



**Saint Paul**  
PUBLIC SCHOOLS

# FY24 Budget Development Update

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May 23, 2023 Board of Education Meeting

# Purpose of Tonight's Presentation

1. Provide an overview of the FY24 budget process to date
2. Provide an update on the impact of recent legislative changes to school funding
3. Provide an overview of key parameters and assumptions for the FY24 budget development
4. Provide information on the anticipated changes to the FY24 general fund

# Timeline of FY24 Budget Process and Progress to Date

- Process began in January at the Superintendent's Districtwide Administrative Meeting (SDWAM) – All principals and department/division leaders
- Members of SDWAM were surveyed and asked to provide feedback on the District's annual budgeting and allocation process
- Many good ideas emerged, with several prevailing themes for opportunities to improve the process

# Prevailing Themes from SDWAM Survey

1. Provide the allocation data sooner so administrators can beginning planning and staffing
2. Make the process more inclusive and collaborative to build capacity and knowledge for all
3. Make the process and tools easier to use – make it simpler, yet comprehensive
4. Focus on the FTE “bottom line” – especially for most parts of the general fund that does not include areas such as Title, EL, and Special Education

# Overview of Timeline

- **March 24:** Site allocations sent to all schools. Principals begin their work with site budget teams.
- **April 12-19:** 75 meetings conducted with all principals to review budget plans. These meetings included representation from Human Resources, Finance, Federal programs, Special Education, Schools & Learning, Operations and ESI.
- **Prior to meeting with principals**, a pre-planning meeting was conducted to review the process from multiple perspectives. Refine and determine roles and responsibilities.
- **April 21:** Site budget plans submitted to Finance

# Outcomes of Site Allocation Process

- Positive feedback received
- Four objectives achieved
  1. Provided the allocation data sooner than usual.
  2. Process was more inclusive and collaborative and built capacity and knowledge for all school and department leaders.
  3. Process and tools were easier to use – make it simpler, yet comprehensive.
  4. Process focused on the FTE “bottom line” – which helped facilitate # 3 above.

# Department Budget Allocation Process

- **April 28:** Budget allocations sent to department administrators.
- Department administrators worked directly with their accountants to establish their FY24 staffing and non-personnel related budgets.
- FY24 budgets based on:
  1. FY23 budget and contractual obligations
  2. Current FY23 spending patterns
  3. Updates in department structure and/or initiatives since July 2022
- **May 12:** Department administrators submit budget plan back to Finance
- **Current:** Finance team continues to work with department leaders on budget finalization, and are uploading all data to budget the FY24 total District budget.

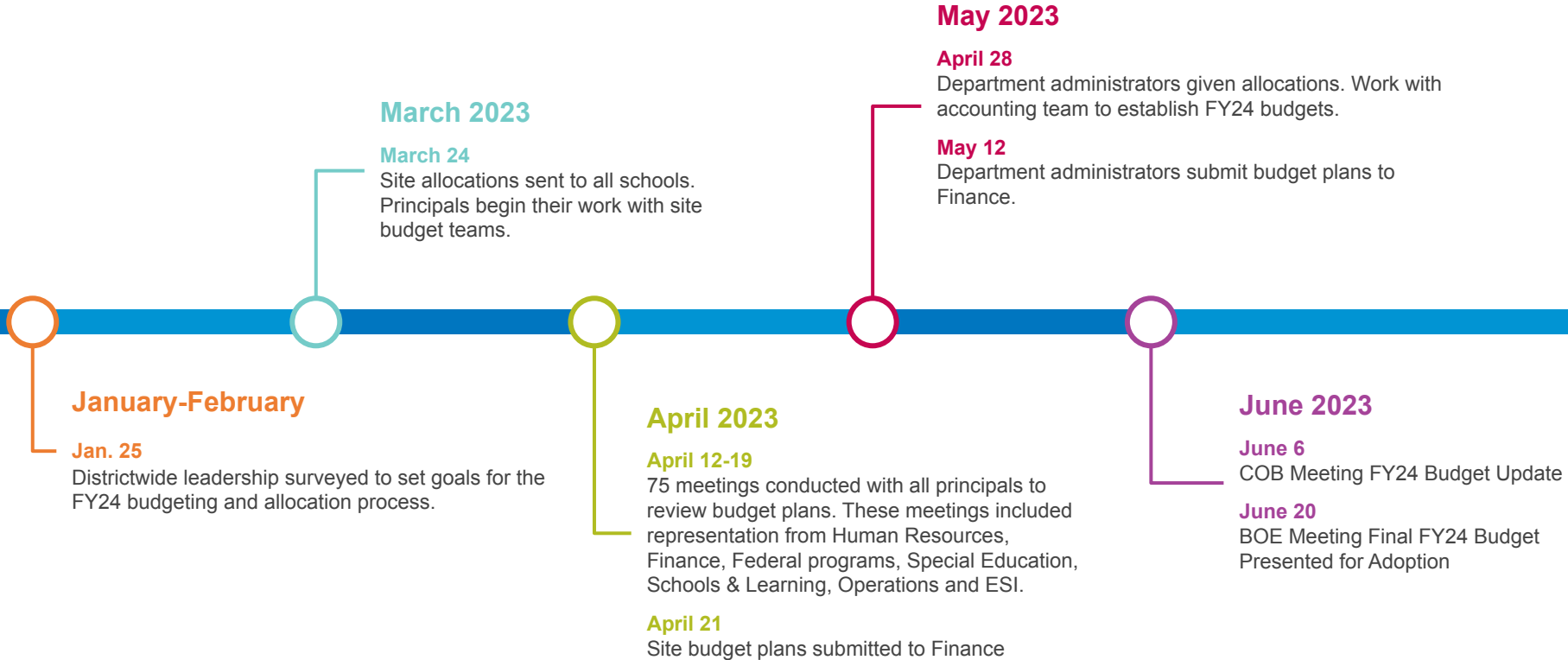
# Next Steps

- **June 6:** Committee of the Board Meeting FY24 Draft
- **June 16:** Recommended Budget in Board packet
- **June 20:** Board of Education Meeting for Recommended approval of Adopted FY 24 Budget.

The BOE will also receive a revised FY24 budget in January/February 2024, based on fall enrollment, FY23 audit results, and any employment contract updates.



# Overview of Timeline



# Current Assumptions and Parameters for Fiscal Year 24

- State funding formula: Base allocation, Special Ed and EL cross subsidy, compensatory aid
- Enrollment
- Employment contract agreements
- Unemployment insurance and Family and Medical Leave
- Continued investments in the strategic plan, comprehensive school structures, ESSER strategies, and new opportunities such as creation of the East African Magnet School
- Anticipated general fund deficit spend in FY24 that will keep district in compliance of the board policy of maintaining at least a 5.0 percent fund balance. Detail to follow

# Key Drivers to School Districts Budgets

1. State and federal funding formulas
2. Enrollment
3. All employee contract agreements
4. Local property tax levy – especially voter approved referendums
5. Any unfunded mandates from state or local levels

# Results of Budget Parameters

**As of May 17, 2023**

Basic State Aid Allowance

\$9,432,288

SPED and EL Cross Subsidy

\$24,766,988

Compensatory Aid

\$16,597,949

Library and Student Support

\$963,776

**Total New State Revenue for FY24**

**\$51,761,001**

# Results of Budget Parameters (Continued...)

Forecasted enrollment decline	-\$12,848,000
All employment contract agreements	-\$17,856,000
Inflation on all operating purchases	-\$7,300,000
Continued investments in comprehensive school funding and maintenance of existing ESSER II services	-\$22,959,904
Unemployment insurance and FML	-\$7,572,308
Districtwide investments (new school programs, teacher recruitment, yellow buses, safety and security measures)	-\$7,822,400
<b>Total investments and offsets</b>	<b>-\$76,358,612</b>

# FY24 Anticipated Ending General Fund Balance

## May 17, 2023

- The anticipated general fund deficit spend in FY24 will keep the district in compliance of Board policy of maintaining at least a 5.0 percent fund balance.
- Specifically, the FY24 general fund balance will be 6.6 percent. This is 25 days of general fund operations, based on current parameters and assumptions.

# Highlights of FY24 Budget

- Meets all contractual obligations
- Prioritizes lower overall class sizes
- Improves safety and security measures
- Maintains initiatives that address learning loss and social emotional learning
- Provides additional opportunities for enrollment options
- Maintains general fund balance within Board policy

# Thank you.