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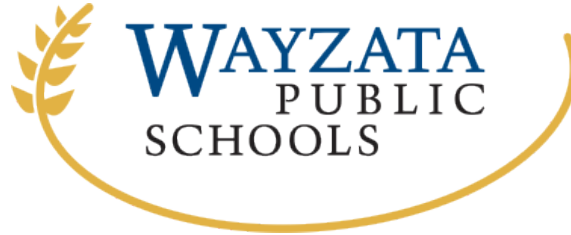
BOARD OF EDUCATION

Working Meeting - June 5, 2023 - 4:00 PM
Wayzata Public Schools District Office
210 County Road 101 North
Plymouth, Minnesota 55447

AGENDA

1. **ROLL CALL/CALL TO ORDER**
 - A. **Finance and Operation Reports**
 1. Legislative Update
 2. General Fund Financial Forecast (high level)
2. **ADJOURN**

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2023 Legislative Update & Budget

Topics

- General Education Allocation
- Special Education Cross Subsidy
- Other Revenues
- Mandates
- Budget Preparation

General Education Formula Allowance (Per APU - Adjusted Pupil Unit)

Fiscal Year	Formula Increase	Formula Amount	Formula Increase Amount
FY24	4.0%	\$7,138	\$275
FY25	2.0%	\$7,281	\$143
FY26	2.0% Estimated - Subject to Floor	\$7,427	\$146
FY27	2.17% Estimated	\$7,589	\$162

FY26 and FY27, and beyond: actual increase equal to Consumer Price Index Urban (CPI-U) with a floor of 2.00% and cap of 3.00%. CPI-U determined based upon prior two fourth quarter totals. Language including inflationary increases does not prevent future legislatures from additional increases in the formula.



Special Education Cross Subsidy

Aid Factor Change:

FY24, FY 25, FY 26: 44.0%

FY27: 50%

Increase from FY23 at 6.43%

The “Initial Cross Subsidy” is defined as:

- the non-federal cost of special education, including transportation, **minus**
- the state special education aid received after tuition adjustments, **minus**
- the general ed revenue attributable to students receiving SpEd services outside of the regular classroom for more than 60% of the school day

English Learning Aid & Cross Subsidy

Fiscal Year	English Learner Aid	Concentration	Cross Subsidy Aid Reduction
FY23	\$704	\$250	N/A
FY24 FY25 FY26	\$1,228 x > of 20 or EL ADM	\$436 x EL ADM	N/A
FY27	\$1,775 x > of 20 or EL ADM	\$630 x EL ADM	25% EL Cross Subsidy Aid

ADM = Average Daily Membership

Other Revenues

- Transportation Sparsity - increase by 16.8%
- American Indian Aid - increase from \$358 to \$500 per student
- Student Support Personnel Aid - new funding FY24 \$14.94/APU, FY 25 \$17.08/APU, FY26 \$48.73/APU
- School Library Aid - \$16.11 per APU
- Community Education & Lifelong Learning - various funding changes
- LTFM - allows use of funds for gender-neutral, single-user restrooms

Free School Meals Program - Universal Meals

- State aid funding for breakfast and lunch for all students
- Federal reimbursement rates will be determined by the USDA
- Districts will continue to receive the 12.5 cent state contribution per meal
- Districts should review the law to understand the Community Eligibility Provision (CEP) program impacts to funding
- Chapter 18 also includes the Compensatory Revenue provision for FY25

Referendum Revenue School Board Approval

- The School Board may approve a one time renewal of an existing Operating Referendum
 - Same per-pupil amounts (allowance including CPI adjusted) and
 - Length of time
- Generated by the authority in the voter-approved referendum language
- Board approval **must happen by June 15 in fiscal year** prior to the last fiscal year generating revenue
- Required public testimony may take place at the same meeting in which the board authorization vote occurs.

Referendum Example - Expirations and Renewal Deadlines

Voter Approved Referendum Date/Years*	First & Last Applicable Levy before expiration	First & Last Applicable Fiscal Year before expiration	Start of Board Renewed Operating Referendum	Board Resolution Window for Renewal
November 2015 8 years	Payable 2016 Payable 2023	Fiscal Year 2017 (FY17) Fiscal Year 2024 (FY24)	Fiscal Year 2025 FY25	May 25, 2023 June 15, 2023
November 2015 9 years	Payable 2016 Payable 2024	Fiscal Year 2017 (FY17) Fiscal Year 2025 (FY25)	Fiscal Year 2026 FY26	May 25, 2023 June 15, 2024
November 2015 10 years	Payable 2016 Payable 2025	Fiscal Year 2017 (FY17) Fiscal Year 2026 (FY26)	Fiscal Year 2027 FY27	July 1, 2023 June 15, 2025

*Dates are examples only; referendum authority is for any referendum with revenue authority expiring in FY24 and beyond

Summer Term Unemployment Insurance Program (UIP)

- Eligible non-certified hourly school workers may qualify for "between term" summer unemployment benefits starting May 28, 2023.
- Total Reimbursement Aid is \$135,000,000 starting in FY24 (available until FY 27 or until depletion of funding)
- Not eligible for levy reimbursement
- Terms and qualifications through the UIP managed by DEED
- Districts must still allow and fund between term UI costs after reimbursement aid is depleted
- Some UI between term employees may qualify as special education costs

WPS **Estimated** General Fund Increases

Category	FY 24	FY25
Basic Funding Formula	\$3,581,215	\$5,524,346
English Learner	\$157,470	\$157,317
Transportation Sparsity	\$368,944	\$381,837
Special Education	\$4,431,042	\$4,654,250
Other	\$499,926	\$705,423
Total Legislative Increases	\$9,038,597	\$11,423,173

WPS **Estimated Net** General Fund Increases

Category	FY 24	FY25
Total Legislative Increases w/ (4%/2%)	\$9,038,597	\$11,423,173
Budget Estimated Increases w/ (2%/2%)	\$1,790,608	\$3,581,216
Legislative Over Budget Estimate	\$7,247,989	\$7,841,957

Budget Preparation - Next Steps

- Finalize Estimated FY23 Revenue & Expenses
- Incorporate New Funding & Cost Containment into FY24 and Future Years
- Estimate Cost of Unfunded Mandates
- Develop Proposed Reinstatement of Cost Containment Items
- Presentations to School Board

Key Dates - Finalizing FY24 Budget

- June 5, 2023 Board Work Session
 - Legislative Update
- June 12, 2023 Board Meeting
 - FY24 Budget Presentation - All Funds
 - Proposed Cost Containment Adjustments
 - Revenue & Unfunded Mandate Estimates
- June 26, 2023 Special Board Meeting
 - FY24 Budget Approval



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