



School District 622

NORTH ST. PAUL | MAPLEWOOD | OAKDALE

Ready for tomorrow

Fiscal Year 2027 Budget Book

2026-2027 School Year

District Administration

Christine Tucci Osorio, Superintendent

Andrew Beaton, Assistant Superintendent, Secondary

Tricia St. Michaels, Assistant Superintendent, Elementary & Student Services

Joshua Anderson, Director of Finance and Technology

Sara Guyette, Director of Operations

Heidi Leigh, Director of Teaching and Learning

Tamra Lennox, Director of Community Education

Dr. Amy Luckner, Director of Research, Evaluation, and Assessment

Lynn Pham, Director of Equity and Communications

Eric Mjolsness, Director of Post-Secondary Readiness

Amylee Yang, Director of Human Resources

District 622 School Board

Kita Yang, School Board Chair

Caleb Anderson, School Board Vice Chair

Nancy Livingston, Clerk

Charlotte Nitardy, Director

Samuel Rosemark, Director

Katie Swor, Treasurer

Michelle Yener, Director

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Superintendent Message

Message from the Superintendent

Welcome to the School District 622 Fiscal Year 2027 Budget Book.

The annual budget is one of the most important responsibilities of the School Board and administration. More than a financial document, the budget reflects the district's priorities, values, and commitment to students, staff, families, and the broader community.

This budget was developed with a focus on supporting student learning, maintaining financial stability, and responsibly stewarding public resources. Throughout the budget development process, the district worked to align financial decisions with strategic priorities while remaining mindful of changing enrollment trends, inflationary pressures, legislative uncertainty, and the evolving needs of our schools.

The 2027 budget continues the district's commitment to:

- Supporting high-quality teaching and learning
- Maintaining safe and welcoming schools
- Investing in technology and infrastructure
- Providing strong academic, extracurricular, and support programs
- Preserving the district's long-term financial stability

Developing a balanced and sustainable budget requires careful planning and difficult decisions. District leaders and staff spent significant time reviewing expenditures, evaluating operational needs, and identifying efficiencies while continuing to prioritize services that directly impact students.

We remain committed to transparency throughout the budgeting process and hope this document provides clear and understandable information about how district resources are allocated and managed.

On behalf of the School Board and administration, thank you to our staff, students, families, and community members for your continued support of School District 622.

Warm Regards,

Christine Tucci Osorio
Superintendent

Message from the Director of Finance & Technology

The Fiscal Year 2027 Budget was developed through a collaborative and thoughtful planning process designed to support the district's educational mission while maintaining long-term financial stability.

School district budgeting is complex and influenced by many factors outside local control, including state funding formulas, enrollment trends, inflation, contractual obligations, special education costs, transportation expenses, and federal funding changes. As a result, the district takes a conservative and strategic approach to financial planning to ensure fiscal responsibility and sustainability over time.

The development of this budget included:

- Enrollment and revenue forecasting
- Review of staffing and operational needs
- Multi-year financial projections
- Department and program evaluations
- Budget discussions with district leadership and the School Board

The district remains committed to balancing immediate operational needs with long-term financial planning. This includes maintaining appropriate fund balance reserves, planning for future capital and technology needs, and carefully monitoring economic conditions and legislative changes that may impact school funding.

This budget book is intended to provide transparency and improve understanding of district finances for School Board members, staff, families, taxpayers, and community stakeholders. The document includes summaries of each district fund, major revenue sources and expenditures, budget assumptions, and long-term financial considerations.

We recognize the importance of public trust in the management of taxpayer resources and remain committed to responsible financial stewardship in support of student success.

Sincerely,

Joshua Anderson
Director of Finance & Technology

District Overview

About School District 622

School District 622 serves approximately 11,000 students across numerous schools and programs. The district is committed to providing high-quality educational opportunities that support the academic, social, emotional, and extracurricular growth of all students.

The district includes:

- 7 Elementary Schools
- 2 Middle Schools
- 2 Traditional High Schools
- 1 Online High School
- 6 Alternative/Specialty Programs

The district employs approximately 1900 staff members, including teachers, support staff, administrators, paraprofessionals, custodial and maintenance personnel, transportation staff, nutrition services staff, and community education employees.

School District 622 offers a wide range of academic programming, extracurricular activities, student support services, and community partnerships designed to prepare students for success in college, careers, and life.

The district remains committed to:

- Academic excellence
- Fiscal responsibility
- Student safety and well-being
- Innovation and continuous improvement
- Strong partnerships with families and the community

Mission Statement

District 622 will inspire lifelong learners who thrive in diverse communities.

Strategic Plan Priorities

The district's budget is developed to support the goals and priorities established by the School Board and district leadership. Key strategic priorities include:

- Academic Achievement
- Graduation/Post-Secondary
- Safety and Security

- Social Emotional Learning
- Equity and Inclusion

Organizational Structure

School District 622 operates under the leadership of the Superintendent and School Board. District operations are supported by administrative departments including teaching and learning, finance, technology, human resources, operations, community education, and student services.

The organizational structure is designed to support efficient district operations while maintaining a strong focus on student learning and service to schools.

District 622 Leadership Chart (add link)

Budget Process & Financial Overview

Budget Development Process

The district's annual budget is developed through a multi-step planning process that begins several months prior to School Board approval. The process includes financial forecasting, enrollment analysis, staffing reviews, departmental planning, and ongoing review of state and federal funding information.

The budget development process is intended to:

- Align resources with district priorities
- Maintain financial stability
- Support student learning and operations
- Ensure responsible stewardship of public funds
- Provide transparency to the School Board and community

The School Board adopts the final budget annually in June for the upcoming fiscal year beginning July 1.

Budget Development Timeline

Fall

- Preliminary Property Tax Levy
- Preliminary enrollment projections
- Initial revenue and expenditure forecasting
- Review of staffing and operational needs

Winter

- Final Property Tax Levy
- Department budget planning
- Multi-year financial projections
- Review of legislative and economic updates

Spring

- Administrative budget review
- Budget adjustments and recommendations
- School Board meeting presentations

June

- Public presentation of proposed budget
- School Board approval of final budget

Budget Assumptions

The Fiscal Year 2027 Budget was developed using several key assumptions and planning factors, including:

Enrollment

Enrollment projections are a critical component of school district budgeting because student enrollment directly impacts state funding revenues.

Compensation & Benefits

The budget includes projected costs related to employee salaries, health insurance, retirement contributions, and negotiated contractual obligations.

Inflationary Costs

The district continues to experience inflationary pressures in several operational areas including utilities, transportation, food service, technology, supplies, and contracted services.

State & Federal Funding

Revenue projections are based on current state and federal funding formulas and available legislative information at the time the budget was developed.

Operational & Capital Needs

The district continues to plan for ongoing maintenance, technology replacement cycles, cybersecurity needs, equipment purchases, and facility improvements.

Major Budget Drivers

Several factors significantly impact the district's financial planning and annual budget development.

Staffing Costs

Employee salaries and benefits represent the largest portion of the district's expenditures. School districts are service-based organizations, and staffing is essential to supporting instruction, student services, transportation, nutrition services, operations, and extracurricular programming.

Special Education Costs

Special education services continue to represent a significant financial obligation for school districts statewide due to increasing student needs and ongoing funding gaps between mandated services and available revenues.

Transportation

Transportation costs continue to increase due to fuel prices, vehicle replacement needs, labor shortages, and contracted service expenses.

Technology & Cybersecurity

The district continues to invest in instructional technology, infrastructure, network reliability, cybersecurity, and device replacement to support safe and effective operations, without separate dedicated funding.

Inflation

Like many organizations, the district continues to experience increased costs in utilities, supplies, insurance, equipment, maintenance, and contracted services.

Financial Challenges & Risks

The district continues to monitor several financial risks and challenges that may impact future budgets, including:

- Changes in student enrollment
- Inflationary pressures
- State and Federal funding uncertainty
- Increasing special education costs
- Rising employee benefit costs

- Economic conditions impacting revenues and expenditures

District administration will continue to monitor these areas closely and make adjustments as needed to maintain long-term financial stability.

Fund Balance Philosophy

Maintaining an appropriate fund balance is an important component of responsible financial management.

Fund balance serves several important purposes, including:

- Providing cash flow between state aid payments
- Managing unexpected expenditures or emergencies
- Addressing economic uncertainty
- Supporting long-term financial stability
- Maintaining favorable financial ratings and borrowing capacity

The School Board has established a fund balance policy intended to ensure the district maintains adequate financial reserves while continuing to support student programming and operational needs.

The district's goal is to balance current operational needs with long-term financial sustainability and fiscal responsibility.

Financial Reporting & Transparency

The district is committed to transparency and accountability in financial reporting. Financial information is regularly presented to the School Board throughout the year and is subject to annual independent audit review.

Budget documents, financial reports, and audit information are available to the public in accordance with state requirements and the district's commitment to open and transparent communication.

Fund 1: General Fund

Purpose of the Fund

The General Fund is the district's primary operating fund and supports the day-to-day educational and operational activities of the school district. This includes instruction, student support services, transportation, technology, administration, operations, maintenance, and other district functions necessary to support students and schools.

The General Fund is primarily supported through state aid, local property taxes, and federal funding sources.

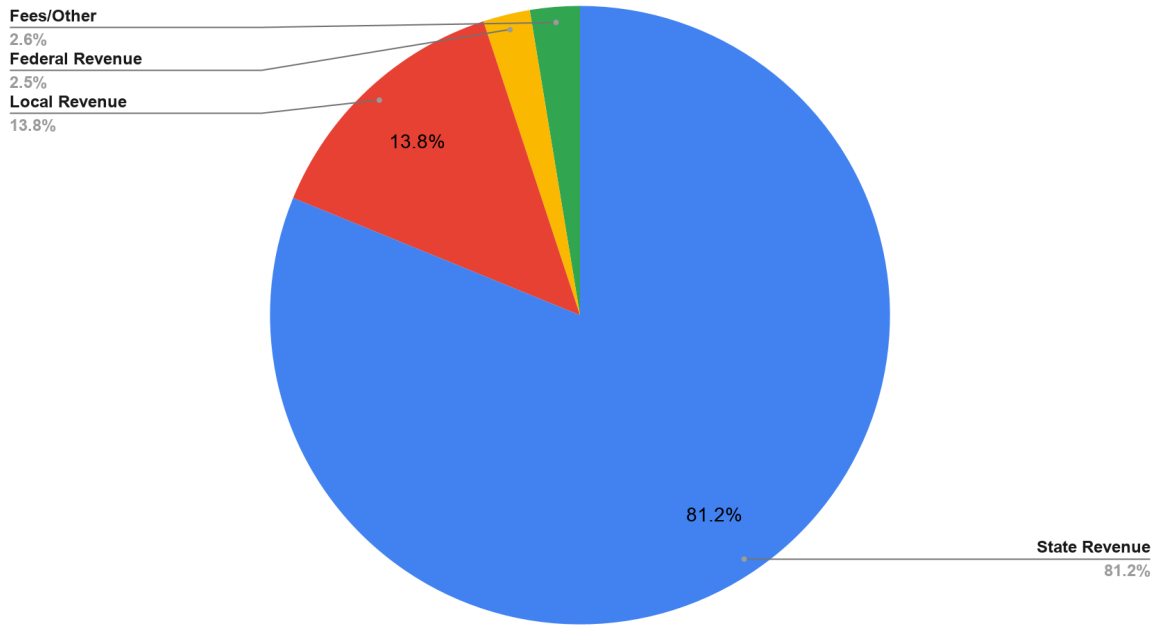
Revenue Summary

Revenue Source	Budget Amount
State Revenue	\$165,511,749
Local Revenue	\$28,076,871
Federal Revenue	\$4,998,966
Fees/Other	\$5,286,218
Total Revenues	\$203,873,884

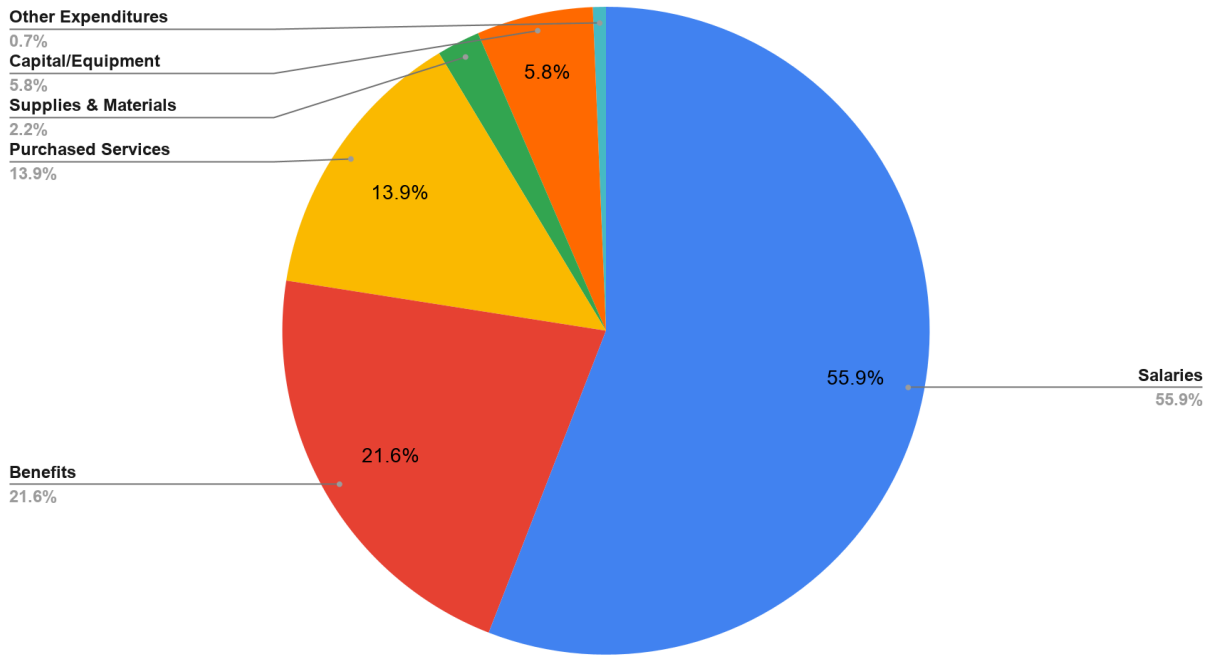
Expenditure Summary

Expenditure Category	Budget Amount
Salaries	\$113,949,719
Benefits	\$44,048,959
Purchased Services	\$28,247,395
Supplies & Materials	\$4,390,839
Capital/Equipment	\$11,891,872
Other Expenditures	\$1,333,000
Total Expenditures	\$204,204,177

Revenue Source



Expenditure Category



Fund 2: Nutrition Services

Purpose of the Fund

The Nutrition Services Fund supports the district's school meal programs, including breakfast and lunch services provided to students. Revenues are primarily generated through federal and state reimbursements and meal sales.

Expenditures within this fund include food purchases, staffing, equipment, kitchen supplies, and operational costs associated with providing meal services to students.

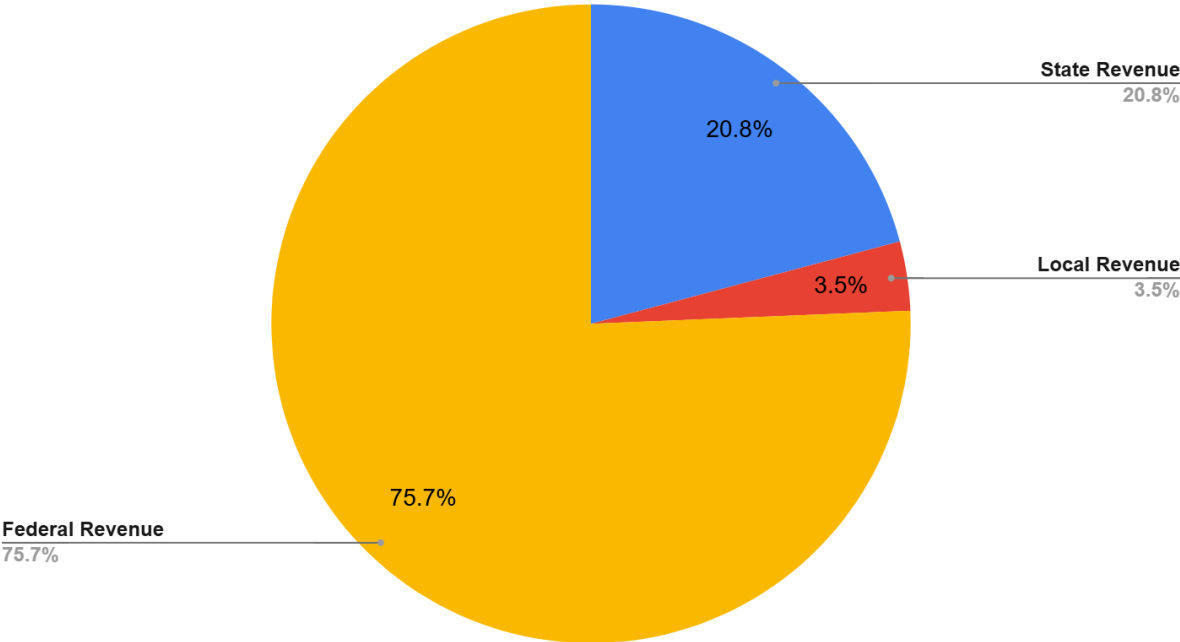
Revenue Summary

Revenue Source	Budget Amount
State Revenue	\$2,145,000
Local Revenue	\$360,000
Federal Revenue	\$7,783,000
Total Revenues	\$10,288,000

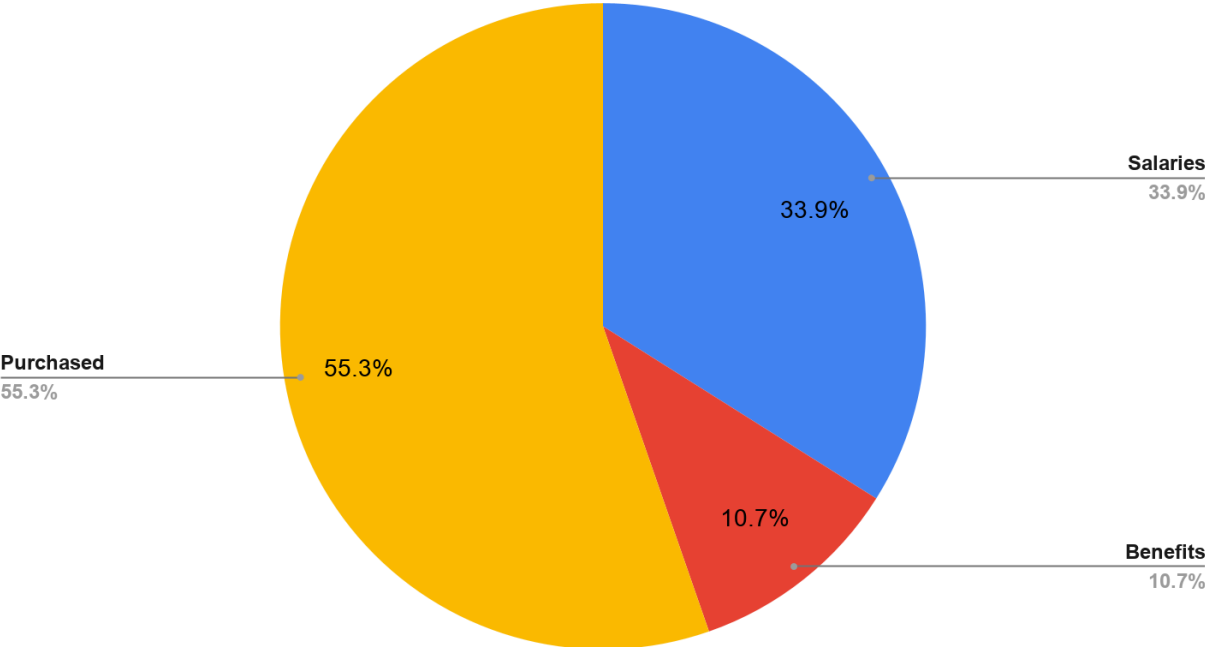
Expenditure Summary

Expenditure Category	Budget Amount
Salaries	\$3,625,700
Benefits	\$1,146,152
Purchased Services/Supplies	\$5,909,100
Total Expenditures	\$10,320,952

Revenue Summary



Expenditure Category



Fund 4: Community Service

Purpose of the Fund

The Community Service Fund supports programs and services that benefit district residents and community members outside the traditional K-12 instructional program.

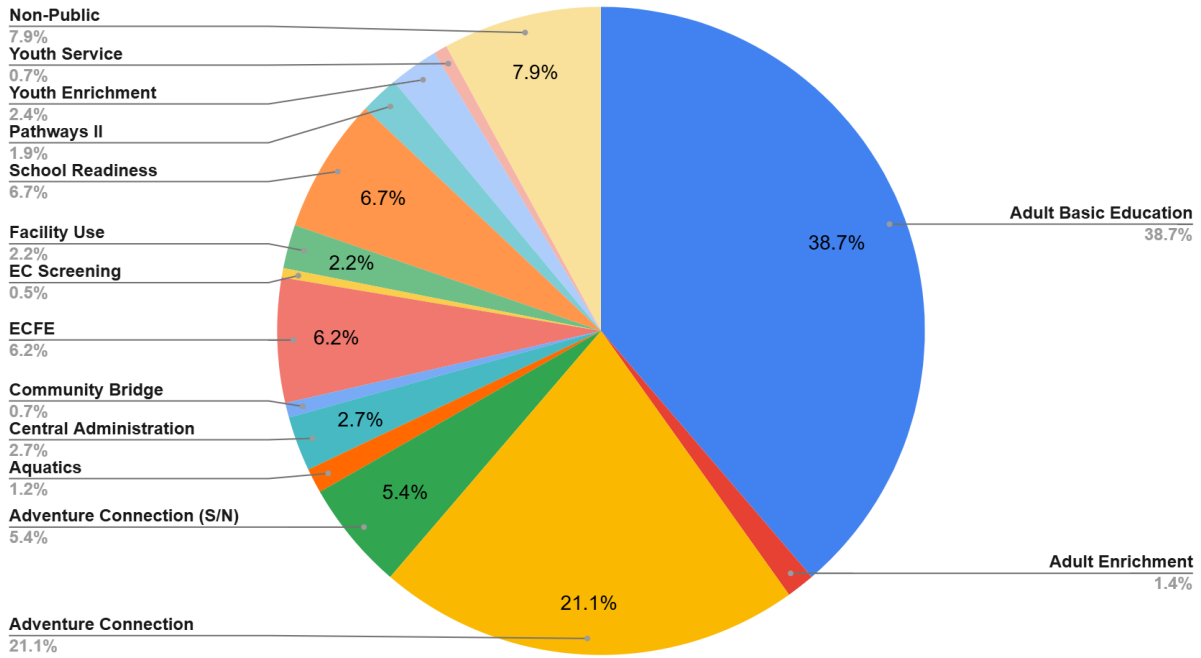
Revenue Summary

Revenue Source	Budget Amount
Total Revenues	\$12,848,034

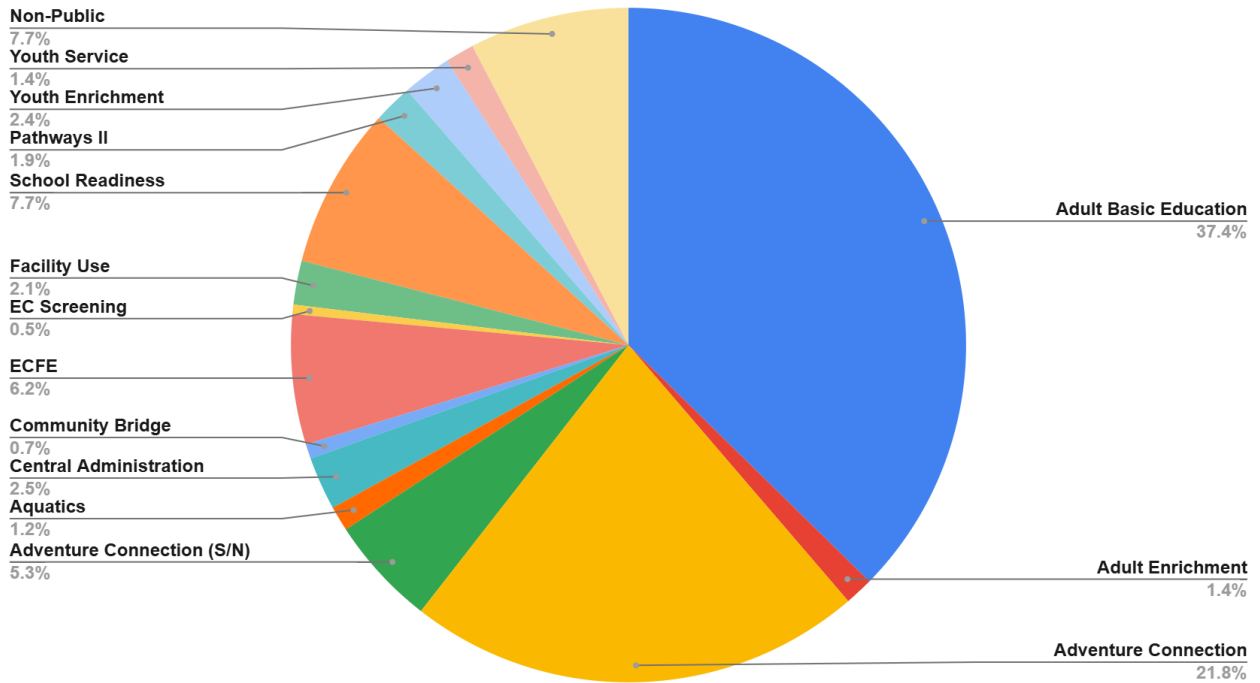
Expenditure Summary

Expenditure Category	Budget Amount
Total Expenditures	\$13,319,025

Revenue by Program



Expenditure by Program



Fund 6: Construction

Purpose of the Fund

The Construction Fund accounts for voter-approved building construction and major capital improvement projects financed through bond proceeds or other approved funding sources.

Revenue Summary

Revenue Source	Budget Amount
Total Revenues	\$1,500,000

Expenditure Summary

Expenditure Category	Budget Amount
Total Expenditures	\$

Fund 7: Debt Service

Purpose of the Fund

The Debt Service Fund is used to account for the repayment of voter-approved bond obligations issued by the district.

Expenditures from this fund include principal and interest payments associated with school construction projects and capital improvements financed through bonds.

Revenues are primarily generated through local property tax levies designated specifically for debt repayment.

Revenue Summary

Revenue Source	Budget Amount
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Total Revenues \$28,477,432

Expenditure Summary

Expenditure Category	Budget Amount
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Total Expenditures	\$28,477,432
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Fund 20: Self-Insured Medical

Purpose of the Fund

The Self Insurance Medical Fund accounts for the district's employee medical insurance program.

Under a self-insured model, the district pays employee medical claims directly rather than purchasing a fully insured health plan from an outside provider. The district also maintains stop-loss insurance coverage to protect against unusually large or catastrophic claims.

This fund is supported through employee and employer insurance contributions and is used to pay medical claims, administrative fees, and insurance-related costs.

Revenue Summary

Revenue Source	Budget Amount
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Total Revenues	\$26,019,891
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Expenditure Summary

Expenditure Category	Budget Amount
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Total Expenditures	\$ 26,019,891
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Fund 21: Self-Insured Dental

Purpose of the Fund

The Self Insurance Dental Fund accounts for the district's employee dental insurance program.

This fund is supported through employee and employer contributions and is used to pay dental claims and related administrative expenses associated with the district's dental insurance program.

Revenue Summary

Revenue Source	Budget Amount
Total Revenues	\$2,227,114

Expenditure Summary

Expenditure Category	Budget Amount
Total Expenditures	\$ 2,227,114

Fund 45: Other Post Employment Benefits Trust

Purpose of the Fund

The OPEB Trust Fund accounts for resources held in an irrevocable trust designated to help fund Other Post-Employment Benefits (OPEB) obligations.

OPEB obligations typically include retiree health insurance and other post-employment benefits earned by eligible employees during their years of service.

Assets within this fund are invested and held specifically for future retiree benefit obligations and may only be used for eligible OPEB-related expenditures.

Revenue Summary

Revenue Source	Budget Amount
Total Revenues	\$1,400,000

Expenditure Summary

Expenditure Category	Budget Amount
Total Expenditures	\$1,400,000

Fund 47: Other Post Employment Benefits

Purpose of the Fund

The OPEB Fund accounts for the district's current-year expenditures related to Other Post-Employment Benefits (OPEB), including retiree insurance benefit payments and related costs.

This fund is used to record annual OPEB-related financial activity and expenditures associated with providing retiree benefits to eligible former employees.

Revenue Summary

Revenue Source	Budget Amount
Total Revenues	\$2,130,691

Expenditure Summary

Expenditure Category	Budget Amount
Total Expenditures	\$2,130,691

Common Questions

Understanding Funds 45 and 47

Funds 45 and 47 both relate to Other Post-Employment Benefits (OPEB), but they serve different purposes within the district's financial structure.

Fund 45 functions similarly to a long-term savings account or trust. Assets placed into this fund are held in an irrevocable trust and invested to help offset future retiree benefit obligations. The purpose of Fund 45 is to improve long-term financial planning and help the district prepare for future liabilities associated with retiree benefits.

Fund 47, on the other hand, is used to account for the district's current-year OPEB expenditures and financial activity. This fund reflects the actual payment of retiree-related benefit costs during the fiscal year.

In simple terms:

- Fund 45 stores and invests resources for future OPEB obligations
- Fund 47 accounts for current-year OPEB expenses and activity

Together, these funds help the district responsibly plan for and manage long-term retiree benefit obligations

Why does the district maintain a fund balance?

Fund balance serves as the district's financial reserve and helps ensure financial stability. School districts experience fluctuations in revenues and expenditures throughout the year, and reserves help manage cash flow, emergencies, unexpected expenses, and economic uncertainty.

Maintaining appropriate reserves also supports long-term planning and can positively impact the district's financial standing and borrowing capacity.

Why can't the district use all funds for any purpose?

Many school district funds are legally restricted and may only be used for specific purposes established by state law, federal law, voter approval, or accounting requirements.

For example:

- Debt Service funds may only be used for bond repayment
- Nutrition Services funds may only support meal programs
- Construction funds may only support approved capital projects

Because of these restrictions, funds cannot simply be transferred to cover unrelated operational expenses.

Why do school district budgets sometimes differ from actual results?

School district budgets are developed months before the fiscal year begins and rely on projections and estimates related to enrollment, staffing, revenues, inflation, utilities, transportation costs, and other variables.

Actual financial results may differ from budget projections due to:

- Enrollment changes
- Staffing vacancies
- Unexpected expenditures
- Changes in state or federal funding
- Timing of purchases or projects
- Economic conditions

The district intentionally uses conservative budgeting practices to support long-term financial stability.

Why are salaries and benefits such a large portion of the budget?

School districts are service-based organizations, and employees are essential to providing instruction, student support services, transportation, food service, technology support, maintenance, and school operations.

As a result, salaries and benefits typically represent the largest portion of district expenditures.

How is public school funding determined in Minnesota?

Minnesota school funding is determined through a combination of:

- State aid formulas
- Local property tax levies
- Federal funding programs
- Grants and fees

Funding is influenced by several factors including student enrollment, student needs, voter-approved levies, and legislative decisions made at the state and federal levels.

What happens if enrollment declines?

Student enrollment is directly connected to school district revenue. When enrollment declines, state funding may also decrease over time.

District administration continuously monitors enrollment trends and evaluates staffing, programming, and operational needs to maintain long-term financial stability while continuing to support students.

What is operating capital?

Operating capital is a restricted funding source used primarily for technology, equipment, facility-related needs, and other approved capital expenditures.

Examples may include:

- Student and staff devices
- Network infrastructure
- Classroom equipment
- Furniture
- Security systems
- Certain facility improvements

Operating capital funds are restricted and must be used for eligible purposes under Minnesota school finance laws.

How do bonds impact property taxes?

When voters approve school district bonds, the district may issue debt to finance construction or major capital projects.

Property taxes associated with bond repayments are collected through the Debt Service Fund and are used specifically to repay principal and interest on voter-approved bonds.

Why doesn't the district spend every available dollar each year?

The district's goal is to maintain financial stability and avoid future budget shortfalls. Spending all available resources in a single year could create long-term financial challenges if revenues decline or costs increase in future years.

Responsible financial planning requires balancing current operational needs with long-term sustainability.

Why are some district funds showing surpluses?

Certain funds may experience annual surpluses due to:

- Conservative budgeting practices
- Staffing vacancies
- Delayed purchases or projects
- Higher-than-expected revenues
- Lower-than-expected expenditures

Positive fund balances help support long-term financial stability and allow the district to respond to future financial challenges or unexpected needs.