17,484	
Local Optional Revenue	1,883,553	1,926,031	42,478	
Equity	410,358	396,450	(13,908)	
Voter Approved Capital Project Levy	1,080,189	1,272,850	192,661	
Operating Capital	231,363	275,215	43,852	
Alternative Teacher Compensation	267,958	250,065	(17,893)	
Achievement & Integration	231,175	225,198	(5,977)	
Long Term Facilities Maintenance	1,113,525	1,284,078	170,553	
Instructional Lease	613,804	609,592	(4,212)	
Other	387,541	403,646	16,105	
Prior Year Adjustments	17,813	14,339	(3,475)	
Total General Fund	\$7,915,765	\$8,353,434	\$437,669	5.53%
Community Service				
Basic Community Education	\$132,835	\$98,898	(\$33,937)	
Early Childhood Family Education	54,739	52,817	(1,921)	
School Age Care	160,000	160,000	-	
Other	1,477	3,363	1,887	
Prior Year Adjustments	610	38,927	38,316	
Total Community Service	\$349,661	\$354,005	\$4,345	1.24%
Debt Service				
Debt Service-Voter Approved	\$2,278,080	\$2,863,981	\$585,901	
Other	260,295	263,865	3,570	
Long-Term Facilities Maintenance	1,457,144	1,496,815	39,671	
OPEB Bond	569,993	-	(569,993)	
Reduction for Debt Excess	(342,499)	(245,304)	97,195	
Prior Year Adjustments	11,973	16,471	4,498	
Total Debt Service	\$4,234,986	\$4,395,827	\$160,842	3.80%
Total Levy, All Funds	\$12,500,410	\$13,103,266	\$602,856	4.82%
Subtotal by Truth in Taxation Categories:				
Voter Approved	\$5,040,591	\$5,758,786	\$718,195	
Other	7,459,820	7,344,480	(115,340)	
Total	\$12,500,410	\$13,103,266	\$602,856	4.82%