

# 2022-23 Budget Presentation

May 10, 2022

# Agenda

1. Previous ESSER III Funding Plan
2. Current Budget Situation
3. Steps Taken to Balance the Budget
4. Updated ESSER III Funding Plan
5. ESSER III Financial Summary
6. Capital Plan Adjustments
7. FY23 Budget, Anticipated Revenues and Expenditures

## Attachments

- Department Budget Spreadsheet (on BoardBook)
- School Budget Spreadsheet (on BoardBook)
- Department Reductions (in appendix)
- Equity Considerations Process (in appendix)

# Previous ESSER III Funding Plan

A total of \$159.5 million in ESSER III funding was allocated, including:

- **Academic supports/address impacts on learning (\$39.1 million)**
- **Safe & Healthy Schools (\$19.2 million)**
  - \$11.6 million to upgrade ventilation systems
- **IT/Technology (\$14.2 million)**
- **Highly Qualified Staff (\$7.9 million)**
- **Mental Health Supports (\$4.5 million)**
- **Continuity of Services (\$74.6 million over two years)**
  - Maintain staffing/service levels at schools and departments

# Current Budget Situation

- Budgets for the 2022–23 school year originally closed in March.
- Additional projected student enrollment decline of 1,000 students will impact next year's budget.
- Honoring valued employees with new contract involves:

## **2021–22 SY: \$53.5 million covered by:**

- Vacancy savings: \$24 million
- Available ESSER dollars: \$29.5 million

## **2022–23 SY: Previous budget gap of \$59.1 million increased to \$86.2 million, to be covered by:**

- Available ESSER dollars
- Fund balance
- Budget reductions

# Steps Taken to Balance the Budget

- **Revised budgets for schools and departments were due Friday, April 29.**
- **5% reduction in budgets for departments**
  - Dollars reallocated to schools from department budgets to minimize impact to students.
  - Will impact essential and sometimes mandatory school services such as: transportation, custodial, payroll, procurement, recruitment and staffing, devices for students, community engagement among others.
- **Estimated 1% increase in budgets for schools**, changed from initial estimate of 3% reduction due to reallocation of district-level dollars to reduce impact on schools.
- **School-by-school adjustments for projected enrollment loss** of 1,000 students.
- **Reallocation of non-learning loss ESSER funds** for continuity of services at schools and departments.
- **Accessing assigned fund balance.**
- **Equity Considerations** impacted decisions for 2022-23 budget.

# Updated ESSER III Funding Plan

## Continuing ESSER III Projects

- **20% of \$159.5 million in ESSER funding (\$31.9 million) for learning loss** is protected from budget cuts, including:
  - Reading Partners contracted services
  - Math Strategies
  - Early literacy professional development including LETRS, Groves, PRESS
  - Site Based Reading Teachers at every middle school
  - MTSS or Tiered Intervention Data Warehouse
  - Americorps tutors and graduation coaches in Office of Black Student Achievement, Indian Ed, and Check & Connect
  - Homeless/Highly Mobile summer program access support and literacy project
- **Community Partnership Contracts (\$2.5 million)**
  - \$2.5 million in culturally specific community partnerships to support students/families
- **Program/Staff Continuity (\$125.1 million)**

# Updated ESSER III Funding Plan – Cont'd.

## **Some ESSER III projects now covered by other funding sources, including:**

- Ventilation improvements
- Technology/Universal Devices
- Mental Health supports
- Professional development around climate
- Maintaining student stipends for youth participation and CityWide Student Leadership Board

# Updated ESSER III Funding Plan – Cont'd.

## **Some ESSER III projects are delayed or are no longer currently funded, including:**

- Custodial recruitment and retention
- Emergency management services and supplies
- Development of additional teacher licensure/pathways programs
- Community outreach navigators
- Additional personal protective equipment (PPE)

*\*Note: Budgets are preliminary and subject to change.*



# ESSER III Financial Summary

## How the \$159.5 million in total ESSER III funding is allocated:

- \$19.7 million spent in the current year.
- \$31.9 million for learning loss protected from budget cuts.
- \$2.5 million for community contracting.
- \$59 million for continuity of services in 2022–23 school year.
- \$56.4 million for continuity of services in 2023–24 school year.

**\$0 remaining ESSER funds.**

# Capital Plan Adjustments

- Due to enrollment losses, MPS is projecting decreased revenues in future years
- [Policy 3290](#) sets debt limits:
  - Debt payments may not be more than 15% of operating revenues
- Capital Plan for bonding adjusted down to approximately \$64 million for Fall 2022, as SO DeVet shared at 4/26 Committee of the Whole Meeting:
  - Removed IT and fleet replacement from plan. Will use current unspent bond proceeds.
  - Delaying some CTE renovations and Wilder entrance.

# FY 23 Budget – Anticipated Revenues and Expenses

Fund	Revenue	Expenses
General Operating Fund	\$491,176,294	\$519,559,148
General Fund Grants	\$128,200,000	\$128,200,000
General Fund Special Revenue	\$10,000,000	\$10,000,000
Food Service Fund	\$24,895,120	\$26,595,120
Food Service Grants	\$115,000	\$115,000
Community Service Fund	\$26,572,419	\$27,813,801
Community Service Fund Grants & Special Revenue	\$10,395,600	\$10,395,600
Capital Projects Fund	\$64,198,898	\$130,000,000
Debt Service Fund	\$91,134,710	\$91,134,710
<b>Total</b>	<b>\$846,688,041</b>	<b>\$943,813,379</b>

# Next Steps

- Finance Committee, May 17 – 2022–23 Budget Resolution
- Board Meeting, June 14 – Board votes on 2022–23 Budget Resolution

# Questions

# Appendix: Department Reductions

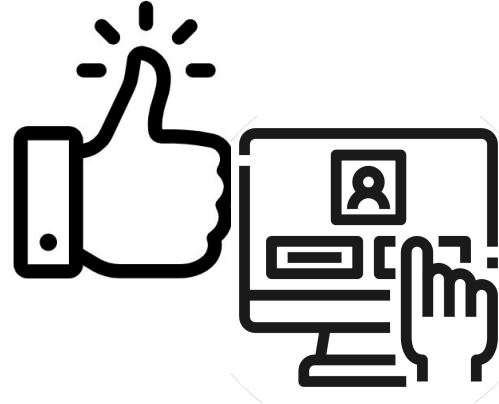
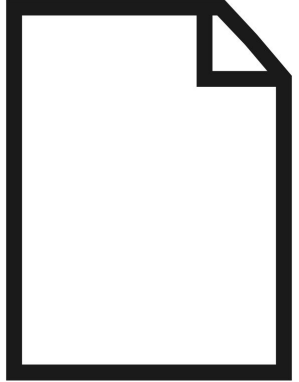
# Department Reductions

Division	Fund 1 Reduction	ESSER Reduction
Board of Education/Board Office	\$0	N/A
Superintendent's Office	\$358,084	N/A
General Counsel	\$0	N/A
Communications, Engagement & External Relations	\$243,763	\$190,489
Academics	\$4,665,712	\$3,617,203
Information Technology	\$0	\$7,000,000
Accountability, Research & Equity	\$214,037	\$1,015,678
Finance	\$362,448	\$239,477
Operations	\$565,175	\$17,306,165
Human Resources	\$215,736	\$1,107,366

# Appendix: Equity Considerations for Budgeting Process



# Appendix – Equity Considerations Timeline



## Complete the Equity Considerations Document

**Schools and Departments** complete the Equity Considerations for Budgeting Document AND *if applicable*, Title Worksheet(s) and Achievement & Integration Worksheet

## Review, Revise, and Finalize Document

*Ongoing:*  
**REAA team** reviews/ provides feedback on the document  
**Schools and Departments** make revisions and finalizes the document

## Final Review + Enter Info Into Qualtrics

**REAA team** creates a public-facing version of the document, which is **approved by Schools and Departments**

## Summary Report

**REAA** writes and submits an Equity Considerations for Budgeting Summary Report to the Board

# Appendix – Equity Considerations

## SCHOOL EQUITY CONSIDERATIONS DOCUMENT SECTIONS

### Meaningful Inclusion of Diverse Perspectives

- Students
- Staff
- Families/Community members

### Initiative Inventory and Prioritization

- Prioritized activity, strategies, program, initiatives

### Budget Alignment and Trade-Offs

- Alignment to school priorities
- Supplementary/restricted funds

### Equity Considerations

- Impact
- Mitigation Plan

## DEPARTMENT EQUITY CONSIDERATIONS DOCUMENT SECTIONS

### Meaningful Inclusion of Diverse Perspectives

- Internal Engagement
- External Engagement

### Budget Alignment and Trade-Offs

- In order to maintain strong core functions
- Supplementary/restricted funds

### Equity Considerations

- Impact
- Mitigation Plan

# Appendix C – Additional Equity Considerations

Due to the need to make additional cuts to department and school budgets as a result of the MFT contract settlement, the Senior Leadership team used the following process to mitigate inequitable impacts when making new cuts:

1. Explain the proposed change (i.e. decreased FTE, elimination of contract, decreased extended time etc.)
2. With any changes (cuts, reductions, or additions) being made in 2022–23:
  - a. **Identify which specific groups** (i.e., staff, students, families, and/or community groups) **will be most directly impacted by changes** to your division/department core function including programs, supports, or services or initiatives/strategies next year; and
  - b. **What you will do to mitigate any potential negative impacts** to these groups. Also, considered the anticipated positive impacts.

# Appendix – Additional Equity Considerations

Due to the need to make additional cuts to school budgets as a result of the MFT contract settlement, REAA is asking school leaders to complete an addendum to their original Equity Considerations Document as follows:

<p><b>BUDGET CHANGES:</b> Explain the proposed budget changes and how it will impact your school’s initiatives including programs, supports, and/or services.</p>	<p><b>IMPACTS OF BUDGET CHANGES:</b> Identify which specific groups (i.e., staff, students, families, and/or community groups) you anticipate will be most directly impacted by changes to your school’s budget (i.e., positions, programs, supports, and/or services).</p>	<p><b>MITIGATION PLAN:</b> Describe how you plan to mitigate any potential negative impacts for the specific groups named.</p>
<p><i>EXAMPLE: Cut 2 licensed positions that support student interventions.</i></p>	<p><i>EXAMPLE: The majority of our students who qualify for interventions are from our underserved populations (predominantly our Black and American Indian students and those receiving SPED services).</i></p>	<p><i>EXAMPLE: Current staff will absorb the responsibilities of the 2 licensed positions that are cut, prioritizing serving our most underserved students.</i></p>