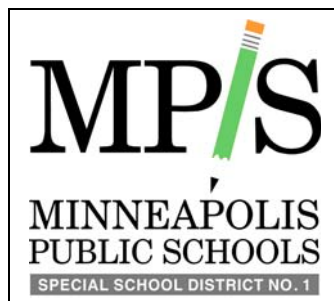


# 2008-09 Budget

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Minneapolis Public Schools  
Special School District No. 1



June 2008

Minneapolis Public Schools  
Special School District No. 1

Board of Education  
Lydia Lee, Chairperson  
T. Williams, Treasurer  
Sharon Henry-Blythe, Clerk  
Pam Costain  
Peggy Flanagan  
Tom Madden  
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Superintendent of Schools  
Dr. William D. Green, J.D., Ph.D.

This document was prepared by the Finance Department of the Minneapolis Public Schools.

<http://www//mpls.k12.mn.us>



## Minneapolis Public Schools

### *Our Mission...*

To ensure that all students learn. We support their growth into knowledgeable, skilled and confident citizens capable of succeeding in their work, personal and family lives into the 21<sup>st</sup> century.

### *Our Vision...Make Every Child College Ready*

### *Our Values...Children First*

- Right to a quality education
- Importance of family
- Equity
- Diversity
- Respect for employees
- Partnership for youth
- Transparency and accountability
- Sustainability

### *Our Goals...*

- Increase equity, expectations, and achievement
- Strengthen relationships
- Focus resources

### *Our Strategies...*

- Raise expectations and academic rigor for all students, aligning pre-K-12 programs with the college readiness goal.
- Identify and correct practices and policies that perpetuate the achievement gap and institutional racism in all forms.
- Develop highly effective principal corps and ensure that they have the capacity to establish and lead outstanding instructional teams.

*Our Strategies... continued*

- Develop high performing teacher corps and provide professional development and support to get excellent results for all students.
- Set clear expectations for all staff at every level -- reward success, support and develop, but remove low performers when required.
- Transform relationships and partner with families.
- Build widespread internal and external support and partnerships to get results.
- Restructure the lowest performing 25% of schools, increasing the flexibility and autonomy for lowest and highest performing.
- Create and sustain a positive financial position.

*Our Students....*

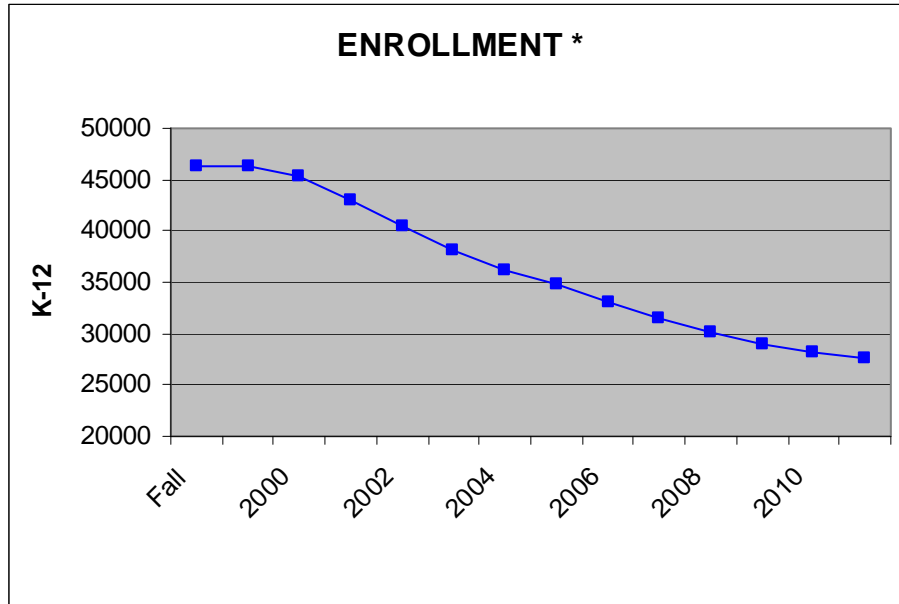
Minneapolis Public Schools serves a diverse student population of about 35,000 who speak more than 90 languages and dialects. Many students were born and raised in Minneapolis neighborhoods – others were born in Africa, Asia, South America and Europe.

While our diversity is one of our greatest strengths and we leverage it to enhance learning whenever we can, it also presents challenges. The needs and diversity of our students is increasing while the overall size of our student population is decreasing. Large concentrations of students who receive free-and-reduced-price lunch, those who do not speak English and those who require special education services make it more important than ever to maintain funding that is critical to delivering services that help these students succeed.

Fall 2007

Total Enrollment	34,570	100%
White-Americans	10,299	29.8%
Students of Color	24,271	70.2%
African-American	13,696	39.6%
Hispanic-American	5,905	17.1%
Asian-American	3,105	9.0%
American-Indian	1,565	4.5%
Special education *	5,489	15.9%
English Language Learners*	8,050	23.2%
Free/Reduced Lunch*	22,678	65.6%

\*Included in the total student enrollment



\*Enrollment numbers do not include contract alternative schools.

Enrollment continues to decline with an anticipated decrease of 1600 students. This decline occurs largely in the high school grades.

#### *Our Schools....*

Elementary Schools (K-5)	24
Elementary Schools (K-8)	19
Middle Schools (6-8)	7
Senior High Schools (9-12)	7
Special Education Schools	9
Alternative Schools	3
Contract Alternative Schools	17
Sponsored Charter Schools	<u>4</u>
Total	90

## Highlights for 2008-09 School Year...

- No major school changes are planned, with the exception of some program consolidations or moves.
- Class sizes will be maintained at the same level as last year by using all of the referendum dollars for teachers and using 30 percent of the compensatory dollars at each school for classroom teachers: (K-3: 26; 4-8: 32; 9-12: 34 [North Side Initiative K-3: 21]).
- The North Side Initiative, providing smaller K – 3 class sizes and all-day kindergarten classrooms and other learning supports, will continue.
- The commitment to secondary school reform (grades 6-12) with increased counseling and additional resources for items such as AVID, textbooks, IB, and staff development will continue.
- The math adoption for grades K-8 will be implemented.
- Administrative positions will be reduced across the district and resources will be reallocated to high priority activities that support the Strategic Plan.
  - Support for the MUID (Metropolitan Urban Indian Directors) agreement is increased.
  - There will be no reductions for ELL (English Language Learners), Athletics, or REA (Research, Evaluation and Assessment).
  - Organizational changes were made to integrate student support and family engagement into the academic area; created an ombudsperson position to provide families with a single entry point to the district; and created an office of community and corporate partnerships.

## *Highlights for 2008-09 School Year...continued*

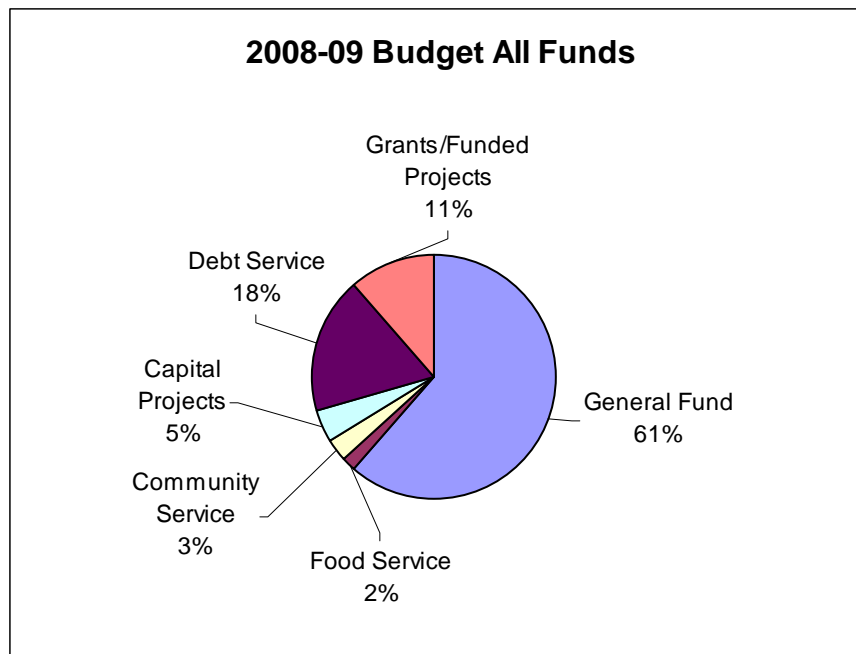
- Operational departments were reduced and realigned with reductions in transportation, plant operations, and facilities. The District realized transportation savings by changing start times, restructuring high school routes and coordinating service for special education students.
- There was limited use of restricted reserves: \$2 million of compensatory funds and \$3 million of funds earmarked for afterschool and summer school programs.
- To manage future risk, we maintained the unrestricted balance, projected to be 11 percent of expenditures.

## Our Financial Information....

Our entire expenditure budget for the 2008-09 school year is \$696,245,552. It is comprised of a variety of funds.

### Fund Summary

	July 1, 2008			June 30, 2009
	Projected	FY 2009	FY 2009	Projected
	<u>Fund Balance</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balance</u>
General Fund	\$ 61,228,733	\$ 423,658,376	\$ 428,658,376	\$ 56,228,733
Food Service	3,028,124	13,844,919	13,844,919	3,028,124
Community Service	1,860,191	19,084,861	18,514,622	2,430,430
Capital Projects	9,087,635	31,337,991	31,273,359	9,152,267
Debt Service	124,147,292	67,249,905	125,221,034	66,176,163
Grants/Funded Projects	8,293,158	78,733,243	78,733,242	8,293,159
<b>Total All Funds</b>	<b>\$ 207,645,133</b>	<b>\$ 633,909,295</b>	<b>\$ 696,245,552</b>	<b>\$ 145,308,876</b>

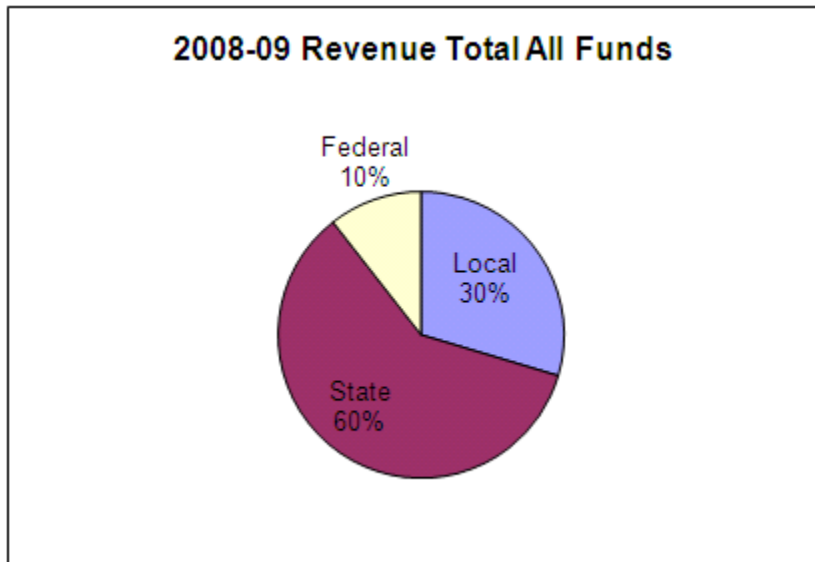




*Our Financial Information....continued*

Revenue Sources

	<u>Local</u>	<u>State</u>	<u>Federal</u>	<u>Total</u>
General Fund	\$ 67,867,004	\$ 355,791,372	\$ -	\$ 423,658,376
Food Service	2,013,713	709,303	11,121,903	13,844,919
Community Service	10,774,462	8,310,399	-	19,084,861
Capital Projects	31,337,991	-	-	31,337,991
Debt Service	56,249,905	11,000,000	-	67,249,905
Grants/Funded Projects	19,469,110	3,372,154	55,891,979	78,733,243
Total All Funds	\$ 187,712,185	\$ 379,183,228	\$ 67,013,882	\$ 633,909,295



## General Fund....

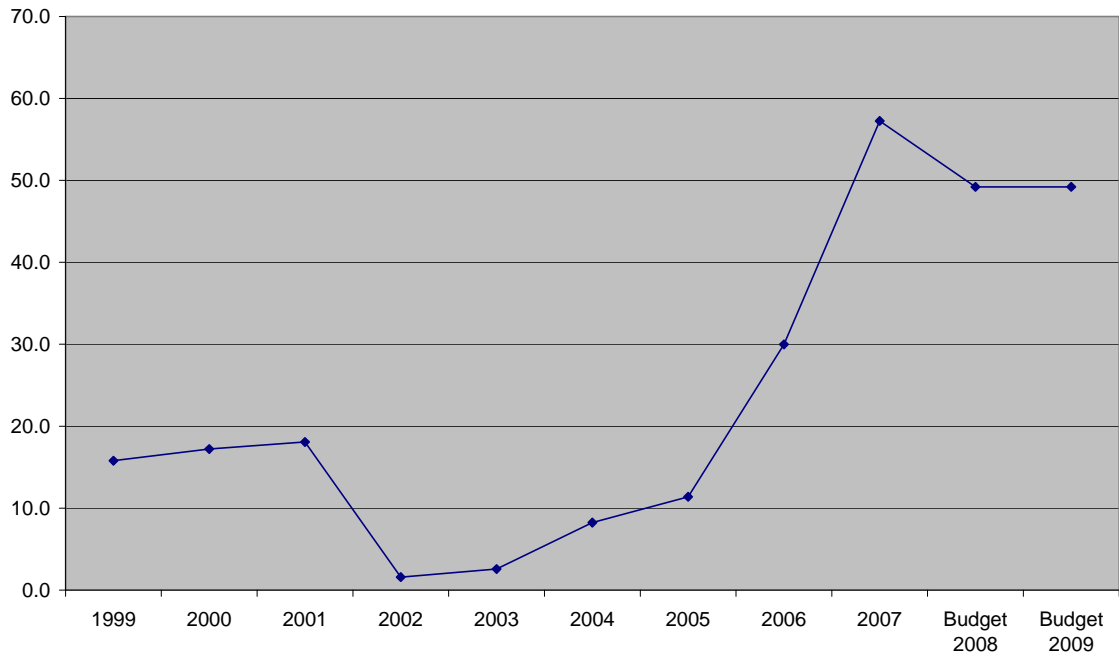
The General Fund comprises a set of accounts to show all operations of the district which do not have to be accounted for in another fund. Major sources of revenue include property taxes, miscellaneous local revenues and state aids. Expenditures include operating expenses of the District, such as salaries, supplies and materials, contractual services, utilities, transportation and other school operating expenses. Expenditures are accounted for by programs relating to administration, instruction, instructional support, maintenance, student support, transportation and other facility and operating costs.

### Fund Summary

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Beginning Fund Balance*	\$ 39,668,154	\$ 69,274,335	\$ 61,228,733
Annual Revenue	<u>451,104,544</u>	<u>429,977,602</u>	<u>423,658,376</u>
Total Revenue	\$ 490,772,698	\$ 499,251,937	\$ 484,887,109
Annual Expenditures	\$ 421,498,363	\$ 438,023,204	\$ 430,722,598
Expected Cancellations	-	-	(2,064,222)
Adjusted Annual Expenditures	\$ 421,498,363	\$ 438,023,204	\$ 428,658,376
*Ending Fund Balance	\$ 69,274,335	\$ 61,228,733	\$ 56,228,733
**Restricted Reserves	\$ 12,020,795	\$ 12,020,795	\$ 7,020,795
***Unreserved/Unrestricted Fund Balance	\$ 57,253,540	\$ 49,207,938	\$ 49,207,938
* Beginning and ending fund balances include unrestricted and restricted dollars.			
**\$2.0 million compensatory and \$3.0 million for summer/after school.			
***Budgeted expenditures include use of \$8,045,602 of unreserved fund balance in FY 08.			

General Fund continued....

### Unrestricted Fund Balance in millions

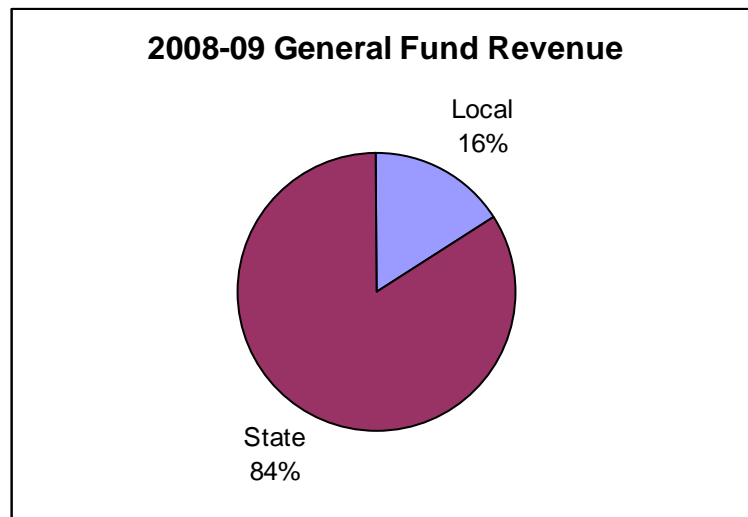


Unrestricted balance of \$49.2 million represents 11 percent of expenditures.

General Fund continued....

Revenue Details

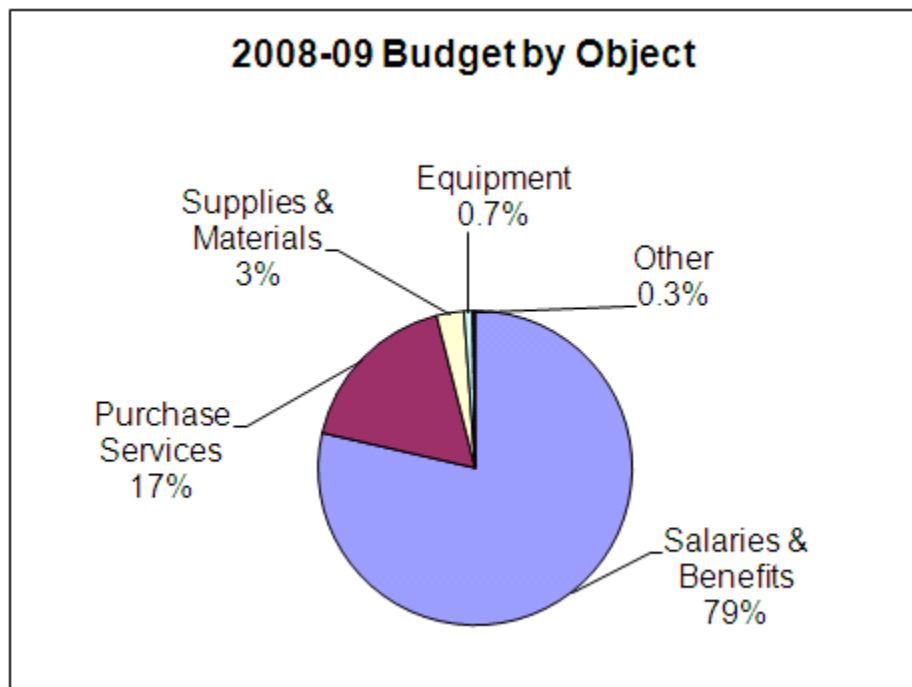
	Actual FY 2007	Budgeted FY 2008	Budgeted FY 2009
<b>Local</b>			
Property Taxes	\$ 56,244,834	\$ 60,039,637	\$ 61,405,348
Misc.	6,810,062	3,650,000	6,461,656
Bond Sale	28,096,226		
<b>State Aids</b>			
Basic Foundation	208,679,428	199,465,417	192,385,438
Compensatory	57,423,160	55,138,920	51,382,487
ELL	5,977,750	5,463,300	5,078,700
Special Education	51,676,731	63,678,863	65,076,529
Other	36,196,353	38,341,465	41,868,218
<b>Transfers</b>	-	2,000,000	-
<b>Total Revenue</b>	<b>\$ 451,104,544</b>	<b>\$ 427,777,602</b>	<b>\$ 423,658,376</b>



General Fund continued....

Expenditure Details

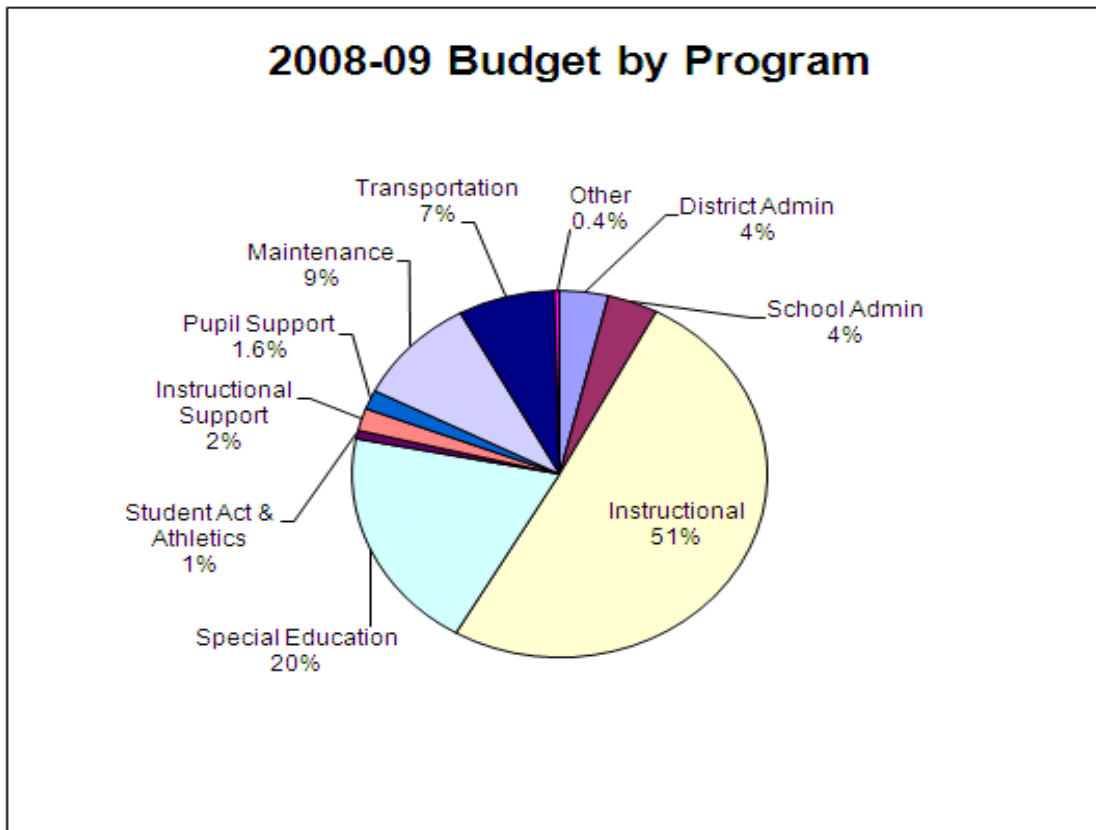
	Actual FY 2007	Budgeted FY 2008	Budgeted FY 2009
Salaries & Benefits	\$ 318,217,515	\$ 337,243,796	\$ 336,840,359
Purchase Services	70,350,076	74,521,847	74,835,722
Supplies & Materials	7,125,617	12,697,850	12,054,849
Equipment	361,446	4,878,619	3,792,286
Other	25,443,709	8,681,092	1,135,160
Total	\$ 421,498,363	\$ 438,023,204	\$ 428,658,376



General Fund continued....

By Program

	Actual FY 2007	Budgeted FY 2008	Budgeted FY 2009
District Admin	\$ 14,346,339	\$ 16,578,013	\$ 16,212,603
School Admin	15,663,128	17,211,725	16,819,869
Instructional	201,808,758	217,986,994	216,985,998
Special Education	77,042,461	88,085,610	84,705,292
Student Act & Athletics	3,097,397	3,150,797	3,197,192
Instructional Support	4,734,673	8,503,065	8,435,142
Pupil Support	4,789,156	5,256,899	7,272,110
Maintenance	40,958,400	42,729,126	40,979,724
Transportation	33,614,342	33,851,132	32,222,373
Other	25,443,709	4,669,843	1,828,073
Total	\$ 421,498,363	\$ 438,023,204	\$ 428,658,376



## Food Services

This fund is required to account for food service revenues and expenditures.

### Fund Summary

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Beginning Fund Balance	\$ 2,196,926	\$ 2,694,398	\$ 3,028,124
Annual Revenue	<u>14,623,170</u>	<u>14,806,917</u>	<u>13,844,919</u>
Total Revenue	16,820,096	17,501,315	16,873,043
Annual Expenditures	<u>14,125,700</u>	<u>14,473,191</u>	<u>13,844,919</u>
Ending Fund Balance	\$ 2,694,398	\$ 3,028,124	\$ 3,028,124

### Revenue Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Local	\$ 2,788,261	\$ 2,608,870	\$ 2,013,713
State	715,011	706,179	709,303
Federal	11,119,898	11,491,868	11,121,903
Total	\$ 14,623,170	\$ 14,806,917	\$ 13,844,919

### Expenditure Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Salaries & Benefits	\$ 6,610,391	\$ 6,238,460	\$ 6,220,669
Purchase Services	651,624	505,500	659,000
Supplies & Materials	6,470,370	7,114,231	6,720,000
Equipment	383,411	350,000	245,000
Other	9,904	265,000	250
Total	\$ 14,125,700	\$ 14,473,191	\$ 13,844,919

## Community Services

This fund is used to account for services provided to residents in the areas of recreation, civic activities, non-public pupils, veterans, adult or early childhood programs.

### Fund Summary

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Beginning Fund Balance	\$ 2,953,543	\$ 2,974,706	\$ 1,860,191
Annual Revenue	<u>18,650,229</u>	<u>17,957,107</u>	<u>19,084,861</u>
Total Revenue	\$21,603,772	\$20,931,813	\$ 20,945,052
Annual Expenditures	<u>18,629,066</u>	<u>19,071,622</u>	<u>18,514,622</u>
Ending Fund Balance	\$ 2,974,706	\$ 1,860,191	\$ 2,430,430

### Revenue Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Local	\$ 10,115,955	\$ 10,321,207	\$ 10,774,462
State	8,534,274	7,579,360	8,310,399
Federal	-	-	-
Transfer	-	56,540	-
Total	\$ 18,650,229	\$ 17,957,107	\$ 19,084,861

### Expenditure Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Salaries & Benefits	\$ 14,577,761	\$ 14,174,434	\$ 15,863,969
Purchase Services	3,370,775	3,909,343	2,224,840
Supplies & Materials	614,464	510,261	383,073
Equipment	54,728	268,047	42,740
Other	11,338	209,537	-
Total	\$ 18,629,066	\$ 19,071,622	\$ 18,514,622



## Capital Projects

This fund is used to account for financial resources used for the acquisition or construction of major capital facilities.

### Fund Summary

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Beginning Fund Balance	\$ 22,070,116	\$ 7,987,792	\$ 9,087,635
Annual Revenue	<u>21,268,149</u>	<u>31,675,442</u>	<u>31,337,991</u>
Total Revenue	\$ 43,338,265	\$ 39,663,234	\$ 40,425,626
Annual Expenditures	<u>35,350,473</u>	<u>30,575,599</u>	<u>31,273,359</u>
Ending Fund Balance	\$ 7,987,792	\$ 9,087,635	\$ 9,152,267

### Revenue Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Local	\$ 21,268,149	\$ 31,675,442	\$ 31,337,991
State			
Federal			
Total	\$ 21,268,149	\$ 31,675,442	\$ 31,337,991

### Expenditure Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Salaries & Benefits	\$ 12,233,630	\$ 12,415,414	\$ 13,367,461
Purchase Services	8,722,053	1,960,435	2,013,648
Supplies & Materials	554,138	3,525,000	3,507,250
Equipment	13,832,135	12,459,750	12,373,500
Other	8,517	215,000	11,500
Total	\$ 35,350,473	\$ 30,575,599	\$ 31,273,359

## Debt Service

This fund is used to account for the accumulation of resources and for payment of general long term obligation bond principal, interest and related costs.

### Fund Summary

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Beginning Fund Balance	\$ 189,733,099	\$ 129,698,018	\$ 124,147,292
Annual Revenue	<u>82,414,197</u>	<u>69,179,332</u>	<u>67,249,905</u>
Total Revenue	\$ 272,147,296	\$ 198,877,350	\$ 191,397,197
Annual Expenditures	<u>142,449,278</u>	<u>74,730,058</u>	<u>125,221,034</u>
Ending Fund Balance	\$ 129,698,018	\$ 124,147,292	\$ 66,176,163

### Revenue Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Local	\$ 69,218,148	\$ 55,679,332	\$ 56,249,905
State	13,196,049	13,500,000	11,000,000
Federal			
Total	\$ 82,414,197	\$ 69,179,332	\$ 67,249,905

### Expenditure Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Salaries & Benefits			
Purchase Services			
Supplies & Materials			
Equipment			
Other	142,449,278	74,730,058	125,221,034
Total	\$ 142,449,278	\$ 74,730,058	\$ 125,221,034

## Grants and Funded Projects

This fund is used to account for the revenues and expenditures for activities related to certain grants and projects funded through federal, state or other outside agencies. Included within these numbers are the No Child Left Behind resources and federal special education dollars.

### Fund Summary

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Beginning Fund Balance	\$ 10,637,674	\$ 8,293,158	\$ 8,293,158
Annual Revenue	\$ 81,405,571	\$ 77,792,656	\$ 78,733,243
Total Revenue	\$ 92,043,245	\$ 86,085,814	\$ 87,026,401
Annual Expenditures	\$ 83,750,087	\$ 77,792,656	\$ 78,733,242
Ending Fund Balance	\$ 8,293,158	\$ 8,293,158	\$ 8,293,159

### Revenue Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Local	\$ 21,679,197	\$ 9,500,000	\$ 19,469,110
State	2,578,071	8,020,343	3,372,154
Federal	57,148,303	60,272,313	55,891,979
Total	\$ 81,405,571	\$ 77,792,656	\$ 78,733,243

### Expenditure Details

	Actual	Budgeted	Budgeted
	FY 2007	FY 2008	FY 2009
Salaries & Benefits	\$ 57,687,420	\$ 50,600,297	\$ 54,716,974
Purchase Services	12,240,832	11,679,502	12,317,844
Supplies & Materials	8,200,575	6,167,255	6,687,026
Equipment	4,379,830	8,011,809	3,882,823
Other	1,241,430	1,333,793	1,128,575
Total	\$ 83,750,087	\$ 77,792,656	\$ 78,733,242

**No Child Left Behind  
Title I and Title II  
Anticipated Funds (Official allocations have not been received.)**

Title I	\$25,705,792
Title II	\$6,847,902
Total	\$32,553,694

**Title I and Title II Budgets**

<b>Allocations to Schools</b>	\$16,210,074	Includes allocations to traditional public schools, contract alternative schools and non-public schools.
<b>Professional Development</b>	\$6,626,920	Includes such efforts as Principles of Learning (IFL), Literacy coaches, math professional development, and staff in the curriculum and instruction department.
<b>Student Support Services</b>	\$2,376,936	Supports services for Homeless Highly Mobile students, neglected and delinquent students, the Attendance /Truancy Initiative, Teenage Pregnant and Parenting Program, Positive Behavior Support, and additional Math Services.
<b>School Readiness</b>	\$2,051,792	Supports High Five programs.
<b>Supplemental Educational Services</b>	\$2,000,000	Tutoring services for students who receive free / reduced lunch and who attend schools at Stage 2 or higher of "Needs Improvement." The district sets-aside less than the suggested 20% because for the last 3 years demand has not reached this threshold. The district is required to meet demand up to 20% or \$4,741,158.
<b>Family Involvement</b>	\$1,137,286	Includes allocations to schools, district Family Engagement Office, staff for Parent Portal, and non-public family involvement.
<b>Administrative Costs</b>	\$1,755,588	Includes administration for non-public Title services, IT support to Title schools, required family notifications, SES administration, staff and supplies in the Funded Programs Office, support for highly qualified teacher requirements, an initiative to recruit and retain bi-lingual staff, and indirect costs.
<b>Unallocated</b>	\$395,098	Amount left unbudgeted until official allocations are received from the state.

**Other Anticipated Title Funds**

Title III	\$1,495,772
Title IV	\$428,272
Needs Improvement	\$1,290,000