

Regular Business and Truth in Taxation Meeting

Tuesday, December 8, 2020 5:30 PM

Online Meeting

1) **Call to Order**

2) **Roll Call**

3) **Adoption of Agenda**

4) **Acceptance of Minutes**

a. November 10, 2020, Minutes

b. November 13, 2020 Special Business Meeting

5) **Public Comments**

6) **Truth in Taxation and 2021 Tax Levy
Certification**

a. Truth in Taxation Public Comments

b. Final 2021 Tax Levy Certification

7) **Reports and Recommendations from the
Superintendent of Schools**

a. Fiscal Year 2020 Financial Audit

b. 2021-2022 Budget Update

1. Pro-Forma Financial Projections

c. 2021 Legislative Agenda

8) **Policy Committee Report**

a. Repeal of Policy 6412

b. Repeal of Policy 6137

c. Revision of Policy 5680

9) **Action Items by the Board of Education**

a. Approval of the Consent Agenda

1. Personnel Items

a. Approval of List A personnel matters (2020-12-
ER-A)

2. Contracts

a. Contract amendment with Central Roofing Company
for North High School roofing replacement project
(2020-12861)

- b. Contract amendment with Harris St. Paul, Inc. for multi-site BAS upgrades (2020-12869)
- c. Contract amendment with Pope Architects for consulting and architectural services for the safe and secure entrance project at Lyndale (2020-12877)
- d. Contract amendment with 292 Design Group for consulting and architectural services for Waite Park Elementary School improvements project (2020-12874)
- e. Contract Amendment with T-Mobile for at-home internet access (2020-4400000624-4)
- f. Contract Amendment with NASCO for additional K-8 Arts Kits for Distance Learning (2020-4400000622)

3. Resolutions

- a. Resolution Acknowledging Receipt of the Fiscal Year 2020-21 Financial Audit
- b. Budget Amendment
- c. Repeal of Policies 3120, 3125, 3128, 3135, 3145, 3150, 3160, 3195, and 3430 and Amendment of Policy 3005
- d. 2014 COP Resolution
- e. Authorization of Bond Sales

10) **New Business**

- a. 2021-2022 Budget Priorities Resolution

11) **Director Reports and Comments**

12) **Adjournment**

Minneapolis Public Schools – Board of Education
Special School District No. 1
Regular Business Meeting
November 10, 2020

I. CALL TO ORDER

Call to Order of the Board of Education. Pursuant to due notice mailed to each member of the Board of Education not less than three days prior to the time of such meeting, the Board members met electronically in a business meeting conducted in accordance with Minnesota Statutes 13D.021 on November 10, 2020, commencing at 5:33 pm. Chair Ellison called the meeting to order.

II. ROLL CALL

Present: Directors: Siad Ali, Jenny Arneson, Kimberly Caprini, Kim Ellison, KerryJo Felder; Nelson Inz, Ira Jourdain, Josh Pauly, Bob Walsler, Student Representative Genene, Superintendent Ed Graff – 11

III. APPROVAL OF THE AGENDA

MOTION: Director Arneson moved, seconded by Director Caprini that the Board of Education, Special School District No. 1, approve the Agenda for November 10, 2020. Motion to approve the agenda was put to a roll-call vote and carried unanimously.

IV. APPROVAL OF MINUTES

MOTION: Director Pauly moved, seconded by Director Arneson that the Board of Education, Special School District No. 1, approve the Minutes for October 13, 2020, and October 27, 2020. Motion to approve the Minutes was put to a roll-call vote and carried out unanimously.

V. PUBLIC COMMENTS

Pre-recorded Public Comments were played

VI. REPORTS AND RECOMMENDATIONS FROM THE SUPERINTENDENT OF SCHOOLS

A. Staff and Student Survey Summary

VII. POLICY COMMITTEE REPORT

A. Repeal of Policies 3120, 3125, 3128, 3135, 3145, 3150, 3160, 3195, and 3430 and Amendment of Policy 3005

VIII. ACTION ITEMS BY THE BOARD OF EDUCATION

A. Approval of Consent Agenda

These action items represent those that do not involve major policy decisions, budget decisions, taxing decisions, bond awards or items related to the Superintendent's contract of evaluation. Business items on this agenda are previously authorized or budgeted expenditures.

1. *Personnel Items*
 - a) *Personnel List A*
 - b) *Personnel List B*
2. *Contracts Requiring Board of Education Approval*
 - a) *Allied Blacktop Company*
 - b) *Constructions Results Corporation*
 - c) *Monicat Data*
 - d) *Code 42*
 - e) *Heartland Business Systems*
3. *Resolution*
 - a) *Resolution Authorizing Patrick Henry Track Renovation Grant Application Legal*

MOTION: Director Caprini moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the consent agenda and adopt the recommendations as presented by the Superintendent. The motion to approve the consent agenda was put to a roll-call vote and carried out unanimously.

B. RESOLUTION AMENDING POLICY 5391 – See Attachment 1 for full Resolution

MOTION: Director Ellison moved, seconded by Director Caprini, that the Board of Education, Special School District No. 1, approve the resolution to amend the Policy 5391. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

C. RESOLUTION AMENDING POLICY 5050 – See Attachment 2 for full Resolution

MOTION: Director Pauly moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the resolution to amend the Policy 5050. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

D. RESOLUTION ADOPTING POLICY 3508 – See Attachment 3 for full Resolution

MOTION: Director Pauly moved, seconded by Director Ellison, that the Board of Education, Special School District No. 1, approve the resolution to adopting Policy 3509. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

E. RESOLUTION AMENDING POLICY 1770 AND REPEALING POLICY 1750 – See Attachment 4 for full Resolution

MOTION: Director Pauly moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the resolution to amend the Policy 1770 and repeal Policy 1750. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

F. RESOLUTION AMENDING POLICY 4021, 4025, 5221, and 5620 – See Attachment 5 for full Resolution

MOTION: Director Pauly moved, seconded by Director Arneson, that the Board of Education, Special School District No. 1, approve the resolution to amend Policies 4021, 4025, 5221, and 5620. The motion to approve the resolution was put to a roll-call vote and carried out unanimously.

G. RESOLUTION SETTING SCHOOL START AND END TIMES

***WHEREAS**, Minneapolis Public Schools (MPS) Policy 6132 states that the Superintendent shall recommend school start and end times (school bell times) to the Board of Education for approval; and*

***WHEREAS**, changes to the school bell times are needed to help achieve the goals of increasing student out-of-school time program participation, using resources efficiently and equitably, and improving the transportation experience for students and families; and*

***WHEREAS**, changes to the school bell times are needed to align to the structural changes approved in the Comprehensive District Design (CDD).*

***SO, THEREFORE, BE IT RESOLVED**, that the Board of Directors, Special School District No. 1 hereby sets the school start and end times as proposed in file 2020-0055A, effective beginning with the 2021-2022 school year; and*

***FURTHER BE IT RESOLVED**, that the Superintendent, upon notification to the Board of Education, is authorized to modify the approved times by no more than 10 minutes to accommodate unforeseen circumstances; and*

***FINALLY, BE IT RESOLVED**, that the Board of Education shall receive regular updates on implementation of the new bell times schedule.*

MOTION: Director Arneson moved, seconded by Director Caprini, that the Board of Education, Special School District No. 1, approve the resolution setting school start and end times. The motion to approve the resolution was put to a roll-call vote and carried out by majority.

Director	YEA	NAY
Ali	X	
Arneson	X	
Caprini	X	
Ellison	X	
Felder		X
Inz	X	
Jourdain		X
Pauly	X	
Walser		X

IX. NEW BUSINESS – NONE

X. REPORTS AND COMMENTS FROM BOARD DIRECTORS

All Directors and Student Representative Geneve gave comments.

XI. ADJOURNMENT

MOTION: Director Arneson moved, seconded by Director Walser that the Board of Education, Special School District No. 1, adjourn the meeting at 9:04 p.m. The motion to adjourn was put to a vote and carried out unanimously.

DRAFT

MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2020-0046

RESOLUTION AMENDING POLICY 5391

WHEREAS, our students deserve spaces to explore who they are and how the many facets of their identities impact their experience in the world; and

WHEREAS, it's our responsibility to provide this opportunity for deep examination of power structures in our society along with identifying ways and developing skills to become agents of change; and

WHEREAS, Ethnic Studies courses are one way to provide this opportunity by centering the stories of communities of color, especially those with connections to Minneapolis and Minnesota; and

WHEREAS, the Board's Policy Committee has recommended this proposal.

NOW THEREFORE, be it resolved that the Board of Directors, Special School District No. 1 adopts the changes as follows:

SECTION 1: AMENDMENT “Policy 5391: Graduation Requirements” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

A M E N D M E N T

Policy 5391: Graduation Requirements

1. **PURPOSE**

This policy is to establish the requirements for graduation from Minneapolis Public Schools in compliance with Minnesota law and statewide graduation standards established thereby.

2. **GENERAL STATEMENT OF POLICY**

All students must complete the following requirements in order to earn a diploma for graduation from a Minneapolis Public High School.

3. ~~CREDIT REQUIREMENTS FOR STUDENTS GRADUATING BEFORE 2019:~~

~~a. Required Credits: A minimum of twenty one and a half (21.5) year-long credits is required for graduation beginning with the class graduating in 2019. These credits include:~~

~~i. Four (4) year-long credits in Language Arts;~~

~~ii. Four (4) year-long credits in Social Studies encompassing~~

~~(1) Three and a half (3.5) year-long credits in~~

~~(A) United States history;~~

- (B) geography,
- (C) world history, and
- (D) government and citizenship, and
- (2) One-half (0.5) credit in economics. Economics courses may be taught through the social studies department or the business department.
- iii. ~~Three (3) year-long credits in Mathematics encompassing, at a minimum:~~
 - (1) Geometry
 - (2) Algebra II or statistics and probability
 - (3) Completion of an Algebra I course credit while enrolled in grades nine through twelve (9-12) shall earn an elective credit only.
- iv. ~~Three (3) year-long credits in Science encompassing, at a minimum:~~
 - (1) biology;
 - (2) either chemistry or physics.
- v. ~~One (1) year-long credit in the arts;~~
- vi. ~~One (1) year-long credit in Physical Education;~~
- vii. ~~One (1) year-long credit in Health;~~
- viii. ~~Four and a half (4.5) year-long elective credits.~~
- b. ~~Career and Technical Education Courses. The Superintendent may designate certain career and technical education courses that meet the same academic standards to satisfy the credit requirements of the science, mathematics or arts requirements established above.~~

4. CREDIT REQUIREMENTS FOR **GRADUATION STUDENTS** **GRADUATING IN 2019 AND THEREAFTER**

- a. Required Credits. A minimum of twenty one and a half (21.5) year-long credits is required for graduation. These credits include:
 - i. Four (4) year-long credits in Language Arts.
 - ii. Three and a half (3.5) year-long credits in Social Studies encompassing
 - (1) United States history,
 - (2) human geography,
 - (3) world history, and
 - (4) government and citizenship, and
 - (5) economics. Economics courses may be taught through the social studies department or the business department.
 - iii. Three (3) year-long credits in Mathematics encompassing, at a minimum:
 - (1) One (1) year-long credit in geometry
 - (2) One (1) year-long credit in algebra II or statistics and probability
 - (3) Completion of an Algebra I course credit while enrolled in grades nine through twelve (9-12) shall earn an elective credit only.

- iv. Three (3) year-long credits in Science, encompassing at a minimum:
 - (1) One (1) year-long credit in biology; and
 - (2) One (1) year-long credit in either chemistry or physics.
 - v. One (1) year-long credit in the arts;
 - vi. One half (0.5) year-long credit in Physical Education;
 - vii. One half (0.5) year-long credit in Health;
 - viii. ~~Six (6)~~ Five and one half (5.5) year-long elective credits.
- b. Career and Technical Education Courses. The Superintendent may designate certain career and technical education courses that meet the same academic standards to satisfy the credit requirements of the science, mathematics or arts requirements established above.

5. OTHER GRADUATION REQUIREMENTS

- a. Testing. Students must meet state testing requirements.
- b. Personal Learning Plan. Each student must develop a plan for smooth and successful transition to postsecondary education or employment and meet yearly milestones established in that plan.
- c. Ethnic Studies Course. Each student, beginning with those graduating in 2025, must earn a passing grade in an Ethnic Studies course.

6. DEFINITIONS

- a. “year-long credit” is the equivalent of the successful completion of an academic year of study or student mastery of applicable state standards.
- b. “Personal Learning Plan” is the plan using the career and college exploration and decision assisting curriculum framework used by Minneapolis Public Schools.
- c. "Ethnic Studies courses" are identified as such by the Teaching & Learning Department and include explicit exploration of identity and intersectionality, prioritize the history and culture of historically marginalized groups, include the history and current role of race, racism, and anti-racist work, and include interdisciplinary learning that leads to action.

7. IMPLEMENTATION

- a. The Superintendent may develop procedures and policies to implement this policy.

Original Adoption:

01/07/1974

Revision Dates:

04/08/1980, 06/12/1984, 08/13/1985, 07/15/1986, 09/26/1989, 06/30/1998, 6/26/2007, 11/10/2009, 01/13/2015

Legal References:

- 20 U.S.C. § 6301, et seq. (No Child Left Behind Act)

- Minn. Stat. §120B.02 (Educational Expectations for Minnesota’s Students)
- Minn. Stat. §120B.023 (Benchmarks)
- Minn. Stat. §120B.024 (Graduation Requirements; Course Credits)
- Minn. Stat. §120B.11(School District Process)
- Minn. Rules Parts 3501.0505 – 3501.0635 (K-12 Standards)

MPS Policy Cross References:

- Policy 6273 (Local Standards and Assessments)
- Policy 6274 (State Required Assessments)
- Regulation 5391 A (Granting Credits)
- Regulation 5391 B (Graduation Requirements for Transfer Students)

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	NAY	ABSENT	ABSTAIN
Arneson	_____	_____	_____	_____
Felder	_____	_____	_____	_____
Ali	_____	_____	_____	_____
Walser	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Pauly	_____	_____	_____	_____
Ellison	_____	_____	_____	_____

Presiding Officer

Attest

Kim Ellison, Chair, Minneapolis
Public Schools

Josh Pauly, Clerk, Minneapolis Public
Schools

MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2020-0050

RESOLUTION AMENDING POLICY 5050

WHEREAS, on May 6, 2020, the Federal Department of Education announced new Title IX regulations; and

WHEREAS, these regulations require policy changes to conform; and

WHEREAS, the Board's Policy Committee has recommended this proposal.

NOW THEREFORE, be it resolved that the Board of Directors, Special School District No. 1 adopts the changes as follows:

SECTION 1: AMENDMENT “Policy 5050: Title IX Non-Discrimination” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

A M E N D M E N T

Policy 5050: Title IX Non-Discrimination

1. **PURPOSE**

Students and staff are protected from discrimination on the basis of sex pursuant to Title IX of the Education Amendments of 1972 and the Minnesota Human Rights Act. Title IX is a federal statute that prohibits recipients of federal financial assistance from engaging in discrimination on the basis of sex. As a recipient of federal financial assistance, the school district is required by Title IX of the Education Amendments of 1972 to ensure its education programs and activities do not discriminate on the basis of sex. The purpose of this policy is to provide equal educational opportunity for all students, and equal employment opportunity to all employees, to prohibit discrimination on the basis of sex.

2. **GENERAL STATEMENT OF POLICY**

- a. ~~The school district provides equal educational opportunity for all students and does not unlawfully discriminate on the basis of sex. No student will be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under any educational program or activity operated by the school district on the basis of sex.~~ The school district maintains a learning and working environment that is free from discrimination, harassment, or violence on the basis of sex, and no individual will be excluded from participation in, denied the benefits of, or otherwise subject to discrimination under any school district program or activity. The school district prohibits any form of retaliation.
- b. It is the responsibility of every student, school district employee, volunteer, contracted service provider, and related district personnel ~~school district~~

~~employee~~ to comply with this policy.

- c. Any student, parent or guardian having questions regarding this policy should discuss it with the appropriate school district official provided by policy. In the absence of a specific designee, an inquiry or complaint should be referred to the Assistant to the Superintendent. It is a violation of this policy when any student, school district employee, volunteer, contracted service provider, or related district personnel engages in discrimination, harassment, sexual harassment, inflicts violence, threatens violence, or attempts to inflict violence upon a student, school district employee, or other personnel.

3. **REPRISAL**

It is a violation of this policy for any student school district employee, volunteer, contracted service provider, and related district personnel to retaliate against a person who pursues rights under school district policies or law. The school district may discipline or take appropriate action against any student, school district employee, volunteer, contracted service provider, and related district personnel who retaliates against any person who reports alleged unlawful sex discrimination toward a student or employee or any person who testifies, assists or participates in an investigation, or who testifies, assists or participates in a proceeding or hearing relating to such unlawful sex discrimination or violations of this policy. Retaliation includes, but is not limited to, any form of intimidation, reprisal or harassment.

4. **ACCOUNTABILITY**

- a. It is the responsibility of every student, school district employee, volunteer, contracted service provider, and related district personnel to follow this policy.
- b. Submission of a good faith complaint or report will not negatively affect the Complainant or Reporter.
- c. It is a violation of this policy when any student, school district employee, volunteer, contracted service provider, and related district personnel intentionally makes a false report of discrimination, harassment, violence or retaliation.
- d. The Superintendent is authorized to promulgate regulations supporting the implementation of this policy.

5. **REPORTING GRIEVANCE PROCEDURES**

- a. ~~The school board hereby designates the Superintendent or designee as the school district Title IX coordinator and authorizes the coordinator to receive reports, complaints or grievances of unlawful sex discrimination toward a student. If the complaint involves the Title IX coordinator, the complaint shall be filed directly with the Assistant to the Superintendent.~~
- b. ~~The school district shall conspicuously post the name of the Title IX coordinator, including mailing address and telephone number. Any student who believes they have been the victim of unlawful sex discrimination by a teacher, administrator or other school district personnel, or any person with knowledge or belief of conduct which may constitute unlawful sex discrimination toward a student should report the alleged acts immediately to an appropriate school district official designated by this policy or may file a grievance.~~

- e. The school district encourages the reporting party or complainant to use the report form available from the principal of each building or available from the school district office, but oral reports shall be considered complaints as well. Nothing in this policy shall prevent any person from reporting unlawful sex discrimination toward a student directly to the school district Title IX coordinator or to the Assistant to the Superintendent.
- d. In each school building the principal is the person responsible for receiving oral or written reports or grievances of unlawful sex discrimination toward a student at the building level. Any adult school district personnel who receives a report of unlawful sex discrimination toward a student shall inform the building principal as soon as possible.
- e. Upon receipt of a report or grievance, the principal must notify the school district Title IX coordinator and the student's parent or guardian as soon as possible, without screening or investigating the report. The principal may request, but may not insist upon, a written complaint. A written statement of the facts alleged will be forwarded as soon as practicable by the principal to the school district Title IX coordinator and the student's parent or guardian. If the report was given verbally, the principal shall personally reduce it to written form within 24 hours and forward it to the school district Title IX coordinator. Failure to forward any report or complaint of unlawful sex discrimination toward a student as provided herein may result in disciplinary action against any district employee. If the complaint involves the building principal, the complaint shall be made or filed directly with the Superintendent or the school district Title IX coordinator by the reporting party or complainant.
- f. Submission of a good faith complaint, grievance or report of unlawful sex discrimination toward a student will not affect the complainant's or reporter's future employment, grades or work assignments.
- g. The school district will respect the privacy of the complainant, the individual(s) against whom the complaint is filed, and the witnesses, as much as possible, consistent with the school district's legal obligations to investigate, to take appropriate action, and to conform with any discovery or disclosure obligations.

6. INVESTIGATION

- a. By authority of the school district, the Title IX coordinator, upon receipt of a report, complaint or grievance alleging unlawful sex discrimination toward a student, shall promptly undertake or authorize an investigation. The investigation may be conducted by school district officials or by a third party designated by the school district.
- b. The investigation may consist of personal interviews with the complainant, the individual(s) against whom the complaint is filed, and others who may have knowledge of the alleged incident(s) or circumstances giving rise to the complaint. The investigation may also consist of any other methods and documents deemed pertinent by the investigator.
- e. In determining whether alleged conduct constitutes a violation of this policy, the school district should consider the surrounding circumstances, the nature of the behavior, past incidents or past or continuing patterns of behavior, the

relationships between the parties involved and the context in which the alleged incidents occurred. Whether a particular action or incident constitutes a violation of this policy requires a determination based on all the facts and surrounding circumstances.

- d. In addition, the school district may take immediate steps, at its discretion, to protect the complainant, pupils, teachers, administrators or other school personnel pending completion of an investigation of alleged unlawful sex discrimination toward a student.
- e. Investigation should be completed as soon as possible. The school district Title IX coordinator may make a written report. If the complaint involves the Superintendent, the report may be filed directly with the school board. The report shall include a summary of facts and a determination of whether the allegations have been substantiated.

7. SCHOOL DISTRICT ACTION

- a. Upon conclusion of the investigation and receipt of a report, the school district will take appropriate action. Such action may include, but is not limited to, warning, suspension, exclusion, expulsion, transfer, remediation, termination or discharge. School district action taken for violation of this policy will be consistent with requirements of applicable collective bargaining agreements, Minnesota and federal law, and school district policies.
- b. The result of the school district's investigation of each complaint filed under these procedures should be reported in writing to the complainant by the school district in accordance with state and federal law regarding data or records privacy.

8. REPRISAL

The school district will discipline or take appropriate action against any pupil, teacher, administrator or other school personnel who retaliates against any person who reports alleged unlawful sex discrimination toward a student or any person who testifies, assists or participates in an investigation, or who testifies, assists or participates in a proceeding or hearing relating to such unlawful sex discrimination. Retaliation includes, but is not limited to, any form of intimidation, reprisal or harassment.

Original Adoption:

08/31/99

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	NAY	ABSENT	ABSTAIN
Arneson	_____	_____	_____	_____
Felder	_____	_____	_____	_____
Ali	_____	_____	_____	_____
Walser	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Pauly	_____	_____	_____	_____
Ellison	_____	_____	_____	_____

Presiding Officer

Attest

Kim Ellison, Chair, Minneapolis
Public Schools

Josh Pauly, Clerk, Minneapolis Public
Schools

MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2020-0049

RESOLUTION ADOPTING POLICY 3508

WHEREAS, This policy is required to enable the use of electronic signatures for official business; and

WHEREAS, the Board's Policy Committee has recommended this proposal.

NOW THEREFORE, be it resolved that the Board of Directors, Special School District No. 1 adopts the changes as follows:

SECTION 1: **ADOPTION** “Policy 3508: Use Of Electronic Signatures To Conduct Official Business” of the Minneapolis Public Schools Policies & Regulations is hereby *added* as follows:

ADOPTION

Policy 3508: Use Of Electronic Signatures To Conduct Official Business(*Added*)

1. PURPOSE

The purpose of this policy is to document the school board’s desire to allow school district representatives to send and accept electronic signatures for the purpose of conducting official business to the extent permitted by law and to outline the extent to which the school district will send, accept, and rely on electronic signatures.

2. GENERAL STATEMENT OF POLICY

The school board delegates to the Superintendent and the Superintendent’s delegee the authority to determine the extent to which the School District will send, accept, and otherwise create, generate, communicate, store, process, use, and rely upon electronic signatures to and from other persons. For an electronic transaction to be valid, each party must agree to conduct the transaction electronically. If a law prohibits a transaction from occurring electronically, the transaction must occur in the manner specified by law.

3. DEFINITIONS

- a. Authentication. Authentication means the process used to ascertain the identity of a person or the integrity of specific information. Authentication ensures that the user applying an electronic signature is in fact who they say they are and is authorized to sign.
- b. Electronic signature. Electronic signature means a digital or digitized signature made by electronic sound, symbol or process that is attached to or logically associated with a record and that is executed or adopted with the intent to sign the record.
- c. Transaction. Transaction means an action or set of actions occurring between

two or more persons relating to the conduct of business, commercial, or governmental affairs.

4. GENERAL STANDARDS

- a. This policy shall only apply to transactions between the District and parties that have consented to conduct transactions by electronic means. Consent to conduct transactions by electronic means is determined from the context of the transaction and surrounding circumstances, including the parties' conduct.
- b. An electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any authentication or other security procedure the District applies to determine the person to which the electronic signature was attributable. The effect of an electronic signature shall be determined from the context and surrounding circumstances at the time of its creation, execution, or adoption, including the parties' agreement to engage in an electronic transaction, if any.
- c. Electronic signatures shall be retained with their associated records according to the school district's regular records retention schedule.

5. AUTHORITY AND RESPONSIBILITIES

- a. The Superintendent and the Superintendent's delegee is delegated authority to determine the extent to which the school district will accept and use electronic signatures to facilitate transactions involving official school district business.
- b. The Superintendent shall adopt and implement all system procedures necessary to accept and use electronic signatures to the extent determined by the Superintendent. The District's system procedures shall be developed in consultation with other appropriate District personnel and shall ensure that all legal requirements are met. Any potential operational risk associated with the use of an electronic signature must be offset by the anticipated benefit of receiving electronic signatures. Consistent with Minnesota law, these system procedures may specify:
 - i. The manner and format in which the electronic records attached to the electronic signatures will be created, generated, sent, communicated, received, and stored and the systems established for those purposes;
 - ii. The type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met by, any third party used by a person filing a document to facilitate a transaction;
 - iii. Control processes and procedures that will ensure adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records; and
 - iv. Any other required attributes for electronic records which are specified for corresponding nonelectric records or reasonably necessary under the circumstances.
- c. Nothing in this policy is intended to authorize any individual to provide an electronic signature on behalf of the school board or school district, unless he or she has been granted such authority pursuant to a delegation of authority by the school board, a specific school board policy, or a law.

d. The District may maintain official records in an electronic format provided that the relevant record retention schedule is updated to reflect electronic record management and the electronic records are trustworthy, complete, accessible, and durable.

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	NAY	ABSENT	ABSTAIN
Arneson	_____	_____	_____	_____
Felder	_____	_____	_____	_____
Ali	_____	_____	_____	_____
Walser	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Pauly	_____	_____	_____	_____
Ellison	_____	_____	_____	_____

Presiding Officer

Attest

Kim Ellison, Chair, Minneapolis
Public Schools

Josh Pauly, Clerk, Minneapolis Public
Schools

MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2020-0048

RESOLUTION AMENDING POLICY 1770 AND REPEALING POLICY 1750

WHEREAS, the proposed changes combines two related policies into one and updates formatting to current standards; and

WHEREAS, the Board's Policy Committee has recommended this proposal.

NOW THEREFORE, be it resolved that the Board of Directors, Special School District No. 1 adopts the changes as follows:

SECTION 1: AMENDMENT “Policy 1770: Student Teaching” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 1770: Student Teaching

~~Student Teaching~~

~~University supervisors will supervise and direct the work of the student teacher except that such supervision may not contravene the required procedures of the schools.~~

1. PURPOSE

As a natural connection to the provision of excellent instruction to our students, Minneapolis Public Schools has an interest in preparing teachers to be successful in district schools. Sharing preparation of teachers with institutions of higher learning assures that our students will have access to a greater pool of properly trained and diverse teacher candidates. Partnerships with teacher training programs allow the district to exert influence over those programs regarding the particular and special needs of an urban school district.

2. GENERAL STATEMENT OF POLICY

- a. The Superintendent or superintendent’s designee shall establish a program for field experience in partnership with institutions of higher learning that provide teacher preparation and lead to eligibility for licensure as teachers in Minnesota.
- b. The Superintendent or superintendent’s designee shall offer advice to teacher preparation programs regarding the general and particular needs of urban students.
- c. The district will encourage the recruitment of diverse teacher candidates and students in teacher preparation programs.

Original Adoption:

04/25/1967

Revision Dates:

01/30/1973

SECTION 2: **REPEAL** “Policy 1750: Cooperative Education Procedures Between Minneapolis Board Of Education And Colleges, Universities And Other Agencies” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 1750: Cooperative Education Procedures Between Minneapolis Board Of Education And Colleges, Universities And Other Agencies (Repealed)~~

~~Protection of the Welfare of the Schools~~

~~In the execution of this agreement and of the several projects involved under it, it is recognized by both parties to it, namely, the administrative authorities of the public schools and those of the colleges, universities, and other agencies, that the welfare of the schools and of the children attending them is of first importance. Nothing is to be undertaken that will in any way retard the satisfactory progress of pupils or in any sense handicap them. Rather, it is believed that the educational activities in which the public schools and the colleges, universities, and other agencies cooperatively engage will inure to the advantage of pupils now in the schools and that school practices will be improved as a result of the continuing study of school problems.~~

~~Administrative Control~~

~~The executive administration of this agreement shall lie with the Superintendent of the Minneapolis Public Schools and the designated officials of the cooperating agencies. In the case of delegation of executive power or responsibility to other than the individuals named above, the information of that fact shall be made a matter of written record, and transmitted to all whose work is affected thereby.~~

~~Cooperative Activities Defined~~

~~It is understood that this agreement shall cover the following kinds of cooperative activities:~~

- ~~1. Informal observation;~~
- ~~2. Student teaching;~~
- ~~3. Demonstration teaching;~~
- ~~4. Experimental work and research;~~
- ~~5. Observation and student teaching in summer sessions.~~

~~Summer School~~

~~The Minneapolis summer school sessions will be available for the types of observation, student teaching, and research enumerated (in the following policies and regulation).~~

Original Adoption:

~~04/25/1967~~

Revision Dates:

~~10/12/71, 1/30/73~~

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	NAY	ABSENT	ABSTAIN
Arneson	_____	_____	_____	_____
Felder	_____	_____	_____	_____
Ali	_____	_____	_____	_____
Walser	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Pauly	_____	_____	_____	_____
Ellison	_____	_____	_____	_____

Presiding Officer

Attest

Kim Ellison, Chair, Minneapolis
Public Schools

Josh Pauly, Clerk, Minneapolis Public
Schools

**MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2020-0047**

RESOLUTION AMENDING POLICIES 4021, 4025, 5221, AND 5620

WHEREAS, on June 2, 2020, the Board of Directors of Special School District No. 1 ended their contractual relationship with the Minneapolis Police Department; and

WHEREAS, several policies contain references to the now discontinued position of 'School Resource Officer'; and

WHEREAS, the Board's Policy Committee has recommended this proposal.

NOW THEREFORE, be it resolved that the Board of Directors, Special School District No. 1 adopts the changes as follows:

SECTION 1: AMENDMENT “Policy 4021: Weapons Free Work Place” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

A M E N D M E N T

Policy 4021: Weapons Free Work Place

1. PURPOSE

The purpose of this policy is to establish the commitment of the Minneapolis Public Schools to provide work environments for employees that are weapons free.

2. GENERAL STATEMENT OF POLICY

- a. The Minneapolis Public Schools Board of Directors is committed to weapons free workplaces. The Board has established this policy to address violence including weapons possession in our workplaces.
- b. The District will act to enforce this policy and to discipline or take appropriate action against any employee, contractor, volunteer, and other personnel of the District or member of the public who violates this policy.
- c. It shall be a violation of this policy for any employee, contractor, volunteer, other personnel of the District or member of the public to possess a firearm or a dangerous weapon as described in Minnesota Statutes Section 609.02 when in any district facility or property including buses or district vehicles, or off-campus at any school-related activity.
- d. It is not an exception to this policy for any employee, contractor, volunteer, other personnel of the District or member of the public to carry a weapon pursuant to a Minnesota State Permit or permit of any state.
- e. It is a violation of this policy for any person authorized to carry a pistol under Minnesota Laws related to weapon carry permits within three hundred feet of any district property.

3. EXCEPTIONS

- a. It is not a violation of this policy for an employee or contractor to possess a weapon in a school location for the sole purpose of staff training regarding weapons, provided that the weapon is secured in a locked container when not being used in class demonstration.
- b. It is not a violation of this policy for an active licensed law enforcement officer to be in possession of a weapon at any district location.
- c. It is not a violation of this policy for any contracted bank or deposit courier service personnel to be in possession of a weapon at any district location when in the performance of his or her duties as a bank or deposit courier.
- d. It is not a violation of this policy for military personnel who are on duty performing official duties to be in possession of a weapon at any district location.
- e. It is not a violation of this policy for any non-student authorized to carry a pistol under the Minnesota Laws related to weapon carry permits (Minn. Stat. § 624.714) while in a personal motor vehicle or outside a personal motor vehicle for the purpose of directly placing a firearm in, or retrieving it from, the trunk or rear area of the vehicle. Any possession or carry of a firearm beyond the immediate vicinity of a permit-holder's personal vehicle shall constitute a violation of this policy
 - i. Employees and other personnel of the District who have carry permits
 - (1) may only possess firearms within their locked vehicles, and not on their persons.
 - (2) may only possess firearms that are equipped with trigger locks in their locked vehicles on or adjacent to district parking areas or facilities;
 - (3) must secure firearms in a locked container or a locked compartment of their vehicle.
- f. It is not a violation of this policy for any person to possess a dangerous weapon, or replica firearm while serving as a ceremonial color guard.
- g. It is not a violation of this policy to possess, use or distribute appropriate equipment and tools required by an employee, contractor, volunteer or other district personnel in the exercise of his or her assigned duties when such equipment and tools are properly possessed, used and stored. However, when otherwise authorized work equipment and tools are used in a potentially dangerous or threatening manner with an intent to be dangerous or threatening, or without regard to dangers or threats created by the possession or use, such possession or use shall be treated as the possession and use of a prohibited weapon.
- h. Any employee, contractor, volunteer, other personnel of the District or member of the public who finds a weapon or ammunition at a district facility who takes the weapon or ammunition immediately to the principal's office, ~~school resource officer~~ or site administrator shall not be considered to be in possession of a weapon or ammunition. If the person believes that it would be dangerous or

impracticable to take the weapon or ammunition to the appropriate location, the person has an affirmative duty to report the presence and location of any weapon or ammunition to the principal, officer or site administrator.

4. RESPONSIBILITY

- a. It is the responsibility of every employee, contractor, volunteer and other personnel of the District to comply with this policy.
- b. It is the responsibility of every visitor or member of the public at or in district facilities to comply with this policy.
- c. Each employee, contractor, volunteer or other personnel of the district shall be provided with written notice of this policy and shall be required to acknowledge receipt thereof.
- d. The Superintendent or Superintendent's designee shall cause such written notices as are permitted by law to be posted at all district facilities to inform the public of this policy.
- e. Any employee, contractor, volunteer or other personnel of the District who receives a report of the presence or suspected presence of a weapon at a district facility has an affirmative duty to inform the principal, officer or site administrator or to otherwise initiate the emergency response plan of the facility to assure the safety of students, staff and the public.

5. DISTRICT ACTION

- a. Violation of this policy shall result in discipline of the offending employee, contractor or other personnel of the district in keeping with the terms of applicable collective bargaining agreements and contracts up to and including discharge, termination and cancellation of contract for services for employees, volunteers, contractors or other District personnel. The violation shall also be reported to local law enforcement.
- b. A member of the public who violates the policy
 - i. shall be asked to leave the premises,
 - ii. the situation shall be reported to ~~the school resource officer or other~~ law enforcement ~~department~~, then the office of Emergency Management, Safety & Security
 - iii. may be barred from future entry to school locations,
 - iv. may be escorted from the school location by law enforcement ~~officers~~, or be taken into custody by them at their sole discretion.

Original Adoption:

01/08/1991 (as Policy 4025)

Revision Dates:

03/23/1993, 09/18/2001, 05/27/2008 (all as Policy 4025), 03/11/2014

Legal References:

- 18 U.S.C. § 921 (Definition of firearm)
- 20 U.S.C. §§ 7101 – 7165 (Safe and Drug-Free Schools and Communities Act)
- Minn. Stat. § 121A.05 (Referral to Police)

- Minn. Stat. § 121A.06 (Reports of Dangerous Weapon Incidents in School Zones)
- Minn. Stat § 609.66 (Dangerous Weapons)
- Minn. Stat. § 609.605 (Trespass)
- Minn. Stat. § 624.714 (Carrying of Weapons without Permit; Penalties)

MPS Policy Cross References:

- Policy 5221 (Weapons Free Schools)
- Policy 6680 (Safety, Security and Emergency Management)

SECTION 2: **AMENDMENT** “Policy 4025: Drug Free Workplace” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

A M E N D M E N T

Policy 4025: Drug Free Workplace

1. PURPOSE

The purpose of this policy is to establish the commitment of the Minneapolis Public Schools to providing work environments for employees that are alcohol and drug free. The Board of Directors recognizes that a work environment that is free of alcohol or illegal drug use will not only be safer, healthier and more productive, but will support the academic achievement and emotional well-being of our students. Therefore, this policy also provides the authority for district to require employees to submit to alcohol or drug testing in accordance with law.

2. GENERAL STATEMENT OF POLICY

- a. The Minneapolis Public Schools Board of Education is committed to alcohol free and drug free workplaces. The Board has established this policy to address alcohol use and abuse and illegal drug use in our workplaces.
- b. The District will act to enforce this policy and to discipline or take appropriate action against any employee, contractor, volunteer or other personnel of the District or member of the public who violates this policy.

3. PROHIBITED ACTIONS

- a. The unlawful manufacture, distribution, dispensation, possession or use of alcohol or a controlled substance, or prescription medication is strictly prohibited anywhere on the District’s premises, including any vehicles owned or operated by the District, by any person, unless the possession or use of the controlled substance or prescribed medication is according to a prescription from the person’s licensed health care provider.
- b. Distribution, dispensation or non-medical use of over the counter medications or preparations is strictly prohibited anywhere on the District’s premises by any person. Non-student possession or use of over-the-counter medications and preparations is permitted for the owner of the material so long as the use is in

conformance with the manufacturer's printed instructions.

- c. Employees, contractors, volunteers or other district personnel shall not report for duty or assignment under the influence of alcohol or drugs, except those drugs prescribed for them by their licensed health care provider.
- d. Use of drugs and alcohol is also prohibited during the scheduled school or work day, including any unpaid non-duty time that occurs within the school or work day, such as lunch or other meal times or other breaks, whether or not the employee is on or off district property.
- e. Persons operating vehicles owned or leased by the district or other machinery owned or leased by the district shall not possess, use, or be under the influence of alcohol or any drug not specifically prescribed for them. Use of drugs, including over the counter medications, prescription medications and controlled substances which carry a warning against operating heavy machinery shall prohibit the operation of any district owned or leased machinery by the user regardless of the user's ability to exercise other aspects of their assigned duties.
- f. Possession on District premises, including vehicles owned or operated by or for the District, of paraphernalia associated with controlled substances is prohibited unless the possession is due to a prescription from the person's licensed health care provider.

4. EXCEPTIONS

- a. It is not a violation of this policy for a person to possess an alcoholic beverage in a school location when the possession is for the purpose of curriculum based experiments in science laboratories.
- b. It is not a violation of this policy for employees, contractors, volunteers and other personnel of the District to legally possess or use alcohol while attending an event in their capacity as employee, contractor, volunteer or other personnel of the District
 - i. if the activity held at or on premises other than District premises, and
 - ii. where the location permits the legal use or possession of alcohol and
 - iii. during which activity they do not have the responsibility for supervision, direction, transportation or control of students, and
 - iv. where the employee, contractor, volunteer or other personnel of the District will not be returning to work after the consumption of alcohol.

5. DRUG AND ALCOHOL TESTING

- a. The district may request or require that any district employee, contractor or other District personnel other than an employee whose position requires a commercial driver's license, submit to drug and alcohol testing in accordance with this policy and law. Drug and alcohol testing of employees whose position requires a commercial driver's license is addressed in Policy 4026. Testing shall be by a testing laboratory that meets statutory requirements.
- b. Random alcohol or drug testing shall not be required of any employee, contractor or other District personnel who is not employed in a safety-sensitive position.
- c. Testing for alcohol or drugs may be done if the district has a reasonable suspicion that the employee:

- i. is under the influence of drugs or alcohol;
 - ii. has violated the district policy or work rules prohibiting the use, possession, sale, manufacture, dispensation or distribution of drugs or alcohol while the employee is working or while the employee is on district premises;
 - iii. has sustained a personal injury in the course of their employment or for which a claim of worker's compensation or other claim against the district might be made;
 - iv. has caused another employee to sustain a personal injury in the course of the other employee's employment or for which a claim against the district might be made;
 - v. has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.
- d. Testing may be required as part of the employee's participation in any chemical dependency treatment under an employee benefit plan, or to which the employee has been referred by the district.
- e. If the employee's position requires a routine physical examination, alcohol or drug testing may be part of the examination if
- i. the routine exam is required or requested no more than once annually;
 - ii. the employee is given two (2) weeks' advance written notice that an alcohol or drug test may be administered as part of the examination.
- f. The District has no legal duty to request or require any employee, contractor, or other District personnel to undergo alcohol or drug testing, if the employee, contractor, or other District personnel is not required to have a commercial driver's license by the terms of their position.

6. RESPONSIBILITY

- a. It is the responsibility of every employee, contractor, volunteer, other personnel of the District and members of the public to comply with this policy.
- b. Each employee, contractor, volunteer and other personnel of the District shall be provided with written notice of this Drug Free Workplace policy and shall be required to acknowledge that she or he has received the policy. Failure to acknowledge receipt of the policy may subject the employee, contractor or other District personnel to disciplinary action, up to and including suspension without pay or termination.
- c. Any employee or contractor who is engaged either directly or indirectly in performance of a federal grant shall notify his or her supervisor in writing of his or her conviction of any criminal drug statute for a violation occurring in any of the places above on which work on a school district federal grant is performed no later than five (5) calendar days after such conviction. This notice is a condition of their continued employment in that federal grant.
- d. Any employee who is charged with a violation of any criminal drug statute shall notify their supervisor of such a charge within five (5) calendar days after being charged.
- e. Any employee or contractor who is convicted of any criminal drug statute shall

notify their supervisor in writing of such a charge within five (5) calendar days after being convicted.

- f. Each work site shall display a notice that the district has adopted a policy regarding drug and alcohol testing of employees, contractors, or other District personnel.
- g. Employees, contractors and other district personnel whose positions do not require a commercial driver's license may refuse to comply with a request or requirement for alcohol or drug testing, however such a refusal may result in disciplinary action up to and including immediate termination of employment.
- h. The District shall give a person who has undergone alcohol or drug testing at the request or requirement of the district under this policy notice of the test results within three (3) working days after receipt of the test result report from the testing laboratory.
- i. The District shall give a person who has undergone alcohol or drug testing at the request or requirement of the district under this policy and whose test has had a positive test result for alcohol or drugs written notice of the person's right to explain the positive results and to submit additional information allowed by law, and to request a confirmatory retest:
 - i. the district may request the person to indicate any over-the-counter or prescription medication that the person is currently or has recently taken; and
 - ii. the district may request the person to indicate any other information relevant to the reliability of, or an explanation for, a positive result.
 - iii. the person shall have three (3) working days from the date of the notice to submit information that purports to explain a positive result or to request a confirmatory retest.
 - iv. Retests requested by the person shall be of the original sample and shall be at the person's own expense.
- j. If a confirmatory retest does not confirm the original positive results of a test, no adverse personnel action based upon the original test may be taken against the employee.

7. DISTRICT ACTION

- a. Violation of this policy shall result in discipline of the offending employee, contractor or other District personnel in keeping with the terms of this policy and collective bargaining agreements and contracts up to and including discharge, termination and cancellation of contract for services.
- b. Violation of this policy by a volunteer shall result in a termination of the certification of the volunteer to be assigned to a classroom or other school activities for a reasonable period of time, based on the circumstances of the occasion, including the frequency and severity of violation(s).
- c. For employees, contractors or other District personnel who have been required or requested to undergo alcohol or drug testing, the district shall take no disciplinary action unless:
 - i. the testing includes a confirmatory positive result, or

- ii. the employee has refused to comply with a request or requirement to be tested
- d. The District may temporarily suspend with or without pay or transfer an employee, contractor, or other District personnel to another position at the same rate of pay pending the outcome of alcohol or drug testing, provided that the District believes that it is reasonably necessary to protect the health or safety of the person, students, co-employees, or the public.
- e. Employees or other District personnel who have been suspended without pay must be reinstated with back pay if the outcome of alcohol or drug confirmatory testing or retesting is negative.
- f. Contractors whose services have been suspended shall have an adjustment in their contract appropriate for the circumstances.
- g. An employee who violates the terms of this policy may be required by the District to satisfactorily participate in a drug and/or alcohol abuse assistance or rehabilitation program approved by the District. Any employee who fails to satisfactorily participate in and complete such a required program is subject to non-renewal, suspension or termination as deemed appropriate by the school board.
- h. A member of the public who violates the policy shall be informed of the policy and asked to leave the district premises. Failure to leave may lead to being reported to ~~the school resource officer or~~ local law enforcement agencies, and escort off the premises by law enforcement officers, or arrest. Failure to comply with this policy by a member of the public may result in the person's prohibition from the premises.
- i. Information regarding alcohol and drug testing results, requests or requirements are private data on individuals and may not be disclosed by the district to another employer, a third-party individual, governmental agency, or private organization without the written consent of the individual requested to be tested or tested. However, evidence of a positive confirmatory test may be:
 - i. used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing, or a judicial proceeding so long as the information is relevant to the proceeding;
 - ii. disclosed to any federal agency or other unit of the United States government as required by federal law, regulation or order, or in accordance with a federal government contract; and
 - iii. disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the person tested.

Original Adoption:

01/08/1991

Revision Dates:

03/23/1993, 09/18/2001, 05/27/2008, 03/11/2014

Legal References:

- 20 U.S.C. §§ 7101 – 7165 (Safe and Drug-Free Schools and Communities Act)
- 21 U.S.C. § 812 (Schedules of Controlled Substances)
- 41 U.S.C. §§ 701-707 (Drug-Free Workplace Act)
- 21 C.F.R. §§ 1308.11 – 1308.15 (Controlled Substances)
- 34 C.F.R. Part 84 (Government-wide Requirements for Drug-Free Workplace)
- Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)
- Minn. Stat. § 121A.05 (Referral to Police)
- Minn. Stat. §§ 181.950 -181.957 (Drug and Alcohol Testing in the Workplace)
- Minn. Stat. § 609.605 (Trespass)
- Minn. Stat. § 609.684 (Sale of Toxic Substances to Children; Abuse of Toxic Substances)

MPS Policy Cross References:

- Policy 1040 (Student and Staff Data Protection)
- Policy 5631 (Drug-free Schools,)
- Policy 5680 (Search of Students/ Lockers/ Desks/ Motor Vehicles)
- Policy 6680 (Safety, Security and Emergency Management)

SECTION 3: **AMENDMENT** “Policy 5221: Weapons Free Schools” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

A M E N D M E N T

Policy 5221: Weapons Free Schools

1. PURPOSE

The purpose of this policy is to establish the commitment of the Minneapolis Public Schools to provide school environments that are safe for students, staff and the public. Establishing a weapons free school zone is one element of creating that safe environment.

2. GENERAL STATEMENT OF POLICY

- a. The Minneapolis Public Schools Board of Directors is committed to weapons-free schools. The Board has established this policy to address violence and potential violence including weapons possession on district premises. The Board also recognizes that students need the assistance of the adults in their homes, communities and schools to assist in creating weapons-free environments. Cases of students who innocently or unintentionally bring weapons to school shall be given special consideration given the developmental abilities of students to make distinctions and choices regarding weapons carried

or found to or at school.

- b. No student shall possess, use, transfer, distribute or manufacture a weapon or ammunition to be used as a weapon or by a weapon when in a school location, unless the possession, use or transfer meets an exception to this general statement established in this policy.
- c. The district shall take disciplinary action and any other appropriate action against any student who violates this policy.

3. EXCEPTIONS

- a. A student who finds a weapon or ammunition on the way to school, or in a school location, or a student who discovers that he or she accidentally or unintentionally has a weapon or ammunition in his or her possession who takes the weapon or ammunition immediately after discovery or arrival at school to the principal's office shall not be considered to be in possession of a weapon or ammunition. If the student believes that it would be impracticable or dangerous to take the weapon or ammunition to the principal's office, the student shall not be considered to possess the weapon or ammunition if:
 - i. he or she immediately turns the weapon or ammunition over to:
 - (1) an administrator, or
 - (2) a teacher, or
 - (3) other school staff, or
 - (4) a head coach, or
 - ii. he or she immediately notifies any of the persons identified above of the location of the weapon or ammunition, or shows one of them the location.
- b. It is not a violation of this policy for a student to possess a dangerous weapon, or replica firearm as part of the student's participation as a ceremonial color guard when such weapon or replica firearm is part of the regular uniform or ceremony of the color guard.
- c. It is not a violation of this policy to possess, use, distribute, transfer or manufacture appropriate equipment and tools required by a student's course of study or participation in an approved student activity when such equipment and tools are properly possessed, used, transferred, manufactured or stored. However, when authorized instructional and work equipment or tools are used in a potentially dangerous or threatening manner, such possession and use will be treated as the possession and use of a weapon.

4. RESPONSIBILITY

- a. It is the responsibility of every student to comply with this policy at every school location.
- b. The principal of every school shall cause notice of this policy to be disseminated to every student enrolled in her or his school.
- c. The Superintendent or Superintendent's designee shall cause such written notices as are permitted by law to be posted at all district facilities.
- d. Every student has an affirmative responsibility to report, upon knowledge, belief or reasonable suspicion the existence or location of any weapon at any district location to a staff person as soon as is practicable. Reports made in good

faith shall not subject the reporter to disciplinary action, even if no weapon is actually found.

- e. Every district employee upon notice or report from a student of the possible existence of a weapon at any district location shall notify the principal, ~~the school resource officer~~ and shall follow the school or location emergency plan to assure the safety of students, staff and the public.

5. DISTRICT ACTION

- a. Violation of this policy shall result in discipline of the offending student by:
 - i. Consideration for immediate suspension out of school;
 - ii. Confiscation of the weapon, ammunition, or device used as a weapon;
 - iii. Immediate notification of ~~school resource officer, and may also include notification of~~ local law enforcement;
 - iv. Notification of parent or guardian; and
 - v. Recommendation to the Superintendent for an expulsion of the student from school for at least one year.
- b. Any student who intentionally brings a firearm, as defined by federal law, will be expelled for at least one year. The Board of Directors may modify this requirement on a case-by-case basis
- c. The Board of Directors authorizes the Superintendent to exercise administrative discretion in determining whether or not, under all the circumstances of the case, the possession, use or distribution of a weapon by a student warrants a course of action other than the minimum consequences specified above. In the event the Superintendent makes findings in the case that a lesser disciplinary action, or no disciplinary action, is warranted, he or she shall make that recommendation to the Board of Directors, including any other appropriate action recommended to be taken. The Superintendent may take into consideration any of the following in making a recommendation for other than expulsion:
 - i. The age and understanding of the student and whether or not the student has the understanding and ability to form the requisite intent to bring a firearm to school.
 - ii. Whether or not the weapon was displayed to other students;
 - iii. Whether or not the student voluntarily surrendered the weapon or indicated its location to a staff member;
 - iv. Whether or not the student intentionally concealed the weapon to prevent its discovery by a staff member;
 - v. Whether or not the student was cooperative in the investigation of a report of a weapon.
 - vi. Whether or not the student was under suspension when the weapon was brought to a school location.

Original Adoption:

01/08/1991 (as Policy 4025)

Revision Dates:

03/23/1993, 09/18/2001, 05/27/2008 (all as Policy 4025), 03/11/2014

Legal References:

- 18 U.S.C. § 921 (Definition of firearm)
- 20 U.S.C. §§ 7101 – 7165 (Safe and Drug-Free Schools and Communities Act)
- Minn. Stat. § 121A.05 (Referral to Police)
- Minn. Stat. § 121A.06 (Reports of Dangerous Weapon Incidents in School Zones)
- Minn. Stat § 609.66 (Dangerous Weapons)
- Minn. Stat. § 609.605 (Trespass)
- Minn. Stat. § 624.714 (Carrying of Weapons without Permit; Penalties)

MPS Policy Cross References:

- Policy 4021 (Weapons Free Workplace)
- Policy 5200 (Behavior Standards and Code of Conduct)
- Policy 5631 (Drug Free Schools)
- Policy 6680 (Safety, Security and Emergency Management)

SECTION 4: **AMENDMENT** “Policy 5620: Releasing Students To Police” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 5620: Releasing Students To Police

1. PURPOSE

Minneapolis Public Schools understands the importance of cooperating with police officers in law enforcement and crime prevention. The schools also must protect their students’ interest in receiving an education, which is the primary purpose of the school. Good relations between the schools and the various law enforcement agencies are fostered by understanding the respective roles and responsibilities of the different entities when they interact. The purpose of this policy is to establish the procedures for access to students by police officers during the school day, and to clarify the responsibilities of district staff in responses to requests from law enforcement officers to question students or to release students to them.

2. GENERAL STATEMENT OF POLICY

- a. ~~School Resource Officers are law enforcement officers assigned and trained to work with school administrations. This policy does not apply to School Resource Officers who are subject to contractual agreements with the district.~~
- b. Generally, students may not be released to law enforcement officers during the school day, except as otherwise provided by law or this policy.
- c. Law enforcement officers may be called to the school if the principal or site

administrator, or their designee, has reason to believe that a crime has been committed on school grounds or there is a significant safety concern. Law enforcement officers shall determine whether or not a crime has been committed.

- d. Law enforcement officers who seek entry into a school for official business must first contact the principal, site administrator or their designee for permission to enter the school unless exigent circumstances exist. Requests from law enforcement officers who seek entry into a school may also be relayed to the school administration through the Office of Emergency Management, Safety & Security. ~~Requests may also be relayed to the school administration through the designated School Resource Officer for the District or school.~~
- e. In any contact between a law enforcement officer and a student, officers and staff shall endeavor to avoid any undue embarrassment of the student before students or staff.
- f. In any contact between a law enforcement officer and a student, officers and staff shall endeavor to avoid disrupting the educational program of the student or the school.
- g. Students not under custodial arrest may not be released to law enforcement officers, or interviewed by them at school, without prior parental permission, however if reasonable attempts to reach a parent or emergency contacts identified by the parent fail, the principal has the discretion to either allow an interview of the student in the principal's presence, or to request that the law enforcement officer attempt an interview of the student at a different time and or place, unless such permission or notice of the request for contact is specifically prohibited by law.
- h. Law enforcement officers may not remove a student from the school premises without signing a District provided release form accepting responsibility for the student.
- i. No student shall be surrendered to a private organization, or to a private investigator or detective, or representative of any attorney.
- j. Custodial arrests made at school shall be made at the discretion of the law enforcement officer ~~or the School Resource Officer~~, guided by whether the student is a danger or threat to him or herself or others, is likely to flee or to engage in further criminal conduct.
- k. Law enforcement officers making a custodial arrest of a student shall determine the degree of control of the arrested student is necessary to ensure the safety of the student, other students, staff, and the law enforcement officer.
- l. Law enforcement officers other than Minneapolis Police Department officers must coordinate attempts to arrest students at school with the Office of Emergency Management, Safety & Security and/or ~~the School Resource Officer and/or~~ the Minneapolis Police Department and the school administration. School staff may require the presence of a Minneapolis Police Department officer to allow entry to other agency's officers.

3. RESPONSIBILITIES

- a. The Superintendent is authorized to promulgate regulations to implement this

policy.

b. Principals and site administrators are responsible to implement this policy with fidelity.

~~c. District staff that negotiates with law enforcement agencies to provide School Resource Officers to the District are responsible for communicating this policy to those agencies.~~

Original Adoption:

04/25/1967

Revision Dates:

10/12/1971, 08/28/1973, 09/30/1975, 06/12/1984, 09/13/1994, 6/26/2012

Legal References:

- Minn. Stat. §13.32 (Educational Data)

MPS Policy Cross References:

- Policy 1040 (Data Practices Compliance)
- Policy 1480 (Visits to Schools)
- Policy 1540 (Complaints Concerning School Personnel)
- Policy 1541 (Response to Violence and Disruption)
- Policy 5200 (Citywide Discipline)
- Policy 5621 (Use of Peace Officers and Crisis Management Teams to Remove Students from School Property)
- Policy 5631 (Drug-Free Schools, Chemical Health, Chemical Use and Abuse)
- Policy 5635 (Reporting Maltreatment of Minors and Vulnerable Adults)
- Policy 5680 (Search of Students/Lockers/Desks/Motor Vehicles)
- Policy 6680 (Safety, Security and Emergency Preparedness)

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	NAY	ABSENT	ABSTAIN
Arneson	_____	_____	_____	_____
Felder	_____	_____	_____	_____
Ali	_____	_____	_____	_____
Walser	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Pauly	_____	_____	_____	_____
Ellison	_____	_____	_____	_____

Presiding Officer

Attest

 Kim Ellison, Chair, Minneapolis
 Public Schools

 Josh Pauly, Clerk, Minneapolis Public
 Schools

**OFFICIAL MINUTES
MINNEAPOLIS BOARD OF EDUCATION**

**SPECIAL BUSINESS MEETING
NOVEMBER 13, 2020**

CALL TO ORDER

Acting Chair Jenny Arneson called the meeting to order at 1:03 p.m., a quorum being present.

Pursuant to Minnesota Statutes Section 13D.021, the meeting was held by electronic means and Directors participated remotely due to the local public health emergency (COVID-19 pandemic).

ROLL CALL

Present: Directors Jenny Arneson, Bob Walser, Ira Jourdain, Kimberly Caprini, Josh Pauly (5)

Absent: Directors KerryJo Felder, Siad Ali, Nelson Inz, Kim Ellison (4)

APPROVAL OF AGENDA

Caprini moved the agenda.

On roll call, the result was:

Aye: Arneson, Walser, Jourdain, Caprini, Pauly (5)

No: (0)

Absent: Felder, Ali, Inz, Ellison (4)

Adopted.

CANVASS NOVEMBER 3, 2020 GENERAL ELECTION RESULTS

Caprini moved approval of the following resolution:

RESOLUTION CANVASSING THE VOTES FOR THE NOVEMBER 3, 2020 GENERAL ELECTION FOR THE OFFICES OF SCHOOL BOARD MEMBERS AT LARGE, DISTRICT 2, DISTRICT 4, AND DISTRICT 6 FOR MINNEAPOLIS SPECIAL SCHOOL DISTRICT NO. 1

WHEREAS, the State Statutes provide for a School District General Election on the first Tuesday after the first Monday in November and,

WHEREAS, a School District General Election was duly held on November 3, 2020 and,

WHEREAS, the School District canvassed the vote totals in accordance with State Statutes and,

WHEREAS, the canvassed votes are as follows:

SSD 1 - School Board Member at Large

Candidate	Votes	%
Kim Ellison	114,821	61.31%
Michael Dueñas	71,421	38.13%
Write-In	1,047	0.56%

SSD 1 - School Board Member District 2

Candidate	Votes	%
Sharon EL-Amin	13,579	54.89%
KerryJo Felder	11,010	44.50%
Write-In	150	0.61%

SSD 1 - School Board Member District 4

Candidate	Votes	%
Christa Mims	15,623	49.08%
Adriana Cerrillo	15,935	50.06%
Write-In	274	0.86%

SSD 1 - School Board Member District 6

Candidate	Votes	%
Ira Jourdain	25,060	97.97%
Write-In	520	2.03%

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Special School District No. 1, Minneapolis, Minnesota, that said election returns are hereby canvassed and that the number of votes received by each candidate voted upon at the said election, together with the number of absentee ballots and spoiled ballots, if any, is hereby attached, and determined the noted candidates as hereby elected to the office opposite their respective names for the term stated:

TERM OF OFFICE: January 2021 to January 2024

<u>OFFICE</u>	<u>ELECTED</u>
School Board Member At Large	Kim Ellison
School Board Member District 2	Sharon El-Amin
School Board Member District 4	Adriana Cerrillo
School Board Member District 6	Ira Jourdain

On roll call, the result was:

Aye: Arneson, Walser, Jourdain, Caprini, Pauly (5)

No: (0)

Absent: Felder, Ali, Inz, Ellison (4)

Adopted.

ADJOURNMENT

Walser moved to adjourn.

On roll call, the result was:

Aye: Arneson, Walser, Jourdain, Caprini, Pauly (5)

No: (0)

Absent: Felder, Ali, Inz, Ellison (4)

Adopted.

The meeting was adjourned at 1:08 p.m.

Minutes submitted by Ryan Strack, Administrator of Board and Government Relations.

Meeting materials: <https://meetings.boardbook.org/Public/Agenda/1807?meeting=440935>

Meeting video: <https://eduvision.tv/l?eRgADym>

SPECIAL SCHOOL DISTRICT NO. 1
Board of Education
December 8, 2020

**RESOLUTION TO APPROVE THE CERTIFICATION OF FINAL PROPERTY TAX
LEVIES 2020 PAYABLE 2021**

WHEREAS, Minnesota School District school boards must adopt the final property tax levies no later than five working days after December 20 (effectively December 28) and

WHEREAS, the Board Finance Committee recommends a levy at the maximum allowed for 2020 Payable 2021.

WHEREAS, 2020 payable 2021 Levy Limitation and Certification managed by the Minnesota Department of Education (MDE) provides the form for certifying the proposed property tax levy to the County Auditor. The attached MDE levy certification form recommends a total final levy of \$224,041,985.00

WHEREAS, the Senior Financial Officer recommends that the levy of \$224,041,985.00 be approved by the Board and communicated to the County and to the Minnesota Department of Education by the required deadlines.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Education, Special School District No. 1 certifies the recommended 2020 payable 2021 final property tax levy which totals \$224,041,985.00 and authorizes the signing and submittal of the Levy Limitation and Certification Report to the County and to the Minnesota Department of Education by the required deadlines.

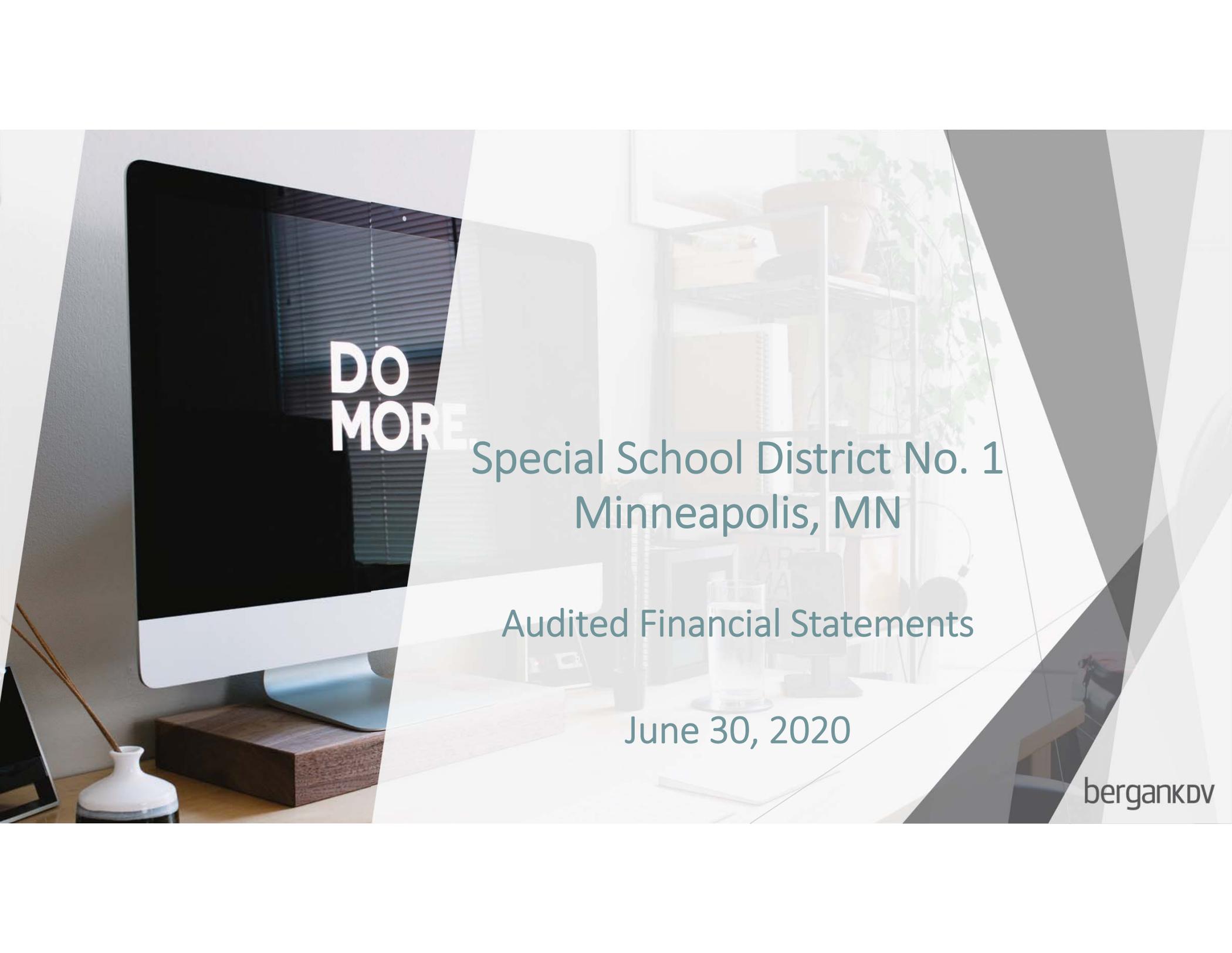
Signed by:

Kim Ellison
Board of Education Chairperson

Date

Josh Pauly
Board of Education Clerk

Date



DO
MORE

Special School District No. 1 Minneapolis, MN

Audited Financial Statements

June 30, 2020

bergankov

Components of the Audit

- Independent Auditor's Report -Unmodified Opinion on the District's Financial Statements for the year ended June 30 ,2020
- Report on the result of an audit performed in accordance with Government Auditing Standards
 - One Material Weakness: Segregation of Accounting Duties
- Unmodified Opinion on Compliance over Federal Programs in accordance with Uniform Guidance – No findings
- Unmodified Report on Minnesota Legal Compliance
 - Legal Compliance Finding: Prompt Payment of Local Government Bills

General Fund

Budget to Actual

Budget:

- General Fund Revenue budgeted at \$ 609 million
- General Fund Expenditures budgeted at \$ 617 million
- \$ 8 million decline in fund balance budgeted

Actual:

- General Fund Revenues actually \$ 608 million; \$ 2 million under budget (0.3%) – Conservative budget for state sources of revenues offset by less utilization of federal programs than anticipated
- General Fund Expenditures actually \$ 577 million; \$ 40 million under budget (6.5%) – Main factors include conservative budgeting for staffing, COVID-19 impact
- Fund Balance increased \$ 32 million to \$ 107 million
- Unassigned Fund Balance increased \$ 14 million to \$ 53 million

General Education Aid Formula Formula Allowance

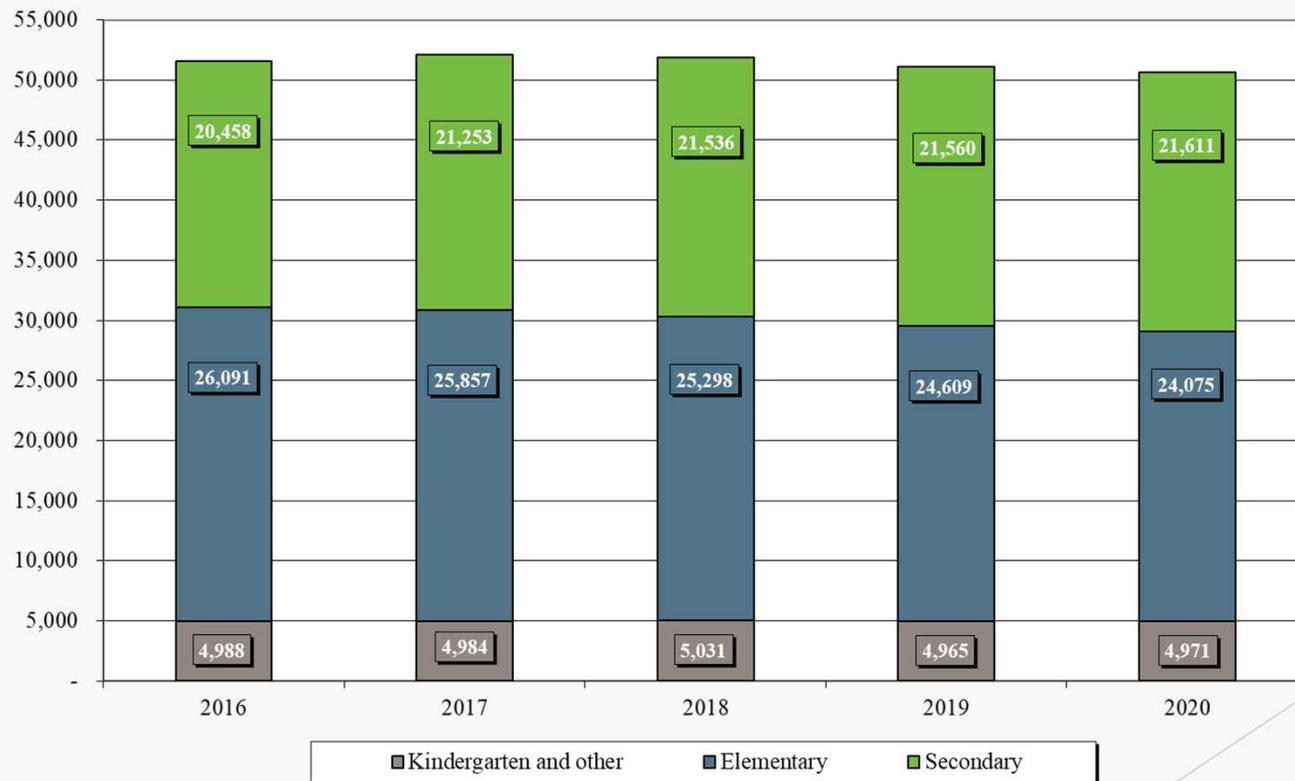
Year	General Education Aid Formula Allowance	
	Amount	Percent Increase
2011	\$ 5,124	0.0%
2012	5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%

* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

Average Daily Membership and Pupil Units – Students (Resident ADM)

Students (Resident ADM)	2016	2017	2018	2019	2020
Kindergarten and other	4,988	4,984	5,031	4,965	4,971
Elementary	26,091	25,857	25,298	24,609	24,075
Secondary	20,458	21,253	21,536	21,560	21,611
Total Students (Resident ADM)	51,537	52,094	51,865	51,133	50,657

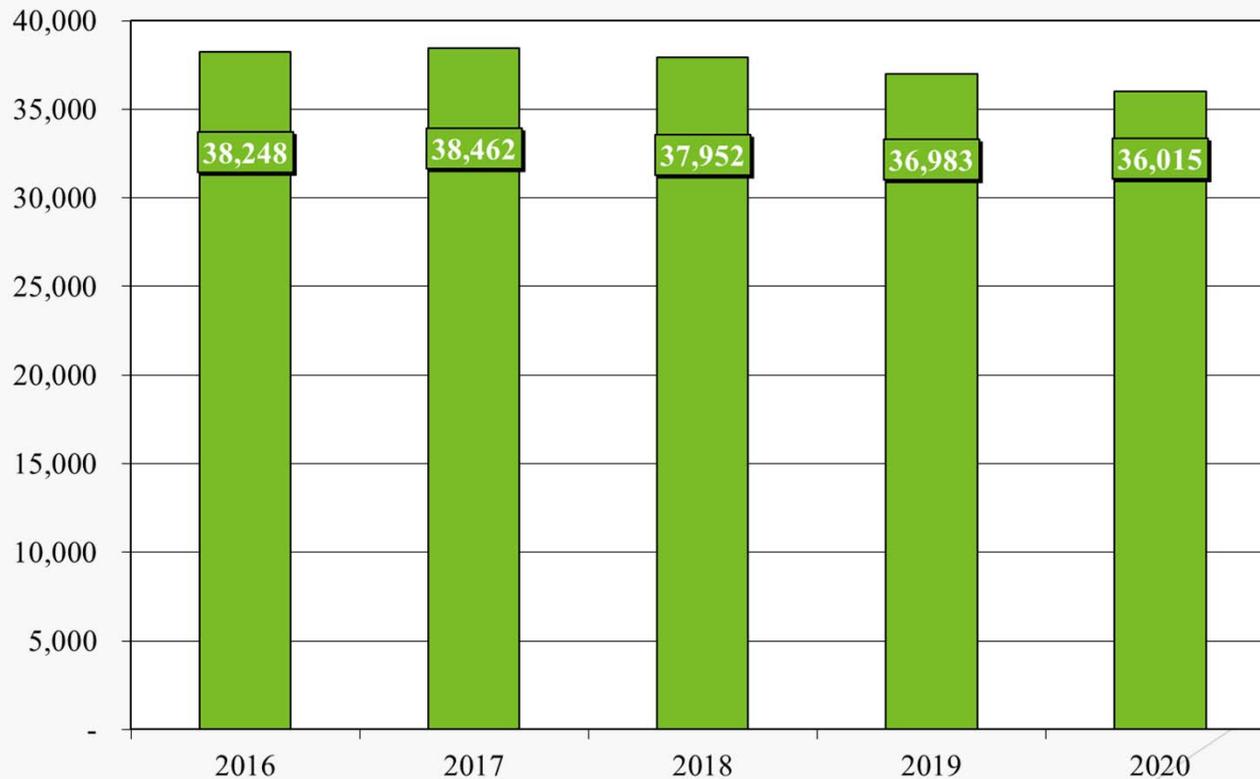
Average Daily Membership and Pupil Units Served - Resident ADM



Average Daily Membership and Adjusted Pupil Units – Adjusted PUN

	Pre-Kindergarten and Handicapped Kindergarten	Kindergarten	Grades 1-3	Grades 4-6	Secondary
Year 2016-2020	1.000	1.000	1.000	1.000	1.200
Adjusted PUN	2016	2017	2018	2019	2020
Residents	55,628	56,344	56,170	55,444	54,979
PUN gain	1,350	1,092	1,374	1,483	1,417
PUN loss	(18,730)	(18,974)	(19,593)	(19,944)	(20,380)
Total Adjusted PUN	38,248	38,462	37,952	36,983	36,015

Average Daily Membership and Adjusted Pupil Units – PUN Served

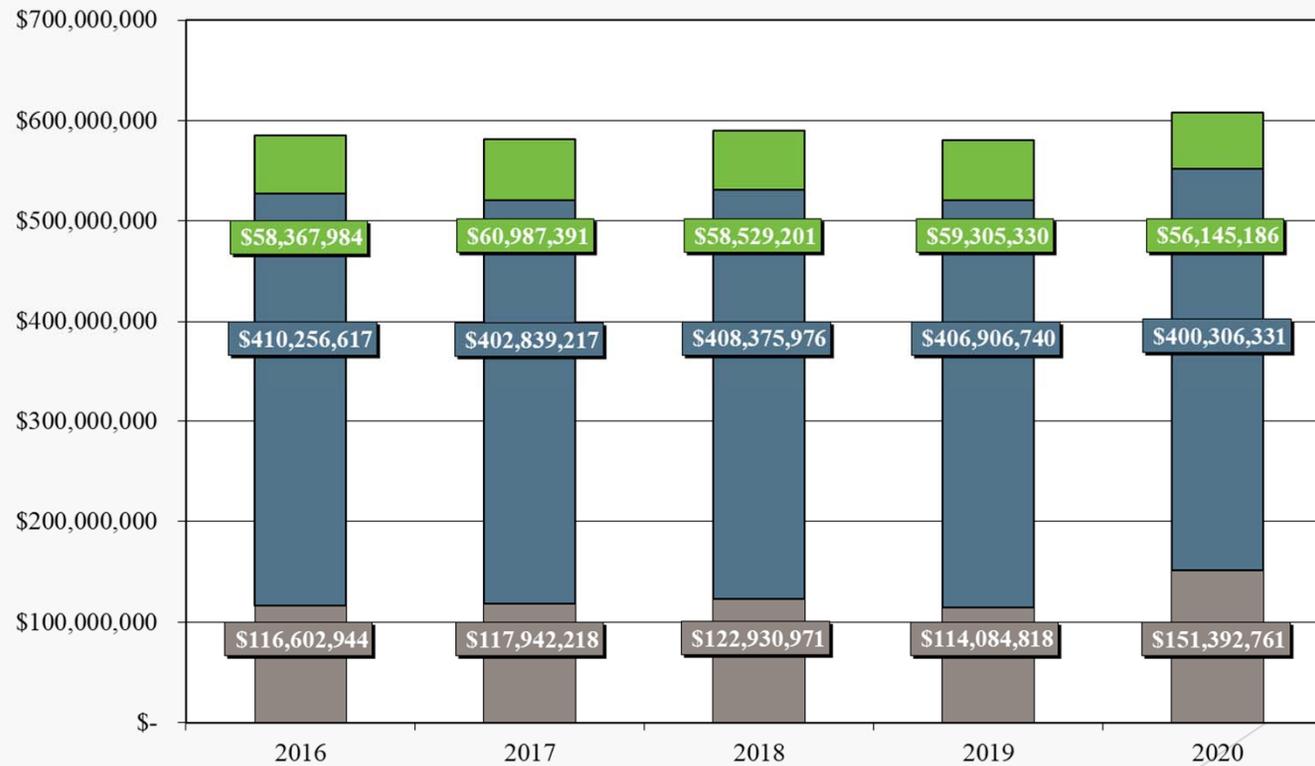


General Fund

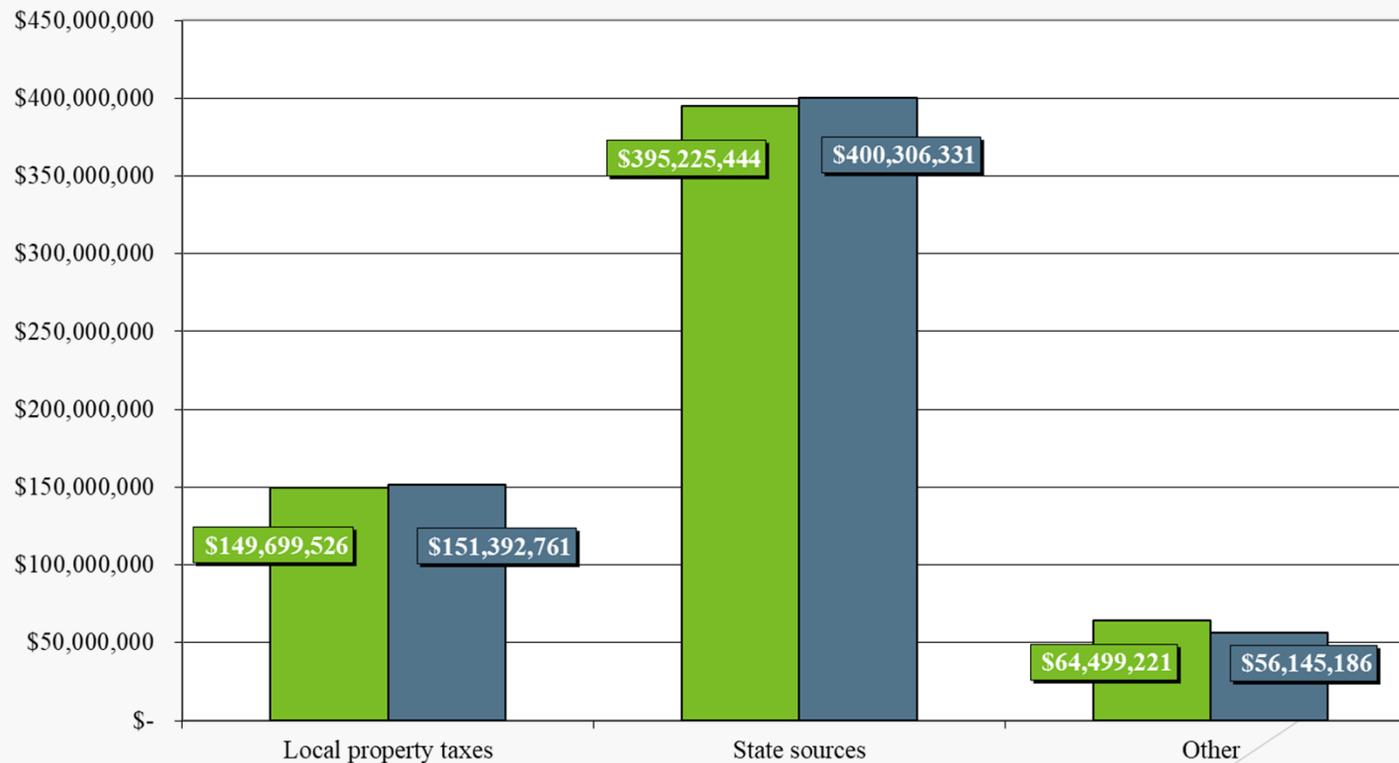
Sources of Revenue

For the Year Ended June 30,	2016	2017	2018	2019	2020
Local property taxes	\$ 116,602,944	\$ 117,942,218	\$ 122,930,971	\$ 114,084,818	\$ 151,392,761
State sources	410,256,617	402,839,217	408,375,976	406,906,740	400,306,331
Other	58,367,984	60,987,391	58,529,201	59,305,330	56,145,186
Total	\$ 585,227,545	\$ 581,768,826	\$ 589,836,148	\$ 580,296,888	\$ 607,844,278

General Fund Sources of Revenue

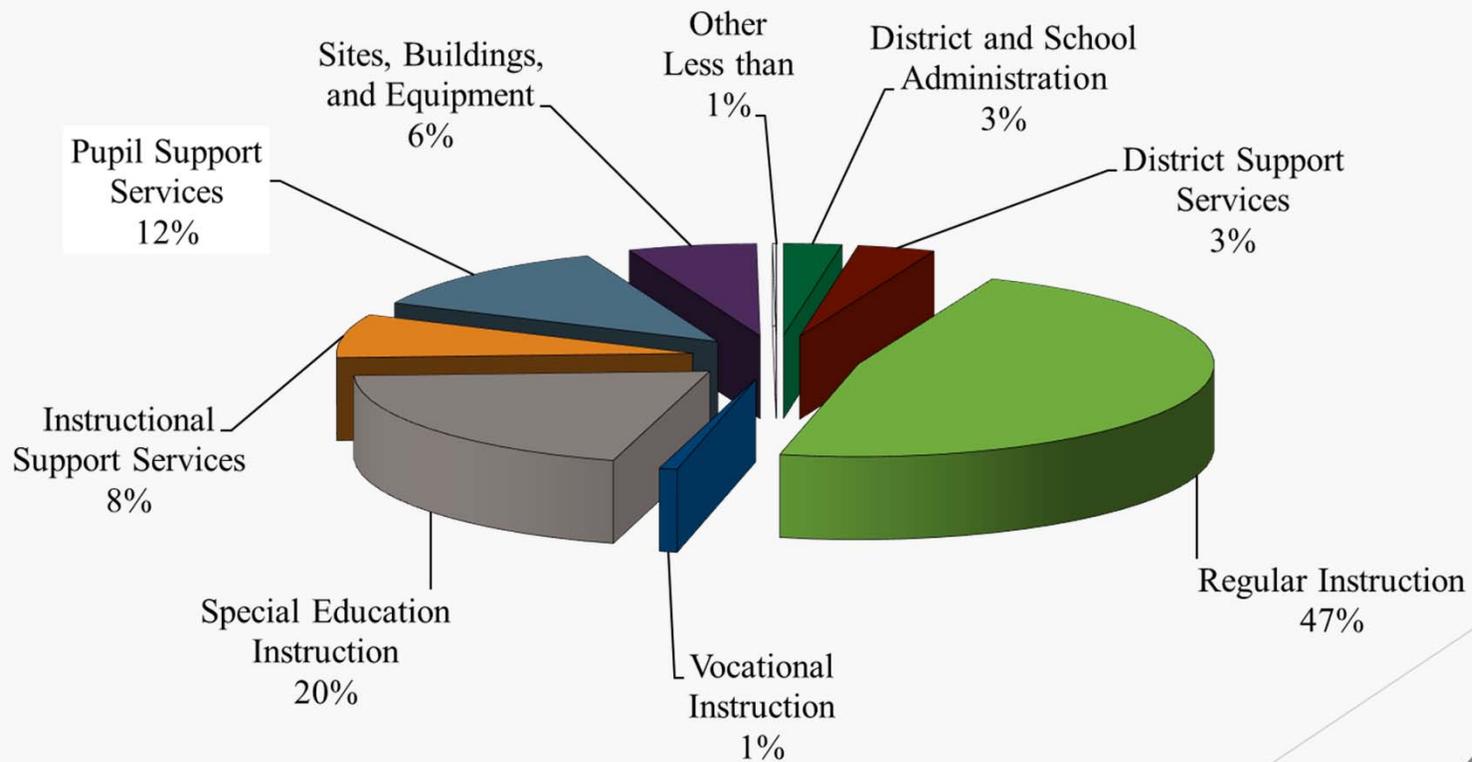


General Fund Revenues – Budget and Actual



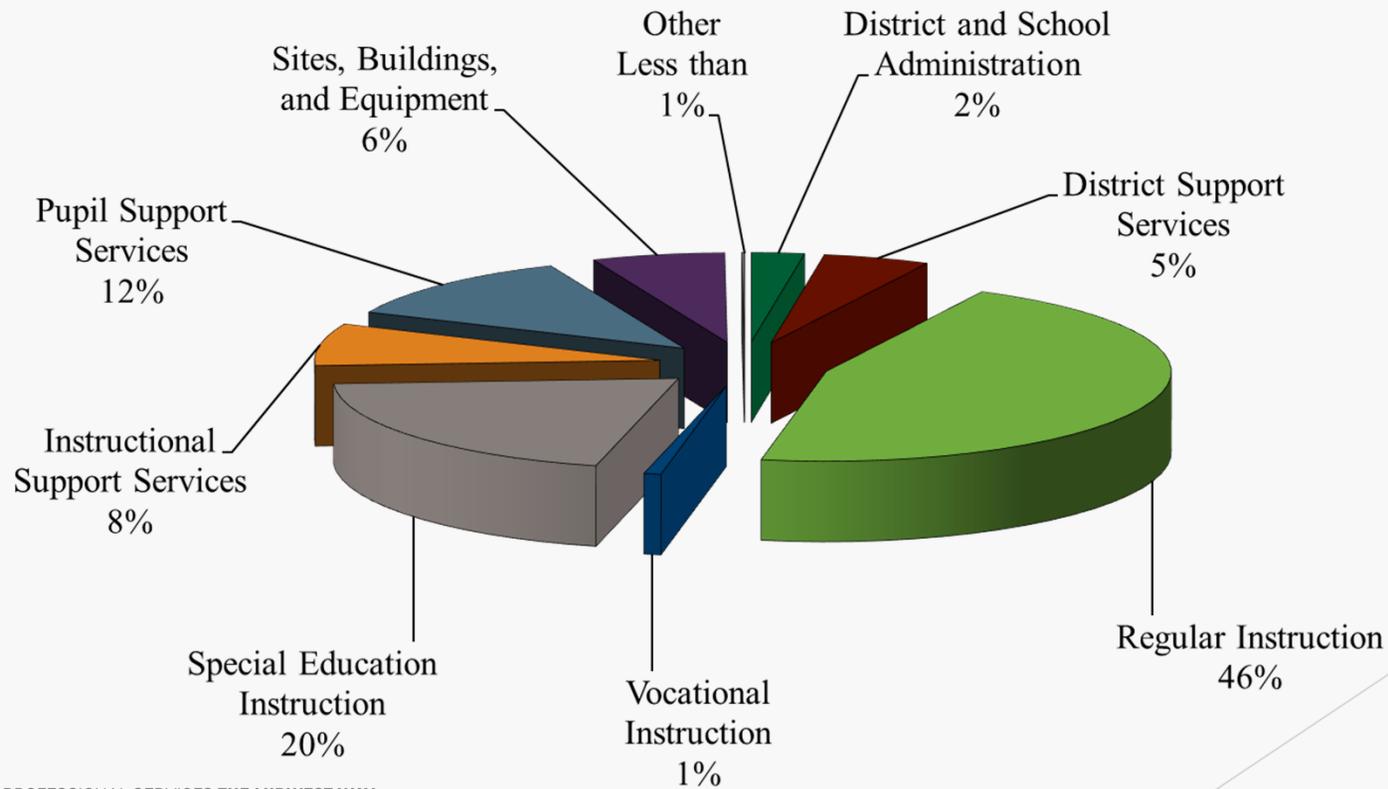
General Fund

2020 Expenditures - \$577,344,220

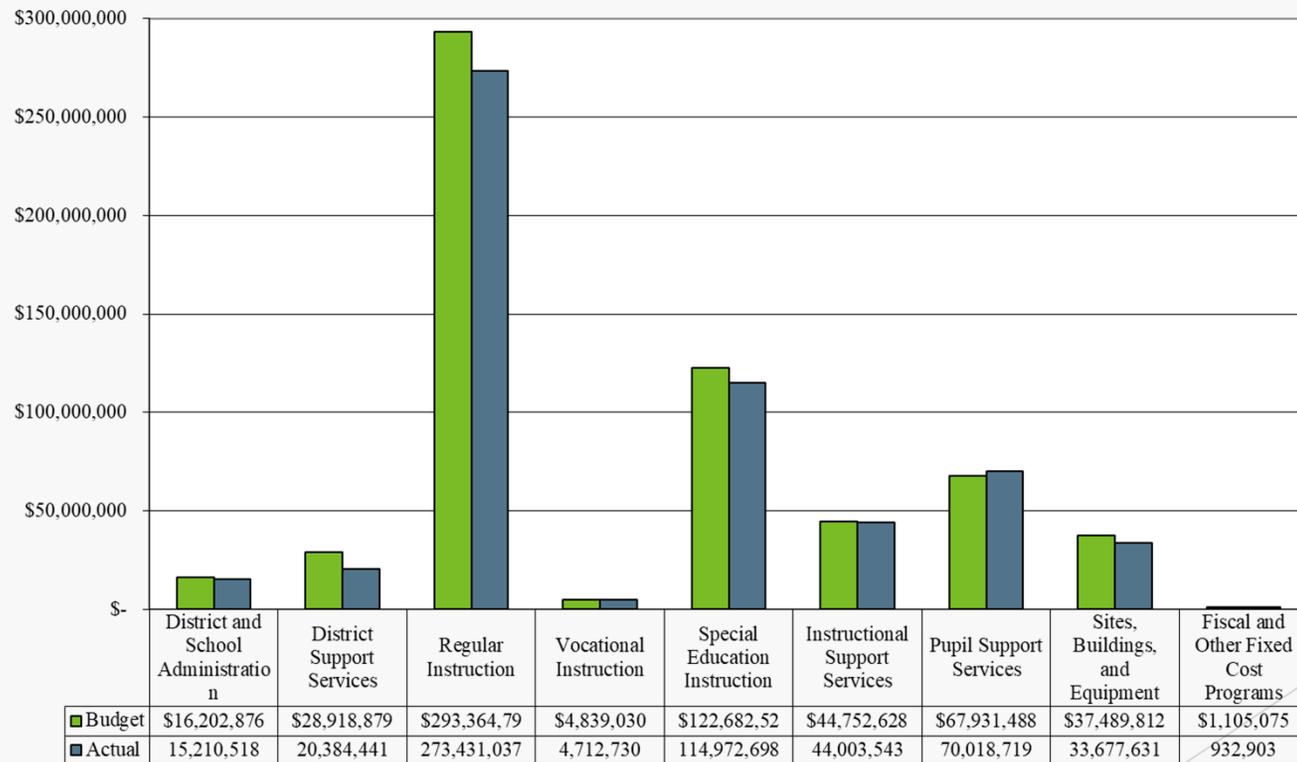


General Fund

2019 Expenditures - \$567,963,106



General Fund Expenditures – Budget and Actual



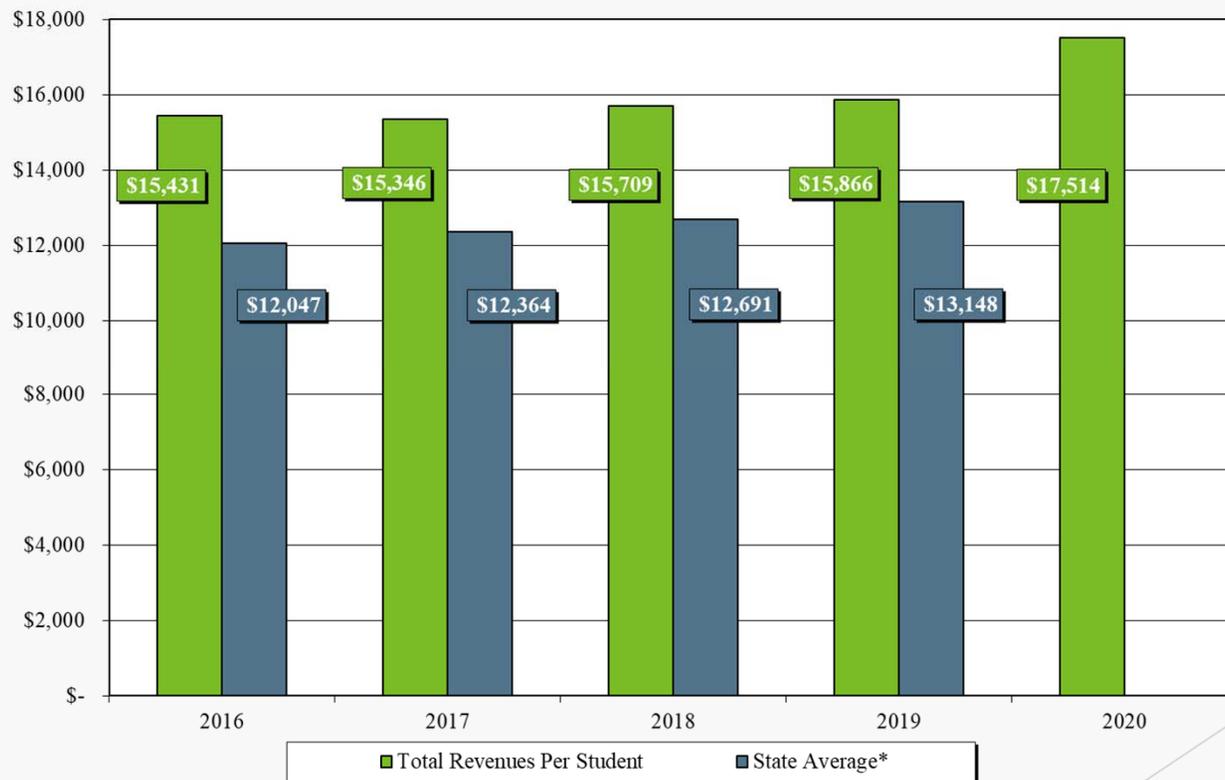
General Fund

Revenues Per ADM Served

Special District No. 1	2016	2017	2018	2019	2020
General Fund	\$ 15,431	\$ 15,346	\$ 15,709	\$ 15,866	\$ 17,514
Food Service Fund	593	599	585	607	684
Community Service Fund	753	789	814	876	822
Building Construction Fund	48	30	33	171	104
Debt Service Fund	1,892	1,997	2,040	2,604	2,690
Post Employment Debt Service Fund	-	-	62	65	68
Total Revenues Per Student	\$ 18,717	\$ 18,761	\$ 19,243	\$ 20,189	\$ 21,882

State Average*	2016	2017	2018	2019	2020
General Fund	\$ 12,047	\$ 12,364	\$ 12,691	13,148	N/A
Food Service Fund	543	554	553	553	N/A
Community Service Fund	562	595	607	638	N/A
Building Construction Fund	108	66	55	112	N/A
Debt Service Fund	991	1,050	1,056	1,146	N/A
Total Revenues Per Student	\$ 14,251	\$ 14,629	\$ 14,962	\$ 15,597	-

General Fund Revenues Per ADM Served

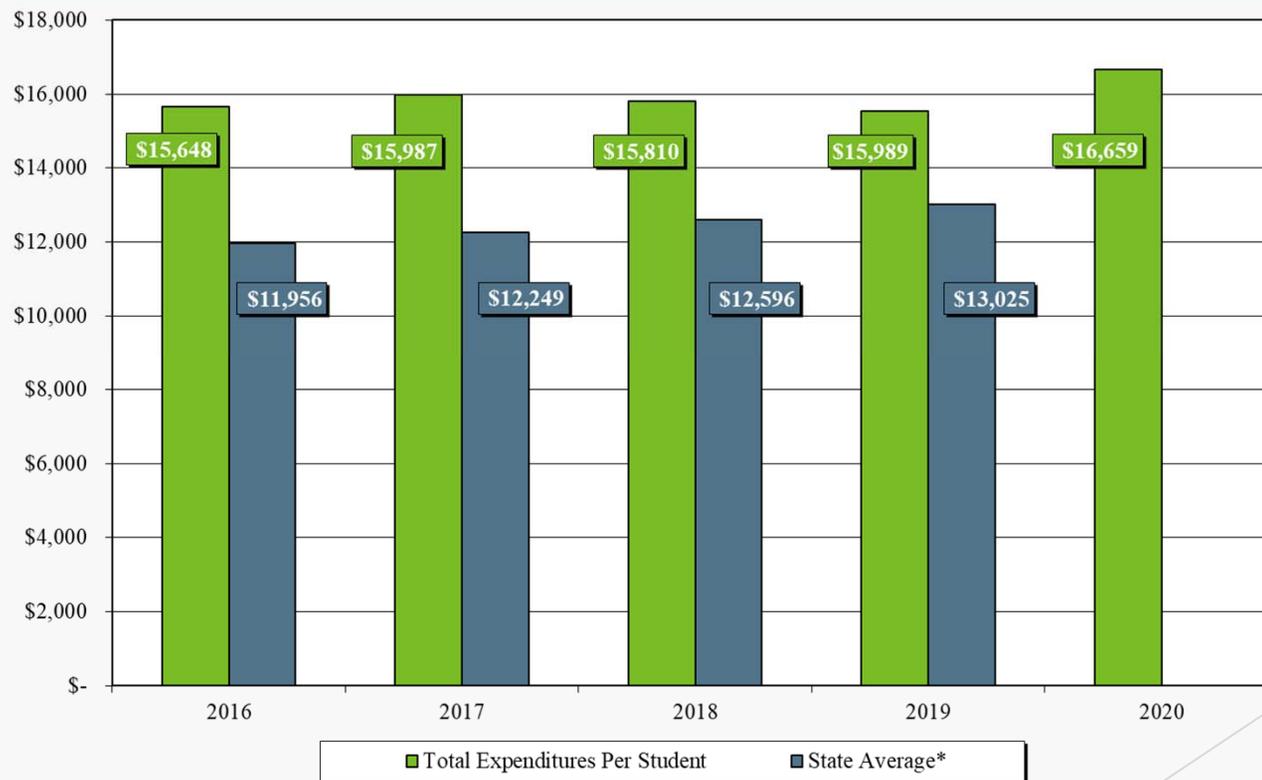


District Expenditures Per ADM Served

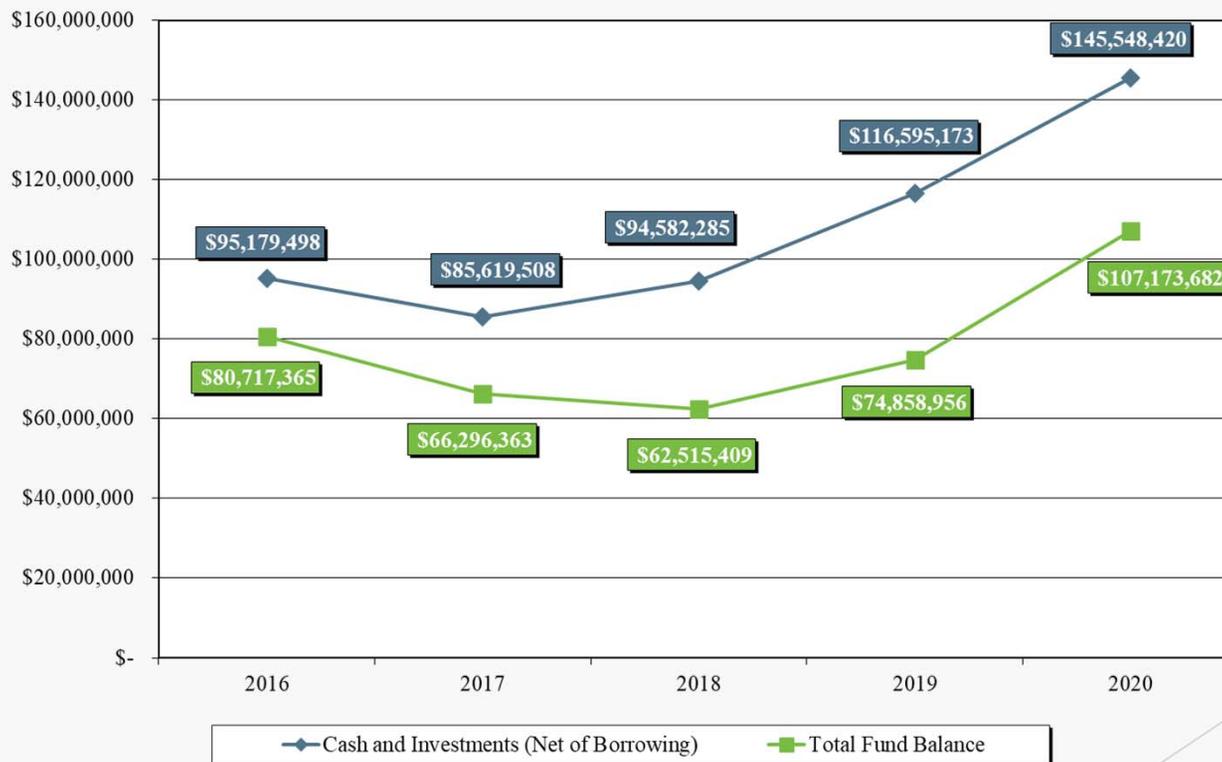
Special District No. 1	2016	2017	2018	2019	2020
General Fund	\$ 15,648	\$ 15,987	\$ 15,810	\$ 15,527	\$ 16,659
Food Service Fund	581	585	578	622	662
Building Construction Fund	3,567	1,747	3,028	3,188	2,628
Community Service Fund	701	755	806	904	901
Debt Service Fund	2,324	2,063	2,056	2,357	2,563
Post Employment Debt Service Fund	-	-	60	62	65
Total Expenditures Per Student	\$ 22,821	\$ 21,137	\$ 22,338	\$ 22,660	\$ 23,479

State Average*	2016	2017	2018	2019	2020
General Fund	\$ 11,956	\$ 12,249	\$ 12,596	13,025	N/A
Food Service Fund	539	546	550	559	N/A
Community Service Fund	550	579	606	638	N/A
Building Construction Fund	1,405	1,785	1,799	1,642	N/A
Debt Service Fund	1,433	1,275	1,224	1,225	N/A
Total Expenditures Per Student	\$ 15,883	\$ 16,434	\$ 16,775	\$ 17,089	-

General Fund Expenditures Per ADM Served



General Fund Operations – Financial Position



General Fund Operations

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 585,227,545	\$ 581,768,826	\$ 589,836,148	\$ 580,296,888	\$ 607,844,278
Expenditures	(606,384,716)	(605,929,828)	(593,617,102)	(567,963,106)	(577,344,220)
Excess of revenues over (under) expenditures	(21,157,171)	(24,161,002)	(3,780,954)	12,333,782	30,500,058
Proceeds from sale of equipment	8,310	-	-	9,765	18,765
Bond proceeds	5,920,000	6,440,000	-	-	1,100,000
Transfers in	16,000,000	3,300,000	-	-	-
Fund balance, July 1	79,946,226	80,717,365	66,296,363	62,515,409	74,858,956
Change in accounting principle	-	-	-	-	695,903
Fund Balance, June 30	\$ 80,717,365	\$ 66,296,363	\$ 62,515,409	\$ 74,858,956	\$ 107,173,682

Components of Fund Balance					
For the Year Ended June 30,	2016	2017	2018	2019	2020
Nonspendable	\$ 853,532	\$ 128,675	\$ 90,987	\$ 1,227,627	\$ 1,269,376
Restricted for					
Area learning center	-	-	808,181	910,645	1,421,247
Student activities	-	-	-	-	725,174
Achievement and integration	-	-	-	-	2,927,601
Gifted and talented	293,573	-	299,240	514,170	466,385
Health and safety	-	(161,640)	-	-	-
Basic skills extended time	-	-	-	1,235,892	2,792,710
Long-term facilities maintenance	-	(194,164)	-	(944)	160,765
Other	-	-	-	-	1,100,000
Capital projects	-	3,300,000	-	-	-
Assigned	25,350,565	21,455,251	29,671,886	32,138,104	43,737,399
Unassigned	54,219,695	41,748,347	31,645,115	38,833,462	52,573,025
Fund Balance, June 30	\$ 80,717,365	\$ 66,296,363	\$ 62,515,409	\$ 74,858,956	\$ 107,173,682

Food Service Fund

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 22,486,250	\$ 22,589,754	\$ 21,897,237	\$ 22,062,833	\$ 23,694,428
Expenditures	(22,027,820)	(22,077,485)	(21,646,325)	(22,624,251)	(22,955,476)
Excess of revenues over (under) expenditures	458,430	512,269	250,912	(561,418)	738,952
Proceeds from sale of equipment	24,636	-	1,566	-	-
Bond proceeds	-	245,000	-	-	-
Fund balance, July 1	1,632,480	2,115,546	2,872,815	3,125,293	2,563,875
Fund Balance, June 30	\$ 2,115,546	\$ 2,872,815	\$ 3,125,293	\$ 2,563,875	\$ 3,302,827
Nonspendable	\$ 484,372	\$ 872,545	\$ 835,232	\$ 856,369	\$ 1,615,465
Restricted for other purposes	1,631,174	2,000,270	2,290,061	1,707,506	1,687,362
Total Fund Balance, June 30	\$ 2,115,546	\$ 2,872,815	\$ 3,125,293	\$ 2,563,875	\$ 3,302,827

Community Service Fund

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 28,570,581	\$ 29,825,786	\$ 30,506,573	\$ 31,853,780	\$ 28,471,098
Expenditures	(26,563,620)	(28,554,216)	(30,234,975)	(32,875,347)	(31,232,002)
Excess of revenues over (under) expenditures	2,006,961	1,271,570	271,598	(1,021,567)	(2,760,904)
Fund balance, July 1	5,426,039	7,433,000	8,704,570	8,976,168	7,954,601
Fund Balance, June 30	\$ 7,433,000	\$ 8,704,570	\$ 8,976,168	\$ 7,954,601	\$ 5,193,697
Restricted for					
School readiness	\$ 269,807	\$ 614,311	\$ 1,311,264	\$ 1,842,528	\$ 1,793,073
Adult basic education	1,297,774	1,278,467	1,263,834	854,424	702,422
Community education programs	4,391,533	5,549,459	5,212,717	4,197,002	1,949,764
ECFE	1,202,910	1,051,105	879,186	702,918	353,624
Other programs	270,976	211,228	309,167	357,729	394,814
Total Fund Balance, June 30	\$ 7,433,000	\$ 8,704,570	\$ 8,976,168	\$ 7,954,601	\$ 5,193,697

QUESTIONS?

Andrew Grice, CPA

952-563-6862

Andrew.Grice@berganKDV.com

Matt Mayer, CPA

952-563-6873

Matt.Mayer@berganKDV.com



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We are powered by people who do business the Midwest way delivering comprehensive business, financial and technology solutions including business planning and consulting, tax, assurance and accounting, technology, wealth management and turnaround management services. From tax reform to technology, we go beyond so you can...

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LET'S DO MORE, TOGETHER.

THANK YOU

**Minneapolis Public Schools
Special District No. 1**

Communications Letter

June 30, 2020



**Minneapolis Public Schools
Special District No. 1
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Material Weakness	3
Required Communication	4
Financial Analysis	9
Legislative Summary	21
Emerging Issue	25

Report on Matters Identified as a Result of the Audit of the Financial Statements

To the School Board and Management
Minneapolis Public Schools Special District No. 1
Minneapolis, Minnesota

In planning and performing our audit of the financial statements of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency below that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

The material weakness identified is stated within this letter.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated December 1, 2020, on such statements.

This communication is intended solely for the information and use of management, the School Board and others within the District, and state oversight agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Bergan KDV Ltd.

Minneapolis, Minnesota
December 1, 2020

**Minneapolis Public Schools
Special District No. 1
Material Weakness**

Lack of Segregation of Accounting Duties

The District had a lack of segregation of accounting duties. The lack of adequate segregation of accounting duties could adversely affect the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements.

Management is aware of this condition and will take certain steps to compensate for the lack of segregation.

Segregation of accounting duties relates to four key areas: initiation/authorization, processing/recording, reconciling/reporting of financial data, and custody of assets. This lack of segregation can be demonstrated in the following areas, which is not intended to be an all-inclusive list:

- SAP User Rights: A number of employees have excessive access to accounts payable functions, purchasing functions, and the general ledger. Also, there were instances identified where individuals have excessive access to perform many responsibilities within a process (e.g. create a vendor, enter an invoice for payment, and cut a check). There are also some employees who have the ability to make journal entries without review as a result of SAP user rights allocated to them. We recommend that the District review all user roles and the permissions granted to each role for appropriateness, taking into consideration adequate segregation of duties. The District should also validate that adequate compensating controls are implemented to review and detect irregular or fraudulent activity performed by users with elevated permissions. Additionally, individuals in a position of authority should have limited transactional ability within the SAP application to further prevent management override of controls.
- Financial Closing Process: Certain employees record transactions and reconcile balances at the end of the year without evidence of review by another employee. As a result of this condition, material audit adjustments were required for state aids and property taxes.

**Minneapolis Public Schools
Special District No. 1
Required Communication**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2020. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

**Minneapolis Public Schools
Special District No. 1
Required Communication**

Our Responsibility in Relation to Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

As communicated in our engagement letter, in accordance with the Uniform Guidance, we examined, on a test basis, evidence about the District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the District's compliance with those requirements. While our audit provided a reasonable basis for our opinion, it did not provide a legal determination on the District's compliance with those requirements.

In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in the notes to financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the financial statements were:

Depreciation – The District is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

**Minneapolis Public Schools
Special District No. 1
Required Communication**

Qualitative Aspects of Significant Accounting Practices (Continued)

Significant Accounting Estimates (Continued)

Expense Allocation – Certain expenses are allocated to programs based on an estimate of the benefit to that particular program. Examples are salaries, benefits, and supplies.

General Education and Special Education Aid – General Education Aid is an estimate until average daily membership (ADM) values are final. Since this is normally not done until after the reporting deadlines, this Aid is an estimate. Special Education Aid is dependent on the availability of funds and complex formulas that are finalized after reporting deadlines.

Net Other Post Employment Benefits (OPEB) Liability, Deferred Outflows of Resources Related to OPEB and Deferred Inflows of Resources Related to OPEB – These balances are based on an actuarial study using the estimates of future obligations of the District for post employment benefits.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions, and Deferred Inflows of Resources Related to Pensions – These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

We identified the following uncorrected misstatement of the financial statements. Management has determined its effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

- Revenues from state sources are understated

**Minneapolis Public Schools
Special District No. 1
Required Communication**

Uncorrected and Corrected Misstatements (Continued)

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Material misstatements related to state aids and property taxes were corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the District, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditor.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

**Minneapolis Public Schools
Special District No. 1
Required Communication**

Other Information in Documents Containing Audited Financial Statements (Continued)

We were not engaged to report on the other information accompanying the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

The following pages provide graphic representation of select data pertaining to the financial position and operations of the District for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

Due to its complexity, it would be impossible to fully explain the funding of public education in Minnesota within this letter. The last section of this report contains a summary of legislative changes affecting school districts from the most recent session. The following provides some state-wide funding and financial trend information.

Average Daily Membership and Pupil Units

The largest single funding source for Minnesota school districts is basic General Education Aid. Each year, the State Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to ADM. Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

<u>Year</u>	<u>General Education Aid Formula Allowance</u>	
	<u>Amount</u>	<u>Percent Increase</u>
2011	\$ 5,124	0.0%
2012	5,174	1.0%
2013	5,224	1.0%
2014	5,302	1.5%
2015*	5,831	1.9%
2016	5,948	2.0%
2017	6,067	2.0%
2018	6,188	2.0%
2019	6,312	2.0%
2020	6,438	2.0%
2021	6,567	2.0%

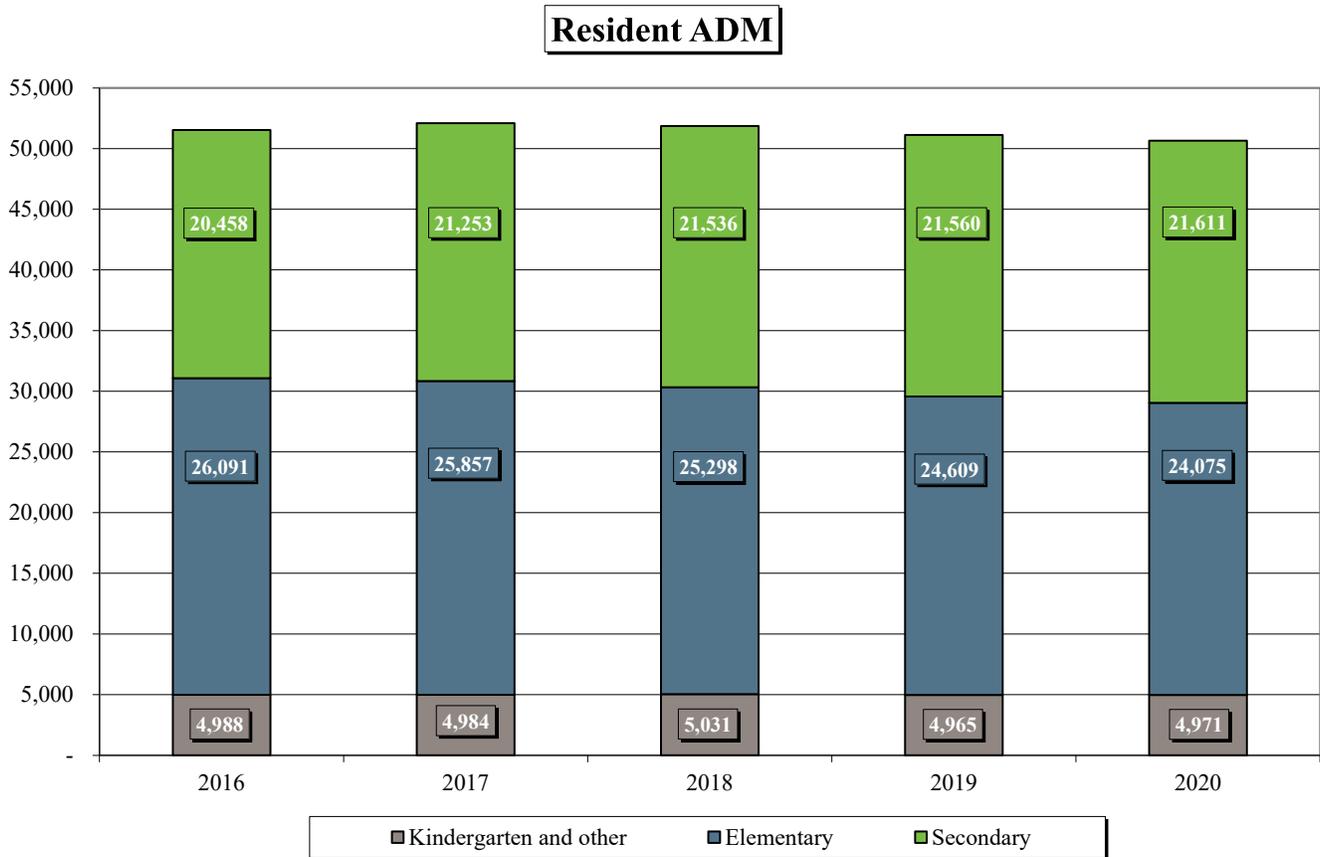
* General Education Aid - Of the \$529 increase over 2014, \$105 is for inflation at 1.9%; the remaining \$424 is a shifting of revenue to adjust for pupil weight changes, pension adjustments changes and other restructuring.

**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

Average Daily Membership and Pupil Units Served

Approximately 66% of the District's General Fund revenue is from the state. A majority of this funding is based on student counts, so an understanding of the District's population trends is critical to overall budgeting plans. The following summarizes resident ADM of the District over the past five years ended June 30:

Students (Resident ADM)	2016	2017	2018	2019	2020
Kindergarten and other	4,988	4,984	5,031	4,965	4,971
Elementary	26,091	25,857	25,298	24,609	24,075
Secondary	20,458	21,253	21,536	21,560	21,611
Total Students (Resident ADM)	51,537	52,094	51,865	51,133	50,657



* Estimate as of November 18, 2020

In 2020, total resident ADM decreased by 476 from the prior year, a decline of 0.9%.

To calculate a majority of the District's education aids, the ADM amounts are converted into pupil units by weighting, based on the student's grade level. These weighting factors are presented in the table on the following page.

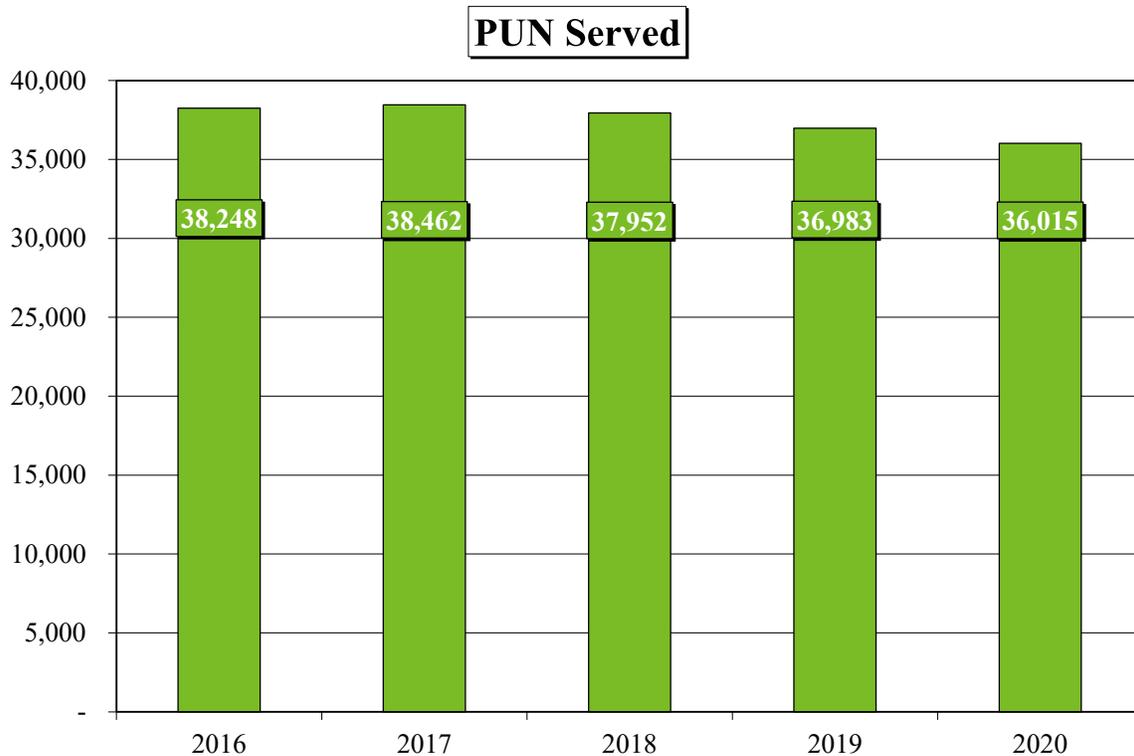
**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

Average Daily Membership and Adjusted Pupil Units

Year 2016-2020	Pre-Kindergarten and Handicapped		Grades	Grades	Secondary
	Kindergarten	Kindergarten	1-3	4-6	
	1.000	1.000	1.000	1.000	1.200

The following chart and graph convert the ADM into adjusted pupil units (PUN) for the same five-year period, as noted on the previous page.

Adjusted PUN	2016	2017	2018	2019	2020
Residents	55,628	56,344	56,170	55,444	54,979
PUN gain	1,350	1,092	1,374	1,483	1,417
PUN loss	(18,730)	(18,974)	(19,593)	(19,944)	(20,380)
Total Adjusted PUN	38,248	38,462	37,952	36,983	36,015



* Estimate as of November 18, 2020

PUN loss is the resident students who chose open enrollment and decided to enroll at another district or charter school. PUN gain is the resident students from another school district choosing to enroll with Minneapolis Public Schools.

In 2020, total PUN served decreased by 968 from the prior year, a decrease of 2.6%. This was a result of a decrease in resident PUN of 466, a decrease in PUN gain of 66, and a decrease in PUN loss of 436 to other districts.

**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

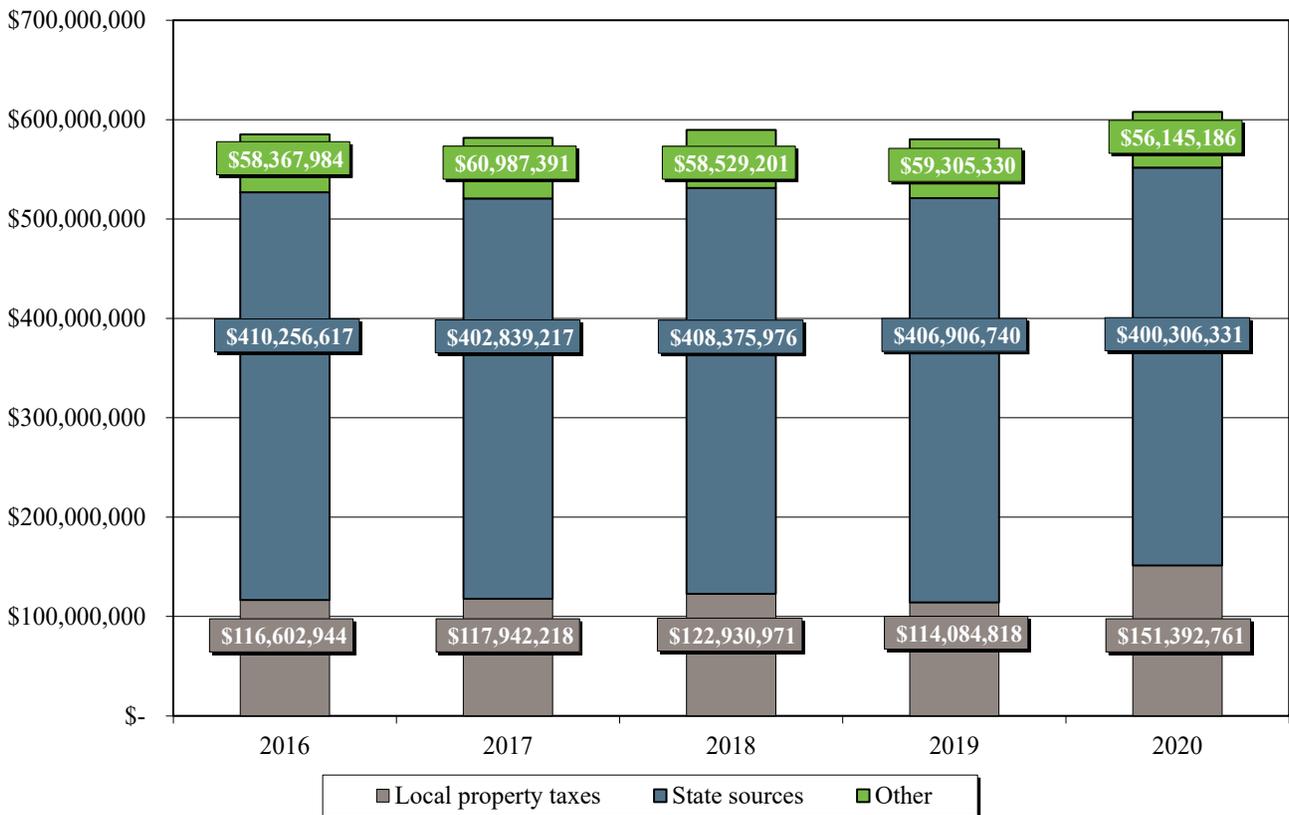
General Fund Sources of Revenue

General Fund sources of revenue are summarized as follows:

For the Year Ended June 30,	2016	2017	2018	2019	2020
Local property taxes	\$ 116,602,944	\$ 117,942,218	\$ 122,930,971	\$ 114,084,818	\$ 151,392,761
State sources	410,256,617	402,839,217	408,375,976	406,906,740	400,306,331
Other	58,367,984	60,987,391	58,529,201	59,305,330	56,145,186
Total	\$ 585,227,545	\$ 581,768,826	\$ 589,836,148	\$ 580,296,888	\$ 607,844,278

Revenue increased from the prior year by \$27,547,390, or 4.75%, mainly due to an increase in property tax levy. General Fund revenues over the past five years are portrayed in the following graph.

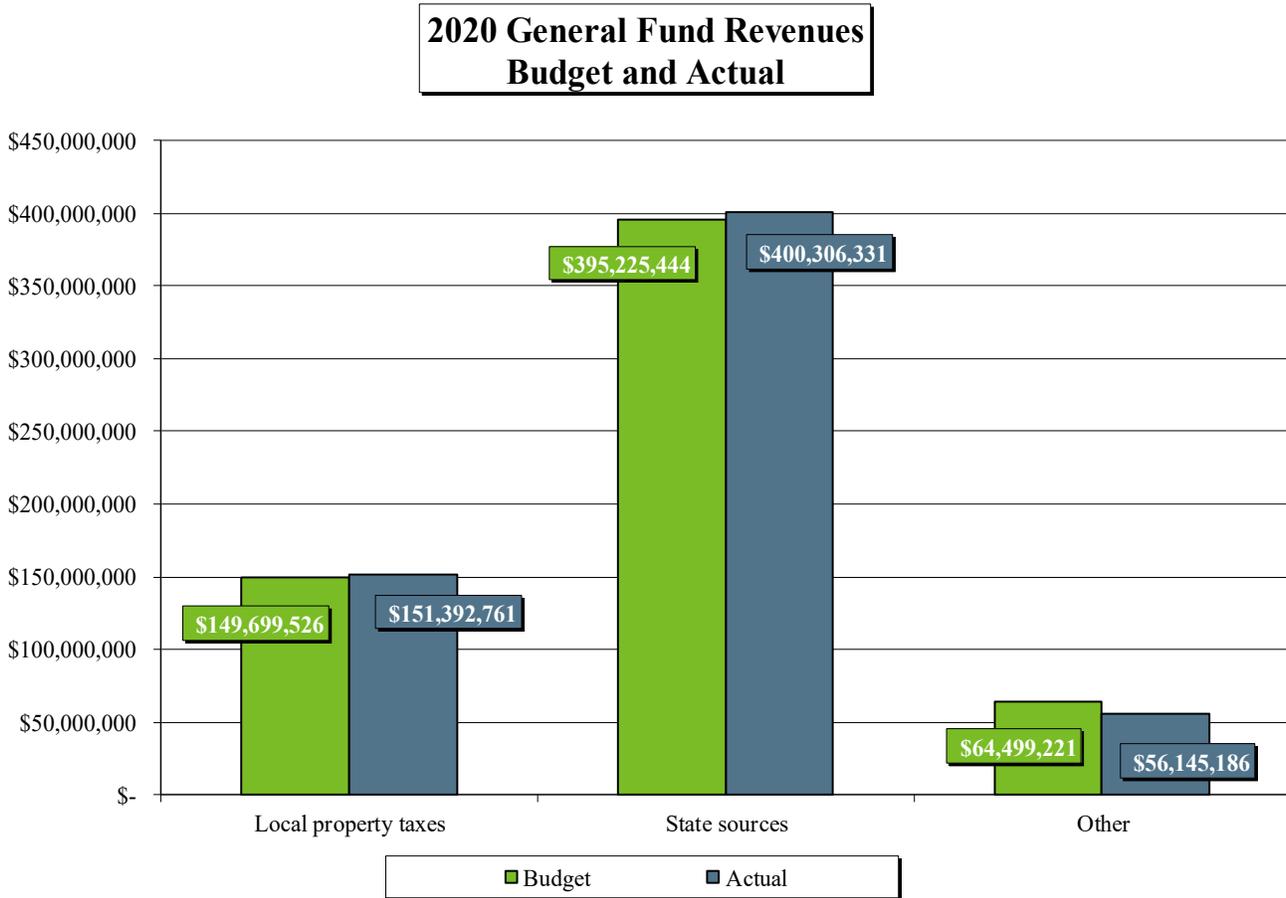
General Fund Sources of Revenue



**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

General Fund Revenues - Budget and Actual

The District originally approved a revenue budget of \$630,329,784 and approved a revised revenue budget of \$609,424,191. Actual revenues of \$607,844,278 were \$1,579,913, or 0.3%, under budget.



Revenues from local property taxes were consistent with budgeted amounts. Revenue from other sources were \$8,354,035 under budget. This was a result of less revenue than anticipated for federal programs. Revenues from State sources were over budget by \$5,080,887 due to budgeting for a lower ADM that as higher than anticipated.

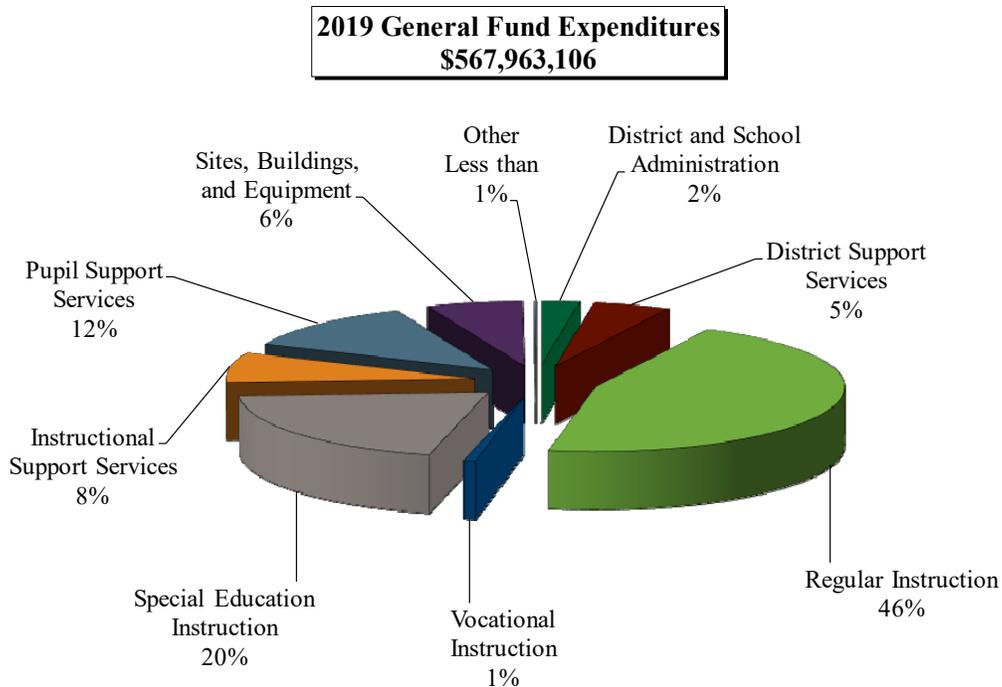
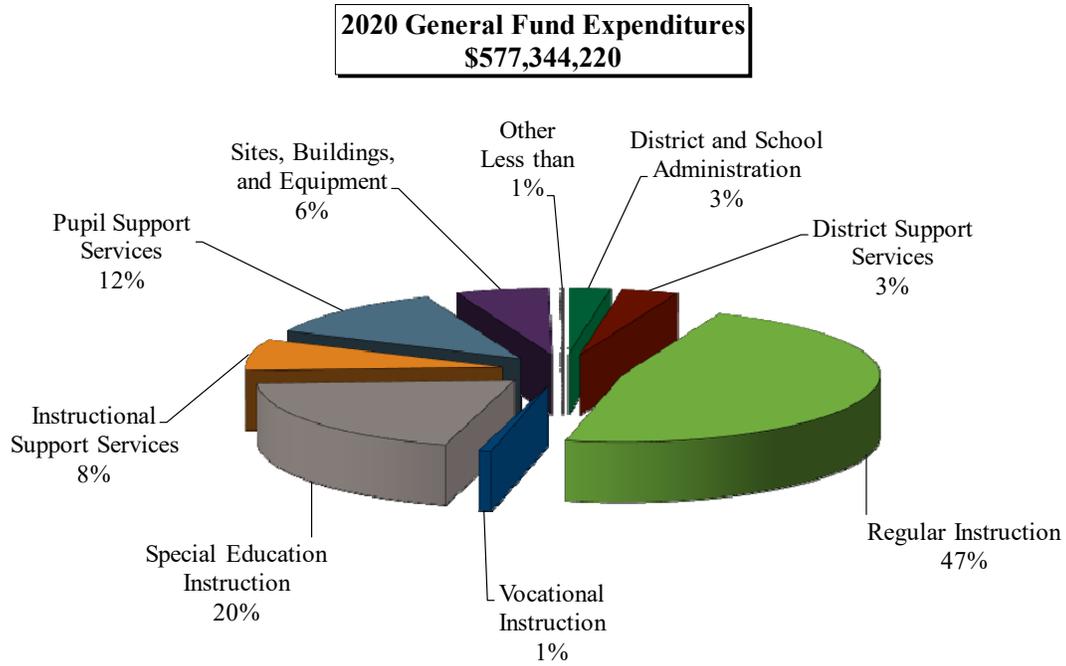
General Fund Expenditures

On the following page is the allocation of expenditures by program for the past two years. Overall, expenditures in the General Fund increased \$9,381,114 or 1.7%, from 2019 to 2020. Regular instruction increased by \$14,792,721 primarily due to an increase in step movements and contract settlements along with an increase in benefits. District support service decreased by \$8,026,225 mainly due to lower severance payments and indirect charges to other programs in 2020.

**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

General Fund Expenditures (Continued)

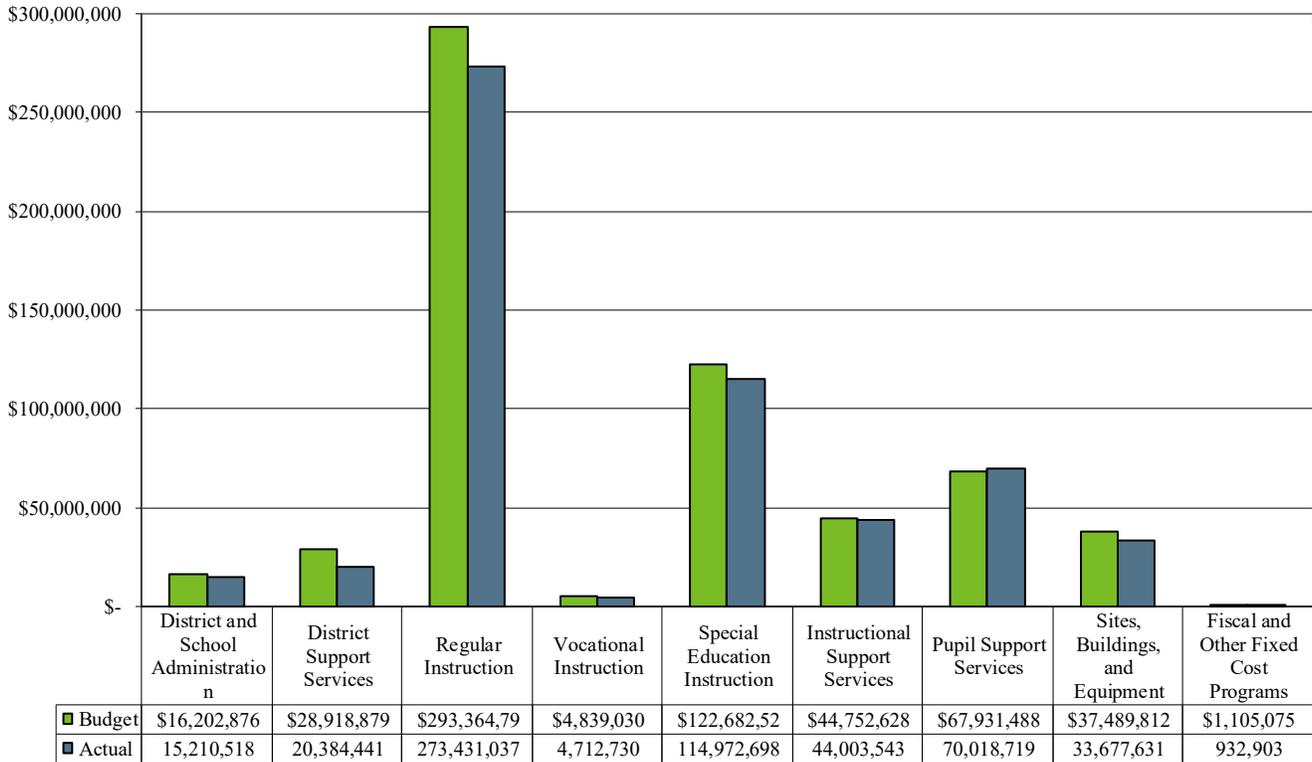
The three instruction categories, regular, vocational, and special education comprise 68% of the total District expenditures for 2020.



**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

General Fund Expenditures - Budget and Actual

**2020 General Fund Expenditures
Budget and Actual**



Overall, General Fund expenditures of \$577,344,220 were \$39,942,886, or 6.5%, under budget. Regular instruction expenditures were under budget by \$19,933,759 due to less salary and benefit expense than anticipated and less funded projects as a result of COVID-19. District support services were under budget by \$8,534,438 due to budgeting conservatively for open positions and not budgeting for the indirect charges that were charged to other programs. Special education expenditures were under budget by \$7,709,824 due to open positions that were not filled as a result of the COVID-19 closures. Sites, buildings and equipment were under budget by \$3,812,181 due to the building closures during COVID-19.

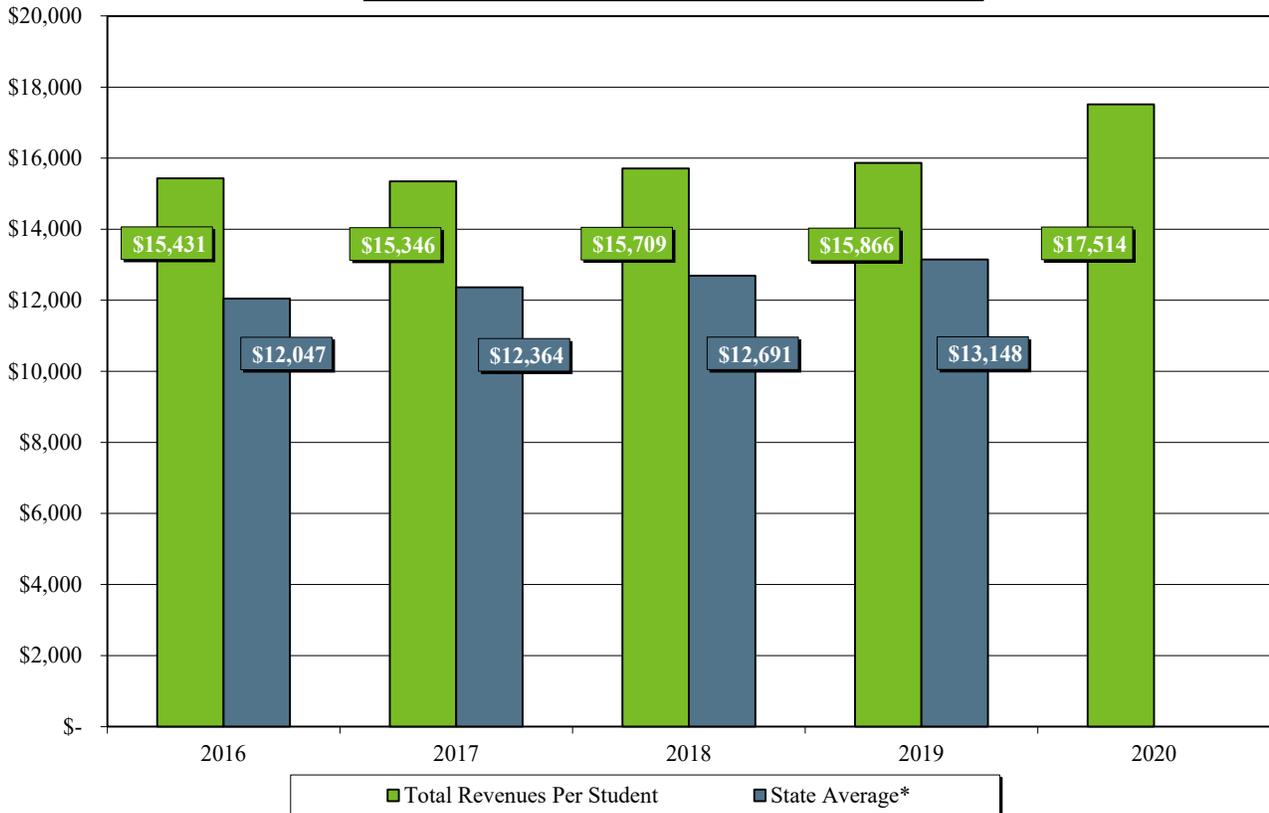
**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

Revenues Per ADM Served

Special District No. 1	2016	2017	2018	2019	2020
General Fund	\$ 15,431	\$ 15,346	\$ 15,709	\$ 15,866	\$ 17,514
Food Service Fund	593	599	585	607	684
Community Service Fund	753	789	814	876	822
Building Construction Fund	48	30	33	171	104
Debt Service Fund	1,892	1,997	2,040	2,604	2,690
Post Employment Debt Service Fund	-	-	62	65	68
Total Revenues Per Student	\$ 18,717	\$ 18,761	\$ 19,243	\$ 20,189	\$ 21,882

State Average*	2016	2017	2018	2019	2020
General Fund	\$ 12,047	\$ 12,364	\$ 12,691	13,148	N/A
Food Service Fund	543	554	553	553	N/A
Community Service Fund	562	595	607	638	N/A
Building Construction Fund	108	66	55	112	N/A
Debt Service Fund	991	1,050	1,056	1,146	N/A
Total Revenues Per Student	\$ 14,251	\$ 14,629	\$ 14,962	\$ 15,597	-

General Fund Revenues Per ADM Served



* Source: *School District Profiles*; year 2020 is not yet available.

** Estimate as of November 18, 2020

**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

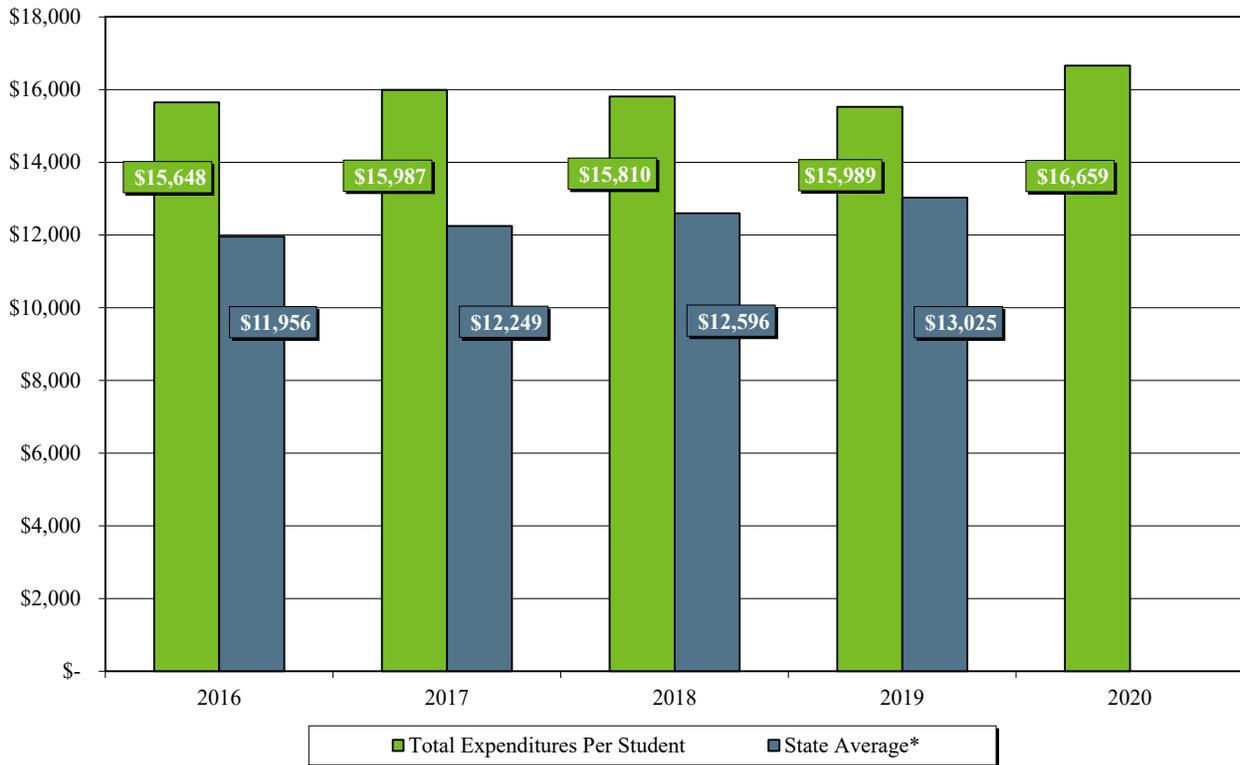
Expenditures Per ADM Served

Expenditures per student (ADM served) are summarized as follows:

Special District No. 1	2016	2017	2018	2019	2020
General Fund	\$ 15,648	\$ 15,987	\$ 15,810	\$ 15,527	\$ 16,659
Food Service Fund	581	585	578	622	662
Building Construction Fund	3,567	1,747	3,028	3,188	2,628
Community Service Fund	701	755	806	904	901
Debt Service Fund	2,324	2,063	2,056	2,357	2,563
Post Employment Debt Service Fund	-	-	60	62	65
Total Expenditures Per Student	\$ 22,821	\$ 21,137	\$ 22,338	\$ 22,660	\$ 23,479

State Average*	2016	2017	2018	2019	2020
General Fund	\$ 11,956	\$ 12,249	\$ 12,596	13,025	N/A
Food Service Fund	539	546	550	559	N/A
Community Service Fund	550	579	606	638	N/A
Building Construction Fund	1,405	1,785	1,799	1,642	N/A
Debt Service Fund	1,433	1,275	1,224	1,225	N/A
Total Expenditures Per Student	\$ 15,883	\$ 16,434	\$ 16,775	\$ 17,089	-

General Fund Expenditures Per ADM Served



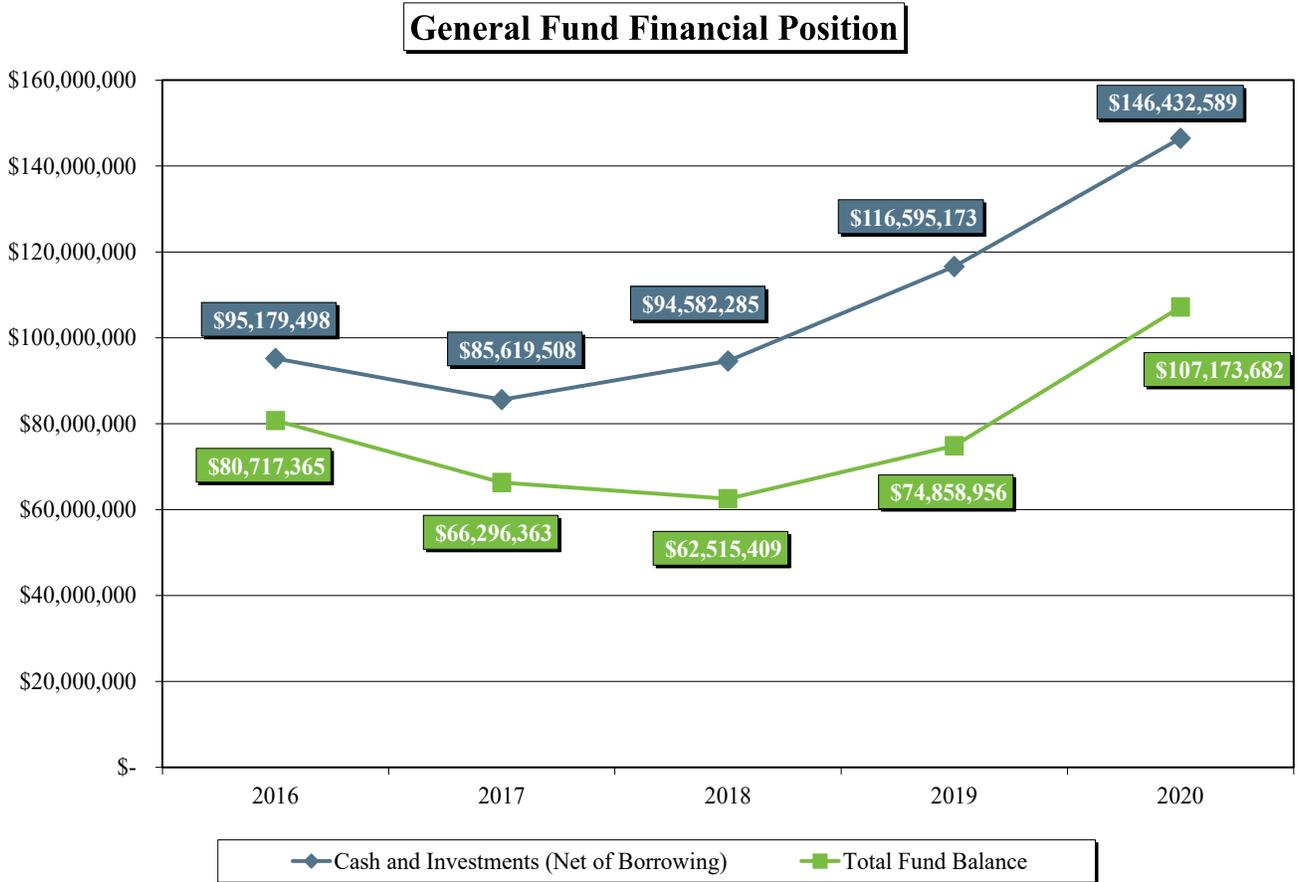
* Source: *School District Profiles*; year 2020 is not yet available.

** Estimate as of November 18, 2020

**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

General Fund Operations

As the following graph indicates, cash and investments increased \$29,837,416 from 2019 to 2020 and total fund balance increased \$32,314,726, or 43.2%.



**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

General Fund Operations (Continued)

The following table presents five years of comparative operating results for the District's General Fund:

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 585,227,545	\$ 581,768,826	\$ 589,836,148	\$ 580,296,888	\$ 607,844,278
Expenditures	(606,384,716)	(605,929,828)	(593,617,102)	(567,963,106)	(577,344,220)
Excess of revenues over (under) expenditures	(21,157,171)	(24,161,002)	(3,780,954)	12,333,782	30,500,058
Proceeds from sale of equipment	8,310	-	-	9,765	18,765
Bond proceeds	5,920,000	6,440,000	-	-	1,100,000
Transfers in	16,000,000	3,300,000	-	-	-
Fund balance, July 1	79,946,226	80,717,365	66,296,363	62,515,409	74,858,956
Change in accounting principle	-	-	-	-	695,903
Fund Balance, June 30	\$ 80,717,365	\$ 66,296,363	\$ 62,515,409	\$ 74,858,956	\$ 107,173,682

Components of Fund Balance					
For the Year Ended June 30,	2016	2017	2018	2019	2020
Nonspendable	\$ 853,532	\$ 128,675	\$ 90,987	\$ 1,227,627	\$ 1,269,376
Restricted for					
Area learning center	-	-	808,181	910,645	1,421,247
Student activities	-	-	-	-	725,174
Achievement and integration	-	-	-	-	2,927,601
Gifted and talented	293,573	-	299,240	514,170	466,385
Health and safety	-	(161,640)	-	-	-
Basic skills extended time	-	-	-	1,235,892	2,792,710
Long-term facilities maintenance	-	(194,164)	-	(944)	160,765
Other	-	-	-	-	1,100,000
Capital projects	-	3,300,000	-	-	-
Assigned	25,350,565	21,455,251	29,671,886	32,138,104	43,737,399
Unassigned	54,219,695	41,748,347	31,645,115	38,833,462	52,573,025
Fund Balance, June 30	\$ 80,717,365	\$ 66,296,363	\$ 62,515,409	\$ 74,858,956	\$ 107,173,682

The chart above summarizes General Fund activity and financial position for each of the last five years. The unassigned fund balance represented 9.1% of 2020 actual expenditures and represented 8.6% of 2021 budgeted expenditures. The District's fund balance policy calls for a minimum unassigned balance of 8% of the annual budgeted expenditures for the following year.

**Minneapolis Public Schools
Special District No. 1
Financial Analysis**

Food Service Fund

The following table presents five years of comparative operating results for the District's Food Service Fund.

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 22,486,250	\$ 22,589,754	\$ 21,897,237	\$ 22,062,833	\$ 23,694,428
Expenditures	(22,027,820)	(22,077,485)	(21,646,325)	(22,624,251)	(22,955,476)
Excess of revenues over (under) expenditures	458,430	512,269	250,912	(561,418)	738,952
Proceeds from sale of equipment	24,636	-	1,566	-	-
Bond proceeds	-	245,000	-	-	-
Fund balance, July 1	1,632,480	2,115,546	2,872,815	3,125,293	2,563,875
Fund Balance, June 30	\$ 2,115,546	\$ 2,872,815	\$ 3,125,293	\$ 2,563,875	\$ 3,302,827
Nonspendable	\$ 484,372	\$ 872,545	\$ 835,232	\$ 856,369	\$ 1,615,465
Restricted for other purposes	1,631,174	2,000,270	2,290,061	1,707,506	1,687,362
Total Fund Balance, June 30	\$ 2,115,546	\$ 2,872,815	\$ 3,125,293	\$ 2,563,875	\$ 3,302,827

Community Service Fund

The following table presents five years of comparative operating results for the District's Community Service Fund.

For the Year Ended June 30,	2016	2017	2018	2019	2020
Revenues	\$ 28,570,581	\$ 29,825,786	\$ 30,506,573	\$ 31,853,780	\$ 28,471,098
Expenditures	(26,563,620)	(28,554,216)	(30,234,975)	(32,875,347)	(31,232,002)
Excess of revenues over (under) expenditures	2,006,961	1,271,570	271,598	(1,021,567)	(2,760,904)
Fund balance, July 1	5,426,039	7,433,000	8,704,570	8,976,168	7,954,601
Fund Balance, June 30	\$ 7,433,000	\$ 8,704,570	\$ 8,976,168	\$ 7,954,601	\$ 5,193,697
Restricted for					
School readiness	\$ 269,807	\$ 614,311	\$ 1,311,264	\$ 1,842,528	\$ 1,793,073
Adult basic education	1,297,774	1,278,467	1,263,834	854,424	702,422
Community education programs	4,391,533	5,549,459	5,212,717	4,197,002	1,949,764
ECFE	1,202,910	1,051,105	879,186	702,918	353,624
Other programs	270,976	211,228	309,167	357,729	394,814
Total Fund Balance, June 30	\$ 7,433,000	\$ 8,704,570	\$ 8,976,168	\$ 7,954,601	\$ 5,193,697

**Minneapolis Public Schools
Special District No. 1
Legislative Summary**

The following is a brief summary of current legislative changes and issues affecting the funding of Minnesota school districts. More detailed and extensive summaries are available from the Minnesota Department of Education (MDE).

State Aid Appropriations

The formula allowance for 2020 General Education Aid was increased \$126 (2%) to \$6,438. For 2021, the formula allowance is set at \$6,567, which is an increase of \$129, or 2%.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Funding provided includes Governor's Emergency Education Relief (GEER) funding totaling \$38.1 million to MDE to be used for technology and summer school programming. Elementary and Secondary School Emergency Relief (ESSER) funding totaling \$140.1 million is 90% allocated based on 2020 Title I, part A allocations and 9.5% is allocated as grants, with the remaining 0.5% available for administration. Child Nutrition Grants to States funding totaled \$160.3 million.

Compensatory Revenue

A percentage of the total compensatory revenue must be used for extended time activities. This percentage was 5.5% for 2020. For 2021 and later, this restriction was eliminated.

Special Education

Beginning for 2020, cross subsidy reduction aid was established as a new component of the special education aid formula. Cross subsidy reduction aid is a percentage of each district's initial cross subsidy for the prior fiscal year – 2.6% for 2020 and 6.43% for 2021 and later. The tuition rate paid by the resident school district for open enrolled special education students served by another district or charter school was reduced from 90% to 85% of unfunded costs for 2020 and will be reduced to 80% for 2021 and later.

For 2020, the special education aid cap was increased to the greater of the current cap or the sum of 56% of current year special education program costs plus 100% of current year special education transportation cost plus the tuition adjustment. For 2021 and later, the cap is eliminated.

Beginning in 2021, the pupil-driven portion of the initial special education aid formula will reflect 2018 data.

The special education hold harmless guarantee was limited to the sum of 90% in 2020, and will be limited to 85% in 2021, 80% in 2022, and 75% in 2023 and later, of current year special education program costs plus 100% of special transportation costs plus the tuition adjustment. The annual inflation adjustment used in the calculation of the hold harmless will be reduced by 0.2% per year from 4.4% in 2021 until the inflation adjustment reaches 2.0%.

**Minneapolis Public Schools
Special District No. 1
Legislative Summary**

Formula Adjustments in Response to COVID-19

Special education 2020 expenditures for employees and contracted services that would have been eligible for state aid in the absence of school closures due to COVID-19 must be included as eligible expenditures for the calculation of special education aid and for tuition billing, regardless of whether special education services were actually provided during the closure. State aid savings due to lower meal counts for regular school food service programs are reallocated on a per meal served basis to school providing summer food service meals between March 16, 2020 and June 30, 2020.

MDE is authorized to adjust reimbursement rate for career and technical expenditures to ensure the full expected amount of funding is distributed to schools. Expenditures for individuals who were essential personnel prior to March 13, 2020, and would have been eligible to generate revenue in the absence of school closures due to COVID-19 may be included as eligible expenditures for the calculation of revenue, regardless of whether services were actually provided during the closure.

MDE may adjust 2020 transportation expenditures used to determine future aid to ensure the full amount of transportation aid, and interdistrict desegregation or integration transportation aid is equitable amount districts.

MDE may recalculate the contact hour reimbursement rate for 2021 or otherwise adjust the formula to fully spend the estimated adult basic education aid.

Tests administered during the 2019-2020 school year are excluded from the three-year averages used in computing literacy incentive aid for fiscal years 2021, 2022, and 2023, and allows the commissions to adjust formula rates for these years to ensure total aid does not fall below the amount estimated in the February 2020 forecast.

School age care revenue for fiscal years 2020 and 2021 only, received for spending on or after March 18, 2020, continues at its approved amounts. Program funds may be reallocated consistent with the process and limitations of the fund transfer provisions in the education bill.

After-school enrichment revenue for fiscal years 2020 and 2021 only, received for spending on or after March 18, 2020, may be reallocated consistent with the process and limitations of the fund transfer provisions in the education bill.

Early childhood screening aid for fiscal years 2020 and 2021 will be calculated using the formula amounts set in statute for each age group and the 2018-2019 school year counts of children screened for each age group.

School districts may carry over any unspent achievement and integration funds from its approved budget for fiscal year 2020 into 2021. If spent for approved purposes in fiscal year 2021, the district would generate additional 2021 revenue over and above the regular formula limitations.

**Minneapolis Public Schools
Special District No. 1
Legislative Summary**

Operating Referendum and Local Option Revenue (LOR) Simplification

For fiscal year 2021, the annual recalculation of referendum allowances approved before 2014 based on the amount of LOR a district opts to receive is eliminated. \$300 per pupil unit of referendum revenue is transferred to LOR and the board approved referendum is eliminated. To ensure there is no change in revenue, aid, or levy for any district, a two-tiered levy for LOR is created; Tier 1 of LOR replaces Tier 1 of the referendum. The referendum cap is reduced by \$300 to neutralize the impact of the \$300 transfer to LOR.

Fund Transfers

Emergency Executive Order allows a school district, charter school, or cooperative unit to make operating fund and account transfers for fiscal years 2020 and 2021 for certain costs related to care, transportation, technology, and for certain community service and food service salaries and benefits. Amounts transferred must not be already assigned or encumbered by staff salary and benefits, or otherwise encumbered by federal law. Fund or account transfers must be neutral for the district and not affect aid or levy revenues. Board approval is required, and transfers must be made prior to the UFARS reporting deadline for the fiscal year.

Debt Service Relief

For fiscal year 2021, districts unable to make required debt service payments because of an anticipated delay in property tax receipts may apply for modified cash flow payments under Minnesota Statutes, section 127A.45. The Commissioner of Education may adjust the timing of IDEAS state aid payments.

Property Tax Bill

Effective for taxes payable in 2018, there will be a property tax credit on all property classified as agricultural. The credit will be equal to 40% of the tax on the property attributable to school district bonded debt levies. The credit is increased to 50% for taxes payable in 2020, 55% for taxes payable in 2021, 60% for taxes payable in 2022, and 70% for taxes payable in 2023 and thereafter. Estimated property tax relief totals \$10.9 million for pay 2020, \$18.2 million for pay 2021, and \$27.2 million for pay 2022.

Effective for 2021, the equalizing factor for tier 2 of the operating referendum was increased from \$510,000 to \$567,000. For 2021, property tax relief totals \$9.4 million.

Maximum Effort Loan Aid

Effective for 2018 through 2022, there will be payments of \$3.29 million per year made over a five year period to school districts with a maximum effort loan outstanding as of June 30, 2016 equal to the interest paid on the loan between December 1, 1990 and June 30, 2016. For districts with a capital loan outstanding as of June 30, 2017, the aid will be increased by the amount of interest paid on the loan between June 30, 2017 and June 30, 2021.

The aid must be used to reduce the current property tax levies or to finance a defeasance of future payments on outstanding bonded debt.

**Minneapolis Public Schools
Special District No. 1
Legislative Summary**

Safe Schools Supplemental Aid

Funding is contingent based on the 2019 closing balance and will be up to \$30 million. The aid was allocated among districts and charter schools based on total adjusted ADMs for 2018. The one-time aid was paid out on the October 30, 2019 IDEAS payment. Aid must be used for the same purposes as the safe schools levy.

Voluntary Prekindergarten (VPK)/School Readiness Plus

For 2020 and 2021 only, the 4,000 seats currently expiring after 2019 will continue to be funded.

Pension Bill

Augmentation has been eliminated for TRA members after December 31, 2017, and early retirement subsidies have been phased out.

Post-retirement cost of living adjustments (COLAs) have been reduced –

- 1) TRA – lowers the COLA from 2% to 1% for five years; then the rate will increase by 0.1% each year until it reaches 1.5%
- 2) PERA – the increase will be 50% of the increase for Social Security announced January 1, but not less than 0.5% or more than 1.5%
- 3) Defers commencement of COLA for early retirees

The rate of interest paid on refunds of employee contributions to former employees has been reduced from 4% to 3%. TRA required contributions have increased to 7.75% for employees effective for fiscal year 2024. Required employer contributions will increase 0.21% for fiscal year 2019 to fiscal year 2023 and 0.2% in fiscal year 2024 until a required contribution rate of 8.75% is reached.

Pension adjustment revenue will increase to match the required contribution increases.

**Minneapolis Public Schools
Special District No. 1
Emerging Issue**

Executive Summary

The following is an executive summary of financial related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant update includes:

- **Accounting Standard Update – GASB Statement No. 87 – Leases** – GASB has issued GASB Statement No. 87 relating to accounting and financial reporting for leases. This new statement establishes a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset.

The following is an extensive summary of the current update. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss this issue with you further and their applicability to your District.

Accounting Standard Update – GASB Statement No. 87 – *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract.

**Minneapolis Public Schools
Special District No. 1
Emerging Issue**

Accounting Standard Update – GASB Statement No. 87 – *Leases* (Continued)

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

GASB Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

Information provided above was obtained from www.gasb.org.

**Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota**

Financial Statements

June 30, 2020



**Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota**

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**Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota**

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**Minneapolis Public Schools
Special School District No. 1
Board of Education and Administration
June 30, 2020**

<u>Board of Education</u>	<u>Position</u>	<u>Term Expires</u>
Kim Ellison	Chair	2023
Jenny Arneson	Vice Chair	2023
Josh Pauly	Clerk	2021
Kimberly Caprini	Treasurer	2023
KerryJo Felder	Director	2021
Siad Ali	Director	2023
Ira Jourdain	Director	2021
Nelson Inz	Director	2023
Bob Walser	Director	2021
Nathaniel Genene	Student Representative	2020
<u>Administration</u>		
Ed Graff	Superintendent	
Ibrahima Diop	Chief Financial Officer	
District Offices	Special School District No. 1 Minneapolis Public Schools 1250 West Broadway Avenue Minneapolis, MN 55411 (612) 668-0000	

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special School District No. 1
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special School District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special School District No. 1, Minneapolis, Minnesota, as of June 30, 2020, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Implementation of GASB 84

As discussed in Note 12 to the financial statements, the District has adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, which follows this report letter, and the Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information identified in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information identified in the Table of Contents is the responsibility of management and was derived from and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2020, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bergan KDV Ltd.

Minneapolis, Minnesota
December 1, 2020

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

This section of the District's annual financial report presents a discussion and analysis of the District's financial performance during fiscal year ended June 30, 2020. Please read it in conjunction with the financial statements that immediately follow this section.

The MD&A is an element of required supplementary information specified in the GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999. Certain comparative information between the current year (2019-2020) and the prior year (2018-2019) is required to be presented in the MD&A.

Financial Highlights

- Total combined fund balance of all the District's governmental funds increased \$39 million, from the prior year. This net increase was due to current expenditure reduction in Administration, District Support Services, Elementary and Secondary Regular Instruction, Vocational Education Instruction, Instructional Support Services, and Special Education Instruction offset by an increase in current expenditures for Support Services over revenue. Total governmental fund revenues were \$759 million, an increase of about \$22 million over the prior year total of \$737 million. Revenue from property taxes increased while revenue from state sources decreased from prior year. Property taxes increased by \$36 million or 4.2% primarily due to the referendum, increased property values, and other inflationary factors. State revenues decreased by \$6 million in the general fund primarily due to decreases in enrollment.
- Total governmental fund expenditures were \$814 million, down \$13 million, or a decrease of 1.6% from the prior year. This decrease is primarily related to a decrease of \$8.0 million related to District Support Services and a decrease of \$9.2 million related to capital outlay. Total current expenditures decreased by 2.4% or \$16.7 million. Specifically, current expenditures by program decreased in the following programs: District Support Services by \$8 million or 28%, and Sites and Buildings by \$0.5 million or 1%. Additionally, current expenditures increased in the following programs: Administration by \$1.1 million or 8%, Elementary and Secondary Regular Instruction by \$14.7 million or 6%, Vocational Education by \$0.1 million or 3%, Instructional Support Services by \$1 million or 2%, Special Education Instruction by \$0.1 million or <0.01%, Pupil Support Services by \$1.3 million or 2%.

Overview of the Financial Statements

The financial section of the annual report consists of four parts: Independent Auditor's Report, required supplementary information, including the MD&A, the basic financial statements, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are **government-wide financial statements** that provide both *short-term* and *long-term* information about the District's *overall* financial status.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Overview of the Financial Statements (Continued)

- The remaining statements are **fund financial statements** that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements.
- **Governmental funds statements** tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- **Proprietary funds statements** *offer short-term and long-term financial information about the District's self-insured risk management activities.*
- **Fiduciary funds statements** provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are shown in one category:

- **Governmental Activities** – Most of the District's basic services are included here, such as regular and special education, transportation, administration, food services, and community education. Property taxes and state aids finance most of these activities.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Overview of the Financial Statements (Continued)

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District may establish other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has three kinds of funds:

- **Governmental Funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information (reconciliation schedules) immediately following the governmental funds statements that explain the relationship (or differences) between these two types of financial statement presentations.
- **Proprietary Fund - Internal Service Fund** – Used to report activities that provide supplies and services for the District's other programs and activities. The District currently has one internal service fund for self-insurance of worker's compensation, property and liability, as well as accumulating and recording the liability for accrued compensated absences (severance and vacation) and health insurance benefits for eligible employees upon retirement.
- **Fiduciary Fund** – The District is the trustee, or *fiduciary*, for assets that belong to others, such as assets held in trust for post-employment benefits. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes, and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Financial Analysis of the District as A Whole

Net Position

The District's *combined* net position was negative \$766 million on June 30, 2020. This was a change of 0.44% from the prior year (see Table A-1).

**Table A-1
The District's Net Position**

	Primary Government		Percentage Change
	Governmental Activities		
	2020	2019	
Current and other assets	\$ 726,081,160	\$ 684,785,667	6.03%
Capital assets	765,008,459	743,141,635	2.94%
Total assets	<u>1,491,089,619</u>	<u>1,427,927,302</u>	4.42%
Deferred outflows of resources	<u>574,402,160</u>	<u>848,937,203</u>	-32.34%
Total assets and deferred outflows of resources	<u><u>2,065,491,779</u></u>	<u><u>2,276,864,505</u></u>	-9.28%
Current liabilities	148,673,900	150,930,294	-1.49%
Long-term liabilities	1,482,453,089	1,494,600,843	-0.81%
Total liabilities	<u><u>1,631,126,989</u></u>	<u><u>1,645,531,137</u></u>	-0.88%
Deferred inflows of resources	<u><u>1,200,218,874</u></u>	<u><u>1,400,579,068</u></u>	-14.31%
Net position			
Net investment in capital assets	152,437,418	154,921,449	-1.60%
Restricted	47,574,870	39,223,672	21.29%
Unrestricted	<u>(965,866,372)</u>	<u>(963,390,821)</u>	-0.26%
Total net position	<u><u>\$ (765,854,084)</u></u>	<u><u>\$ (769,245,700)</u></u>	0.44%

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts.

The District's increase in current and other assets is due to increase in cash and investments because of a reduction to general fund expenditures as well as unspent bond proceeds for building construction. The District's decrease in total liabilities is due to reduction in long-term liabilities due in more than one year. The pension related liability decreased from the prior year by approximately \$14 million.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Financial Analysis of the District as A Whole (Continued)

Changes in Net Position

The District's *government-wide* total revenues were approximately \$760 million for the year ended June 30, 2020. Property taxes and unrestricted state aid accounted for 72% of total revenue for the year. An additional 1% came from other general revenues, and the remaining 27% from program revenues (Table A-2).

**Table A-2
Change in Net Position**

Revenues	Primary Government		Percentage Change
	Governmental Activities for the		
	Fiscal Year Ended June 30,		
	2020	2019	
Program revenues			
Charges for services	\$ 15,265,473	\$ 17,977,106	-15.08%
Operating grants and contributions	174,224,653	175,750,568	-0.87%
Capital grants and contributions	11,000,000	11,110,000	-0.99%
General revenues			
Property taxes	237,462,421	201,585,331	17.80%
State formula aid	311,877,276	287,017,586	8.66%
Other	10,468,420	13,541,169	-22.69%
Total revenues	<u>760,298,243</u>	<u>706,981,760</u>	7.54%
Expenses			
District and school administration	\$ 16,864,097	\$ 5,475,381	208.00%
District support services	19,824,078	27,778,362	-28.63%
Regular instruction	309,850,944	123,939,300	150.00%
Vocational instruction	5,068,728	1,742,583	190.87%
Special education instruction	118,877,734	57,885,398	105.37%
Instructional support services	45,584,282	29,676,916	53.60%
Pupil support services	73,028,360	56,404,314	29.47%
Sites, buildings, and equipment	87,021,218	96,270,486	-9.61%
Fiscal and other fixed cost programs	932,903	688,012	35.59%
Food service	22,816,700	22,948,092	-0.57%
Community education and services	31,916,490	27,107,793	17.74%
Interest and fiscal charges on long-term debt	25,816,996	25,003,650	3.25%
Total expenses	<u>757,602,530</u>	<u>474,920,287</u>	59.52%
Change in net position	2,695,713	232,061,473	-98.84%
Change in accounting principle (GASB 84)	695,903	-	N/A
Net position - beginning	<u>(768,549,797)</u>	<u>(1,001,307,173)</u>	
Net position - ending	<u>\$ (765,854,084)</u>	<u>\$ (769,245,700)</u>	-0.44%

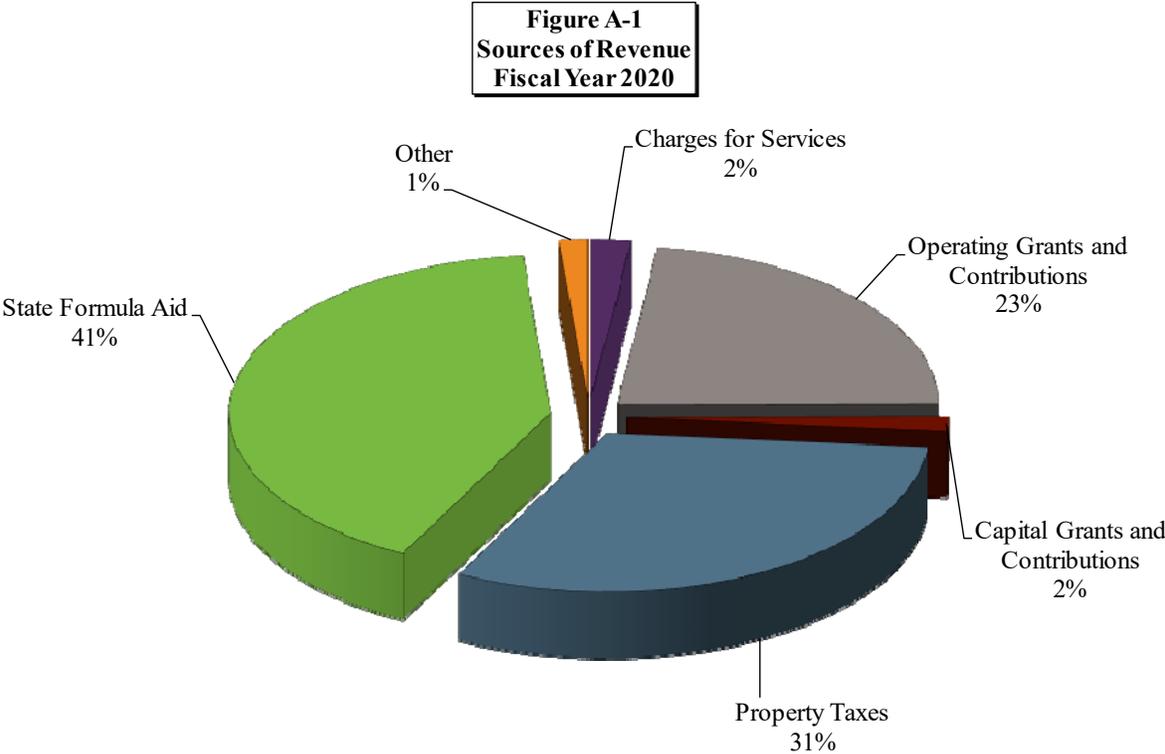
**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Financial Analysis of the District as A Whole (Continued)

Total cost of all programs and services was \$758 million in fiscal 2020. District expenses were primarily related to educating and caring for students (74%). The District's Community and Nutritional Service programs accounted for 3% of expenses while facility maintenance totaled 11% and fiscal/other fixed cost expenses totaled 3%. Community Education and Services accounted for 4% of expenses. District and School Administration and District Support Services accounted for 5% of total expenses during fiscal 2020. (see Figure A-2 on next page).

The cost of all *governmental* activities this year was \$758 million.

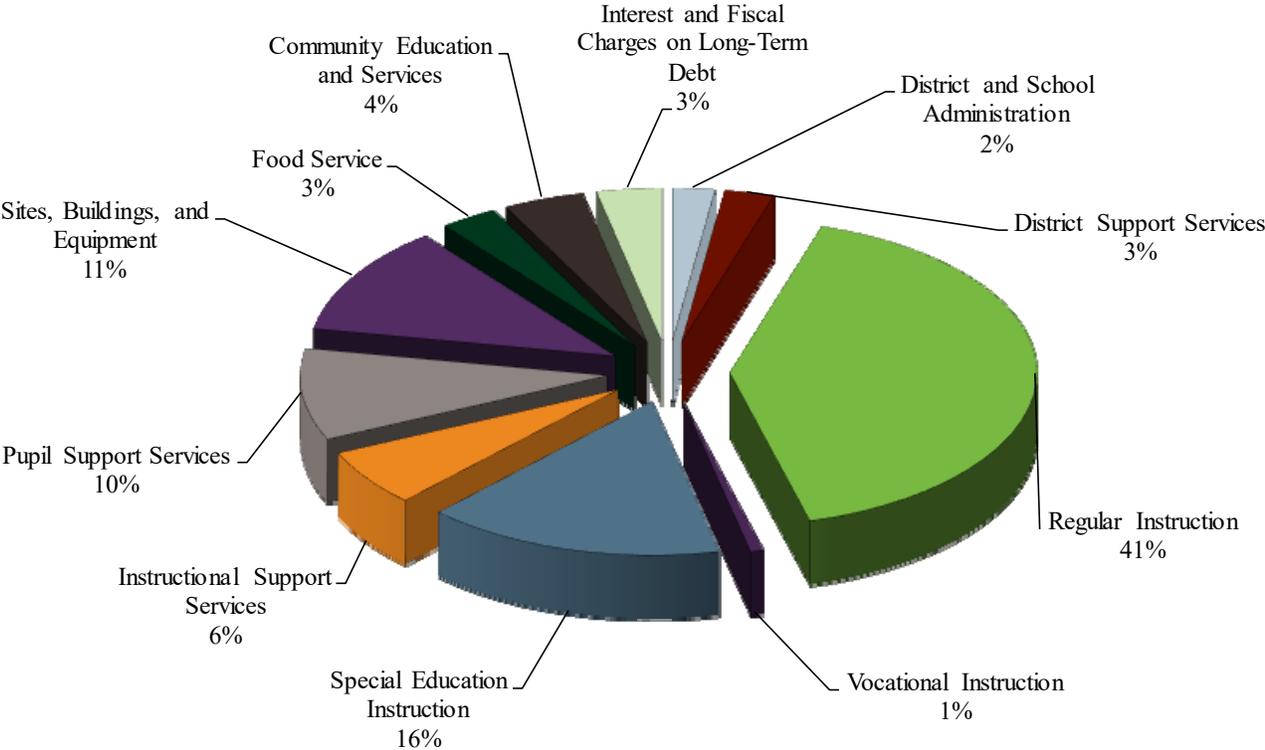
- Some of the costs were paid by the users of the District's programs (Table A-2 previous page, Charges for Services, \$15 million).
- The federal and state governments subsidized certain programs with grants and contributions (Table A-2, Operating and Capital Grants and Contributions, \$185 million).
- Most of the District's costs were paid for with local property taxes of \$237 million, unrestricted state aid of \$312 million, and other general revenues of \$10 million.



**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Financial Analysis of the District as A Whole (Continued)

**Figure A-2
Expenses
Fiscal Year 2020**



Governmental funds include not only funds received for the general operation of the District but also include resources from the entrepreneurial-type funds of Food Service and Community Education, and from resources for fiscal service transactions. Funding for the general operation of the District is controlled by the state and the District does not have the latitude to allocate money received in Food Service or Community Education or for fiscal services to enhance general operation resources, (Figure A-2) shown on the previous page, therefore, the District does not include Special Revenue Funds (Food & Community Services) as a component of the general operation of the District, since the District cannot take funds from these restricted areas and use the funds to enhance instruction-related programs.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Financial Analysis of the District as A Whole (Continued)

**Table A-3
Primary Government Cost and Net Cost of Services**

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2020	2019		2020	2019	
Administration	\$ 16,864,097	\$ 5,475,381	208.00%	\$ 16,864,097	\$5,475,381	208.00%
District Support Services	19,824,078	27,778,362	-28.63%	19,032,571	26,711,483	-28.75%
Elementary and Secondary Regular Instruction	309,850,944	123,939,300	150.00%	254,538,527	68,265,481	272.87%
Vocational Education Instruction	5,068,728	1,742,583	190.87%	4,363,350	1,199,151	263.87%
Special Education Instruction	118,877,734	57,885,398	105.37%	40,594,476	(21,543,296)	-288.43%
Instructional Support Services	45,584,282	29,676,916	53.60%	43,400,465	27,151,826	59.84%
Pupil Support Services	73,028,360	56,404,314	29.47%	69,993,540	52,149,248	34.22%
Sites and Buildings	87,021,218	96,270,486	-9.61%	73,360,948	82,189,557	-10.74%
Fiscal and Other Fixed Cost Programs	932,903	688,012	35.59%	932,903	(1,136,759)	-182.07%
Food Service	22,816,700	22,948,092	-0.57%	(860,035)	1,639,621	-152.45%
Community Education and Services	31,916,490	27,107,793	17.74%	9,074,566	2,977,270	204.79%
Interest and Fiscal Charges						
On long-term debt/depreciation	25,816,996	25,003,650	3.25%	25,816,996	25,003,650	3.25%
Total	<u>\$ 757,602,530</u>	<u>\$ 474,920,287</u>	59.52%	<u>\$557,112,404</u>	<u>\$ 270,082,613</u>	106.27%

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$379 million, or a \$39 million increase over last year. The increase is primarily attributable to reduced expenditures in the general fund as well as increased revenues over expenditures in the debt service fund.

The District's governmental funds reported total expenditures of \$814 million and total revenues of \$759 million. Based on these results, fund balance would have decreased by \$55 million. The District issued bonds that along with their associated premium proved \$92 million in other available resources. These other sources of financing along with revenue exceeded expenditures in the general fund resulted in an overall increase to the *combined* fund balance of \$39 million from the prior year.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

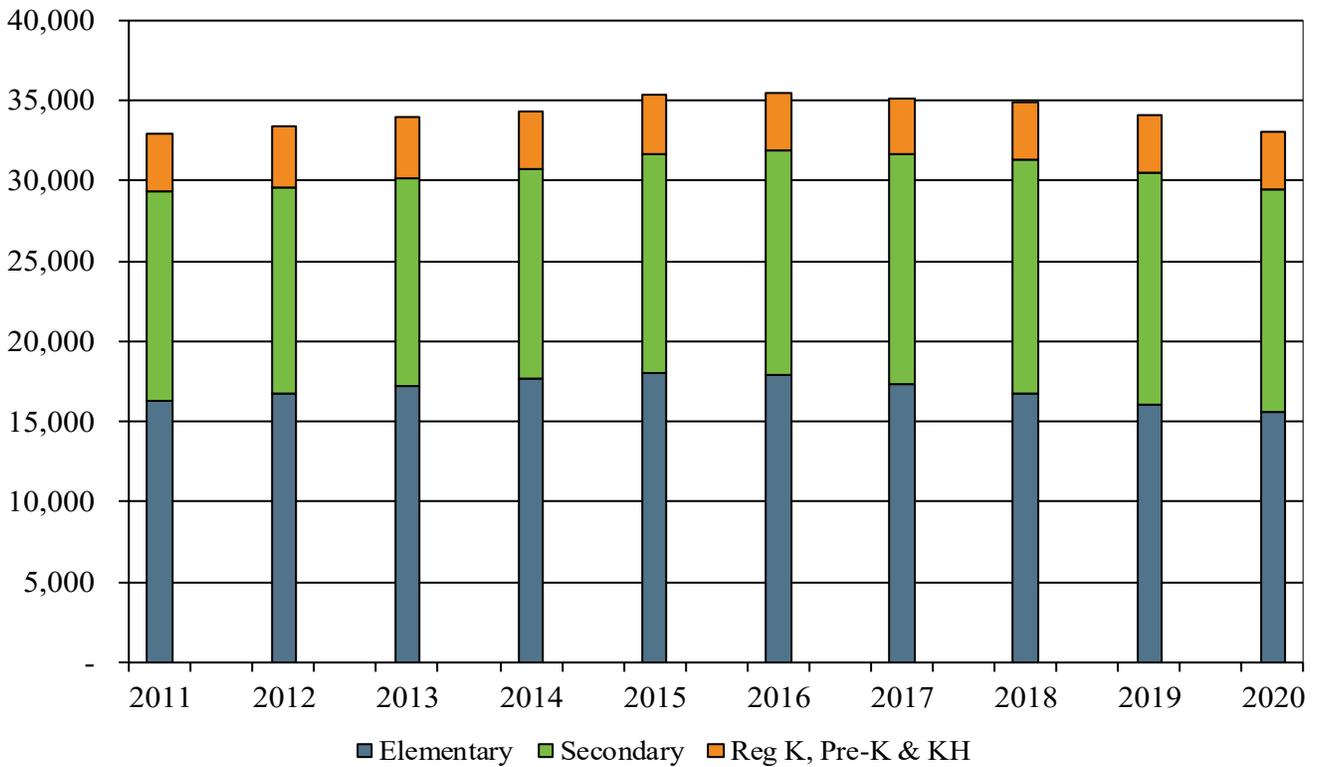
Enrollment

Enrollment is a critical factor in determining revenue. The following chart shows that the number of students has decreased over each of the past four years. There was a decrease in enrollment over the last year of -2.94%.

**Table A-4
Student Enrollment (Average Daily Membership)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Reg K, Pre-K & KH	3,656	3,728	3,789	3,582	3,682	3,587	3,516	3,556	3,508	3,537
Elementary	16,236	16,725	17,218	17,643	17,964	17,866	17,319	16,768	16,098	15,570
Secondary	13,087	12,878	12,985	13,086	13,740	14,019	14,311	14,517	14,444	13,943
Total students for aid	<u>32,979</u>	<u>33,331</u>	<u>33,992</u>	<u>34,311</u>	<u>35,386</u>	<u>35,472</u>	<u>35,146</u>	<u>34,841</u>	<u>34,050</u>	<u>33,050</u>
Percentage change		1.07%	1.98%	0.94%	3.13%	0.24%	-0.92%	-0.87%	-2.27%	-2.94%

**Figure A-3
Student Enrollment
(Average Daily Membership)**



**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

General Fund

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through grade 12. Special Education serves students from birth to 21. The General Fund also includes pupil transportation activities and capital outlay projects. The following schedule presents a summary of General Fund Revenue.

**Table A-5
General Fund Revenues**

	Year Ended June 30, 2020		Increase (Decrease)	Percentage Change
	2020	2019		
Local sources				
Property taxes	\$ 151,392,761	\$ 114,084,818	\$ 37,307,943	32.70%
Earnings on investments	2,955,530	4,027,302	(1,071,772)	-26.61%
Other	13,088,878	13,000,415	88,463	0.68%
State sources	400,306,331	406,906,740	(6,600,409)	-1.62%
Federal sources	39,941,226	42,269,350	(2,328,124)	-5.51%
Sales and other conversion of assets	159,552	8,263	151,289	1830.92%
 Total	 <u>\$ 607,844,278</u>	 <u>\$ 580,296,888</u>	 <u>\$ 27,547,390</u>	 4.75%

General Fund revenue increased by \$28 million or 4.75%, from the previous year.

Revenue increased in fiscal year 2020 primarily due to increased property tax collections offset slightly by a decrease in revenues related to the enrollment decrease.

General Fund Revenue is received in three major categories. In summary, the three categories are:

1. State Education Finance Appropriations
 - A. General Education Aid – The largest share of the education finance appropriation, general education aid, is intended to provide the basic financial support for the education program and is enrollment driven.
 - B. Categorical Aids – Categorical revenue formulas are used to meet costs of that program (i.e., special education) or promote certain types of programs (i.e., career and technical aid).
2. State Paid Property Tax Levies Credits

The largest share of the levy is from voter-approved levies: the excess operating referendum, which is also enrollment driven. Property tax credits reduce the amount of property taxes paid. To make up for this reduction, the state pays the difference between what was levied in property taxes and what is received in property taxes to school districts and other taxing districts.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

General Fund (Continued)

3. Federal Sources

The largest source of federal funding are those received under the 1965 Elementary and Secondary Education Act as reauthorized as the Every Student Succeeds Act (ESSA) in December of 2015, replacing the No Child Left Behind Act (NCLB). It is one of the United States Federal Government's largest assistance programs for schools.

The following schedule presents a summary of General Fund Expenditures.

**Table A-6
General Fund Expenditures**

	Year Ended June 30, 2020		Increase (Decrease)	Percentage Change
	2020	2019		
Salaries	\$ 360,017,028	\$ 349,193,057	\$ 10,823,971	3.10%
Employee benefits	128,863,301	123,267,351	5,595,950	4.54%
Purchased services	68,005,925	72,272,396	(4,266,471)	-5.90%
Supplies and materials	15,178,147	16,952,516	(1,774,369)	-10.47%
Capital expenditures	1,201,581	1,838,857	(637,276)	-34.66%
Other expenditures	4,078,238	4,438,929	(360,691)	-8.13%
 Total	 <u>\$ 577,344,220</u>	 <u>\$ 567,963,106</u>	 <u>\$ 9,381,114</u>	 1.65%

Total General Fund expenditures increased by \$9 million or 1.65% from the previous year.

General Fund salaries and benefits increased \$16 million combined for the year. Purchased services, supplies, capital expenditures, and other expenditures all saw decreases from FY19 largely due to the impact of the COVID-19 pandemic.

Debt Service Fund

The Debt Service Fund had excess revenues over expenditures of \$4 million, ending with a fund balance of \$42 million.

Other Non Major Funds

Revenues exceeded expenditures by about \$0.7 million in the Food Service Fund and resulted in an increase to fund balance bringing the total fund balance to \$3.3 million. In the Community Service Fund, expenditures exceeded revenues by about \$2.8 million, resulting in an ending fund balance of about \$5.2 million. The Post-Employment Benefits Debt Services funds saw revenues exceeding expenditures by about \$0.1 million, resulting in an ending fund balance of about \$0.3 million.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Capital Asset And Debt Administration

Capital Assets

By the end of 2020, the District had invested approximately \$765 million (net of accumulated depreciation) in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices (see Table A-7). More detailed information about capital assets can be found in Note 3 to the financial statements. Total depreciation expense for the year totaled approximately \$29 million.

**Table A-7
Capital Assets (Net of Depreciation)**

	2020	2019	Percentage Change
Land and construction in progress	\$ 143,829,791	\$ 190,447,173	-24.48%
Other capital assets	621,188,668	552,694,462	12.39%
Total	<u>\$ 765,018,459</u>	<u>\$ 743,141,635</u>	2.94%

General Fund Budgetary Highlights

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America for the General, Food Service, Community Service, Debt Service, and Capital Projects funds. All annual unencumbered appropriations lapse at fiscal year-end.

In accordance with state statute, the Board of Education adopts the various fund budgets by June 30 of the preceding fiscal year. Over the course of the fiscal year, the Board adopts amendments to the budgets for reinstating prior-year unspent school and department budgets, and increases in appropriations for significant unbudgeted costs.

Factors Bearing on the District's Future

The general education program is the method by which school districts receive the majority of their financial support. The basic general education formula allowance for Minnesota school districts increased slightly in fiscal year 2020 to \$6,438 per pupil or 2% from the prior year. With significant union contracts, mandatory compliance cost, uncertain political environment and growing demand on limited resources continue to present challenges in funding education for Minnesota schools.

**Minneapolis Public Schools
Special School District No. 1
Management's Discussion and Analysis**

Factors Bearing on the District's Future (Continued)

During fiscal year 2017, the District's Executive Leadership proposed to the Board of Education priorities, which focused on four core areas. The areas of focus include four priorities (Equity, Literacy, Social Emotional Learning and Multi- Tiered System of Supports). The plan is bold, ambitious and seeks to address the disparity gap that exists in Minneapolis Public Schools. Specifically, this plan calls for the following:

- All children are ready to start kindergarten.
- All third-graders can read at grade level.
- All achievement gaps between students are closed.
- All students are ready for career and/or post-secondary education.
- All students graduate from high school

These targets have been set to reignite a sense of urgency in the system and ensure that everyone is operating with a growth mindset.

In April 2019, the District went public with a Comprehensive District Design intended to ensure that all Minneapolis Public Schools graduates have a well-rounded education as defined by the federal Every Student Succeeds Act (ESSA). The Board formally approved the CDD in May 2020 for school changes to be implemented in September 2021.

Beginning in March 2020, district operations were significantly impacted by COVID-19. At first, the pandemic presented challenges including how to provide educational services to students in remote environment. Prior to COVID-19, MPS was not a 1:1 device district. Previous investments in technology allowed for a relatively smooth transition to the work-from-home and social-distance learning environment. The long-term impact of the pandemic has yet to be fully realized.

Request For Information

This financial report is designed to provide citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the money it receives. Additional details can be requested by mail at the following address:

Minneapolis Public Schools
Finance Department
1250 West Broadway Avenue
Minneapolis, Minnesota 55411
Or visit our website at <http://www.mpls.k12.mn.us>

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BASIC FINANCIAL STATEMENTS

**Minneapolis Public Schools
Special School District No. 1
Statement of Net Position
June 30, 2020**

	Governmental Activities
Assets	
Cash and investments	\$ 500,220,212
Cash and investments held by trustee	32,190,590
Receivables	
Property taxes	125,123,483
Other governments	62,859,931
Other	1,545,668
Prepaid items	2,381,435
Inventory	1,759,841
Capital assets	
Land and construction in progress	143,829,791
Other capital asset, net of depreciation	621,178,668
Total assets	1,491,089,619
Deferred Outflows of Resources	
Deferred outflows related to OPEB	754,859
Deferred outflows related to pensions	573,647,301
Total deferred outflows of resources	574,402,160
Total assets and deferred outflows of resources	\$ 2,065,491,779
Liabilities	
Salaries and compensated absences payable	\$ 44,382,316
Accounts and contracts payable	19,647,050
Accrued interest	13,509,038
Due to other governmental units	1,945
Unearned revenue	1,499,366
Long-term liabilities	
Portion due within one year	69,634,185
Portion due in more than one year	1,482,453,089
Total liabilities	1,631,126,989
Deferred Inflows of Resources	
Property taxes levied for subsequent year's expenditures	209,301,458
Deferred charge on refunding	456,479
Deferred inflows related to OPEB	30,634,016
Deferred inflows related to pensions	959,826,921
Total deferred inflows of resources	1,200,218,874
Net Position	
Net investment in capital assets	152,437,418
Restricted for	
General Fund state-mandated reserves	9,593,882
Food service	3,302,827
Community service	5,249,745
Debt service	29,428,416
Unrestricted	(965,866,372)
Total net position	(765,854,084)
Total liabilities, deferred inflows of resources, and net position	\$ 2,065,491,779

See notes to financial statements.

**Minneapolis Public Schools
Special School District No. 1
Statement of Activities
Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Administration	\$ 16,864,097	\$ -	\$ -	\$ -	\$ (16,864,097)
District support services	19,824,078	-	791,507	-	(19,032,571)
Elementary and secondary regular instruction	309,850,944	1,011,084	54,301,333	-	(254,538,527)
Vocational education instruction	5,068,728	-	705,378	-	(4,363,350)
Special education instruction	118,877,734	3,977,209	74,306,049	-	(40,594,476)
Instructional support services	45,584,282	70,734	2,113,083	-	(43,400,465)
Pupil support services	73,028,360	39,495	2,995,325	-	(69,993,540)
Sites and buildings	87,021,218	1,490,754	1,169,516	11,000,000	(73,360,948)
Fiscal and other fixed cost programs	932,903	-	-	-	(932,903)
Food service	22,816,700	2,144,670	21,532,065	-	860,035
Community education and services	31,916,490	6,531,527	16,310,397	-	(9,074,566)
Interest and fiscal charges on long-term debt	25,816,996	-	-	-	(25,816,996)
Total governmental activities	\$ 757,602,530	\$ 15,265,473	\$ 174,224,653	\$ 11,000,000	(557,112,404)
General revenues					
Taxes					
Property taxes, levied for general purposes					151,288,101
Property taxes, levied for community service					5,483,503
Property taxes, levied for debt service					80,690,817
State aid not restricted to specific purposes					311,877,276
Earnings on investments					10,449,655
Gain on sale of capital assets					18,765
Total general revenues					<u>559,808,117</u>
Change in net position					2,695,713
Net position - beginning					<u>(769,245,700)</u>
Change in accounting principle (see Note 13)					695,903
Net position - beginning, as restated					<u>(768,549,797)</u>
Net position - ending					<u>\$ (765,854,084)</u>

**Minneapolis Public Schools
Special School District No. 1
Balance Sheet - Governmental Funds
June 30, 2020**

	Major Funds				Total Governmental Funds
	General	Capital Project- Building Construction	Debt Service	Other Nonmajor Funds	
Assets					
Cash and investments	\$ 146,432,589	\$ 229,145,567	\$ 47,789,557	\$ 7,832,517	\$ 431,200,230
Cash and investments held by trustee	-	-	31,464,640	-	31,464,640
Receivables					
Current property taxes receivable	75,269,229	-	43,495,605	4,216,383	122,981,217
Delinquent property taxes receivable	1,319,640	-	758,333	64,293	2,142,266
Due from other Minnesota school districts	-	-	-	202	202
Due from Minnesota Department of Education	39,593,455	-	1,126,197	1,918,333	42,637,985
Due from Federal Government through Minnesota Department of Education	11,675,149	-	361,425	5,562,807	17,599,381
Due from Federal Government received directly	795,697	-	-	91,161	886,858
Due from other governmental units	1,735,505	-	-	-	1,735,505
Other receivables	1,150,373	-	4,602	82,449	1,237,424
Due from other funds	2,265,649	-	-	-	2,265,649
Prepaid items	1,125,000	917,052	-	-	2,042,052
Inventory	144,376	-	-	1,615,465	1,759,841
Total assets	\$ 281,506,662	\$ 230,062,619	\$ 125,000,359	\$ 21,383,610	\$ 657,953,250
Liabilities					
Salaries and compensated absences payable	\$ 37,197,429	\$ 401,300	\$ -	\$ 505,153	\$ 38,103,882
Payroll deductions and employer contributions payable	6,278,434	-	-	-	6,278,434
Accounts and contracts payable	9,564,204	8,784,991	-	1,293,645	19,642,840
Due to other governmental units	1,231	-	-	714	1,945
Due to other funds	-	-	-	2,265,649	2,265,649
Unearned revenue	989,639	-	-	509,727	1,499,366
Total liabilities	54,030,937	9,186,291	-	4,574,888	67,792,116
Deferred Inflows of Resources					
Property taxes levied for subsequent year's expenditures	118,982,403	-	82,348,704	7,970,351	209,301,458
Unavailable revenue - delinquent property taxes	1,319,640	-	758,333	64,293	2,142,266
Total deferred inflows of resources	120,302,043	-	83,107,037	8,034,644	211,443,724
Fund Balances					
Nonspendable					
Prepaid items	1,125,000	917,052	-	-	2,042,052
Inventory	144,376	-	-	1,615,465	1,759,841
Restricted for					
Student activities	725,174	-	-	-	725,174
Area learning center	1,421,247	-	-	-	1,421,247
Graduation standards - gifted and talented	466,385	-	-	-	466,385
Achievement and integration	2,927,601	-	-	-	2,927,601
Long-term facilities maintenance	160,765	118,839,677	-	-	119,000,442
Community education programs	-	-	-	1,927,253	1,927,253
Basic skills extended time	2,792,710	-	-	-	2,792,710
Early childhood and family educations programs	-	-	-	353,624	353,624
School readiness	-	-	-	1,793,073	1,793,073
Adult basic education	-	-	-	702,422	702,422
QSCB/QZAB	-	-	28,264,217	-	28,264,217
Building construction	-	101,119,599	-	-	101,119,599
Other purposes	1,100,000	-	13,629,105	2,382,241	17,111,346
Assigned	43,737,399	-	-	-	43,737,399
Unassigned	52,573,025	-	-	-	52,573,025
Total fund balances	107,173,682	220,876,328	41,893,322	8,774,078	378,717,410
Total liabilities, deferred inflows of resources, and fund balances	\$ 281,506,662	\$ 230,062,619	\$ 125,000,359	\$ 21,383,610	\$ 657,953,250

**Minneapolis Public Schools
Special School District No. 1
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2020**

Total fund balances - governmental funds \$ 378,717,410

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.

Land	35,446,301
Construction in progress	108,383,490
Buildings and improvements, net of accumulated depreciation	610,657,549
Equipment, net of accumulated depreciation	10,521,119

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bond principal payable	(530,255,000)
Unamortized bond premiums and discounts	(78,155,890)
Certificate of participation payable	(228,975,000)
Net other post employment benefit liability	(38,368,418)
Net pension liability	(627,993,100)
Deferred charge on refunding	(456,479)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.

Deferred outflows related to pensions	573,647,301
Deferred inflows related to pensions	(959,826,921)

Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to OPEB that are not recognized in the governmental funds.

Deferred outflows related to OPEB	754,859
Deferred inflows related to OPEB	(30,634,016)

Governmental funds do not report a liability for accrued interest on bonds and certificates of participation until due and payable.

(13,509,038)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.

2,142,266

Internal service funds are used by management to charge the cost of workers compensation and general liability insurance to individual funds, as well as severance benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

Internal service fund net position	22,049,483
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Total net position - governmental activities

\$ (765,854,084)

**Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2020**

	Major Funds			Other Nonmajor Funds	Total Governmental Funds
	General	Capital Project- Building Construction	Debt Service		
Revenues					
Local sources					
Property taxes	\$ 151,392,761	\$ -	\$ 78,460,445	\$ 7,835,730	\$ 237,688,936
Earnings on investments	2,955,530	3,098,763	3,151,318	141,150	9,346,761
Other	13,248,430	512,338	421	7,222,573	20,983,762
Revenue from state sources	400,306,331	-	11,261,934	14,823,963	426,392,228
Revenue from federal sources	39,941,226	-	361,425	22,367,701	62,670,352
Sales and other conversion of assets	-	-	-	2,144,670	2,144,670
Total revenues	<u>607,844,278</u>	<u>3,611,101</u>	<u>93,235,543</u>	<u>54,535,787</u>	<u>759,226,709</u>
Expenditures					
Current					
Administration	15,207,556	-	-	-	15,207,556
District support services	20,382,355	-	-	-	20,382,355
Elementary and secondary regular instruction	273,196,985	-	-	-	273,196,985
Vocational education instruction	4,620,367	-	-	-	4,620,367
Special education instruction	114,972,663	-	-	-	114,972,663
Instructional support services	43,973,545	-	-	-	43,973,545
Pupil support services	69,626,854	-	-	-	69,626,854
Sites and buildings	33,229,408	31,908,189	-	-	65,137,597
Fiscal and other fixed cost programs	932,903	-	-	-	932,903
Food service	-	-	-	22,866,971	22,866,971
Community education and services	-	-	-	31,181,411	31,181,411
Capital outlay					
Administration	2,962	-	-	-	2,962
District support services	2,086	-	-	-	2,086
Elementary and secondary regular instruction	234,052	-	-	-	234,052
Vocational education instruction	92,363	-	-	-	92,363
Special education instruction	35	-	-	-	35
Instructional support services	29,998	-	-	-	29,998
Pupil support services	391,865	-	-	-	391,865
Sites and buildings	448,223	59,050,745	-	-	59,498,968
Food service	-	-	-	88,505	88,505
Community education and services	-	-	-	50,591	50,591
Debt service					
Principal	-	-	56,155,000	2,130,000	58,285,000
Interest and fiscal charges	-	108,478	32,680,877	130,500	32,919,855
Total expenditures	<u>577,344,220</u>	<u>91,067,412</u>	<u>88,835,877</u>	<u>56,447,978</u>	<u>813,695,487</u>
Excess of revenues over (under) expenditures	30,500,058	(87,456,311)	4,399,666	(1,912,191)	(54,468,778)
Other Financing Sources (Uses)					
Proceeds from sale of capital assets	18,765	-	-	-	18,765
Bond issuance	1,100,000	76,972,519	6,147,481	-	84,220,000
Bond premium	-	14,931,237	-	-	14,931,237
Payment to refunded bond escrow agent	-	-	(6,095,000)	-	(6,095,000)
Transfers in	-	-	3,197,268	-	3,197,268
Transfers out	-	(3,197,268)	-	-	(3,197,268)
Total other financing sources (uses)	<u>1,118,765</u>	<u>88,706,488</u>	<u>3,249,749</u>	<u>-</u>	<u>93,075,002</u>
Net change in fund balances	31,618,823	1,250,177	7,649,415	(1,912,191)	38,606,224
Fund Balances					
Beginning of year	<u>74,858,956</u>	<u>219,626,151</u>	<u>34,243,907</u>	<u>10,686,269</u>	<u>339,415,283</u>
Change in accounting principle (see Note 13)	<u>695,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>695,903</u>
Beginning of year restated	<u>75,554,859</u>	<u>219,626,151</u>	<u>34,243,907</u>	<u>10,686,269</u>	<u>340,111,186</u>
End of year	<u>\$ 107,173,682</u>	<u>\$ 220,876,328</u>	<u>\$ 41,893,322</u>	<u>\$ 8,774,078</u>	<u>\$ 378,717,410</u>

See notes to financial statements.

**Minneapolis Public Schools
Special School District No. 1
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2020**

Net change in fund balances - total governmental funds \$ 38,606,224

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

Capital asset additions	50,722,884
Depreciation expense	(28,856,060)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities and repayment of principal reduces the liability. Also, governmental funds report the effect of discounts and premium when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the Statement of Activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	(54,835,000)
Long-term facility maintenance proceeds	(29,385,000)
Bond premium	(14,931,237)
Repayment of certificates of participation payable	21,625,000
Repayment of bond principal	36,660,000
Refunding payment to bond escrow agent	6,095,000
Change in accrued interest expense	(173,135)
Amortization of bond premiums and discounts	7,205,681
Amortization of deferred charge on refunding	70,313

Internal service funds are used by the District to charge the costs of employee health and dental benefits to individual funds. The net revenue (loss) of the internal service funds is reported with governmental activities. 12,340,743

Net other post employment benefit liabilities are recognized as paid in the governmental funds but recognized as the expense is incurred in the Statement of Activities. (948,447)

Governmental funds recognize pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.
Pension expense (41,274,738)

Delinquent property taxes receivable will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds. (226,515)

Change in net position - governmental activities \$ 2,695,713

**Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local sources				
Local property taxes	\$ 149,699,526	\$ 149,699,526	\$ 151,392,761	\$ 1,693,235
Earnings on investments	3,000,000	3,000,000	2,955,530	(44,470)
Other local and county revenues	24,657,339	12,504,532	13,088,878	584,346
Revenue from state sources	400,733,366	395,225,444	400,306,331	5,080,887
Revenue from federal sources	52,239,553	48,978,562	39,941,226	(9,037,336)
Sales and other conversion of assets	-	16,127	159,552	143,425
Total revenues	<u>630,329,784</u>	<u>609,424,191</u>	<u>607,844,278</u>	<u>(1,579,913)</u>
Expenditures				
Current				
Administration	26,576,081	16,198,254	15,207,556	(990,698)
District support services	32,856,419	28,913,243	20,382,355	(8,530,888)
Elementary and secondary regular instruction	290,652,895	293,087,040	273,196,985	(19,890,055)
Vocational education instruction	4,609,727	4,755,380	4,620,367	(135,013)
Special education instruction	124,954,707	122,682,486	114,972,663	(7,709,823)
Instructional support services	43,713,285	44,728,934	43,973,545	(755,389)
Pupil support services	66,330,666	66,114,148	69,626,854	3,512,706
Sites and buildings	37,040,062	36,875,899	33,229,408	(3,646,491)
Fiscal and other fixed cost programs	4,348,912	1,105,075	932,903	(172,172)
Capital outlay				
Administration	1,500	4,622	2,962	(1,660)
District support services	5,000	5,636	2,086	(3,550)
Elementary and secondary regular instruction	111,597	277,756	234,052	(43,704)
Vocational education instruction	-	83,650	92,363	8,713
Special education instruction	-	36	35	(1)
Instructional support services	-	23,694	29,998	6,304
Pupil support services	223,490	1,817,340	391,865	(1,425,475)
Sites and buildings	768,358	613,913	448,223	(165,690)
Total expenditures	<u>632,192,699</u>	<u>617,287,106</u>	<u>577,344,220</u>	<u>(39,942,886)</u>
Excess of revenues over (under) expenditures	<u>(1,862,915)</u>	<u>(7,862,915)</u>	30,500,058	<u>38,362,973</u>
Other Financing Sources				
Proceeds from sale of capital assets	-	-	18,765	18,765
Bond issuance	-	-	1,100,000	1,100,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>1,118,765</u>	<u>1,118,765</u>
Net change in fund balance	<u>\$ (1,862,915)</u>	<u>\$ (7,862,915)</u>	31,618,823	<u>\$ 39,481,738</u>
Fund Balance				
Beginning of Year, as Previously Stated			<u>74,858,956</u>	
Change in accounting principle (see Note 13)			<u>695,903</u>	
Beginning of year			<u>75,554,859</u>	
End of year			<u>\$ 107,173,682</u>	
See notes to financial statements.				

**Minneapolis Public Schools
Special District No. 1
Statement of Net Position - Proprietary Fund
Internal Service Fund
June 30, 2020**

Assets

Current assets	
Cash and cash equivalents	\$ 69,019,982
Cash with fiscal agent	725,950
Accounts receivable	308,244
Prepaid items	<u>339,383</u>
Total assets	<u><u>\$ 70,393,559</u></u>

Liabilities

Current liabilities	
Accounts payable	\$ 4,210
Accrued severance	3,527,695
Loss and loss adjustment reserves	
Workers' compensation	2,408,829
Incurred but not reported reserves	
Accrued health insurance benefits	<u>3,097,661</u>
Total current liabilities	<u>9,038,395</u>
Noncurrent liabilities	
Loss and loss adjustment reserves	
Workers' compensation	3,290,714
Incurred but not reported reserves	
Workers' compensation	3,290,714
Property/casualty	975,000
Accrued severance	<u>31,749,253</u>
Total noncurrent liabilities	<u>39,305,681</u>
Total liabilities	<u><u>\$ 48,344,076</u></u>

Net Position

Unrestricted	<u><u>\$ 22,049,483</u></u>
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**Minneapolis Public Schools
Special District No. 1
Statement of Revenues, Expenses, and Change in Fund
Net Position - Proprietary Fund
Internal Service Fund
Year Ended June 30, 2020**

Operating Revenue	
Local sources - charges for services	\$ 68,931,280
 Operating Expenses	
Loss and loss adjustments	644,696
Claims administration	4,221,936
Workers compensation and other benefits	340,762
Self-insured medical benefits	48,258,549
Severance	4,227,488
Total operating expenses	57,693,431
Operating income	11,237,849
 Nonoperating Revenue	
Earnings on investments	1,102,894
Change in net position	12,340,743
 Net Position	
Beginning of year	9,708,740
End of year	\$ 22,049,483

**Minneapolis Public Schools
Special District No. 1
Statement of Cash Flows - Proprietary Fund
Internal Service Fund
June 30, 2020**

Cash Flows - Operating Activities	
Receipts from premiums	\$ 68,744,761
Claims administration	(4,209,791)
Claims and severance benefits paid	(55,605,178)
Net cash flows - operating activities	<u>8,929,792</u>
 Cash Flows - Investing Activities	
Investment earnings	<u>1,102,894</u>
Net change in cash and cash equivalents	10,032,686
 Cash and Cash Equivalents (Including Cash with Fiscal Agent)	
Beginning of year	<u>59,713,246</u>
End of year	<u><u>\$ 69,745,932</u></u>
 Reconciliation of Operating Loss to	
Net Cash Flows - Operating Activities	
Operating loss	\$ 11,237,849
Adjustments to reconcile operating loss to net cash flows - operating activities	
Accounts payable	(130,226)
Prepaid insurance	(21,331)
Accounts receivable	(186,519)
Loss and loss adjustment reserves	662,887
Accrued health insurance benefits	(280,447)
Accrued compensated absences	(2,352,421)
Net adjustments	<u>(2,308,057)</u>
Net cash flows - operating activities	<u><u>\$ 8,929,792</u></u>

**Minneapolis Public Schools
Special School District No. 1
Statement of Fiduciary Net Position
June 30, 2020**

	Other Post Employment Benefits Irrevocable Trust Fund
Assets	
Current	
Cash and investments	\$ 21,766,550
Net Position Restricted for Postemployment Benefits Other than Pensions	\$ 21,766,550

**Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2020**

	Other Post Employment Benefits Irrevocable Trust Fund
Additions	
Investment income	\$ 680,019
Change in net position	680,019
Net Position Restricted for Postemployment Benefits Other than Pensions	
Beginning of year	21,086,531
End of year	\$ 21,766,550

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of Minneapolis Public Schools Special School District No. 1 have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

Minneapolis Public Schools Special School District No. 1 (the District) is an instrumentality of the State of Minnesota established to function as an educational institution. The elected School Board (Board) is responsible for legislative and fiscal control of the District. A Superintendent is appointed by the Board and is responsible for administrative control of the District.

GAAP require that the District's financial statements include all funds, departments, agencies, boards, commissions, and other organizations which are not legally separate from the District. In addition, the District's financial statements are to include all component units – entities for which the District is financially accountable. The District is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the District. The District has no component units.

Student activities are determined primarily by student participants under the guidance of an adult and are generally conducted outside school hours. The School Board does have a fiduciary responsibility in establishing broad policies and ensuring that appropriate financial records are maintained for student activities. However, in accordance with Minnesota State Statutes, the District's School Board has not elected to control or exercise oversight responsibility with respect to the underlying student activities. Accordingly, the student activity accounts are not included in these financial statements. As of July 1, 2019, these accounts have been taken under board control and will not be reported separately.

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary fund. The fiduciary fund is only reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position at the fund financial statement level.

As of July 1, 2019, the student activity accounts of the District have been taken under board control and will not be reported separately.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basic Financial Statement Presentation

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The District applies restricted resources first when an expense is incurred for purpose for which both restricted and unrestricted net position are available. Depreciation expense that can be specifically identified by function is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

Separate fund financial statements are provided for the governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Fiduciary funds are presented in the fiduciary fund financial statements by type: Other Post Employment Benefits (OPEB) Irrevocable Trust Fund. Since by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide statements.

The Internal Service Fund is presented in the proprietary fund financial statements. Because the principal user of the internal services is the District's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service fund is charges for service in the form of insurance premiums and early retirement incentive costs. Operating expenses for the internal service fund include the cost of services. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting transactions are recorded in the following manner:

1. Revenue Recognition

Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue is generally considered as available if collected within 60 days after year-end. State revenue is recognized in the year to which it applies according to *Minnesota Statutes* and GAAP. *Minnesota Statutes* include state aid funding formulas for specific fiscal years. Federal revenue is recorded in the year in which the related expenditure is made. Food service sales, community education tuition, and other miscellaneous revenue (except investment earnings) are recorded as revenues when received because they are generally not measurable until then. Investment earnings are recorded when earned because they are measurable and available. A six-month availability period is generally used for other fund revenue.

2. Recording of Expenditures

Expenditures are generally recorded when a liability is incurred. However, expenditures are recorded as prepaid for approved disbursements or liabilities incurred in advance of the year in which the item is to be used. Principal and interest on long-term debt issues are recognized on their due dates. Compensated absences and claims and judgments are recognized when payment is due.

The District reports unearned revenue on its balance sheet and government-wide Statement of Net Position. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to incurring the qualifying expenditures. In subsequent periods when the District has a legal claim to the resources, the unearned revenue is removed and revenue is recognized.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds:

The existence of the various District funds has been established by the Minnesota Department of Education. The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. A description of the funds included in this report are as follows:

Major Governmental Funds:

General Fund – This fund is used to account for all financial resources except those required to be accounted for in another fund. It includes the general operations and pupil transportation activities of the district, as well as the capital related activities such as maintenance of facilities, equipment purchases, health and safety projects, and disabled accessibility projects.

Capital Projects Fund – This fund is used to account for financial resources used for the acquisition or construction of major capital facilities. The fund was established for building construction activity authorized by specific voter-approved bond issues and for large-scale construction activity authorized by the Board under provisions of state law. Revenues are from property taxes restricted for property maintenance and bond proceeds.

Debt Service Fund – This fund is used to account for the accumulation of resources for, and payment of, general long-term obligation bond principal, interest, and related costs. The regular debt service account is used for all general obligation bond debt service except for refunding bond issues, for which a separate refunding bond trust account has been established. Revenues included in this fund are state and federal aid and property taxes.

Nonmajor Funds:

Food Service Special Revenue Fund – This fund is used to account for food service revenues and expenditures. Revenues recorded in this fund include charges for meals along with state and federal reimbursement for meals.

Community Service Special Revenue Fund – This fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, veterans, adult or early childhood programs, K-6 extended day programs, or other similar services. Revenues included in this fund include property taxes restricted for Community Service purposes and tuition and fees charged for Community Education along with state and federal aid.

Post Employment Benefits Debt Service – This fund is used to account for the accumulation of resources for and payment of MERF bonds used to finance the District's obligation related to this now defunct pension plan.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Description of Funds: (Continued)

Proprietary Fund:

Internal Service Fund – This fund accounts for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

The District's Internal Service Fund has two main purposes:

1. Self-insurance activities for property, liability, health, and workers' compensation risks.
2. Accumulate and record the liability for accrued compensated absences (severance and vacation).

Fiduciary Fund:

The District has established an OPEB Irrevocable Trust Fund for other post employment benefit payments.

E. Budgeting

Budgets presented in this report for comparison to actual amounts are presented in accordance with GAAP. Each June, the School Board adopts an annual budget for the following fiscal year for the General, Food Service, Community Service, Debt Service, and Capital Projects Funds. The approved budget is published in summary form in the District's legal newspaper. Reported budget amounts represent the amended budget as adopted by the School Board. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end.

The District employs the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the portion of applicable appropriation. All unencumbered appropriations lapse at fiscal year-end. Encumbrances are generally re-appropriated in the ensuing year's budget.

Procedurally, in establishing the budgetary data reflected in these financial statements, the Superintendent submits to the School Board prior to July 1, a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means to finance them. The budget is legally enacted by School Board action. Revisions to budgeted amounts must be approved by the School Board.

Total fund expenditures in excess of the budget require approval of the School Board. Spending control is established by the amount of expenditures budgeted for the fund, but management control is exercised at line item levels.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgeting (Continued)

At the end of each fiscal year, if the General Fund has a net unassigned deficit fund balance, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts which excludes certain reserves specified in *Minnesota Statutes*, exceeding a negative 2.5% of operating expenditures, a condition referred to as "statutory operating debt" exists. That debt requires retirement through the accumulation of subsequent operating surpluses in accordance with a "special operating plan" approved by the Commissioner of the Department of Education.

F. Cash and Investments

The District's total deposits and investments are comprised of two major components, each with its own set of legal and contractual provisions as described on the following pages.

District Governmental Funds

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Cash and investment balances from all funds, with the exception of the investments related to the OPEB Irrevocable Trust Fund, are combined, and invested to the extent available in various securities as authorized by *Minnesota Statutes*. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Cash and investments held by trustee include balances held in segregated accounts that are established for specific purposes. In the Debt Service Fund, the refunding bond escrow account held by trustee can be used only to retire refunded bond issues and to pay interest on refunding bond issues until the crossover refunding dates. Interest earned on these investments is allocated directly to the escrow account.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments held by investment pools are measured at amortized cost.

Cash and investments at June 30, 2020, were comprised of deposits, negotiable certificates of deposit, shares in the Minnesota School District Liquid Asset Fund (MSDLAF), government securities, FHLB, FHLMC, FNMA, and money market funds.

Minnesota Statutes require all deposits be protected by federal deposit insurance corporate surety bond or collateral. The market value of collateral pledged must equal 100% of the deposits not covered by Federal Deposit Insurance Corporation (FDIC) insurance or corporate surety bonds.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Investments (Continued)

District Governmental Funds (Continued)

Minnesota Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days.

In accordance with GASB Statement No. 79, the various MSDLAF securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the MSDLAF. Investments in the MSDLAF MAX must be deposited for a minimum of 14 calendar days with the exception of direct investments of funds distributed by the State of Minnesota. Withdrawals prior to the 14 day restriction period may be subject to a penalty and there is a 24 hour hold on all requests for redemptions. MSDLAF+ Term investments have a maturity of 60 days to one year and early withdrawal may result in substantial early redemption penalties.

OPEB Irrevocable Trust Fund

These funds represent investments administered by the District's OPEB Irrevocable Trust Fund investment managers. As of June 30, 2020, they were comprised of mutual funds. The District's investment policy extends to the OPEB Irrevocable Trust Fund investments.

Minnesota Statutes authorize the OPEB Trust Fund to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, corporate bonds, common stock and foreign stock of the highest quality, mutual funds, repurchase and reverse agreements, commercial paper of the highest quality with a maturity no longer than 270 days, and in the State Board of Investments. Investments are stated at fair value.

G. Accounts Receivable

Represents amounts receivable from individuals, firms, and corporations for goods and services furnished by the District. No substantial losses are anticipated from present receivable balances, therefore, no allowance for uncollectible accounts is deemed necessary.

H. Inventory

Inventory is recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on weighted average cost method, along with processing costs, and surplus commodities are stated at standardized cost, as determined by the Department of Agriculture.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

J. Property Taxes

The District levies its property tax during the month of December. December 28 is the last day the District can certify a tax levy to the County Auditor. Such taxes become a lien on January 1. The property tax is recorded as revenue when it becomes measurable and available. Hennepin County is the collecting agency for the levy and remits the collections to the District three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Delinquent collections for November and December are received the following January.

A portion of property taxes levied is paid by the State of Minnesota through various tax credits, which are included in revenue from state sources in the financial statements.

Current property taxes receivable are recorded for taxes certified the previous December and collectible in the current calendar year, which have not been received by the District. Delinquent property taxes receivable represent uncollected taxes for the past six years, and are deferred and included in the deferred inflows of resources section of the fund financial statements as unavailable revenue because they are not available to finance the operations of the District in the current year.

Property taxes levied for subsequent year's expenditures consist principally of property taxes levied in the current year which will be collected and recognized as revenue in the District's following year to properly match those revenues with the budgeted expenditures for which they were levied. This amount is equal to the amount levied by the School Board in December 2019, less various components and their related adjustments as mandated by the state. These portions of that levy were recognized as revenue in the fiscal year 2020. The remaining portion of the levy will be recognized when measurable and available.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The District has one item that qualifies for reporting in this category. A deferred outflows of resources related to pensions is recorded in the government-wide Statement of Net Position for various estimate differences that will be amortized and recognized over future years.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Financial Position and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has five types of items which qualify for reporting in this category. The first item, unavailable revenue from property taxes, arises under a modified accrual basis of accounting and is reported only in the Governmental Funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available. The second item is property taxes levied for subsequent years, which represent property taxes received or reported as a receivable before the period for which the taxes are levied, and is reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the Governmental Funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied and in the governmental fund financial statements during the year for which they are levied, if available. The third item is a deferred charge on refunding and is reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The fourth item is a deferred inflows of resources related to pensions and is recorded on the government-wide statements for various estimate differences that will be amortized and recognized over future years. The fifth item is deferred inflows of resources related to OPEB for various estimate differences related to this liability that will be amortized and recognized in future years.

L. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their acquisition value at the date of donation. The District records all asset purchases in a capital asset group if the purchase is equal or greater than approximately \$5,000 for all equipment. All vehicles and land are capitalized if greater than \$5,000 and all building and site improvements are capitalized if greater than \$25,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statement, but are not reported in the fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes. The District's capital assets have estimated useful lives as listed on the following page.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

<u>Asset</u>	<u>Useful Life</u>
Buildings	50 years
Building improvements	20 years
Equipment	10 years
Vehicles	8 years
Computers	5 years

Capital assets not being depreciated include land and construction in process.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

N. Compensated Absences

The District's employee vacation and sick leave policies grant to certain groups of employees, if certain conditions are met (see Note 11), a specific number of days of vacation with pay and payment for unused sick leave upon retirement. On June 30, 1998, the District established an internal service fund to accrue for and fund the liability for vacation earned and not yet taken, vested sick pay, salary-related payments, and retiree health insurance benefits due to certain active and retired employees.

Significant assumptions made in estimating the District's severance liability are as follows: (1) annual salary increases of 3.5% annually, and (2) discount rate of 3.25%.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from PERA's and TRA's fiduciary net position have been determined on the same basis as they are reported by PERA and TRA. For this purpose, plan contributions are recognized as of employer paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TRA has a special funding situation created by direct aid contributions made by the State of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association into TRA in 2006. A second direct aid source is from the State of Minnesota for the merger of the Duluth Teacher's Retirement Fund Association (DTRFA) in 2015.

P. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees for which the District carries commercial insurance and is self-insured for some risks as indicated in Note 10. Settled claims have not exceeded this commercial coverage in any of the past three years. There were no significant reductions in the District's insurance coverage during the year ending June 30, 2020.

Q. Restricted Assets

Restricted assets are cash and cash equivalents whose use is limited by legal requirements such as a bond indenture. Restricted assets in these financial statements are labeled "Cash and Investments Held by Trustee".

R. Net Position

Net position represents the difference between assets and deferred outflows of resources; and liabilities and deferred inflows of resources in the government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

S. Fund Balance

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

Nonspendable Fund Balances – Portions of fund balance related to prepaids, inventory, long-term receivables, and corpus on any permanent fund.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fund Balance (Continued)

Restricted Fund Balances – These funds are constrained from outside parties (statute, grantors, bond agreements, etc.).

Committed Fund Balances – These funds are established and modified by a resolution approved by the Board of Education.

Assigned Fund Balances – These consist of internally imposed constraints. The Board of Education policy authorized the Superintendent and Superintendent's administration to assign fund balances and their intended uses.

Unassigned Fund Balances – These funds are the residual classification for the general fund and also reflects negative residual amounts in other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the District's policy to use restricted first, then unrestricted fund balance. When an expenditure is incurred for purposes for which committed, assigned, and unassigned amounts are available, it is the District's policy to use committed first, then assigned, and finally unassigned amounts.

The District formally adopted a fund balance policy for the General Fund. The policy establishes a year-end minimum unassigned fund balance of no less than 8% of the estimated General Fund expenditures for the following year.

T. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenditures/expense during the reporting period. Actual results could differ from those estimates.

U. Postemployment Benefits Other than Pensions (OPEB) – Trust Fund

Information about the fiduciary net position of the District and additions to/deductions from the District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Deposits

The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position and the Balance Sheet as "Cash and Investments." In accordance with *Minnesota Statutes*, the District maintains deposits at financial institutions which are authorized by the District's Board.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk and follows *Minnesota Statutes* for deposits. *Minnesota Statutes* require that all deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or corporate surety bonds. Authorized collateral include: U.S. government treasury bills, notes, or bonds; issues of a U.S. government agency; general obligations of a state or local government rated "A" or better; revenue obligations of a state or local government rated "AA" or better; irrevocable standby letter of credit issued by a Federal Home Loan Bank; and time deposits insured by a federal agency. *Minnesota Statutes* require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository. As of June 30, 2020, the District's deposits with a bank balance of \$1,239,711 were not exposed to custodial credit risk because the balances were fully insured by FDIC or secured by pledged collateral or letters of credit.

As of June 30, 2020, the book value of the District's deposits is \$1,082,156.

B. Investments

Investment Policy

In accordance with the *Minnesota Statutes* Chapter 118A and other applicable law, including regulations, the District's investment policy permits making deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in the State of Minnesota. The District is allowed to invest in U.S. Treasury or Federal Agency obligations, commercial paper rated "A-1" or higher and that matures in 270 days or less at the time of purchase, collateralized certificates of deposit, repurchase agreements backed by government collateral, and bankers' acceptances of the top 40 U.S. banks.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Investment Policy (Continued)

The District's investment policy establishes limitations on the holdings on non-U.S. government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each security is as follows:

U.S. Treasury/U.S. Government Agencies	100% Maximum
Domestic Commercial Paper ("A-1"/"P-1")	100% Maximum
Collateralized Investment Agreements	100% Maximum
Eligible Bankers' Acceptances	30% Maximum
Repurchase Agreements	25% Maximum
Collateralized Certificates of Deposit	30% Maximum

The District's investment policy with regards to its deposits and investments are in accordance with statutory authority.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of an investment in a single issuer. The District's investment policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than \$5,000,000 of the District's portfolio will be invested in the securities of any single commercial paper issuer.

Custodial Credit Risk

This is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. GASB 40 requires disclosure of all uninsured investment securities purchased by the District or held as collateral on deposits or investments that are not registered in the name of the Minneapolis Public Schools, and held by the counterparty to the investment transactions. The District's investments held by one broker-dealer were insured by SIPC or other supplemental insurance as of June 30, 2020. However, each investment brokerage firm may have a limit to their supplemental insurance and because of the size of the District's portfolio in relation to the brokerage firm's excess SIPC coverage limits, the portion of the supplemental policy applicable to the District's portfolio is unknown.

Interest Rate Risk

This is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The District's investment policy states that investments shall be managed in a manner to attain a market rate of return through various economic and budgetary cycles, taking into account constraints on risk and other criteria requirements. As of June 30, 2020, the market values, duration, and percent allocation of the District's investments were as listed below.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturities (in Years)</u>	<u>Percent Allocation</u>	<u>Credit Rating</u>
Pooled				
MSDLAF+ Liquid Class	\$ 79,705,769	N/A	17.38%	AAAm
MSDLAF+ Max Class	244,572,964	N/A	53.32%	AAAm
Federal Home Loan Bank (FHLB)	5,691,189	0.95	1.24%	AA+
Federal Farm Credit Bank (FFCB)	7,339,555	1.74	1.60%	AA+
U.S. Treasury Securities	31,477,966	0.91	6.86%	N/A
Fannie Mae	8,576,344	0.84	1.87%	AA+
Freddie Mac	18,659,234	1.09	4.07%	AA+
Mortgage Backed Securities	4,483,913	2.89	0.98%	AA+
Commercial Paper Pool	43,637,230	N/A	9.51%	N/A
Commercial Paper	14,537,582	0.11	3.17%	A-1
Total pooled investments	<u>458,681,746</u>		<u>100.00%</u>	
Non-pooled				
Cash with fiscal agent				
Cash held by trustee	3,926,373	N/A	12.20%	N/A
U.S. Treasury Securities	28,264,217	5.38	87.80%	N/A
Total cash with fiscal agent	<u>32,190,590</u>		<u>100.00%</u>	
Health insurance				
Cash/money market	<u>40,456,310</u>	NA	<u>100.00%</u>	N/A
OPEB Trust Fund				
Mutual Funds	21,702,218	N/A	99.70%	N/A
Cash/Money Market Funds	64,332	N/A	0.30%	N/A
Total OPEB Trust Fund	<u>21,766,550</u>		<u>100.00%</u>	
Total non-pooled investments	<u>94,413,450</u>			
Total investments	<u>\$ 553,095,196</u>			

The District has the following recurring fair value measurements as of June 30, 2020:

- Pooled investments of \$31,477,966 are valued using Level 1 inputs
- Pooled investments of \$59,287,817 are valued using Level 2 inputs
- Nonpooled OPEB investments of \$21,766,550 are valued using a matrix pricing model (Level 2 inputs)

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Deposits and Investments

The following is a summary of total deposits and investments:

Deposits (Note 2.A.)	\$ 1,082,156
Investments - pooled (Note 2.B.)	458,681,746
Investments - non-pooled (Note 2.B.)	<u>94,413,450</u>
Total deposits and investments	<u>\$ 554,177,352</u>

Deposits and investments are presented in the June 30, 2020, basic financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 500,220,212
Cash with fiscal agent	32,190,590
Statement of Fiduciary Net Position	
Cash and investments	<u>21,766,550</u>
Total deposits and investments	<u>\$ 554,177,352</u>

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 35,446,301	\$ -	\$ -	\$ 35,446,301
Construction in progress	155,000,872	42,340,052	88,957,434	108,383,490
Total capital assets not being depreciated	<u>190,447,173</u>	<u>42,340,052</u>	<u>88,957,434</u>	<u>143,829,791</u>
Capital assets being depreciated				
Buildings	1,181,720,753	96,878,536	-	1,278,599,289
Machinery and equipment	50,308,321	461,730	228,638	50,541,413
Total capital assets being depreciated	<u>1,232,029,074</u>	<u>97,340,266</u>	<u>228,638</u>	<u>1,329,140,702</u>
Less accumulated depreciation for				
Buildings	641,804,175	26,137,565	-	667,941,740
Machinery and equipment	37,530,437	2,718,495	228,638	40,020,294
Total accumulated depreciation	<u>679,334,612</u>	<u>28,856,060</u>	<u>228,638</u>	<u>707,962,034</u>
Total capital assets being depreciated, net	<u>552,694,462</u>	<u>68,484,206</u>	<u>-</u>	<u>621,178,668</u>
Governmental activities, capital assets net	<u>\$ 743,141,635</u>	<u>\$ 110,824,258</u>	<u>\$ 88,957,434</u>	<u>\$ 765,008,459</u>

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 3 – CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$28,856,060 for the year ended June 30, 2020, was charged to the following governmental functions:

Administration	\$ 87,559
District support services	126,368
Regular instruction	12,036,299
Vocational education instruction	41,114
Special education instruction	258,536
Community education	30,376
Instructional support services	52,328
Pupil support services	1,636,794
Food service	251,810
Sites and buildings	<u>14,334,876</u>
Total depreciation expense, governmental activities	<u>\$ 28,856,060</u>

NOTE 4 – LEASES

The District leases data processing equipment, buildings, and other miscellaneous equipment through various operating leases. All of the leases include the provision that the District has the right to terminate the agreement at the end of any fiscal year during the term as required by *Minnesota Statutes*. The annual operating lease rental expense is not considered material to the financial position or results of operations of the District.

NOTE 5 – LONG-TERM LIABILITIES

The District has issued general obligation school building bonds, alternative facilities bonds, and long-term facilities maintenance bonds to finance the construction of capital facilities or to refinance previous bond issues. Assets of the Debt Service Fund, together with scheduled future tax levies are dedicated for the retirement of these bonds and loans. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

A. Components of Long-Term Liabilities

	Issue Date	Interest Rates	Original Issue	Maturity Date	Principal Outstanding	Due Within One Year
Long-term liabilities						
G.O. bonds, including refunding bonds						
	12/15/09	1.15%	\$ 17,200,000	12/15/2025	\$ 17,200,000	\$ -
	12/28/10	5.13%	19,785,000	12/15/2025	19,785,000	-
	12/28/10	2.00-4.00%	7,750,000	2/1/2021	420,000	420,000
	12/01/11	3.80%	4,260,000	12/15/2025	4,260,000	-
	12/18/12	2.00-3.00%	21,220,000	2/1/2033	12,840,000	1,030,000
	12/18/12	2.00-3.00%	18,550,000	2/1/2033	12,575,000	960,000
	12/18/12	3.00-4.00%	9,285,000	2/1/2022	2,360,000	1,165,000
	12/18/12	2.00%	16,530,000	2/1/2022	4,395,000	2,175,000
	12/04/13	3.00-4.00%	20,525,000	2/1/2029	11,310,000	1,200,000
	12/04/13	4.00-5.00%	38,090,000	2/1/2034	30,080,000	1,600,000
	12/23/14	2.00-3.00%	21,840,000	2/1/2030	12,695,000	1,835,000
	12/23/14	3.00-4.00%	45,270,000	2/1/2030	32,940,000	2,805,000
	12/23/14	2.00-5.00%	11,300,000	2/1/2023	4,740,000	1,500,000
	12/29/15	2.34%	21,275,000	2/1/2031	13,840,000	2,070,000
	12/29/15	2.51%	34,755,000	2/1/2031	27,385,000	2,060,000
	12/29/15	1.69%	10,830,000	2/1/2024	5,985,000	1,380,000
	12/22/16	5.00%	41,905,000	2/1/2037	35,390,000	2,585,000
	12/22/16	5.00%	51,910,000	2/1/2035	46,600,000	2,160,000
	12/06/17	4.00-5.00%	28,895,000	2/1/2033	23,820,000	2,845,000
	12/06/17	4.00-5.00%	51,565,000	2/1/2033	46,655,000	2,590,000
	12/05/18	4.00-5.00%	40,395,000	2/1/2039	37,510,000	3,340,000
	12/05/18	4.00-5.00%	51,275,000	2/1/2038	49,965,000	1,775,000
	12/01/19	5.00%	42,735,000	2/1/2040	42,735,000	3,420,000
	12/01/19	5.00%	29,385,000	2/1/2038	29,385,000	910,000
	12/01/19	5.00%	5,385,000	2/1/2027	5,385,000	960,000
Total			661,915,000		530,255,000	40,785,000
Certificates of participation						
	12/28/10	6.50%	12,990,000	4/1/2036	12,990,000	-
	12/28/10	1.40-6.5%	28,235,000	4/1/2030	16,965,000	1,425,000
	12/01/11	2.00-3.20%	19,705,000	2/1/2023	6,015,000	1,950,000
	12/04/13	5.00%	41,125,000	2/1/2021	2,685,000	2,685,000
	12/23/14	4.00-5.00%	125,570,000	2/1/2030	94,560,000	7,525,000
	12/29/15	2.67%	44,475,000	2/1/2031	34,560,000	2,700,000
	12/22/16	5.00%	22,025,000	2/1/2032	19,435,000	1,220,000
	12/06/17	4.00-5.00%	38,565,000	2/1/2033	35,050,000	2,025,000
	12/01/19	5.00%	6,715,000	2/1/2035	6,715,000	285,000
Total			339,405,000		228,975,000	19,815,000
Bond premium					78,155,890	-
Self insurance liability and compensated absences					48,339,866	9,034,185
Total long-term liabilities					\$ 885,725,756	\$ 69,634,185

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

B. Minimum Debt Payments

Year Ending June 30,	Certificates of Participation Payable		G.O. Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 19,815,000	\$ 10,593,078	\$ 40,785,000	\$ 23,111,783
2022	17,895,000	9,652,830	41,295,000	20,915,624
2023	18,685,000	8,846,455	38,385,000	19,093,724
2024	17,395,000	7,997,275	36,255,000	17,365,774
2025	18,130,000	7,217,375	34,510,000	15,782,624
2026-2030	103,680,000	22,408,550	194,660,000	51,984,893
2031-2035	31,010,000	4,451,550	106,690,000	21,842,100
2036-2040	2,365,000	153,725	37,675,000	3,630,500
Total	<u>\$ 228,975,000</u>	<u>\$ 71,320,838</u>	<u>\$ 530,255,000</u>	<u>\$ 173,727,022</u>

C. Description of Long-Term Liabilities

General Obligation School Building Bonds

On December 19, 2019, the District issued \$42,735,000 of General Obligation School Building Bonds, Series 2019A. The proceeds of this issue were deposited into the construction fund to finance certain capital projects of the District.

On December 19, 2019, the District issued \$29,385,000 of General Obligation Long-Term Facilities Maintenance Bonds, Series 2019B. The proceeds of this issue were deposited into the construction fund to finance certain long-term facilities maintenance projects of the District.

On December 19, 2019, the District issued \$6,715,000 of Full-Term Certificates of Participation, Series 2019C. The proceeds of this issue were deposited into the Debt Service Fund.

On December 19, 2019, the District issued \$5,385,000 of General Obligation Refunding Bonds, Series 2019D. The proceeds of this issue were deposited in the debt service fund and used on February 1, 2020 to refund, in advance of their stated maturities, the remaining fiscal 2021 through 2027 maturities of the District's General Obligation Bond, 2011C Series, totaling \$6,095,000. After the current refunding, the District assumes full debt service of the principal and interest payments on the 2019D issue. The refunding reduced the District's total future debt service payments for the series of bonds by \$400,675 and resulted in a preset value savings of approximately \$385,166.

Self Insurance Liability and Compensated Absences

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 5 – LONG-TERM LIABILITIES (CONTINUED)

D. Changes in Long-Term Liabilities

See Notes 10 and 11 for detailed information on the District's Self Insurance Plan and Compensated Absences.

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
Governmental activities				
Bonds payable				
General obligation bonds	\$ 495,505,000	\$ 77,505,000	\$ (42,755,000)	\$ 530,255,000
Bond premium	70,897,597	14,931,237	(7,672,944)	78,155,890
Certificates of participation payable	243,885,000	6,715,000	(21,625,000)	228,975,000
Self insurance reserves and compensated absences	<u>50,309,847</u>	<u>-</u>	<u>(1,969,981)</u>	<u>48,339,866</u>
 Total governmental activity long-term liabilities	 <u>\$ 860,597,444</u>	 <u>\$ 99,151,237</u>	 <u>\$ (74,022,925)</u>	 <u>\$ 885,725,756</u>

The internal service fund typically liquidates the liability related to self-insurance and compensated absences.

NOTE 6 – FUND BALANCES

Certain portions of fund balance are restricted based on state requirements to track special program funding, to provide for funding on certain long-term liabilities, or as required by other outside parties. Administration also has the authority to internally assign portions of fund balance for specific purposes. Other amounts are identified as nonspendable as disbursement has been made for a good or service that will benefit future periods.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 6 – FUND BALANCES (CONTINUED)

Restricted and nonspendable/assigned fund balances at June 30, 2020, are as follows:

	Restricted	Nonspendable/ Assigned
General Fund		
Nonspendable for prepaid items	\$ -	\$ 1,125,000
Nonspendable for inventory	-	144,376
Restricted for student activities	725,174	-
Restricted for long-term facilities maintenance	160,765	-
Restricted for basic skills extended time	2,792,710	-
Restricted for area learning center	1,421,247	-
Restricted for gifted and talented	466,385	-
Restricted for achievement and integration	2,927,601	-
Restricted for other purposes	1,100,000	-
Assigned for referendum - class size	-	27,536,310
Assigned for alternative compensation	-	1,516,785
Assigned for new ESC debt payments	-	1,064,335
Assigned for site carryover	-	6,119,969
Assigned for contingency	-	4,000,000
Assigned for comprehensive district design	-	3,500,000
Total General Fund	9,593,882	45,006,775
Special Revenue Funds		
Food Service Fund		
Restricted for other purposes	803,193	-
Nonspendable for inventory	-	1,615,465
Community Service Fund		
Restricted for school readiness	1,793,073	-
Restricted for adult basic education	702,422	-
Restricted for community education programs	1,927,253	-
Restricted for early childhood and family	353,624	-
Restricted for other purposes	1,301,494	-
Total Special Revenue Funds	6,881,059	1,615,465
Capital Projects - Building Construction Fund		
Nonspendable for prepaid items	-	917,052
Restricted for long-term facilities maintenance	118,839,677	-
Restricted for building construction	101,119,709	-
Total Building Construction Fund	219,959,386	917,052
Debt Service Fund		
Restricted for QSCB/QZAB	28,264,217	-
Restricted for other purposes	13,629,105	-
Total Debt Service Fund	41,893,322	-
Post Employment Benefits Debt Service Fund		
Restricted for other purposes	277,554	-
Total all funds	\$ 278,605,203	\$ 47,539,292

Restricted/Reserved for Student Activities – This balance represents available resources to be used for the extracurricular activity funds raised by the students.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 6 – FUND BALANCES (CONTINUED)

Restricted for Area Learning Center – This balance represents amounts restricted for students attending area learning centers. Each district that sends students to an area learning center must restrict an amount equal to the sum of 1) at least 90 and no more than 100 percent of the district average General Education Revenue per adjusted pupil unit minus an amount equal to the product of the formula allowance according to *Minnesota Statutes* 126C.10, subd. 2, times .0466, calculated without basic skills revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units attending a state-approved area learning center, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center. The amount restricted may only be spent on program costs associated with the area learning center.

Restricted for Gifted and Talented – The part of General Education Aid revenue for the gifted and talented program that is unspent at year end must be restricted in this Balance Sheet account

Restricted/Reserved for Achievement and Integration Revenue – This balance represents unspent resources available from the achievement and integration program.

Restricted/Reserved for Basic Skills Extended Time – This balance represents resources available for the basic skills extended time uses listed in *Minnesota Statutes* 126C.15, subd. 1.

Restricted for School Readiness Programs – The fund balance restriction represents accumulated resources available to provide school readiness programming (*Minnesota Statutes* 124D.16).

Restricted for Adult Basic Education – The fund balance restriction represents accumulated resources available to provide adult basic education services.

Restricted for Community Education Programs – The fund balance restriction represents accumulated resources available to provide general community education programming.

Restricted for Early Childhood and Family Education Programs – This fund balance restriction represents accumulated resources available to provide services for early childhood and family education programming.

Restricted/Reserved for Long-Term Facilities Maintenance (LTFM) – This balance represents available resources to be used for LTFM projects in accordance with the 10-year plan (*Minnesota Statutes* 123B.595, subd. 12).

Restricted for Building Construction – Restricted for building construction represents available resources to fund construction expenditures on current and future contracts.

Restricted for QSCB/QZAB – The fund balance restriction represents resources required by agreement to be segregated for future payments of Qualified Zone Academy Bond (QZAB) or Qualified School Construction Bonds (QSCB) debt instruments. These resources are held by the District and will pay off the debt at maturity.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 6 – FUND BALANCES (CONTINUED)

Restricted for Other Purposes – Represents amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

Teachers' Retirement Association

The District participates in various pension plans, total pension expense for the year ended June 30, 2020, was \$87,711,763. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the Liability related to the pensions.

A. Plan Description

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing, defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with *Minnesota Statutes*, Chapters 354 and 356. TRA is a separate statutory entity and administered by a Board of Trustees. The Board consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools and certain TRA-covered educational institutions maintained by the state are required to be TRA members (except those teachers employed by St. Paul Schools or Minnesota State Colleges and Universities). Educators first hired by Minnesota State may elect either TRA coverage or coverage through the Define Contribution Plan (DCR) administered by the State of Minnesota.

B. Benefits Provided

TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by *Minnesota Statute* and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

Tier I Benefits

Tier 1	Step Rate Formula	Percentage
Basic	First ten years of service	2.2% per year
	All years after	2.7% per year
Coordinated	First ten years if service years are up to July 1, 2006	1.2% per year
	First ten years if service years are July 1, 2006, or after	1.4% per year
	All other years of service if service years are up to July 1, 2006	1.7% per year
	All other years of service if service years are July 1, 2006, or after	1.9% per year

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

B. Benefits Provided (Continued)

Tier I Benefits (Continued)

With these provisions:

- Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.
- 3% per year early retirement reduction factor for all years under normal retirement age.
- Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7% per year for coordinated members and 2.7% per year for basic members is applied. For years of service July 1, 2006, and after, a level formula of 1.9% per year for Coordinated members and 2.7% for Basic members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under *Minnesota Statute*. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after June 30, 1989, receive only the Tier II calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree – no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits but not yet receiving them are bound by the plan provisions in effect at the time they last terminated their public service.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

C. Contribution Rate

Per *Minnesota Statutes*, Chapter 354 sets the contribution rates for employees and employers. Rates for each fiscal year ended June 30, 2018, June 30, 2019, and June 30, 2020, were:

	<u>June 30, 2018</u>		<u>June 30, 2019</u>		<u>June 30, 2020</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
Basic	11.0%	11.5%	11.0%	11.71%	11.0%	11.92%
Coordinated	7.5%	7.5%	7.5%	7.71%	7.5%	7.92%

In an agreement related to the merger of the Minneapolis Teachers Retirement Association, the District has agreed to pay an additional 3.64% for a total employer contribution of 11.56%.

The following is a reconciliation of employer contributions in TRA's CAFR "Statement of Changes in Fiduciary Net Position" to the employer contributions used in Schedule of Employer and Non-Employer Pension Allocations. Amounts are reported in thousands.

Employer contributions reported in TRA's CAFR Statement of Changes in Fiduciary Net Position	\$ 403,300
Deduct employer contributions not related to future contribution efforts	(688)
Deduct TRA's contributions not included in allocation	<u>(486)</u>
Total employer contributions	402,126
Total non-employer contributions	<u>35,588</u>
Total contributions reported in <i>Schedule of Employer and Non-Employer Pension Allocations</i>	<u><u>\$ 437,714</u></u>

Amounts reported in the allocation schedules may not precisely agree with financial statement amounts or actuarial valuations due to the number of decimal places used in the allocations. TRA has rounded percentage amounts to the nearest ten thousandths.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Key Methods and Assumptions Used in Valuation of Total Pension Liability

Actuarial Information

Valuation date	July 1, 2019
Experience study	June 5, 2015
	November 6, 2017 (economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions	
Investment rate of return	7.50%
Price inflation	2.50%
Wage growth rate	2.85% before July 1, 2028 and 3.25% thereafter
Projected salary increase	2.85% to 8.85% before July 1, 2028 and 3.25% to 9.25% thereafter
Cost of living adjustment	1.0% for January 2019 through January 2023, then increasing by 0.1% each year up to 1.5% annually.

Mortality Assumption

Pre-retirement	RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
Post-retirement	RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of set rates. Generational projections uses the MP 2015 scale.
Post-disability	RP 2014 disabled retiree mortality table, without adjustment.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	5.10 %
International equity	17.5	5.30
Private markets	25.0	5.90
Fixed income	20.0	0.75
Unallocated cash	2.0	0.00
Total	<u>100 %</u>	

The TRA actuary has determined the average of the expected remaining services lives of all members for fiscal year 2016 is six years. The "Difference Between Expected and Actual Experience," "Changes of Assumptions," and "Changes in Proportion" use the amortization period of six years in the schedule presented. The amortization period for "Net Difference between Projected and Actual Investment Earnings on Pension Plan Investments" is over a period of five years as required by GASB 68.

Changes in actuarial assumptions since the 2018 valuation:

- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

D. Actuarial Assumptions (Continued)

- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

E. Discount Rate

The discount rate used to measure the total pension liability was 7.5%. There was no change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal 2018 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate (SEIR).

F. Net Pension Liability

On June 30, 2020, the District reported a liability of \$433,790,373 for its proportionate share of the net pension liability. In addition, the net pension liability allocated to the district under a lump sum direct aid payment related to the District's merger into the fund is \$32,762,468 for a total liability allocated to the District of \$466,552,841. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to TRA in relation to total system contributions including direct aid from the State of Minnesota, City of Minneapolis, and Minneapolis School District. District proportionate share was 6.8056% at the end of the measurement period and 7.3531% for the beginning of the year. An additional 0.5140% was allocated at June 30, 2019, under the direct aid payment agreement.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

The pension liability amount reflected a reduction due to direct aid provided to TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of net pension liability	\$ 466,552,841
State's proportionate share of the net pension liability associated with the District	38,392,377

For the year ended June 30, 2020, the District recognized pension expense of \$77,819,181. It recognized \$2,918,277 as an increase to this pension expense for the support provided by direct aid.

On June 30, 2020, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 73,840	\$ 12,259,350
Net difference between projected and actual earnings on plan investments	-	40,236,135
Changes of assumptions	491,434,946	675,211,273
Changes in proportion	21,817,985	189,237,648
Contributions to TRA subsequent to the measurement date	<u>30,590,795</u>	<u>-</u>
 Total	 <u>\$ 543,917,566</u>	 <u>\$ 916,944,406</u>

The \$30,590,795 reported as deferred outflows of resources related to pensions resulting from District contributions to TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Teachers' Retirement Association (Continued)

F. Net Pension Liability (Continued)

Other amounts reported as deferred outflows of resources and (deferred inflows of resources) will be recognized in pension expense as follows:

Year Ended June 30,	Pension Expense Amount
2021	\$ 20,280,827
2022	(15,495,765)
2023	(246,592,690)
2024	(154,879,795)
2025	(6,930,212)
Total	\$ (403,617,635)

G. Pension Liability Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5% as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.5%) and 1 percent higher (8.5%) than the current rate.

	District proportionate share of NPL		
	1% decrease (6.50%)	Current (7.50%)	1% increase (8.50%)
Standard share	\$ 691,567,929	\$ 433,790,373	\$ 221,256,602
Direct aid share	52,231,385	32,762,468	16,710,633

The District's proportion of the net pension liability was based on the employer contributions to TRA in relation to TRA's total employer contributions including direct aid contributions from the State of Minnesota, City of Minneapolis, and Minneapolis School District.

H. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.MinnesotaTRA.org, or by writing to TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000, or by calling (651) 296-2409 or (800) 657-3669.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association

A. Plan Description

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by PERA. PERA's defined benefit pension plan is established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

General Employees Retirement Plan

All full-time and certain part-time employees of the District other than teachers are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1 the annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

C. Contributions

Minnesota Statutes set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended June 30, 2020, were \$13,417,426. The District's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At June 30, 2020, the District reported a liability of \$161,440,259 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$5,017,615. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the District's proportionate share was 2.9200% at the end of the measurement period and 2.6337% for the beginning of the period.

District's proportionate share of net pension liability	\$ 161,440,259
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>5,017,615</u>
Total	<u><u>\$ 166,457,874</u></u>

For the year ended June 30, 2020, the District recognized pension expense of \$9,892,582 for its proportionate share of General Employees Plan's pension expense. In addition, the District recognized an additional \$375,772 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% Per year
Active member payroll growth	3.25% Per year
Investment rate of return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year.

Actuarial assumptions used in the June 30, 2019, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions occurred in 2019:

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	5.10 %
Private markets	25.0	5.90
Fixed income	20.0	0.75
International equity	17.5	5.90
Cash equivalents	2.0	0.00
Total	100 %	

F. Discount Rates

The discount rate used to measure the total pension liability in 2019 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The table on the following page presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
District's proportionate share of the PERA net pension liability	\$ 265,399,092	\$ 161,440,259	\$ 75,601,574

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 7 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Plan Fiduciary Net Position

Detailed information about the General Employees Fund's fiduciary net position is available in a separately-issued PERA financial report that includes the financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN

A. Plan Description

The District provides a single-employer defined benefit health care plan to eligible retirees and their families. The plan offers medical and dental coverage administered by HealthPartners and Delta Dental, respectively. It is the District's policy to periodically review its medical coverage and to obtain requests for proposals in order to provide the most favorable benefits and premiums for District employees and retirees.

B. Benefits Provided

Employees of the District who retire and have met the age and service requirements necessary to receive an annuity from PERA, TRA, or MERF are eligible to remain in the group health insurance plans. Employees who are at least age 55 or have 30 years or more service (including 10 years of service with the District) at retirement and are not qualified to participate in such program of medical insurance provided by another employer will receive health insurance. The District will contribute the same amount towards retiree health insurance as it would for active employees. The District will contribute the prevailing employer contribution from the master agreement in effect at the time of retirement until the earlier of age 65 or death. The General Fund, Capital Projects Fund, Food Service Fund, and Community Service Fund typically liquidate the Liability related to OPEB.

Dental insurance is covered by the District in the group plan for active employees and retirees contribute COBRA rates. For MPSASP and ELT plan members dental coverage through the District is only for those who were hired prior to July 1, 2010. Retirees for those plans still contribute the COBRA rates.

C. Members

As of June 30, 2020, the following were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	70
Active employees	5,560
	5,630
Total	5,630

D. Contributions

Retirees contribute to the health care plan at the same rate as District employees. This results in the retirees receiving an implicit rate subsidy. Contribution requirements are established by the District, based on the contract terms with Health Partners. The required contributions are based on projected pay-as-you-go financing requirements. For the year 2020, the District contributed \$1,100,265 to the plan.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Key Methods and Assumptions Used in Valuation of Total OPEB Liability

Investment rate of return	4.50%, net of investment expense
Salary Scale	3.00%
Inflation	2.50%
Healthcare cost trend increases	8.0% , decreasing to 4.5% over eight years
 Mortality Assumption	 RP-2014 white collar mortality tables with MP-2015 generational improvement scale

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2019 – June 30, 2020.

Changes in Actuarial Assumptions

- Discount rate was decreased from 3.46% to 2.90% as of the June 30, 2020 measurement date.
- Annual wage increase rate was decreased from 3.50% to 3.00%
- Loads on healthcare trend were removed due to the repeal of the so-called "Cadillac Tax".
- Per-capita costs were updated to reflect experience since the previous valuation, including increase in morbidity assumption from 3.00% to 4.00%.
- Future retiree plan election was updated for Plan 1, Plan 2, and Plan 3 from 75%, 23%, 2% to 50%, 40%, 10%, respectively.
- Mortality improvement scale was updated from MP-2015 to MP-2018 for all groups except Teachers and Principals.

The discount rate used to measure the total OPEB liability was 2.90% based on the long-term expected rate of return and the municipal bond index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another scale).

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

E. Actuarial Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	50 %	0.00 %
Domestic equity	33	3.60
International equity	17	4.50
Unallocated cash	0	0.00
Other	0	0.00
	<u>100 %</u>	
Total	<u>100 %</u>	

The details of the investments and the investment policy are described in Note 2. of the District's financial statements. For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 3.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

F. Discount Rate

The discount rate used to measure the total OPEB liability was 2.90%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

G. Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at July 1, 2019	\$ 80,769,184	\$ 21,086,531	\$ 59,682,653
Changes for the year			
Service cost	4,623,805	-	4,623,805
Interest	1,939,402	-	1,939,402
Differences between expected and actual economic experience	(15,311,149)	(188,054)	(15,123,095)
Employer contributions	-	1,100,265	(1,100,265)
Changes in assumptions	(10,786,001)	-	(10,786,001)
Benefit payments	(1,100,265)	(1,100,265)	-
Projected earnings on fiduciary net position	-	947,116	(947,116)
Administrative expense	-	(79,035)	79,035
Net changes	(20,634,208)	680,027	(21,314,235)
Balances at June 30, 2020	\$ 60,134,976	\$ 21,766,558	\$ 38,368,418
Plan fiduciary net position as a percentage of the total OPEB liability			36.20%

H. OPEB Liability Sensitivity

The following presents the District's net OPEB liability calculated using the discount rate of 2.90% as well as the liability measured using 1% lower and 1% higher than the current discount rate.

	1% decrease (1.90%)	Current (2.90%)	1% increase (3.90%)
Net OPEB Liability	\$ 43,434,878	\$ 38,368,418	\$ 33,633,175

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

H. OPEB Liability Sensitivity (Continued)

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using trend rates that are 1% lower and 1% higher than the trend rates.

	1% decrease (8.00%)	Current (9.00%)	1% increase (10.00%)
Net OPEB Liability	\$ 30,834,317	\$ 38,368,418	\$ 47,399,689

I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$2,048,712. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings	\$ -	\$ 610,809
Differences between expected and actual economic experience	-	18,782,917
Changes of assumptions	754,859	11,240,290
Total	\$ 754,859	\$ 30,634,016

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 8 – POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

**I. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Total
2021	\$ (3,646,414)
2022	(3,646,416)
2023	(3,583,642)
2024	(3,374,741)
2025	(3,409,351)
2026+	(12,221,593)
Total	\$ (29,882,157)

NOTE 9 – COMMITMENTS AND CONTINGENCIES

A. Federal and State Programs

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

B. Contingencies

The District is subject to legal proceedings and claims which arise in the ordinary course of business. Management has accrued claims payable in the amount of \$9,965,257 as disclosed in Note 10 for general liability, auto liability, and worker's compensation claims.

C. Teachers Retirement Association

The District is required to levy for and contribute amounts to Minnesota Teachers Retirement Association under *Minnesota statutes* totaling \$2,250,000 each year, due by October 1. These amounts are further described in Note 7 as direct aid contributions.

D. Construction Commitments

The District has in process various multi-year construction and repair projects which were not completed in the current fiscal year. As of June 30, 2020, outstanding commitments for these multi-year projects total approximately \$9,959,293.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 10 – RISK MANAGEMENT

The District accounts for the risk management activities of workers' compensation and general liability exposure in its Self-Insurance Fund, a proprietary-type Internal Service Fund. Inter-fund premiums for coverage are charged to activities of user funds as quasi-external transactions. The District purchases insurance coverage for its property exposure, with an aggregate coverage amount of \$100,000,000.

The District is self-insured for workers' compensation coverage and caps its liability with the purchase of reinsurance coverage. The District is a member of Workers' Compensation Reinsurance Association (WCRA), which reimburses members for individual claim losses exceeding a member's chosen retention limit. The retention limit for the District at June 30, 2020 and 2019, was \$2,000,000.

Liabilities of \$8,775,248 have been recorded in the Self-Insurance Fund for known workers' compensation claims and for claims incurred but not reported as of June 30, 2020. The recorded reserves are actuarially evaluated annually and adjusted accordingly. The discount rate used at June 30, 2020, was 2.5%.

The District became self-insured for general liability for claims incurred after January 1, 1990, through June 30, 1999, and for claims incurred after July 1, 2001 (the self-insurance period). The District purchased general liability insurance from Royal Insurance covering the period from July 1, 1999 through June 30, 2001. Claims incurred during the self-insurance period are the responsibility of the District. *Minnesota Statutes* limit the maximum liability of a public employer to \$300,000 per claimant and \$1,500,000 for claims from a single event. There are several lawsuits pending in which the District is involved. The District estimates that the potential claims against the District that are not covered by insurance or reserves resulting from such litigation would not materially affect the District's financial statements. Liabilities of \$650,000 have been established to cover such claims as of June 30, 2020.

The following summarizes claims activity in the District's self-insurance internal service fund related to general liability and workers' compensation:

Claims incurred but not reported or case reserves at June 30, 2017	\$ 11,510,545
Claims incurred, fiscal year 2018	10,607,643
Claims paid, fiscal year 2018	<u>(10,447,795)</u>
Claims incurred but not reported or case reserves at June 30, 2018	11,670,393
Claims incurred, fiscal year 2019	6,294,517
Claims paid, fiscal year 2019	<u>(8,662,540)</u>
Claims incurred but not reported or case reserves at June 30, 2019	9,302,370
Claims incurred, fiscal year 2020	985,458
Claims paid, fiscal year 2020	<u>(322,571)</u>
Claims incurred but not reported or case reserves at June 30, 2020	<u>\$ 9,965,257</u>

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 10 – RISK MANAGEMENT (CONTINUED)

The District maintains commercial coverage for property insurance.

The District is self-insured for health benefits. A stop-loss policy was purchased that limits the District's loss to \$300,000 at which point the reinsurance coverage is available. The District also has aggregate stop-loss coverage in place which limits the District's liability to 120% of the prior year's claims. Settled claims have not exceeded this commercial coverage in any of the past three years.

The governmental funds of the District participate in the program and make payments to the Self Insured Medical Benefits Internal Service Fund. Based on the requirements of GASB Statement No. 10, a liability is reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Participants in the program make premium payments to the fund based on the insurance premium. The Self Insured Medical Benefits Internal Service Fund does not include a reserve for catastrophe losses. The total claims liability reported in the Fund at June 30, 2020, is \$3,097,661 and include amounts for known claims and for estimated incurred but not reported claims. These estimates are determined based on the probability that a loss has occurred, and the amount of the loss can be reasonably estimated.

Changes in the Fund's claims liability amounts for the past three years were as follows:

	Balance, Beginning of Year	Claims, Expense and Estimates	Claims Payments	Balance, End of Year
2017-2018	\$ 3,548,380	\$ 42,487,627	\$ (43,256,914)	\$ 2,779,093
2018-2019	2,779,093	47,255,243	(46,656,228)	3,378,108
2019-2020	3,378,108	48,258,549	(48,538,996)	3,097,661

NOTE 11 – INTERFUND ACTIVITY

A. Due To/Due From Other Funds

As of June 30, 2020, the amount of \$2,265,649 due to the General Fund from the Food Service Fund is to cover deficit cash balances.

B. Interfund Transfers

The Capital Project Fund transferred \$3,197,268 to the Debt Service Fund to transfer unspent bond proceeds to be used for debt service.

**Minneapolis Public Schools
Special School District No. 1
Notes to Financial Statements**

NOTE 12 – COMPENSATED ABSENCES

Employees of the District are eligible for severance pay based on unused sick leave as follows:

A. Administrators

Employees who are at least 55 years of age or who are credited with 30 years of service by the Minneapolis Teachers Retirement Fund Association (MORFA) may be eligible to receive payment for 50% of unused sick leave.

B. Teachers

Employees who are at least 55 years of age or who are credited with 30 years of service by the MTRFA receive payment for 50% of unused sick leave. All amounts of vested sick pay are accrued as liabilities in the Internal Service Post Retirement Benefits Fund.

C. Principals

Employees hired on or before July 1, 2014, and who are at least 55 years of age or who are credited with 30 years of service receive severance pay amounting to 60% of unused sick leave. Employees hired after July 1, 2014, receive payment up to 80 hours of unused sick leave at 60% of the daily rate of pay.

NOTE 13 – CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2020, the District implemented GASB Statement No 84, Fiduciary Activities. As a result, the District moved student activity accounts in the amount of \$695,903 to the general fund and the governmental activities.

NOTE 14 – GASB STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 87, Leases establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending June 30, 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

**Minneapolis Public Schools
Special School District No. 1
Schedule of Changes in Net OPEB Liability
and Related Ratios**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service cost	\$ 6,076,552	\$ 6,419,803	\$ 6,069,488	\$ 4,623,805
Interest	3,005,357	2,178,073	2,804,957	1,939,402
Differenced between expected and actual experience	-	(7,083,960)	-	(15,311,149)
Changes of assumptions	-	(2,164,523)	939,873	(10,786,001)
Benefit payments	(285,922)	(1,376,822)	(1,782,208)	(1,100,265)
Implicit rate subsidies	(1,920,313)	-	-	-
Net change in total OPEB liability	<u>6,875,674</u>	<u>(2,027,429)</u>	<u>8,032,110</u>	<u>(20,634,208)</u>
Beginning of year	<u>67,888,829</u>	<u>74,764,503</u>	<u>72,737,074</u>	<u>80,769,184</u>
End of Year	<u>\$ 74,764,503</u>	<u>\$ 72,737,074</u>	<u>\$ 80,769,184</u>	<u>\$ 60,134,976</u>
Plan Fiduciary Net Pension (FNP)				
Employer contributions	\$ -	\$ 3,376,822	\$ 1,782,208	\$ 1,100,265
Net investment income	1,272,204	-	-	-
Projected earnings on fiduciary net position	-	773,287	863,995	947,116
Net difference between projected and actual earnings	-	313,862	1,059,510	(188,054)
Benefit payments	-	(1,376,822)	(1,782,208)	(1,100,265)
Administrative expense	-	(69,058)	(73,760)	(79,035)
Net change in plan fiduciary net position	<u>1,272,204</u>	<u>3,018,091</u>	<u>1,849,745</u>	<u>680,027</u>
Beginning of year	<u>14,946,492</u>	<u>16,218,695</u>	<u>19,236,786</u>	<u>21,086,531</u>
End of year	<u>\$ 16,218,696</u>	<u>\$ 19,236,786</u>	<u>\$ 21,086,531</u>	<u>\$ 21,766,558</u>
Net OPEB liability	<u>\$ 58,545,807</u>	<u>\$ 53,500,288</u>	<u>\$ 59,682,653</u>	<u>\$ 38,368,418</u>
Plan FNP as a percentage of the total OPEB liability	21.69%	26.45%	26.11%	36.20%
Covered-employee payroll	\$ 363,751,046	\$ 360,122,986	\$ 372,727,291	\$ 331,585,577
Net OPEB liability as a percentage of covered-employee	16.10%	14.86%	16.01%	11.57%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Minneapolis Public Schools
Special School District No. 1
Schedule of Employer Contributions - OPEB**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Actuarially determined contribution	\$ 8,990,196	\$ 1,251,751	\$ 1,778,462	\$ 1,037,462
Contributions in relation to the actuarially determined contribution	<u>2,356,085</u>	<u>3,376,822</u>	<u>1,782,208</u>	<u>1,100,265</u>
Contribution deficiency (excess)	<u>\$ 6,634,111</u>	<u>\$ (2,125,071)</u>	<u>\$ (3,746)</u>	<u>\$ (62,803)</u>
Covered-employee payroll	<u>\$ 363,751,046</u>	<u>\$ 360,122,986</u>	<u>\$ 372,727,291</u>	<u>\$ 331,585,577</u>
Contributions as a percentage of covered-employee	0.65%	0.94%	0.48%	0.33%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Minneapolis Public Schools
Special School District No. 1
Schedule of Investment Returns**

	<u>June 30, 2017</u>	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Annual money-weighted rate of return, net of investment expense	8.97%	6.72%	10.02%	3.61%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**Minneapolis Public Schools
Special School District No. 1
Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability - General Employees Retirement Fund
Last Ten Years***

For Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	1.9676%	\$ 92,427,990	\$ -	\$ 92,427,990	\$ 103,293,324	89.5%	78.7%
2015	3.5536%	184,165,995	-	184,165,995	110,161,680	167.2%	78.2%
2016	3.3730%	273,870,870	3,577,010	277,447,880	114,079,707	240.1%	78.8%
2017	2.8326%	180,831,314	2,273,787	183,105,101	87,249,667	207.3%	75.9%
2018	2.6337%	146,106,878	4,792,584	150,899,462	81,788,760	178.6%	79.5%
2019	2.9200%	161,440,259	5,017,615	166,457,874	111,419,373	144.9%	80.2%

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

**Schedule of District's and Non-Employer Proportionate Share
of Net Pension Liability - TRA Retirement Fund
Last Ten Years***

For Fiscal Year Ended June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of State of Minnesota's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability and District's Share of the State of Minnesota's Share of the Net Pension of Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	8.6534%	\$ 398,742,430	\$ 25,768,509	\$ 424,510,939	\$ 238,717,909	167.0%	81.5%
2015	8.1323%	503,063,183	57,223,106	560,286,289	257,683,734	195.2%	76.8%
2016	9.1760%	2,188,694,939	192,864,529	2,394,574,710	301,171,984	726.7%	44.9%
2017	8.3442%	1,665,653,683	150,258,878	1,815,912,561	282,186,562	590.3%	51.6%
2018	7.8961%	495,950,319	43,395,549	539,345,868	273,509,336	181.3%	78.1%
2019	7.3196%	466,552,841	38,392,377	504,945,218	262,426,079	177.8%	78.2%

The District's Proportion and Proportionate Share of the Net Pension Liability include the percentage and amount under a special funding situation.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

See notes to required supplementary information.

**Minneapolis Public Schools
Special School District No. 1
Schedule of District Contributions
General Employees Retirement Fund
Last Ten Years***

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 7,488,766	\$ 7,488,766	\$ -	\$ 103,293,324	7.25%
2015	8,262,126	8,262,126	-	110,161,680	7.50%
2016	8,555,978	8,555,978	-	114,079,707	7.50%
2017	6,543,725	6,543,725	-	87,249,667	7.50%
2018	6,134,157	6,134,157	-	81,788,760	7.50%
2019	8,356,453	8,356,453	-	111,419,373	7.50%
2020	6,275,026	6,275,026	-	83,667,013	7.50%

In addition to these contributions, the District made an annual contribution of \$ 7,142,400 under a special funding situation for fiscal year 2015, 2016, 2017, 2018, 2019, and 2020.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

**Schedule of District Contributions
TRA Retirement Fund
Last Ten Years***

Fiscal Year Ending June 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 25,399,585	\$ 25,399,585	\$ -	\$ 228,003,456	11.14%
2015	28,705,968	28,705,968	-	257,683,734	11.14%
2016	33,550,559	33,550,559	-	301,171,984	11.14%
2017	31,435,583	31,435,583	-	282,186,562	11.14%
2018	30,468,940	30,468,940	-	273,509,336	11.14%
2019	29,785,360	29,785,360	-	262,426,079	11.35%
2020	28,340,795	28,340,795	-	245,162,587	11.56%

In addition to these contributions, the District makes an annual contribution of \$ 2,250,000 under a special funding situation.

Note: Schedule is intended to show ten year trend. Additional years will be displayed as they become available.

**Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information**

TRA Retirement Funds

2019 Changes

Changes in Actuarial Assumptions

- None

2018 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 7.5% from 5.12%.
- The cost of living adjustment (COLA) was reduced from 2.0% each January 1 to 1.0%, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.1% each year until reaching the ultimate rate of 1.5% on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.5% if the funded ratio was at least 90% for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019, and ending July 1, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to 0.0% beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.0% to 3.0%, effective July 1, 2018. Interest due on payments and purchases from members, employers was reduced from 8.5% to 7.5%, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years (7.71% in 2018, 7.92% in 2019, 8.13% in 2020, 8.34% in 2021, 8.55% in 2022, and 8.75% in 2023). In addition, the employee contribution rate will increase from 7.50% to 7.75% on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2017 Changes

Changes in Actuarial Assumptions

- The discount rate was increased to 5.12% from 4.66%
- The cost of living adjustment (COLA) was assumed to increase from 2.0% annually to 2.5% annually on July 1, 2045.
- The COLA was not assumed to increase to 2.5% but remain at 2.0% for all future years.
- Adjustments were made to the combined service annuity loads. The active load was reduced from 1.4% to 0.0%, the vested inactive load increased from 4.0% to 7.0% and the non-vested inactive load increased from 4.0% to 9.0%.
- The investment return assumption was changed from 8.0% to 7.5%.
- The price inflation assumption was lowered from 2.75% to 2.5%.
- The payroll growth assumption was lowered from 2.5% to 3.0%.

**Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information**

TRA Retirement Funds (Continued)

2017 Changes (Continued)

Changes in Actuarial Assumptions (Continued)

- The general wage growth assumption was lowered from 3.5% to 2.85% for ten years followed by 3.25% thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.

2016 Changes

Changes in Actuarial Assumptions

- The discount rate was decreased to 4.66% from 8.0%.
- The COLA was not assumed to increase for funding or the GASB calculation. It remained at 2% for all future years.
- The price inflation assumption was lowered from 3% to 2.75%.
- The general wage growth and payroll growth assumptions were lowered from 3.75% to 3.5%.
- Minor changes as some durations for the merit scale of the salary increase assumption.
- The pre-retirement mortality assumption was changed to the RP 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP 2015 scale.
- The post-retirement mortality assumption was changed to the RP 2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP 2015 scale.
- The post-disability mortality assumption was changed to the RP 2014 disabled retiree mortality table, without adjustment.
- Separate retirement assumptions for members hired before or after July 1, 1989, were created to better reflect each group's behavior in light of different requirements for retirement eligibility.
- Assumed termination rates were changed to be based solely on years of service in order to better fit the observed experience.
- A minor adjustment and simplification of the assumption regarding the election of optional form of annuity payment at retirement were made.

2015 Changes

Changes of Benefit Terms

- The DTRFA was merged into TRA on June 30, 2015.

Changes in Actuarial Assumptions

- The annual COLA for the June 30, 2015, valuation assumed 2%. The prior year valuation used 2% with an increase to 2.5% commencing in 2034. The discount rate used to measure the total pension liability was 8.0%. This is a decrease from the discount rate at the prior measurement date of 8.25%.

**Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information**

General Employees Fund

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changes prospectively, requiring \$16 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.0% to 3.0%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.0%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.0% per year with a provision to increase to 2.5% upon attainment of 90% funding ratio to 50% of the Social Security Cost of Living Adjustment, not less than 1.0% and not more than 1.5%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

**Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information**

General Employees Fund (Continued)

2017 Changes (Continued)

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

2015 Changes

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

**Minneapolis Public Schools
Special School District No. 1
Notes to the Required Supplementary Information**

Post Employment Health Care Plan

2019 Changes

Changes in Actuarial Assumptions

- Discount rate was decreased from 3.46% to 2.90%.
- Annual wage increase rate was decreased from 3.50% to 3.00%
- Loads on healthcare trend were removed due to the repeal of the so-call “Cadillac Tax”
- Per-capita costs were updated to reflect experience since the previous valuation, including increase in morbidity assumption from 3.00% to 4.00%
- Future retiree plan election was updated for Plan 1, Plan 2, and Plan 3 from 75%, 23%, 2% to 50%, 40%, 10%, respectively
- Mortality improvement scale was updated from MP-2015 to MP-2018 for all groups except Teachers and Principals

2018 Changes

Changes in Actuarial Assumptions:

- Discount rate was decreased from 3.60% to 3.46%.

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SUPPLEMENTARY INFORMATION

**Minneapolis Public Schools
Special School District No. 1
Combining Balance Sheet -
Nonmajor Governmental Funds
June 30, 2020**

	Special Revenue			Debt Service	
	Food Service	Community Service	Total	Post Employment Benefits Debt Service	Total Nonmajor Funds
Assets					
Cash and investments	\$ -	\$ 6,423,422	\$ 6,423,422	\$ 1,409,095	\$ 7,832,517
Current property taxes receivable	-	2,946,530	2,946,530	1,269,853	4,216,383
Delinquent property taxes receivable	-	56,048	56,048	8,245	64,293
Accounts receivable	13,355	68,956	82,311	138	82,449
Due from Department of Education	520,135	1,397,413	1,917,548	785	1,918,333
Due from other Minnesota school districts	-	202	202	-	202
Due from Federal Government through Department of Education	5,023,765	539,042	5,562,807	-	5,562,807
Due from Federal Government received directly	-	91,161	91,161	-	91,161
Inventory	1,615,465	-	1,615,465	-	1,615,465
	<u>\$ 7,172,720</u>	<u>\$ 11,522,774</u>	<u>\$ 18,695,494</u>	<u>\$ 2,688,116</u>	<u>\$ 21,383,610</u>
Liabilities					
Accounts payable	\$ 1,157,820	\$ 135,825	\$ 1,293,645	\$ -	\$ 1,293,645
Salaries and benefits payable	163,003	342,150	505,153	-	505,153
Due to other funds	2,265,649	-	2,265,649	-	2,265,649
Due to other governmental units	714	-	714	-	714
Deferred revenue	282,707	227,020	509,727	-	509,727
Total liabilities	<u>3,869,893</u>	<u>704,995</u>	<u>4,574,888</u>	<u>-</u>	<u>4,574,888</u>
Deferred Inflows of Resources					
Property taxes levied for subsequent year's expenditures	-	5,568,034	5,568,034	2,402,317	7,970,351
Unavailable revenue - delinquent property taxes	-	56,048	56,048	8,245	64,293
Total deferred inflows of resources	-	5,624,082	5,624,082	2,410,562	8,034,644
Fund Balances					
Nonspendable	1,615,465	-	1,615,465	-	1,615,465
Restricted					
Restricted for other purposes	1,687,362	417,325	2,104,687	277,554	2,382,241
Community education programs	-	1,927,253	1,927,253	-	1,927,253
Adult basic education	-	702,422	702,422	-	702,422
Early childhood and family Education programs	-	353,624	353,624	-	353,624
School readiness	-	1,793,073	1,793,073	-	1,793,073
Total fund balances	<u>3,302,827</u>	<u>5,193,697</u>	<u>8,496,524</u>	<u>277,554</u>	<u>8,774,078</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,172,720</u>	<u>\$ 11,522,774</u>	<u>\$ 18,695,494</u>	<u>\$ 2,688,116</u>	<u>\$ 21,383,610</u>

**Minneapolis Public Schools
Special School District No. 1
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended June 30, 2020**

	Special Revenue Funds			Debt Service	Total Nonmajor Funds
	Food Service	Community Service	Total	Post Employment Benefits Debt Service	
Revenues					
Local sources					
Local property taxes	\$ -	\$ 5,492,440	\$ 5,492,440	\$ 2,343,290	\$ 7,835,730
Earnings on investments	17,694	104,334	122,028	19,122	141,150
Other local and county revenues	295,683	6,926,890	7,222,573	-	7,222,573
Revenue from state sources	1,001,893	13,814,221	14,816,114	7,849	14,823,963
Revenue from federal sources	20,234,488	2,133,213	22,367,701	-	22,367,701
Sales and other conversion of assets	2,144,670	-	2,144,670	-	2,144,670
Total revenues	23,694,428	28,471,098	52,165,526	2,370,261	54,535,787
Expenditures					
Current					
Food service	22,866,971	-	22,866,971	-	22,866,971
Community education and services	-	31,181,411	31,181,411	-	31,181,411
Capital outlay					
Food service	88,505	-	88,505	-	88,505
Community education and services	-	50,591	50,591	-	50,591
Debt service					
Principal	-	-	-	2,130,000	2,130,000
Interest and fiscal charges	-	-	-	130,500	130,500
Total expenditures	22,955,476	31,232,002	54,187,478	2,260,500	56,447,978
Excess of revenues over (under) expenditures	738,952	(2,760,904)	(2,021,952)	109,761	(1,912,191)
Fund Balances					
Beginning of year	2,563,875	7,954,601	10,518,476	167,793	10,686,269
End of year	\$ 3,302,827	\$ 5,193,697	\$ 8,496,524	\$ 277,554	\$ 8,774,078

**Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Food Service Special Revenue Fund
Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local sources				
Earnings on investments	\$ -	\$ -	\$ 17,694	\$ 17,694
Other local and county revenues	-	74,407	295,683	221,276
Revenue from state sources	710,359	710,359	1,001,893	291,534
Revenue from federal sources	18,782,148	18,782,149	20,234,488	1,452,339
Sales and other conversion of assets	2,761,519	2,761,519	2,144,670	(616,849)
Total revenues	<u>22,254,026</u>	<u>22,328,434</u>	<u>23,694,428</u>	<u>1,365,994</u>
Expenditures				
Current				
Food service	22,079,026	22,114,334	22,866,971	752,637
Capital outlay				
Food service	175,000	214,100	88,505	(125,595)
Total expenditures	<u>22,254,026</u>	<u>22,328,434</u>	<u>22,955,476</u>	<u>627,042</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>-</u>	738,952	<u>738,952</u>
Fund Balance				
Beginning of year			<u>2,563,875</u>	
End of year			<u>\$ 3,302,827</u>	

**Minneapolis Public Schools
Special School District No. 1
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - Community Service Special Revenue Fund
Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Over (Under)
	Original	Final		
Revenues				
Local sources				
Local property taxes	\$ 5,541,671	\$ 5,541,671	\$ 5,492,440	\$ (49,231)
Earnings on investments	-	-	104,334	104,334
Other local and county revenues	9,819,614	9,552,477	6,926,890	(2,625,587)
Revenue from state sources	14,325,173	15,204,778	13,814,221	(1,390,557)
Revenue from federal sources	2,704,605	2,704,605	2,133,213	(571,392)
Total revenues	<u>32,391,063</u>	<u>33,003,531</u>	<u>28,471,098</u>	<u>(4,532,433)</u>
Expenditures				
Current				
Community education and services	36,061,477	37,052,349	31,181,411	(5,870,938)
Capital outlay				
Community education and services	193,622	67,275	50,591	(16,684)
Total expenditures	<u>36,255,099</u>	<u>37,119,624</u>	<u>31,232,002</u>	<u>(5,887,622)</u>
Excess of revenues over (under) expenditures	<u>\$ (3,864,036)</u>	<u>\$ (4,116,093)</u>	(2,760,904)	<u>\$ 1,355,189</u>
Fund Balance				
Beginning of year			<u>7,954,601</u>	
End of year			<u>\$ 5,193,697</u>	

**Minneapolis Public Schools
Special School District No. 1
Uniform Financial Accounting and Reporting Standards
Compliance Table
Year Ended June 30, 2020**

	Audit	UFARS	Audit-UFARS		Audit	UFARS	Audit-UFARS
01 General Fund				06 Building Construction Fund			
Total revenue	\$ 607,844,278	\$ 607,844,278	\$ -	Total revenue	\$ 3,611,101	\$ 3,611,101	\$ -
Total expenditures	577,344,220	577,344,220	-	Total expenditures	91,067,412	91,067,412	-
<i>Nonspendable:</i>				<i>Nonspendable:</i>			
4.60 Nonspendable fund balance	1,269,376	1,269,376	-	4.60 Nonspendable fund balance	917,052	917,052	-
<i>Restricted/reserved:</i>				<i>Restricted/reserved:</i>			
4.01 Student Activities	725,174	725,174	-	4.07 Capital Projects Levy	-	-	-
4.02 Scholarships	-	-	-	4.13 Building Projects Funded by COP/LP	-	-	-
4.03 Staff Development	-	-	-	4.67 Long-term Facilities Maintenance	118,839,677	118,839,677	-
4.05 Deferred Maintenance	-	-	-	<i>Restricted:</i>			
4.06 Health and Safety	-	-	-	4.64 Restricted fund balance	101,119,599	101,119,598	1
4.07 Capital Projects Levy	-	-	-	<i>Unassigned:</i>			
4.08 Cooperative Programs	-	-	-	4.63 Unassigned fund balance	-	-	-
4.13 Building Projects Funded by COP/LP	-	-	-	07 Debt Service Fund			
4.14 Operating Debt	-	-	-	Total revenue	\$ 93,235,543	\$ 93,235,542	\$ 1
4.16 Levy Reduction	-	-	-	Total expenditures	88,835,877	88,835,878	(1)
4.17 Taconite Building Maintenance	-	-	-	<i>Nonspendable:</i>			
4.23 Certain Teacher Programs	-	-	-	4.60 Nonspendable fund balance	-	-	-
4.24 Operating Capital	-	-	-	<i>Restricted/reserved:</i>			
4.26 \$25 Taconite	-	-	-	4.25 Bond refundings	-	-	-
4.27 Disabled Accessibility	-	-	-	4.33 Maximum effort loan aid	-	-	-
4.28 Learning and Development	-	-	-	4.51 QZAB payments	28,264,217	28,264,217	-
4.34 Area Learning Center	1,421,247	1,421,247	-	4.67 LTFM	-	-	-
4.35 Contracted Alternative Programs	-	-	-	<i>Restricted:</i>			
4.36 State Approved Alternative Program	-	-	-	4.64 Restricted fund balance	13,629,105	13,629,105	-
4.38 Gifted and Talented	466,385	466,385	-	<i>Unassigned:</i>			
4.40 Teacher Development and Evaluation	-	-	-	4.63 Unassigned fund balance	-	-	-
4.41 Basic Skills Programs	-	-	-	08 Trust Fund			
4.45 Career Technical Programs	-	-	-	Total revenue	\$ -	\$ -	\$ -
4.48 Achievement and Integration	2,927,601	2,927,601	-	Total expenditures	-	-	-
4.49 Safe School Crime	-	-	-	<i>Unassigned:</i>			
4.51 QZAB and QSCB Payments	-	-	-	4.01 Student Activities	-	-	-
4.52 OPEB Liabilities not Held in Trust	-	-	-	4.02 Scholarships	-	-	-
4.53 Unfunded Severance and Retirement Levy	-	-	-	4.22 Net position	-	-	-
4.59 Basic Skills Extended Time	2,792,710	2,792,710	-	18 CUSTODIAL			
4.67 Long-term Facilities Maintenance	160,765	160,765	-	Total revenue	\$ -	\$ -	\$ -
<i>Restricted:</i>				Total expenditures	-	-	-
4.72 Medical Assistance	-	-	-	<i>Restricted/reserved:</i>			
4.64 Restricted fund balance	1,100,000	1,100,000	-	4.01 Student Activities	-	-	-
4.75 Title VII - Impact Aid	-	-	-	4.02 Scholarships	-	-	-
4.76 Payments in Lieu of Taxes	-	-	-	4.48 Achievement and Integration	-	-	-
<i>Committed:</i>				4.65 Restricted	-	-	-
4.18 Committed for separation	-	-	-	20 Internal Service Fund			
4.61 Committed	-	-	-	Total revenue	\$ 70,034,174	\$ 70,034,173	\$ 1
<i>Assigned:</i>				Total expenditures	57,693,431	57,693,432	(1)
4.62 Assigned fund balance	43,737,399	43,737,399	-	<i>Unassigned:</i>			
<i>Unassigned:</i>				4.22 Net position	22,049,483	22,049,481	2
4.22 Unassigned fund balance (net position)	52,573,025	52,573,029	(4)	25 OPEB Revocable Trust			
02 Food Services Fund				Total revenue	\$ -	\$ -	\$ -
Total revenue	\$ 23,694,428	\$ 23,694,429	\$ (1)	Total expenditures	-	-	-
Total expenditures	22,955,476	22,955,477	(1)	<i>Unassigned:</i>			
<i>Nonspendable:</i>				4.22 Net position	-	-	-
4.60 Nonspendable fund balance	1,615,465	1,615,465	-	45 OPEB Irrevocable Trust			
<i>Restricted/reserved:</i>				Total revenue	\$ 680,019	\$ 680,019	\$ -
4.52 OPEB liabilities not held in trust	-	-	-	Total expenditures	-	-	-
<i>Restricted:</i>				<i>Unassigned:</i>			
4.64 Restricted fund balance	1,687,362	1,687,362	-	4.22 Net position	21,766,550	21,766,550	-
<i>Unassigned:</i>				47 OPEB Debt Service			
4.63 Unassigned fund balance	-	-	-	Total revenue	\$ 2,370,261	\$ 2,370,262	\$ (1)
04 Community Service Fund				Total expenditures	2,260,500	2,260,500	-
Total revenue	\$ 28,471,098	\$ 28,471,097	\$ 1	<i>Nonspendable:</i>			
Total expenditures	31,232,002	31,231,999	3	4.60 Nonspendable fund balance	-	-	-
<i>Nonspendable:</i>				<i>Restricted:</i>			
4.60 Nonspendable fund balance	-	-	-	4.25 Bond refundings	-	-	-
<i>Restricted/reserved:</i>				4.64 Restricted fund balance	277,554	277,555	(1)
4.26 \$25 Taconite	-	-	-	<i>Unassigned:</i>			
4.31 Community Education	1,927,253	1,927,253	-	4.63 Unassigned fund balance	-	-	-
4.32 ECFE	353,624	353,624	-	08 Trust Fund			
4.40 Teacher Development and Evaluation	-	-	-	Total revenue	\$ -	\$ -	\$ -
4.44 School Readiness	1,793,073	1,793,073	-	Total expenditures	-	-	-
4.47 Adult Basic Education	702,422	702,422	-	<i>Unassigned:</i>			
4.52 OPEB Liabilities not Held in trust	-	-	-	4.01 Student Activities	-	-	-
<i>Restricted:</i>				4.02 Scholarships	-	-	-
4.64 Restricted fund balance	417,325	417,326	(1)	4.22 Net position	-	-	-
<i>Unassigned:</i>				20 Internal Service Fund			
4.63 Unassigned fund balance	-	-	-	Total revenue	\$ 70,034,174	\$ 70,034,173	\$ 1

**Minneapolis Public Schools
Special District No. 1**

**Reports on *Government Auditing
Standards, Uniform Guidance,
and Legal Compliance***

June 30, 2020



**Minneapolis Public Schools
Special District No. 1
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**Minneapolis Public Schools
Special District No. 1
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

Federal Agency/Pass Through Agency/Program Title	CFDA Number	Expenditures
U.S. Department of Agriculture		
Through Minnesota Department of Education		
Child Nutrition Cluster		
School Breakfast Program	10.553	\$ 2,642,609
National School Lunch Program	10.555	7,251,332
Commodities Programs - Non Cash	10.555	1,292,187
COVID - Summer Food Service Program for Children	10.559	7,329,312
Total Child Nutrition Cluster		<u>18,515,440</u>
Cash in Lieu of Child and adult Care Food Program	10.558	1,280,895
Fresh Fruits and Vegetables Program	10.582	438,153
Total U.S. Department of Agriculture		<u>20,234,488</u>
U.S. Department of Education		
Through Minnesota Department of Education		
Adult Education - Basic Grants to States	84.002	705,707
Title I Grants To Local Educational Agencies		
Title I, Part A	84.010	21,354,513
Title I, Part D	84.010	124,976
Total Title I Grants To Local Educational Agencies		<u>21,479,489</u>
Special Education Cluster		
Special Education	84.027	8,069,265
Special Education - Preschool Grants	84.173	298,163
Total Special Education Cluster		<u>8,367,428</u>
Special Education - Grants for Infants and Families	84.181	293,878
Career and Technical Education - Basic Grants to States	84.048	668,877
Education for Homeless Children and Youth	84.196	98,651
21st Century Community Learning Centers	84.287	30,976
Special Education - State Personnel Development	84.323	124,443
English Language Acquisition	84.365	891,071
Title II, Part A - Supporting Effective Instruction	84.367	1,987,077
School Improvement Grants	84.377	1,797,736
Title IV, Part A - Student Support and Academic Enrichment Program	84.424	1,909,386

**Minneapolis Public Schools
Special District No. 1
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020**

<u>Federal Agency/Pass Through Agency/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Education (Continued)		
Through YMCA		
21st Century Community Learning Centers	84.287	48,578
Direct		
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	1,565,843
21st Century Community Learning Centers	84.287	586,798
Fund for Improvement of Education	84.215	403,714
Indian Education Grants to Local Educational Agencies	84.060	264,291
Arts in Education - Professional Development for Arts Educators	84.351	252,531
Total U.S. Department of Education		<u>41,476,474</u>
U.S. Department of Justice		
Direct		
COPS Lock Replacement	16.710	71,284
STOP School Violence	16.839	169,242
Total U.S. Department of Justice		<u>240,526</u>
Corporation for National and Community Service		
Through Serve Minnesota		
AmeriCorps	94.006	67,522
U.S. Department of Education		
AmeriCorps	94.006	289,918
Total Corporation for National and Community Service		<u>357,440</u>
Total Federal Expenditures		<u>\$ 62,308,928</u>

**Minneapolis Public Schools
Special District No. 1
Notes to the Schedule of Expenditures of Federal Awards**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 – INVENTORY

Inventories of commodities donated by the U.S. Department of Agriculture are recorded at market value in the Food Service Fund as inventory. Revenue and expenditures are recorded when commodities are used.

NOTE 3 – NONMONETARY ASSISTANCE

Nonmonetary assistance is reported in this schedule at the fair market value of commodities received and disbursed for the USDA Commodities Program (CFDA #10.555).

NOTE 4 – PASS-THROUGH GRANT NUMBERS

All pass-through entities listed above use the same CFDA numbers as the federal grantors to identify these grants and have not assigned any additional identifying numbers.

NOTE 5 – INDIRECT COST RATE

The District did not elect to use the 10 percent de minimis indirect cost rate.

**Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit
of Financial Statements Performed in Accordance
with *Government Auditing Standards***

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special District No. 1
Minneapolis, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools, Special District No. 1 Minneapolis, Minnesota, as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as audit finding 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

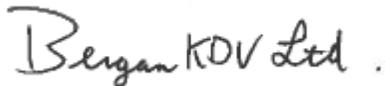
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to the Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs in Accordance with the Uniform Guidance. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Minneapolis, Minnesota
December 1, 2020

**Report on Compliance for each Major Federal Program and on Internal
Control Over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special District No. 1
Minneapolis, Minnesota

Report on Compliance for Each Major Federal Program

We have audited the compliance of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs in accordance with the Uniform Guidance.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Minneapolis Public Schools Special District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2020, and the related notes to financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 1, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Bergan KDV Ltd.

Minneapolis, Minnesota
December 1, 2020

**Minneapolis Public Schools
Special District No. 1
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	Yes, Audit Finding 2020-001
• Significant deficiency(ies) identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516?	No

Identification of Major Programs

CFDA No:	10.553, 10.555, 10.559
Name of Federal Program or Cluster:	Child Nutrition Cluster
CFDA No:	84.027, 84.173
Name of Federal Program or Cluster:	Special Education Cluster
CFDA No:	84.424
Name of Federal Program or Cluster:	Title IV, Part A
CFDA No:	84.367
Name of Federal Program or Cluster:	Title II
CFDA No:	84.048A
Name of Federal Program or Cluster:	Carl Perkins
Dollar threshold used to distinguish between type A and type B programs:	\$1,869,268
Auditee qualified as low risk auditee?	No

**Minneapolis Public Schools
Special District No. 1
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II – FINANCIAL STATEMENT FINDINGS

Audit Finding 2020-001 – Segregation of Duties

Criteria or Specific Requirement:

Internal control that supports the District's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements requires adequate segregation of accounting duties.

Condition:

We noted during review of the District's internal controls that there is a lack of segregation of duties over certain processes. A lack of segregation occurs when there is an individual who has responsibility to perform multiple functions in four key areas: initiation/authorization, processing/recording, reconciling/reporting of financial data, and custody of assets.

We noted lack of segregation of duties, to various degrees, in the following areas:

- SAP User Rights: A number of employees have excessive access to accounts payable functions, purchasing functions, and the general ledger. Also, there were instances identified where individuals have excessive access to perform many responsibilities within a process (e.g. create a vendor, enter an invoice for payment, and cut a check). There are also some employees who have the ability to make journal entries without review as a result of SAP user rights allocated to them. We recommend that the District review all user roles and the permissions granted to each role for appropriateness, taking into consideration adequate segregation of duties. The District should also validate that adequate compensating controls are implemented to review and detect irregular or fraudulent activity performed by users with elevated permissions. Additionally, individuals in a position of authority should have limited transactional ability within the SAP application to further prevent management override of controls.
- Financial Closing Process: Certain employees record transactions and reconcile balances at the end of the year without evidence of review by another employee in a timely manner. As a result of this condition, material audit adjustments were required for state aids and property taxes.

Context:

This finding impacts the internal control for all significant accounting functions.

Effect or Potential Effect:

The lack of adequate segregation of accounting duties adversely affected the District's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements as material audit adjustments were required for state aids and property taxes. Financial information could contain inaccurate information if reconciliations are not reviewed timely.

**Minneapolis Public Schools
Special District No. 1
Schedule of Findings and Questioned Costs
in Accordance with the Uniform Guidance**

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Audit Finding 2020-001 – Segregation of Duties (Continued)

Cause:

Process flows and SAP user access rights are not designed to provide for proper segregation of duties in each area. Changes in roles and responsibilities of finance staff contributed to reconciliations of account balances not being reviewed timely which resulted in material misstatements.

Management's Response:

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding

There is no disagreement with the finding.

2. Actions Planned in Response to Finding

SAP User Rights – The Executive Director – IT has been working on system audits and some corrective action has already been implemented on user rights and we will keep monitoring the process.

Financial Closing Process – The process for the financial closing process will improve after changes in roles and responsibilities in the Finance Department.

3. Official Responsible for Ensuring CAP

SAP User Rights – Executive Director – IT

Financial Closing Process – Chief Financial Officer

4. Planned Completion Date for CAP

The planned completion date for the CAP is June 30, 2021.

5. Plan to Monitor Completion of CAP

The Finance and IT Department management will be monitoring the corrective action plan.

SECTION III – PRIOR YEAR FINDINGS

None

SECTION IV – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

Minnesota Legal Compliance

Independent Auditor's Report

To the School Board
Minneapolis Public Schools
Special District No. 1
Minneapolis, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minneapolis Public Schools Special District No. 1, Minneapolis, Minnesota, as of and for the year ended June 30, 2020, and the related notes to financial statements, and have issued our report thereon dated December 1, 2020.

The *Minnesota Legal Compliance Audit Guide for School Districts* promulgated by the State Auditor pursuant to *Minnesota Statutes* § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and uniform financial accounting and reporting standards for school districts. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for School Districts*, except as described in the Schedule of Findings and Corrective Action Plans on Legal Compliance. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions.

The purpose of this report is to describe the scope of our testing of compliance and the result of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in dark ink that reads "BergankDV Ltd." in a cursive, slightly stylized font.

Minneapolis, Minnesota
December 1, 2020

**Minneapolis Public Schools
Special District No. 1
Schedule of Findings and Corrective Action
Plans on Legal Compliance**

CURRENT YEAR LEGAL COMPLIANCE FINDING:

Audit Finding 2020-002 – Prompt Payment of Local Government Bills

Minnesota Statute 471.425 requires that school districts must pay each vendor obligation according to the terms of the contract or, if no contract terms apply, within the standard payment period. For school districts with governing boards that have regular meetings at least once a month, the standard payment period is within 35 days of the date of receipt.

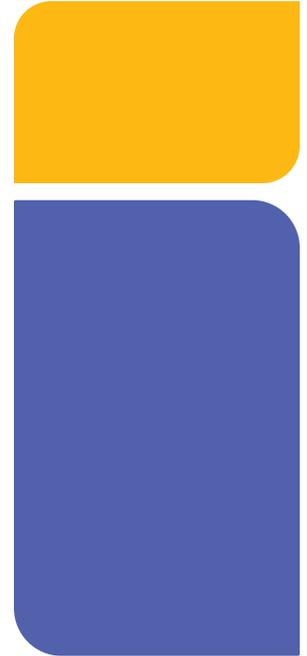
During our audit, we noted invoices in our sample selection were not paid within the standard payment period of 35 days.

CORRECTIVE ACTION PLAN (CAP):

1. Explanation of Disagreement with Audit Finding
There is no disagreement with the finding.
2. Actions Planned in Response to Finding
The District will ensure that payments are made promptly in accordance with *Minnesota Statute 471.425*.
3. Official Responsible for Ensuring CAP
The Chief Financial Officer is responsible for ensuring corrective action.
4. Planned Completion Date for CAP
The planned completion date for the CAP is June 30, 2021.
5. Plan to Monitor Completion of CAP
The Finance Department management will be monitoring the corrective action plan.

2021-22 Budget Development

Regular Business Meeting
December 8, 2020



Budget Timeline

Budget Timeline (December 2020-January 2021)

- FY-2021 external audit completed
- Overview of budget process, timeline, and Pro-Forma
- State revenue forecast
- 2021 tax levy certification
- MN legislative agenda begins
- Budget information sessions conducted
- Determine central office and school staffing allocations

Budget Timeline (February-March 2021)

- Training on budget process
- Budgets sent to schools and departments
- School Site Council budget meetings
- School and department budgets due
- Budgets reviewed using Board priorities and budget parameters

Budget Timeline (April-June 2021)

- Interview and Select process for licensed staff
- Recommended budget presented to Finance Committee and Board
- MN legislative session ends
- Board votes on final budget (must happen by June 30)
- New fiscal year begins on July 1

Budget Tie-Out

Overview

- Collaborative effort between schools and departments
 - Human Resources
 - Finance
 - Title I
 - Associate Superintendents
 - Special Education
 - Academics
- Ensures proposed budgets are aligned to values and priorities, and are compliant with legal and contractual requirements

Budget Tie-Out (BTO)

- Building leaders receive training and support to complete the process
- Budget Parameters document outlines expectations and requirements

Pro-Forma

Overview

- 5-year outlook of General Fund trends
- Projections of revenue and expenses
- Assists with short and long range planning
- Provides context for 2021-22 budget development

Base Assumptions

- CDD implemented as planned and budgeted
- No increase in state funding formulas*
- No additional state or federal COVID-19 aid*
- No salary increases beyond contractual steps and lanes
- Enrollment declines for three years, then growth

*Additional scenarios included if these should happen

Key Findings

- Current cost structure is unsustainable long-term
- Enrollment increases alone are not the solution
- Need to set clear priorities to guide investments
- Underfunding of Special Education and English Learner Services remains a significant structural issue

Impact of COVID-19 (2020-21 School Year)

- \$58.7 million in unbudgeted expenses this year
 - Distance learning, building readiness, staffing
- State and federal aid will only cover half
- Additional enrollment decline tied to COVID-19

Impact of COVID-19 (Future Years)

- \$20.1 million of unbudgeted expenses is technology-related
- Will have lasting fiscal impact
 - \$8-\$12 million annual cost to maintain universal access
 - Device replacement, software licenses, internet, IT staff
- Reduced Community Education fund balance from programs that didn't receive revenue at normal levels

State and Federal Support Needed

- \$11.5 million in additional funding if state used October 2019 enrollment count (account for COVID-19 impact)
- Additional, substantial federal COVID-19 aid
- A minimum of 2% in State formula increase
- Chronic underfunding of SPED (\$55 million) and EL services (\$11.7 million) must be addressed

Questions?

Timeline for FY 21-22 Budget Planning

Date	Action
September 10 – October 9	Weekly Staff Adjustment meetings for enrollment
September	Prepare analysis of previous year revenue and expenses
Late September	Review Strategic goals and prepare budget process recommendations
September 10	Begin Levy discussion with Board Finance Committee
September 29	Board votes on recommendation to pre-certify the levy
October 1 - 16	Finalize staff adjustments
October	Determine Class size targets for next year
October	Prepare preliminary revenue forecast
October	Decisions on any changes in start times, program changes, etc for School Choice Guide
November 11	Proposed Property tax mailing
Late Nov – Early Dec	Board adopts legislative agenda
November 30	State budget forecast released
December 1	Budget amendment to Finance Committee
December 1	Audit update to Finance Committee
December 1	Present Pro-Forma memo to Finance Committee
December 5 – February 7	School Request process
December 6	Review revenue forecast and enrollment projections
December 8	Audit presentation to school board
December 8	Budget Amendment Resolution to school board
December 8	Truth in Taxation at school board meeting
December 8	Board to Certify final levy
December 8	Update Capital Plan at school board meeting
December 8	Bond award sales resolution to school board
December 31	Final Levy submission deadline
January 5	Legislative Session begins
January 11	Budget Information Session at Black/African American PAC meeting
January 12	Budget Information Session at Latino PAC meeting
January 14	Budget Information Session at DPAC meeting
January 15	Determine Central Office vs School Staffing
January 19	Budget Update to Board Finance Committee
January 20	Budget Information Session at Hmong PAC meeting
January 20	Budget Information Session at American Indian Families meeting
January 21 - 24	Senior Leader meetings to review budget plans
January 24	Budget Tie-out Manual prepared - Programming info needed
January 29	Budget Information Session at Somali PAC meeting
February	Principals schedule site council meetings

February 11 – March 8	Budget meetings and training sessions for School staff
February 14	Budget Allocations go out to Schools
February 16	Review Allocations with Board Finance Committee
February 19	Budget Allocations go out to Departments
March 5	Budget tie-out files due
March 8 – April 9	Budget tie-out files approved
April	Interview & Select
April	Load BTO files to SAP
April 20	Budget recommendation to Finance Committee
May 11	Budget presentation to Board of Education
May 17	Legislative Session ends
May 18	Board Finance Committee presented Final Budget
June 8	Board votes on budget adoption
July 1	Any new funding appropriated by legislature will be available

Budget Tie-out Process

The budget tie-out process is a collaborative effort with all of the Departments at Davis Center.

As decisions are being made about allocations for schools and departments, there is also much other work happening to support schools and departments as they prepare to complete the budget tie-out process in the Admin Portal.

There are several training sessions, including open labs, scheduled in February for new principals, school secretaries and any other staff wanting a “refresher” course on how to complete the budget tie-out files.

Each year the Budget Tie-Out Parameters document is sent to the principals along with their school allocations. This document is reviewed and updated each year by Human Resources, Finance, Special Education, Title I program staff, Associate Superintendents, and all academic departments. The document provides guidance on the process timelines, how specific funding sources can be utilized, rules around hiring and excessing staff, guidance on account codes, and information on academic programming that must be planned for.

Principals engage in conversations with the Associate Superintendents during the budget process to discuss staffing strategies and decisions informing their budget choices specific to their unique school community. Possible discussion questions are included in the Parameters document.

Principals are also required to discuss their budget process at their school site council meetings during January or February. This conversation will help provide feed-back on what concerns families have as we move through the budget process.

Once the principal has developed their budget plan, they enter the plan into the BTO Admin Portal. The allocations in the admin portal will be broken down by funding source. A typical high school may be:

Funding Type	Total Allocation
Class Size Referendum 1096	\$1,985,163.00
Class Size 1001	\$1,647,475.00
School Within A School	\$313,287.00
Principals/Asst Principals	\$495,959.00
Basic Per Student 1001	\$389,660.00
Targeted Programing	\$102,328.00
CTE 1001	\$409,312.00
Q Comp-21	\$99,630.00
Athletics	\$116,245.00
IB	\$114,095.00
Advanced Academics	\$125,328.00
Comp Ed 1031	\$1,764,771.00
ELL - Referendum	\$562,803.00
Special Ed SERT	\$665,131.00
Spec Ed 1004	\$1,396,911.00
Title I 5023	\$497,065.00
Integration Aid	\$0.00
AVID-Integration	\$92,095.00
Racially Isolated Schools-Integration	\$266,404.00
Other	\$234,597.00
Funded Projects	\$0.00
Language Line/Translations	\$8,000.00
BARR Coordinator-Integration Aid	\$51,165.00
Pathway to Teaching-Integration Aid	\$81,062.00
Referendum 1097	\$51,164.00
Total:	\$11,470,450.00

The Admin Portal lists each staff member currently in the building. For each position, you are asked 1) if the position is remaining for the new school year, 2) if the FTE is changing for the new school year, and 3) if the staff member is returning for the new school year. You then must determine what funding source you are using to pay the salary of the staff member. Once you have processed each staff member, you can create new positions to be included in the Interview and Select process. The final step is to identify the amount and purpose of any non-salary dollars being used.

Once all the dollars in the allocation have been identified, the BTO file is submitted. At this point there can be no additional changes made. Once the file is submitted, it is reviewed by the Associate Superintendents. The Title I program staff review the budget plan to ensure it supports the School Improvement Plan (SIP). The Special Education staff reviews and approves the file to ensure compliance, the grant accounting team reviews and approves the file for grant approval and compliance. The Finance staff reviews and approves the file ensuring the predictable staffing requirements are met, correct account codes are used and making sure the funding is being used for allowable resources. The Humans Resources department is the final step in the approval process. They check that proper procedures were followed in hiring, excessing and creating new positions. They will then generate the Interview and Select list to send to schools.

Once the final approvals have been done, the final step in the BTO process is to upload the data from the Admin Portal into SAP so budgets are available for the new school year.



MINNEAPOLIS
PUBLIC SCHOOLS

Urban Education. Global Citizens.

Budget/HR Parameters and Resources 2020-2021

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Section 1 - Reference

How to Use This Document

This document is designed to be a resource for principals and department heads as you complete the budget tie-out process, as well as a helpful resource throughout the fiscal year (July 1, 2020-June 30, 2021).

This document includes information from various departments about applicable laws, collective bargaining processes, and district policies that must be taken into consideration when planning a school or department's budget for the next year. The timeline identifies key dates for completing the budget process. The chart on the next page summarizes required and recommended elements. **You can use the hotlinks in the chart to find more detailed information about each item.**

There are four sections to this document:

1. **Reference** – Includes basic information about the process, timeline, discussion questions to support your staffing decisions, required versus recommended items, a description of all funding sources, non-salary account codes, functional areas, number of weeks on positions, and TOSA information.
2. **Human Resources** – Includes information about license requirements, changes to FTE, job descriptions, seniority information, etc.
3. **Finance** – Includes information about how various funding sources may be used.
4. **Services** – Includes information about the services various central departments provide, as well as information about what services schools and other departments must budget and plan for in their budgets.

You need not read the entire document from beginning to end. However, please refer to the applicable sections of this document as you plan for your budget. If you have questions about any of the information in this document, please contact the responsible department.

Budget Tie-Out Timeline 2020-2021

Month of January	BTO team offering help to new Principals/Secretaries
January 17	PD-Overview/BTO Preparation course for Directors/Principals/Clerical Staff
February 7	SAP Position Online Form (POLF) is closed at the end of the day
February 10 & 12	Admin Portal/BTO System Training/Workshop--Refresher
February 11	Admin Portal/BTO System Training/Worshop—Full Training
February 14	Allocations go out to Schools and Departments
February 19	Allocations go out to Departments
February 19 & 27	BTO Open Lab
March 2 & 5	BTO Open Lab
March 4	Special Ed Contracts Due

March 6	ALL BTO files due (Schools & Departments)
March 6	All HR Forms due to HR when the files are due (via email)
March 9-April	All files reviewed by Associate Superintendents, Spec Ed, Grants, Finance, & HR

Training Sessions /Open Lab Sign Up

Sign up for training and open lab sessions is available in [eCompass](#) under course 91591.

Discussion Questions for Staffing Decisions

OVERVIEW: Associate Superintendents are being guided to engage in conversations with their Principals during the budget process, to discuss the staffing strategies and decisions that inform budget choices. This is not a checklist. These are questions that are meant to start a conversation and probe a principal's thought process, with the intention of supporting strategic thinking, consideration of broader implications, and identification of individuals who may need additional support in thinking through their staffing strategy. If you have not done so already, we encourage you to connect with your Associate Superintendent regarding any of these questions you need support with.

Overall Composition of Staff

GUIDING NOTE: Ensure Principals are thinking through the school-wide implications of decisions – the effect on class size, the effect on certain programs, and the ability to ensure there is enough support to achieve goals; these questions also ensure there is a sensible rationale to support the trade-offs.

- How many staff/teachers do you anticipate keeping/losing? What recruiting/staffing support do you need?
- What TOSA positions are you investing in? What will be their role & how will they be evaluated?
- Does FTE total align with student contact time? (E.g. Teachers with smaller class loads, listed at full 1.0 FTE)
- What trade-offs are you considering with respect to the number of teachers and non-classroom staff you'll have? (E.g. impact on class size; number of adults in classroom; growth or decline of specific programs; need for more/less administrative help; more/fewer observers, etc.)
- What strategies are you using to diversify your teaching staff?

Team Composition

GUIDING NOTE: These questions are intended to ensure there is some strategic and logical thinking on this topic, that the strategy serves to ensure that teachers are able to learn from each other, and that struggling students will have access to the best teachers.

- How are you using Teacher Evaluation data to inform your rehire recommendations?
- What's your strategy for composing teams – grade level, content, etc.?
- Are you shifting anyone around to different teams? How did you make those decisions?

Probationary Rehire

GUIDING NOTE: Ensure decisions incorporate consideration of the available data; opportunity to identify any support that they might need in making these decisions, and to help them think through a plan to gather the information they need in order to make a decision.

- How many probationary teachers are not being recommended for rehire?
- What data did you consider when making these decisions? Which people did you consult?

- How many probationary teachers have not yet received an observation? What is the plan for observing them and providing support prior to rehire decisions?
- Are there any people who you are on the fence about regarding rehire? What would help you land on one side or the other? Need any suggestions about what data to gather?
- Is there anyone you don't think you'll be able to make a decision by the deadline? Why?

Student Classification

GUIDING NOTE: Checking to see if there is a data-driven strategy in place to ensure that the students who are struggling will have access to the best teachers.

- How are you thinking about which classrooms each student should be assigned to next year? Is that different from last year?
- Which students, specifically, are you concerned about? (E.g. had a long-call sub this year; struggling students with struggling teachers, etc.) How will you decide where to place them?

Required and Recommended Elements

The table on the next page summarizes required and recommended elements for schools. You can find additional information about each item within this parameters document. If you need assistance determining how to implement the requirements and recommendations at your school, please contact your Associate Superintendent.

2020-2021 Required and Recommended Elements

Key Element	Funding Source	Required	Recommended	Who Decides What is Required
PREDICTABLE STAFFING: (See next section for additional details)				Maggie Sullivan Eric Moore Aimee Fearing Associates
Principals (and Assistant Principals as applicable)	Principal Allocation	X		Maggie Sullivan Eric Moore Aimee Fearing Associates
School Secretary	Varies	X		Maggie Sullivan Eric Moore Aimee Fearing Associates
Office Assistant	Varies	X (Middle and HS)		Maggie Sullivan Eric Moore Aimee Fearing Associates
Classroom Teachers for class-size requirement	Fund 1001, 1031, 1096 ONLY	X		Maggie Sullivan Eric Moore Aimee Fearing Associates
Health Service Assistant (Bell to Bell)	Varies	X		Rochelle Cox
Counselors	Varies	X (Middle and HS)		Maggie Sullivan Eric Moore Aimee Fearing Associates
Security Monitor	Varies	X (Middle and HS)		Maggie Sullivan Eric Moore Aimee Fearing Associates
Associate Educators	Varies	X		Maggie Sullivan Eric Moore Aimee Fearing Associates
Social Workers	Varies	X		Maggie Sullivan Eric Moore Aimee Fearing Associates
\$100/Student towards non-salary	Varies	X		Maggie Sullivan Eric Moore Aimee Fearing

						Associates
Key Element			Funding Source	Required	Recommended	Who Decides What is Required
Differentiation Specialist			Varies	X		Maggie Sullivan Eric Moore Aimee Fearing Associates
Other Elements:						
Voluntary Pre-K (5-sites only)			Specified in allocation	X		Maureen Seiwert
Secondary Observation and Coaching Support (Instructional Specialist Allocation)			Specified in allocation	X		Emily Olson
Licensed ESL Teachers			ELL Allocation	X		Muhidin Warfa
Submit Equity Considerations for Budgetary Decisions			N/A	X		Eric Moore
Signed Family Involvement Agreement submitted			N/A	X		Eric Moore
SERTs (Special Education Resource Teachers)			Specified in allocation	X		Rochelle Cox
Citywide SpEd allocations			Specified in allocation	X		Rochelle Cox
Parent or Community Liaison			Varies		X	Suzanne Kelly
Transportation Coordinator/School Patrol Coordinator			Varies	X		Karen DeVet
Budget for Non-Salary Expenses (per copy clicks, cell phones, general office supplies)*			Varies	X		Ibrahima Diop
World Languages	Elementary	Secondary	Varies	(PYP, MYP, DP required)	X	Muhidin Warfa
Ethnic Studies		Secondary	Fund 1001	X (High School)		Aimee Fearing
Health / Physical Education	Elementary	Secondary	Varies	X		Aimee Fearing
Fine Arts	Elementary	Secondary	Varies	X (MDE req's at least 2 arts which may include music)		Aimee Fearing

Media Specialists	Elementary	Secondary	Varies		X	Aimee Fearing
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*Will count towards \$100/student non-salary requirement. See Budget Analyst for amounts required for your site.

Predictable Staffing

Predictable Staffing is a staffing standard that families and students can expect at every Minneapolis Public School, which is designed to ensure consistent experiences for students regardless of school and to support stability of finances and staffing across the district. While there are several tiers to predictable staffing standards, MPS introduced the first tier as a requirement during the 2019-2020 BTO cycle and will continue the first-tier requirements for the 2020-2021 school year. It consists of:

- Foundational staff and funding required to operate based on number of students and corresponding staff to teach and support those students.

In coming years, MPS may introduce the following Predictable Staffing standards:

- Staffing to meet district-specific programming; and
- Staffing to meet school-specific programming.

What does predictable staffing look like for your site for the 2020-2021 school year?

While it will be the same at every site, it is ratio-based staffing based on a school's student size/enrollment. Every site will be required to staff minimally, as outlined below with no exceptions:

School Size	Position Requirement
All Schools	Principals (and Assistant Principals as applicable)
All Schools	School Secretary (40 hours/wk)
All Schools	Classroom Teachers and Prep
All Schools	Health Services Assistant (32.5/hrs. <i>Bell-to-Bell</i>)
Middle Schools 1:500	Counselor
High Schools 1:500	Counselor
Middle and High Schools	Security Monitor (40 hours/wk)
Middle and High Schools	Office Assistant (40 hours/wk)
All Schools	ESP: AE (see below grid)
All Schools 1:700	Social Worker
All Schools	\$100/Student Non-salary
Elementary, K-8 and Middle Schools	.5 FTE Differentiation Specialist (see Academic Section for more information)
All Schools (Staffing ratio based on building size)	Custodian (positions are allocated centrally)

Associate Educator Staffing Foundation

The class options that are considered for the required Associate Educator foundational positions are as follows; Classroom support (Academic)/general, Bilingual, and Media Resource.

School Type	# of Students	Minimum Staffing Level
Elementary & K-8	1-374	20 hrs
	375-549	40 hrs
	550-649	60 hrs
	>650	100 hrs
Middle Schools	<500	40 hrs
	500-1999	80 hrs
High Schools	<500	60 hrs
	500-1999	80 hrs
	>2000	160 hrs

Things to know about Predictable Staffing:

- Sites MUST fund the Predictable Staffing requirements as outlined above. Schools can meet all predictable staffing requirements by using the following allocation types (not all sites will receive all allocation types): Principals, Class Size Fund 1001, Class Size Referendum, Basic Per Student, Comp Ed, and Targeted Programming.
- Based on the size of your site, you may be required to staff in a classification (as outlined above) beyond a 1.0 FTE. For example, if you are a High School with 750 students, you will be required to have 1.5 FTE counseling positions. You may staff for both positions with an FTE that is the most attractive for recruitment purposes. For example, you may staff for two counseling positions at 1.0 and 0.5 FTE or choose two .75 FTE positions. Your HR Consultant can assist you with position FTEs.
- Since counselors and social workers positions are determined by ratios, a school may have a ratio that is not appropriate for staffing. The minimum FTE required is to the lower 0.1 FTE segment. For example, if a school requires a 1.36 FTE in counseling based on the ratio, the school is required to fund a minimum of 1.3 FTE in counseling.
- You may not substitute any required foundational position with another position. For example; you cannot substitute the Associate Educator for a SSPA. You may; however, “buy-up” any foundational position in FTE. For example; if you are required to staff a .5 FTE Counselor, you may increase the FTE of the Counselor position.
- Sites will not be able to exit BTO if the above prescribed staffing foundations have not been met and approved by Finance/Human Resources. Your HR Consultant will be working closely with you to ensure you have met the foundational staffing ratios for your site and will be able to assist you in answering staffing questions you have relative to what it will look like for your site.

Fund Descriptions

Fund 1001

The “basic per student” allocation is distributed to schools on a per-student basis. Schools may use the basic per student allocation however they see fit the best meet their school improvement goals.

Fund 1002

Allocation that is given to fund ESL teachers positions only (at some sites, schools are to use referendum funds for ESL positions instead)

Fund 1005

Integration aid is a restricted funding source. (See the parameters section for allowable expenditure.)

Fund 1006

Quality Compensation (QComp) is a state program that provides annual funding to support teacher effectiveness in order to advance the academic achievement of all students. This is a restricted funding source and it has to follow Qcomp parameters as well as per plan sites submit to the Qcomp department.

Fund 1007

Extended Learning allocation is a site-based budget given to sites meeting the state criteria for Targeted Services to purchase classroom supplies for students. This money will be given out to sites in early November by the Extended Learning office and needs to be spent by spring break.

Fund 1031

Compensatory Ed funding is supplemental funding targeted for students not achieving at grade level or based on free- and reduced-price lunch. This money is to be used for positions and supplies for core classes only. Example: Reading, writing, math (no art, music or phy ed). Refer to the parameters to determine allowability.

Fund 1096

Referendum allocation is to be used for classroom positions only.

Fund 1097

Referendum allocation is to be used for classroom teachers or other district approved initiatives.

Fund 2002

Food service fund. Only used for Culinary and Wellness Services.

Fund 2004

Community Ed service fund. Primarily used for community education but also has limited uses for early childhood.

Fund 2022

Community Ed funded project budget.

Fund 2023

Federal flow through grants for Community Education.

Fund 2028

Non-federal grants for Community Education.

Fund 2092

Nutrition Center grants.

Fund 4006

Capital projects fund.

Fund 4026

Facilities grants.

Fund 5023

Federal flow through grants includes Title. These are supplemental dollars (see Title parameters section)

Fund 5024

Funded projects. May be used for multiple purposes but may not be used to fund positions covered by a collective bargaining agreement. Some of which may be donations that are given to schools by donors which do not require reporting back to the donors. Any use of donated funds must comply with regulation [3280A](#) (Accepting Gifts, Bequests, or Grants).

Fund 5025

Federal direct grants are grants that are awarded to MPS directly from the federal government.

Fund 5026

State grants such as grants from State Arts Board. This funding source is restricted and must follow grant parameters.

Fund 5027

Local grants such as grants from the City of Minneapolis. This funding source is restricted and must follow grant parameters.

Fund 5028

Private grants and must be used per grant requirements.

Common Non-Salary Account Codes

Sites are expected to set aside budget for non-salary to operate the office throughout the school year. Please budget for the following items:

Description	G/L	Functional Area
Substitute/Reserve Teachers	514500	
Fringe for Reserves: Other Empl Benef 20%	529900	
Extended Time: Licensed Extended	518510	
Extended Time: Other Extended	518530	
Fringe for extended time: Benefits-Ext Time 20%	529510	(use 529900 in grants)
Consulting Services: Administrative Contacting and Consulting	530500	Note: Grants in Fund 5023, 5025, and 2023 use 530300/530400
Cell Phones: Principal	532000	050.000.000
Cell Phone: Assistant Principal and all others	532000	604.000.000
Copier usage/Per copy clicks *Note: add lease amount from FY20 to this amount	530510	604.000.000
Consumable classroom Instr Supplies	543000	DO NOT USE F/A 604.000.000
Document Center: Printing/copying	530520	
Equipment \$500+ Classroom/Office Equipment	553050	xxx.302.000 Fund 1001 Only*
Food	549000	
Health Office Supplies	540100	720.000.000
Individualized Classroom Instr Supplies	543300	DO NOT USE F/A 604.000.000
Library Books: Reading materials	547000	620.000.000
Library/media supplies	540100	620.000.000
Dues, Membership, Licenses	582000	License Accessing Database
License fees for non-instructional software (below \$5,000).	540500	xxx.302.000 Fund 1001 Only*
License fees for instructional software (below \$5,000).	540600	xxx.302.000 Fund 1001 Only*
Non-Instructional Technology Supplies: Includes flash drives, CDs, cables, stands, and other technology related supplies for non-instructional use.	545500	

Description	G/L	Functional Area
Instructional Technology Supplies: Includes flash drives, CDs, cables, stands, and other technology related supplies for instructional use.	545600	
Printing	530510	604.000.000
Postage/Parcel Svc	532900	604.000.000
Office/Admin Supplies	540100	604.000.000
Student Competitions/Field Trip Fees and Admissions	536900	
Textbooks and workbooks	546000	xxx.302.000 Fund 1001 Only*
Contracted transportation (coach buses and/or Taxi)	536000	
Transportation/Field Trip Chargeback (done by Journal Entry)	536500	
Work Orders Facilities Chargeback	554500	
Staff Development Schools		FUND 1006 (QComp)
Reserve Teachers	514500	640.335.000
Other Empl Benef 20%	529900	640.335.000
Consult/Services	530500	640.335.000
Travel/Conventions	536600	640.335.000
If you are doing staff development in Fund 1001 use 640.316.000. In Fund 1097 or 5024 use functional area 640.000.000		
*The functional area listed may only be used in Fund 1006 although the General Ledger(GL) account codes may be used with other funds as well. If using Fund 1001, please use FA 640.316.000.		

Functional Areas

The functional area is used to determine the subject area of each of the position. You can access the list of functional area by position [here](#).

Number of Weeks on Positions

The number of weeks on positions in the admin portal has been adjusted to accurately reflect the time these positions work from start date to end date per the respective collective bargaining agreements:

- Teachers and other licensed positions– 39 weeks
- Media Specialists, Nurses, and School Social Workers– 40 weeks
- Counselors and DPFs – 43 weeks
- ESPs (Associate Educators, SEAs, etc.) – 41 weeks
- School year clerical – 45 weeks
- Principals – 52 weeks

These weeks have been updated for existing positions. For newly created positions, they should pre-populate in the system.

Note: for positions in AMP, MACA, MAAS, or non-rep who work less than 52 weeks, the number of weeks in the admin portal will be set to 52, but the FTE should be adjusted to reflect the number of weeks worked.

Budget Allocations

Here are some of the most common questions we receive about budgets and potential budget increases.

Q: Are school BTO allocations final?

A: Yes, school allocations are based on formulas. Barring an issue with the numbers used to calculate the formulas, allocations are final. If a school believes there was an error in their allocation, the principal should contact his/her Associate Superintendent or the budget director.

Q: Are department BTO allocations final?

A: Yes, department allocations are final. Occasionally, there are roles that are shifted from one department to another. If you believe budget was not loaded into your department for an initiative you are now responsible for, please check with your Chief or the budget director.

School-based TOSA Position Guidance

Given the current budget deficit, schools are expected to prioritize direct supports to students and minimize reductions that impact student services. To that end, any school-based Teacher on Special Assignment (TOSA) should be:

- Focused on core content
- Aligned to MTSS
- Supporting the development of teacher capacity, as well as providing direct supports to students
- Created as partial versus full release positions, when scheduling permits, to ensure high quality teachers continue to provide direct instruction to students

Associates will be working with schools to ensure that any TOSA positions are aligned to the above criteria. Content specific TOSAs will be supported by Davis department staff and expected to participate in regular PD with the intent to bring their learning to school sites and facilitate the learning for other teaching staff.

Note: Q-Comp funding for secondary observations and coaching is provided to support the implementation of teacher evaluation in accordance with MN state statute and may be an exception to the criteria.

If a TOSA position will be vacant for the upcoming school year. You are required to submit a job description to your HR Consultant with the rest of your BTO forms on the due date if you choose to post the position externally (not at your school site) for posting onto SuccessFactors.

You do have the approval to post TOSA positions at your school site making the posting available to all licensed staff while maintaining an internal competitive hiring process. If you choose the latter option HR recommends sending an email notification to all your licensed staff of the opportunity with the job description, deadline for interest and cc your HR Consultant on the email.

Section 2 – Human Resources

Partnering with your HR Consultant is critical in ensuring accuracy and effectiveness during Budget Tie Out. Accurate documentation of all employee actions is critical during this time. Please communicate early and often with your HR Consultant for any questions you have about Budget Tie Out.

We must be sure we are following all our contractual rules and all MN State Statute requirements.

Furthermore, it is particularly important that we are treating all of our employees with dignity and respect. Transparency and communication with your staff are critical to supporting all MPS employees through transition.

General Information

DEFINITIONS

Excessing: Excessing is the process used when a reduction must occur in a program or at a site. These people maintain employment with the District unless it is determined there are not enough positions to match their qualifications. This is true for AFSCME, ESP and MFT.

***Excessing can also occur when a teacher does not hold the appropriate license/credential for the coming school year. Please refer to the Licensure section of these Parameters and work closely with your HR Consultant around any credential questions. ***

Lay off: This occurs when an employee's position no longer exists, and they have exhausted their rights contractually relative to securing another position.

FORMS (All forms are available on the [Budget Tie Out Website](#))

All forms must be fully completed and turned in to HR preferably in one attachment via email to your HR Consultant by the Budget Tie Out due date. If any forms are incomplete or missing, your school or department will not be able to complete the Budget Tie Out process and will not be eligible to begin hiring. It is critical that employees complete the **correct form**.

Forms

Non-Licensed Employee Status Change Form

- Must be filled out when an employee who is:
 - Being excessed, or
 - Taking a voluntary demotion by choosing to accept a lower FTE in their assignment for the upcoming school year.
- Does not need to be completed by employees who are increasing their FTE unless it impacts the employee in a concurrent role at another site that causes the employee to exceed 1.0 FTE.
 - If an employee chooses to excess themselves from your site in the change, a form must be completed.

- Does not need to be completed for an internal reassignment; your HR Consultant does need to complete a Transfer/Reassignment form for internal reassignment. Administration must have a professional conversation with the staff member being reassigned. The conversation should be documented by both parties. Administration should always document the rationale for the internal reassignment
- All assignments for 2019-2020 and 2020-2021 (if known) must be listed on the form if the employee is at more than one site.

Licensed Employee Status Change Form

- Must be filled out when an employee:
 - Is being excessed,
 - Accepts a voluntary demotion by choosing to accept a lower FTE in their assignment,
 - Was hired into a vacancy after the start of the second semester,
 - Does not hold an appropriate or valid license for the 2020-2021 school year (this must happen at Tie Out, exceptions must be approved by Director, Talent Acquisition), or
 - Is in a one-year teaching position created at prior year's BTO (rarely used).
- Does not need to be completed for employees who are non-renewed ("No Rehire").
- Does not need to be completed by employees who are increasing their FTE unless it impacts the employee at a concurrent role at another site that causes the employee to exceed 1.0 FTE. If an employee chooses to excess themselves from your site in the change, a form must be completed.
- Does not need to be completed for an internal reassignment; your HR Consultant does need to complete a Transfer/Reassignment form for internal reassignment. Administration must have a professional conversation with the teacher being reassigned. The conversation should be documented by both parties. Administration should always document the teacher's educational expertise as rationale for the internal reassignment
- All assignments for 2019-2020 and 2020-2021 (if known) must be listed on the form if the employee is at more than one site.

Professional Position Status Change Form

- Must be filled out when an employee is:
 - Being excessed, or
 - Taking a voluntary demotion by choosing to accept a lower FTE in their assignment for the upcoming school year
 - Increasing their FTE
 - If an employee chooses to excess themselves from the site or department.

Separation Form

- Must be completed **electronically** ([Click Here for Link](#)) when an employee is:
 - Ending Employment Contracts (must check "Discontinuation of Contract" see below),
 - Voluntarily deciding to leave MPS, or
 - Choosing to retire before the upcoming school year

Re-licensure/Licensure Expiration Form

- Licensure Expiration Forms must be completed for any teacher whose Tier 2, Tier 3, or Tier 4 license is expiring on June 30, 2020. Teachers who do not renew their license prior to the 2020-2021 school year risk being placed on unpaid leave until their license is renewed.

Employee Waiver for Leaves of Absence – Non-Licensed Staff Form

- Must be completed if an employee is waiving their right to return from leave to their current position at the site.

Request for Employment Contracts and Teacher Emeritus Contract

- NOTE: Parent and Community Liaison are no longer Employment Contract positions. These positions now belong in the ESP bargaining group and must be created accurately through BTO.
- Employment Contracts:
 - American Indian Elder
 - Psychology Intern
 - Teacher Emeritus*
- Please remember that job descriptions must be used for Employment Contracts. They can be found on the budget tie-out website. People on Employment Contracts cannot work directly with students, provide prep, or do any work that belongs to another bargaining unit.
- Employees ending Employment Contracts must complete an electronic Separation Form.

***Teacher Emeritus**

- Employees on Teacher Emeritus contracts cannot be teachers of record unless approved by the Director of Talent Acquisition for a high-needs licensure area for a period of less than one (1) semester.
- Employees on Teacher Emeritus contracts that are under .5 FTE **cannot** be offered benefits in the position.

Teacher Licensure

Effective July 1, 2018 the former licensing structure used by the former licensing board was retired and a new, tiered licensure system was implemented by the new licensing board, Professional Educators Licensing and Standards Board (PELSB). For BTO 2019, there was a combination of the old licenses/permissions and the new licenses/permissions at play in understanding your teachers' rights and your leadership decisions for the 2019-2020 school year. This BTO 2020 there should be no further combinations of old licenses/permissions; all licensed staff should be on the tiered licensure system.

For more specific information on the different Tiers, please visit

https://www.educationminnesota.org/EDMN/media/edmn-files/resources/TieredLicensure_Infographic-9-18.pdf

[Checking Licensure Status](#)

Visit Educator License Lookup at <https://public.education.mn.gov/LicenseLookup/educator>

Tier 1 licenses: Tier 1 licenses are issued for one (1) year. Teachers on Tier 1 licenses do not have continuing contract rights. All teachers on a Tier 1 license **must be excessed** at Budget Tie Out and the position made available in Interview and Select.

Positions in **hard-to-fill* licensure areas that are not applied for by any qualified internal candidates and have no excessed internal candidates after the last round of I&S prior to matching can be posted for external candidates.

Hiring candidates on Tier 1 licenses will be scrutinized by the Human Resources team. Please expect it to take additional time to complete a hire of a teacher on a Tier 1 license, as we must ensure we can comply with the licensure rules. We will not allow a teacher to start in a classroom until we have licensure approval. Your HR Consultant has full discretion about whether or not to extend an offer of employment to a non-licensed candidate.

Tier 1 licenses for subject areas outside of CTE and cannot be issued to anyone without a bachelor's degree based on the PELSB rules.

Tier 2 licenses: Tier 2 licenses are issued for two (2) years. This will be the first year that Tier 2 licenses have an expiration date of June 30, 2020.

A teacher on a Tier 2 who can **provide evidence** of the following for renewal to a Tier 2 or has met requirements for a Tier 3 does not need to be excessed during BTO:

In order to renew a Tier 2 license, the teacher must complete the following renewal condition(s) with [PELSB](#); *please note the District has affirmed that you have participated in teacher development and evaluation:*

- If teacher obtained the Tier 2 license by verifying enrollment in a Minnesota-approved teacher preparation program, their program advisor must certify with a letter (email) to PELSB that they have made meaningful progress toward the completion of the content specific program. The teacher will need to provide this evidence not only to PELSB but send the communication sent to PELSB to the HR Consultant as evidence of the renewal.
- Affirm that teacher has participated in cultural competency training either with [PELSB](#) or with MPS. The teacher must send registration or certificate of completion to the HR Consultant as evidence of the renewal.
- A renewal application and fee should be completed through PELSBs [Online License Renewal System](#). **Note: Application for renewal is open after June 30 of the renewal year.**

So long as the teacher has met the renewal conditions listed by providing evidence to HR the teacher will not be excessed due to licensure; the HR Consultant will be prepared to complete the District Verification form submitting the form back to the teacher.

For more info on Tier 2 renewal, please go to the PELSB at [Renewal Requirements for a Tier 2 License](#)

If the teacher has met the requirements to transition their Tier 2 to a Tier 3 license with PELSB the following evidence should be provided to the HR Consultant:

- Passing Scores (content and pedagogy)
- One (1) of the Following:

- Completion of a MN-approved teacher prep program.
- Completion of a prep program from another state that includes field -specific student teaching equivalent to requirements of MN programs
- Portfolio in a given licensure field
- Professional teaching license from another state, license in good standing and two (2) years of teaching experience.

A teacher must provide all evidence to you and you will submit it to your HR Consultant at the time when BTO files are due. If the teacher is unable to do so prior to when BTO files are due, the teacher will need to be excessed and the position made available in Interview and Select.

Teachers who are allowed to stay in their position due to providing evidence and must provide proof of renewal application/approval of a Tier 2 license or application/approval of a Tier 3 license on or before August 1st, 2020. Teachers who have not provided proof of application/approval may be at risk of termination.

Please expect it to take additional time to complete a hire of a teacher on a Tier 2 license, as we must ensure we can comply with the licensure rules. We will not allow a teacher to start in a classroom until we have licensure approval.

Out-of-Field Permissions: These permissions are issued by PELSB to currently licensed teachers to teach in a subject area that is outside of their licensure area. These permissions are issued annually and the permissions from 2019-2020 school year will expire on June 30, 2020. A teacher can receive one of these permissions four times in their career, which means five total, and there is language in rule that says a teacher can have more if they show “good cause” to the board. Teachers on an Out-of-Field permission do not need to be excessed from their positions. Your HR Consultant will need to provide a special permissions application requesting an out of field special permission to the position posting requirements to PELSB for each of these circumstances, so please work closely with your HR Consultant if keeping a teacher in a position that will need an Out-of-Field permission for 2020-2021. The teacher must accept the Out- of-Field Permission by signing the application.

English as a Second Language Teachers (ESL):

Beginning school year 2016-2017 Every Student Succeeds Act (ESSA) law eliminated the Highly Qualified requirement. ESSA requires that teachers must be appropriately licensed in accordance to state statutes and rules. This creates an issue for ESL teachers who were deemed Highly Qualified because this enabled them to grant content credit even if they were not licensed in that content area. **ESL teachers teaching core content areas and/or awarding core content credits are required to hold both an ESL license and content license or permission.** Teachers who do no longer meet the “highly qualified” definition, will need to apply for an Out-of - Field permission in their content area to not be excessed from their position. Your HR Consultant will need to provide a special permissions application requesting an out of field special permission to the position posting requirements to PELSB for each of these circumstances, so please work closely with your HR Consultant if keeping a teacher in a position that will need an Out-of-Field permission for 2020-2021. The teacher must accept the Out- of-Field Permission by signing the application.

However, MPS does not issue MN teaching licenses, Human Resources will work directly with you to ensure each teacher in this situation has the correct licensure/permission for 2020-2021. Please make sure you notify your HR Consultant of any staff in your building this change impacts.

Hold Dates/No Changes

After your BTO check-out meetings are completed Finance and Human Resources have implemented two hold dates where no further changes can be made to your previously approved BTO files. These changes include but are not limited to positions and funding allocations. These hold dates are published on the BTO and I&S Timeline. The hold dates will remain in effective until otherwise notified by Finance and Human Resources.

Specific Position Information

“Behavior Deans”: Behavior Deans are not official positions with MPS. Utilization of this title across multiple job classifications (AEs, SSPAs, etc.) is not appropriate or approved by MPS and puts the work being done by individuals holding these titles at risk. You must review any position you are referring to as “Behavior Dean” with your HR Consultant and ensure that the work being done fits the approved and appropriate job classification the person is conducting. Continuing to refer to Behavior Deans across legitimate classifications could have a financial and work allocation impact that would be unmanageable for your site.

Bilingual/Bicultural classrooms: Positions created as Bilingual/Bicultural in Budget Tie Out cannot be changed to regular elementary once the 2020-2021 school year has begun. Individuals must hold a content license and a Bilingual/Bicultural license to teach in this assignment (i.e. Elementary and Bilingual/Bicultural). Candidates who do not have the Bilingual/Bicultural license but are filling a hard-to-fill position must provide proof of having passed the ACTFL oral exam at the “advanced” or “superior” proficiency level.

Elementary Teachers:

The Elementary Department includes:

- Classroom
- Assurance of Mastery (AOM)
- Talent Development and Gifted Education
- Title I
- Kindergarten

Employment Contracts: These are not contracts for permanent employees and employees on Employment Contract have no rights to continued employment; they cannot participate in the transfer process. Renewal annually is at the discretion of the site/program/department and must be approved by HR. A Request for Employment Contract must be completed, and a new contract generated every year.

Persons on Employment Contracts:

- Cannot exceed \$30,000 in a 12-month period or \$22,000 in a school year. This includes people on multiple contracts.
- Combined weekly salary cannot exceed \$577.
- Include Teacher Emeritus contracts; all salary caps apply.
- Cannot be doing any work directly with students or work that belongs to another bargaining unit (exceptions for Teacher Emeritus).
- Are not Artists in Residence – these people must be hired as Independent Contracts and cannot be used to provide preps.

Family and Community Liaisons: Family and Community Liaisons are no longer Employment Contract positions and are a position that belongs to the ESP bargaining unit. If an employee is expected to do a majority of their work within this classification, the person must be in a position titled Family and Community Liaison. For official job description, see:

<https://staff.mpls.k12.mn.us/Depts/hr/Total%20Compensation/Job%20Descriptions%20F-G/Family%20and%20Community%20Liaison.pdf>).

MIs-classifying a person whose main role is as your Family and Community Liaison can bring negative consequences if discovered later and can have significant equity impacts across the District. Principals are held accountable for accurately using classifications for the work expected and conducted in each position.

High-Five Teachers: Must hold a Pre-K license. There are no exceptions due to State requirements. High-Five positions are Citywide positions, per the MFT contract. If a High-Five classroom/program is relocated to another site, it is considered to be moving intact even though students do not move with the program; teachers should be moved with the program to the relocated site.

Job Share: A job share is when an employee in a full-time position at one location that belongs to the collective bargaining unit, currently under contract, expresses interest and is approved to share the position with another member of the collective bargaining unit, currently under contract or on requested leave. Both job share employees must work the full year. Job shares cannot be created with a person who is not currently employed with MPS under the MFT contract. A site that approves a job share is accepting the cost of benefits for both employees.

When a job share is dissolved:

- Both employees are from the same site and department - the more senior employee owns the position and the other employee is excessed.
- Different sites – the employee originally at the site owns the position and the other employee is excessed.
- Different department, same site – the employee originally in the department owns the position; the other employee retains rights to a position at site based on seniority, if that right existed prior to job share.

If one employee goes on a paid leave of absence (i.e. FMLA) and will be accessing sick leave for all or part of the leave and the remaining employee assumes the position full-time during the leave, the working employee will be paid at the reserve rate of pay during the additional time. If the building wants the job share partner to be paid at contract rate, the building needs to fund the difference between the reserve and contract rate.

Leave of Absence: Licensed Employees wishing to take a Leave of Absence for the 2020-2021 school year must submit their request for Leave by February 1, 2020.

Non Licensed Employees wishing to take a Leave of Absence for the 2020-2021 school year must submit their request for Leave by March 15, 2020

Employees on Leave who are excessed at Budget Tie Out need to participate in Interview and Select to secure a position for the upcoming year.

Employees who are on Leave but who are not excessed (maintain rights to their current position) cannot participate in Interview and Select.

Middle School, Elementary Grades: If you have a middle school or K-8 school and plan to have a standalone 5th or 6th grade classroom, you must have written approval from your Associate Superintendent and provide it to your HR Consultant prior to the Budget Tie Out due date. This will allow you to use elementary licensed teachers in these positions; these teachers must teach all content areas to 6th grade students and cannot teach specialized content areas.

Middle School, Secondary Grades: Teachers with high school (7-12) licensure can teach in 7th and 8th grade positions but cannot be scheduled to teach 6th grade students. We will not be getting out of field permissions for teachers if we discover they are teaching in 6th grade classrooms once the 2020-2021 school year begins.

Middle School Science: Teachers must be licensed in Science 5-8 or Science 5-9 to teach middle school science.

New Positions: No new job classifications (job titles) can be added that have not gone through the formal PAQ (job evaluation) process with Total Compensation.

Probationary Teachers: Probationary teachers are teachers who have been in a teacher position with the District for three (3) or fewer consecutive years. These teachers do not have tenure and must be recommended for renewal until they have completed three (3) consecutive years of teaching. Principals make a recommendation for renewal or no-rehire each year for each Probationary Teacher on their staff roster. Teachers who are recommended for no-rehire (non-renewal) cannot participate in the Interview and Select process unless the recommendation is changed through a reappointment (through Employee Relations or Talent Management). Principals cannot change the decision for no-rehire after the date budgets are due.

School Social Workers (SSWs):

Citywide:

- If a citywide program is moved or closed, SSWs may move into a vacant SSW position at the current building at the request of the building administrator. The SSW can consent to move into a vacant SSW position at the current building or can elect to be excessed and participate in the transfer process. If no position exists at the site, the SSW will be excessed.
- Buildings can elect to fill vacant citywide program SSW positions with existing SSWs upon mutual agreement between the Manager of Social Work Department, Principal and employee.

Specialist Positions:

- Different sites should consider bundling specialist positions (art, music, physical education, media) to help in the identification of qualified, committed teachers in filling individual, smaller FTEs at each site. Your HR Consultant will help you with bundling.
- Travel time must be taken from the teachers' instructional time at each site if they are assigned to more than one site per day.
- Sites will be required to split mileage reimbursement if the teacher travels between sites.

Teacher Emeritus: must be a retired Minneapolis Public Schools teacher who is selected to work part-time to provide a variety of specialized services based on an area of expertise; Teacher Emeritus contracts are Employment Contracts and are not permanent employees.

Retired teachers being offered Teacher Emeritus Employment Contracts:

- Should check with TRA to determine any salary cap that may exist,
- Must have at least a thirty (30) day break in service from MPS,
- Must hold a current, valid, full-time teaching license (Tier 3 or Tier 4),
- Cannot be offered benefits if the contract is below .5 FTE (it would be rare for the contract to be over .5 FTE), AND
- Must adhere to the same salary caps found in the Employment Contract section.

Teachers on Special Assignment (TOSAs): TOSA positions are intended for highly qualified teachers who have been identified as having high-level skills that fit the unique needs of a site.

- TOSAs cannot be scheduled to be the teacher of record during the school day. TOSAs are unable to secure Reserve Teachers in the case of absence.
- TOSA positions must all have responsibility-specific job descriptions in order to be approved and posted.
- TOSA positions must be made available to all teachers at your site and must go through an interview and selection process at your site.
- TOSAs and Excessing:
 - If hired to a site prior to becoming a TOSA (through transfer or a new hire), the teacher retains rights at that site.
 - TOSAs who retain rights at their building after a reduction retain rights to the department where they have spent the majority of their time teaching over the past three years (and in which they are appropriately licensed).
 - If hired to a site initially specifically as a TOSA, the teacher does not retain rights at their site and must be excessed.
 - These rules apply to all TOSAs, including Admin TOSAs, and Title I Content Specialists.

Licensed Positions (MFT) Budget Tie-Out Information

Excessing – this process must happen when reducing the number of staff or staff hours. Staff reduction (loss of positions or hours) must occur for excessing to take place.

- If an employee's FTE is increased, the employee cannot excess themselves to reject the increase.
- Teachers hired after the start of second semester are automatically excessed.

Process and Rules for Excessing

1. Excessing procedures identified in the Teachers' Contract must be followed (Article XV).
2. Prior to canvassing, all teachers who do not hold a permanent position and/or do not hold a license for the position for school year 2020-2021 should be excessed (see licensure guidance, above)
 - a. Teachers who filled positions after the start of second semester do not have permanent rights to the position and must be excessed
 - b. Teachers who do not hold a valid license for the 2020-2021 school year for the position they are teaching must be excessed (see the Teacher Licensure Section for further details).
 - c. Reserve Teachers are not excessed or canvassed. If you have a position budgeted for the following school year that does not have a teacher assigned, this is considered a vacancy. Reserve teachers must be released at the end of the school year.

3. Teachers who acquired their positions through the following methods shall be considered permanent:
 - a. Teachers who accepted a position during Interview and Select the prior year.
 - b. Teachers who were reappointed back to their original site after being recommended for non-renewal.
 - c. Teachers who were placed in a position by the Placement Committee.
 - d. Teachers who were recalled to a position as tenured teachers.
 - e. Teachers who filled newly created or vacated positions prior to the end of the first semester.
4. If you need to canvass your teachers, please work directly with your HR Consultant prior to having conversations to ensure you have an accurate seniority list and your staffing decision(s) adheres to all contractual and HR agreements.
5. Canvassing and excessing **must be completed prior to the Budget Tie Out due date** and all forms must be submitted by the BTO due date for final HR approval. Hiring cannot begin until all forms have been completed and submitted to your HR Consultant.
6. Teachers must be canvassed in seniority order within the licensure area/department. Only teachers in permanent positions with a valid license for the position they are teaching should be canvassed.
 - a. The amount of time a teacher works in the building does not impact the seniority order.
 - b. K-8 sites:
 - i. Canvassing takes place by department in seniority order (Music, Art, Social Studies, Elementary, etc.).
 - ii. If reduction is in Elementary, only include K-5 teachers in canvassing (include 6th grade if teachers were teaching stand-alone 6th grade classrooms after getting approval the prior year at BTO).
 - iii. If reduction is in secondary grades, teachers in grades 6-8 in the relevant department will be canvassed.
7. Teachers will be excessed based on the department in which they are teaching during the current school year.
8. You will need to identify a day to do your canvassing and ensure you canvass all of your teachers in seniority order, including those on leaves of absence or those who are absent on the canvassing day.
9. You cannot identify a teacher to be excessed without canvassing ALL teachers in the impacted department.
10. If a more senior teacher chooses to voluntarily excess her/himself, the teacher must complete a Licensed Employee Status Change form.
11. If there is not a more senior teacher that chooses to voluntarily excess, the least senior teacher in the impacted department is excessed and must complete a Licensed Employee Status Change form.

Things To Know:

- *Teacher Seniority Number: The lowest number is the highest seniority number.*

A teacher can generally only be excessed for these reasons:

1. *Reduction in their department*
2. *Lacks a valid license for the coming school year*

3. *Works at multiple sites and there is a change in FTE at one or more locations that increases their FTE to more than 1.0.*
4. *Hired after the first semester.*

Internal Reassignment of Licensed Staff

Principals/supervisors at sites can reassign teachers within the building, including teachers who have just accepted a position at the site. Reassignment must be made in accordance with categorical and general staff allocations, policies, rules, and administrative regulations of the school district and any applicable collective bargaining agreements into which the School Board has entered. Teachers must hold the appropriate license for the position to which they are being reassigned.

Reassignment procedure (must be completed prior to any internal reassignment):

1. Prior to internal reassignment, the site administrator shall have a professional conversation with the teacher to seek mutual understanding and agreement. This should be documented by both parties.
2. Upon written request of the teacher, the site administrator shall provide, within three (3) calendar days, written notification of the educational reasons for the teacher's internal reassignment.
3. The teacher shall have the right to appeal the reassignment through an in-district mediation process conducted or arranged by the MFT and the Principal's Forum. This mediation must be requested in writing within three (3) days of receiving the educational reasons for reassignment.
4. If understanding and agreement cannot be reached through the internal mediation process as described, the teacher shall have three (3) duty days to appeal the issue in writing to the appropriate Associate Superintendent.
5. The Associate Superintendent will render a decision in writing within three (3) duty days of receiving the appeal.
6. The teacher's assignment will be held until the determination of the Associate Superintendent provides the determination in writing to the teacher.

Recall of a Teacher after being Excessed

If a site has a position restored in a department from which a teacher(s) was excessed, the site must recall the most senior excessed teacher in that department to give them the option of returning.

- The recall process and procedure is in effect until July 31, 2020.
- Positions that are restored due to resignation, retirement, a teacher voluntarily transferring out of a building, or additional funding must all follow the recall process and procedure.
- The site must notify HR when the recall occurs by completing an Employee Recall Form.

Citywide Programs

Teaching staff assigned to Citywide programs are not considered to be a part of the overall building seniority. Citywide positions are positions allocated to sites through the relevant department at the Davis Center. Citywide program staff are not impacted by reductions being made through site-specific budgeting and structure and include staff in the following programs:

- High-Five
- Autism
- D/HH (Deaf/Hard of Hearing)

- ECSE (Early Childhood Special Education)
- Hospital Agencies
- Federal Setting IV EBD (unless standalone site)
- Life Skills
- DCD (Developmental Cognitive Disability)
- CLASS (Coordinated Learning for Academic and Social Success – 6 -12)
- POHI (Physical and Other Health Impairments)
- SBA (Site Based Allocation)
- SPAN (Special Programs Adolescent Needs, Secondary)
- SPEN (Special Program Elementary Needs)

Related Services:

- Audiology
 - D/APE (Developmental/Adapted Physical Education)
 - OT/PT (Occupational and Physical Therapy)
 - Psychology Services
 - Speech/Language Services
 - Nursing
 - School Social Workers
 - Reassignment and Relocation of staff:
- *Internal Reassignment:* Cannot take place from Citywide program to building program and vice versa. Movement between programs must happen through the transfer process (see SSW description for exception).
 - *Site Moved Intact:* If an entire Citywide program is relocated to another site, it is considered moved intact. The staff who work within the program move with the program. Simply, if the kids in the program move, the staff who work with them will move to maintain continuity of services and support (see SSW exception).
 - This is applicable if all classrooms move to one site or if one or more classrooms are moved to multiple sites. The staff working with the students follow the students if they are moved together.
 - **High Five exception:** Students are only in High-Five for one year and will never move with a program. However, relocation of high-five programs is considered as having been “moved intact” and the teachers move with the program to the relocated site.
 - *Teachers working in concurrent Citywide and site-based positions:* Teachers working part-time in Citywide and site-based positions at the same location belong to both programs. They can choose to stay at the site or be moved intact with the program.
 - *Prep Providers for Citywide Programs:* Care must be taken to ensure that if a student’s IEP indicates that they are served in Special Education 100% of the time, the prep provider must be appropriately licensed in Special Education. Any position funded with Special Education dollars requires a special education license.

Leaves of Absence

- You must ensure that all employees who are on Leave of Absence are accurately entered into your Budget Tie Out file.

- If an employee is on FMLA/medical leave and is accessing their sick time at the beginning of the following school year, the position cannot be filled permanently until the employee is no longer being paid from the position (or the site can identify available funds to pay for a replacement at the same time).
- Teachers who take a leave of one year or less have rights back to their position at the site.

Education Support Professional (ESP) Budget Tie-Out Information

Process and Rules for Excessing:

Education Support Professional procedures are in Article XIX of the ESP contract.

- This is determined by school/site, department, or citywide program.
- If you need to excess an ESP position, review your ESP seniority list and plan for excessing with your HR Consultant prior to alerting a staff person that they will be excessed. This will help us avoid any unnecessary or erroneous conversations and grievances.
- SEAs are the only ESP classification that is to be canvassed; otherwise reductions occur based only on the seniority processes.
- SEAs in a Citywide program being reduced are canvassed in seniority order within the program at the site; if no one chooses to be excessed, reductions occur starting with the least senior SEA at the site in the Citywide program.
- If a position is eliminated, the least senior person in the classification is excessed (SEAs are canvassed).
- If a position is reduced in hours per week:
 - a. The least senior person in the classification is asked if s/he wants to accept the reduction in hours.
 - b. If the person declines, they are excessed from the building.
 - c. The position becomes a vacancy and must be posted reflected the reduced hours.
- You must have a clear conversation with any employee being excessed to confirm with them that they do not have a position at your building in the coming school year and must participate in the transfer process for their job classification.
- Non-licensed seniority numbers lowest/earliest dates are the highest seniority.
- A *Non-Licensed Employee Status Change Form* must be completed for the excessed employee or an employee who has accepted a decreased assignment (voluntary demotion) and submitted to your HR Consultant by the Budget Tie Out due date. Hiring for your building cannot begin until all forms have been submitted to accurately reflect your approved file.

Associate Educators

Associate Educators are excessed by class option. Each Associate Educator can only have one class option.

Behavior Dean is not a class option and using this title may lend the site to challenges in the future. Interpreter for Hearing Impaired is no longer an ESP position; it is now its own classification. The following are the only class options recognized in the collective bargaining agreement:

- Behavior Resource
- Bilingual

- Classroom (Academic)
- Media Resource
- PDP Mentor
- Title I Computer Resource
- Transportation Resource
- Truancy

Citywide Programs (AEs)

Associate Educators can be assigned to the following citywide programs:

- **High Five:** Students are only in High-Five for one year and will never move with a program. However, relocation of High-Five programs is considered as having been “moved intact” and the staff move with the program to the relocated site.
- *Site Moved Intact:* If an entire Citywide program is relocated to another site, it is considered moved intact. The staff who work within the program move with the program. Simply, if the kids in the program move, the staff who work with them will move to maintain continuity of services and support (see SSW exception).

Vacancies

- Sites may decide to bundle vacancies prior to posting in order to attract candidates to a possibility of a higher FTE. You need to discuss this with your HR Consultant prior to bundling for approval and to confirm contractual agreements are being followed.
- All vacancies are filled through an interview and select process.
- AEs and SSPAs who are excessed and who do not secure positions through the interview and select process do not have rights to another position, unless they have previously held another classification with the bargaining group for which a position exists, and their seniority secures placement for them.

Internal Reassignment

- Internal reassignment to a different class option (i.e. behavior resource, transportation, etc.)
- A non-licensed employee working fewer than twenty (20) hours (non-benefit eligible) in the current school year at your site cannot be assigned to a twenty (20) or more hours (benefit eligible) position next school year. Additional hours need to be posted and made available to all employees.
 - **Exception:** Educational Assistants (EAs) have contract language which gives them the option of moving with the program or being excessed and going to bidding (see below).
 - This is applicable if all classrooms move to one site or if one or more classrooms are moved to multiple sites. The staff working with the students follow the students if they are moved together.

Special Education Assistants

Citywide Programs (SEAs)

Special Education Assistants (SEA) and Bilingual Program Assistants (BPA) assigned to Citywide programs are not considered part of the overall building seniority. Citywide program staff are not impacted by reductions that take place with building positions. The following are Citywide programs:

- High-Five
- Autism

- D/HH (Deaf/Hard of Hearing)
- ECSE (Early Childhood Special Education)
- Hospital Agencies
- Federal Setting IV EBD (unless standalone site)
- Life Skills
- DCD (Developmental Cognitive Disability)
- CLASS (Coordinated Learning for Academic and Social Success – 6-12)
- POHI (Physical and Other Health Impairments)
- SBA (Site Based Allocation)
- SPAN (Special Programs Adolescent Needs, Secondary)
- SPEN (Special Program Elementary Needs)

Internal Reassignment

- Internal reassignment to a different classification (i.e. disability area, class option)
- A non-licensed employee working fewer than twenty (20) hours (non-benefit eligible) in the current school year at your site cannot be assigned to a twenty (20) or more hours (benefit eligible) position next school year. Additional hours need to be posted and made available to all employees.

Internal Reassignment: Cannot take place from Citywide program to building program and vice versa. Movement between programs must happen through the transfer process.

- **Exception:** Special Education Assistants can be reassigned if agreed upon by the principal and the employee. If a mutual agreement is in place notify Special Education Funding and your HR Consultant so that the move can be properly documented and satisfied in SAP.
- *Site Moved Intact:* If an entire Citywide program is relocated to another site, it is considered moved intact. The staff who work within the program move with the program. Simply, if the kids in the program move, the staff who work with them will move to maintain continuity of services and support (see SSW exception).
- SEAs who are excessed can be reassigned internally to verified vacancies at a site. The reassignment must be agreed upon by the site administrator and the employee. If a mutual agreement is in place notify Special Education Funding and your HR Consultant so that the move can be properly documented and satisfied in SAP.
- EAs can be reassigned from a Citywide program to a site and vice versa.
- *Excessing Citywide SEAs:* If there is a reduction in a Citywide program at a site, SEAs in that program will be canvassed in seniority order giving them the option to be excessed. If no one opts to be excessed, reductions occur beginning with the least senior SEA in that site's Citywide program.

Recall and Restoration of ESP positions

- If a site has a position restored in a department from which an ESP employee was excessed, the site must recall the most senior excessed employee in that classification to give them the option of returning.
- Restoration process and procedure for AEs and SSPAs is in effect prior to the first duty day in August of that year.

- All other ESPs laid off due to a reduction in force, hold recall rights for thirty-six (36) months from the effective date of layoff for recall to a position in the same classification.
- Positions that are restored due to resignation, retirement, an ESP voluntarily transferring out of a building, or additional funding must all follow the Recall and Restoration process and procedures.
- The site must notify HR when the recall or restoration occurs and complete the Employee Recall Form.

Leaves of Absence

- A position must be held at the site for a non-licensed employee who has been/is going on leave of absence for six (6) months or less, unless they have signed an Employee Waiver form waiving their right to return to their position at the site, or they have indicated that they will be on a leave of absence longer than six (6) months and/or for up to one year.

AFSCME (Clerical) Budget Tie-Out Information

AFSCME rules for excessing can be found in Article 18.6

- Every school must have a Secretary. Approval of a Secretary at a small site of less than 1.0 FTE must be approved by the Director, Talent Acquisition.
- Security Monitors cannot be used for direct student support in the hallways, in classrooms, or during lunch time. Please review the job description for accurate assignment of responsibilities.
- Hiring for vacant AFSCME positions prior to the end of the second semester will be suspended at an agreed upon date between HR and AFSCME.

Process and Rules for Excessing:

Excessing exists when a position is eliminated or there is a decrease in FTE in a classification at a site due to reduced clerical allotment.

1. If a position is eliminated, the least senior person in the classification at the site is excessed.
 2. If an employee's hours are decreased, the employee will have the option of excessing themselves from the position or only that part of the position that is being changed:
 - a. If the employee declines the reduced position, the smaller FTE is a vacancy and the old position is canceled, and
 - b. Transfer/reassignment rules are used to fill the vacancy.
 3. If an employee's FTE is increased, they do not have the option of being excessed unless they hold positions at multiple sites and the change would increase the employee to over 1.0 FTE.
 - a. If the employee desires lower FTE than after the increase, they must participate in a voluntary transfer to secure lower FTE.
- All vacant positions will be filled using the transfer and reassignment rules in the AFSCME contract. Excessed employees who do not secure a position during the voluntary transfer process may secure a position during placement through District seniority.
 - If HR determines during BTO that there are more excessed employees in a classification than available positions, all vacancies may be held for placement.

- AFSCME employees have district seniority; this may impact sites that do not have vacancies as positions may need to be created for more senior employees.

Recall

If a site has a position restored in a classification from which an AFSCME employee was excessed, the site must recall the staff to their former position (in seniority order, if more than one person in the classification at the site was excessed).

- Staff must be recalled until the first duty day for the job classification.

Accurate Entry in Admin Portal – Employee Actions

Every position in Admin Portal must have the accurate designation in the “Emp Action” section. This information is required to ensure we are following all contractual rules and accurately representing the employment history of each of our staff members. Every action changing the employment status or data of a staff person requires paper documentation. Do not hesitate to contact your HR Consultant if you are unsure of the correct action to enter. Please refer to the following chart to assist in accuracy:

EMPLOYEE ACTION	REASON	FORM
Termination – Prob Release-Performance	Probationary employees who are not being continued to the next year due to performance (i.e. No Rehire teachers); must be documented through Talent Management or Employee Relations	No Rehire Acknowledgment Form**
Termination – Discontinuance of Contract	Only to be used for people on Employment Contracts not continuing to the next year (i.e. Teacher Emeritus); this does not apply to most of our employees	Electronic Separation Form
Termination – Prob Release-Staff Reduction	Do not use unless you have official notification from Director, Talent Acquisition	NA
Termination – Personal Reasons	All employees who have voluntarily chosen to leave MPS	Electronic Separation Form
Termination – Moving out of CE Assignment	Employees who are leaving a concurrent assignment, but their FTE is not impacted	Transfer/Change Form (HR)
Retirement – Retirement	Employees choosing to retire prior to the coming year	Electronic Separation Form
Transfer/Change in Position – Voluntary Demotion	Employee who is staying at the site but accepting a lower FTE.	Employee Status Change Form (Voluntary Demotion form <u>is not</u> needed)
Transfer/Change in Position – Change of Assignment	Employee who is staying at the site/department but changing to a new position. <u>Must be verified by HR that it follows contractual rules.</u>	Transfer/Change Form (HR)
Transfer/Change in Position – Excessed	Employees who are leaving a site/department due to reduction.	Employee Status Change Form
Transfer/Change in Position – Partial Excess	Employee is a teacher and wants to retain rights to current FTE, but position is being decreased or an increase brings them over 1.0 FTE due to concurrent position. Staying in this position, but still has rights to full FTE. Only applies to teachers.	Employee Status Change Form (Licensed)
Transfer/Change in Position – Temp/Reserve Assign End	Employees who were filling in a temporary position during the year and the position is now ending (all temporary positions should be closed, and permanent employees sought for continuing work).	N/A – HRIA/HR Action in SAP
Concurrent Hire	DO NOT USE	

EMPLOYEE ACTION	REASON	FORM
Leave of Absence – Active/Paid	Employee currently in position has requested a leave of absence for the upcoming year.	Leave of Absence Request
Leave of Absence – Inactive/Unpaid	SHOULD ONLY BE ENTERED BY HR	Leave of Absence Request
Transfer/Change in Position – Transfer into New Location	Employee’s position is closed, but the employee is not excessed due to securing another position at another location.	Transfer/Change Form (HR)
Currently Vacant – No Current Employee	Position does not have an employee in it.	N/A
Transfer/Change in Position – Increase in Hours	Employee filling the position is increasing their FTE. An employee currently holding a position being increased cannot decline an increase. No employee in the position and the position is being increased.	Transfer/Change (HR)
Transfer/Change in Position – Change/Update Location	DO NOT USE	N/A
Transfer/Change in Position – Decrease in Hours	No employee in the position and the position is being decreased.	N/A

Section 3 - Finance

This section of the manual is designed to provide an overview and details regarding the allowable uses of various funding sources. In addition to the information contained in these parameters, any planned purchases/positions must comply with applicable laws and district policies and procedures.

Achievement and Integration Parameters

The Legislature established the Achievement and Integration (AI) Program and funding in order to pursue the following goals (Minnesota Statutes, Section 124D.861):

- Increase racial and economic integration
- Increase student academic achievement
- Create of equitable educational opportunities
- Reduce academic disparities

Racially Identifiable Sites

Racially identifiable school means a school where the percent of protected students in a school is more than 20 percentage points above the percent of protected students in the entire district for the grade levels served by that school. This is based on Minn. Rule 3535.0110 subp. 6. Minn. Rule 3535.0110 defines protected students as African/Black Americans, Asian/Pacific Americans, Chicano/Latino Americans, American Indian/Alaskan Natives, and multi-racial.

Per-Pupil Allocation

Schools that have been designated by MDE as Racially Identifiable School (RIS) sites will receive a per-pupil allocation of Achievement and Integration (AI) Program funding. You should consider how to use your Achievement and Integration (AI) funding, along with any Q Comp, Title, or other allocations, in order to strategically and resourcefully fund site and district priorities.

Allowable Uses of Achievement and Integration Funds

The guidance below details what are allowable and prohibited uses of AI funding at the school level. AI Program funding uses funding code Fund 1005. If you have been allocated AI funding, you must submit a line-item budget and a plan for how you will use the funding prior to the due date for Budget Tie-Out:

- The document to use for your line-item budget for AI funding will be shared with you through Google Drive around the time you receive your budget allocation
- You can submit your plan for use of your AI funding using this [Google Form](#) Your line-item budget and plan must be approved by the Director of Equity and Integration. Allocations that do not meet the following guidance will not be approved.

You must include implementation and outcome goals that demonstrate how these strategies will support the district Achievement & Integration outcomes.

What Strategies Achievement & Integration Can Fund:

- **Strategies Directly in the Achievement and Integration Plan**
- **The TYPES of program approved in statute include:**
 - Integrated Learning Environments
 - Family Engagement Initiatives
 - Rigorous Career and College Readiness Programs
 - Professional Development
 - Recruitment and Retention of Diverse Staff
 - Equitable Access to Effective and Diverse Teachers

Prohibited Uses of Achievement and Integration Funds

First and foremost, Achievement and Integration funding must be used to supplement, and not supplant, required programming. Funding may not be used at the school level:

- To supplant district efforts (AI revenue may not be used to fund existing positions unless staff in those positions are taking on new responsibilities for interventions or activities listed in a RIS school's AI plan)
- For continual technology purchases (may only be used for an initial buy)
- For any English Learner, Special Education, or Adult Education programming
- For capital improvements

Process for Requesting a Revision for Use of Achievement and Integration Program Funds

In the event that you want to revise your plan for use of Achievement and Integration Program funds after Budget Tie-Out, you will need to complete a Budget Revision Form. Contact Kandace Logan, Director of Equity and Integration (Kandace.logan@mpls.k12.mn.us), to request the form.

Advanced Academics

(IBDP, IBCP, AP, Concurrent Enrollment/CIS, PSEO)*

Contact Name: Kelly McQuillan

Email: kelly.mcquillan@mpls.k12.mn.us

Contact Dept: Talent Development & Advanced Academics

Phone: 612.668.5303

Methodology of allocation:

High schools were allocated funds to support continued implementation and improvement of all of the Advanced Academic programs. Each site is allocated:

- Advanced Academics Coordinator (IB DP, AP, CIS, PSEO, CE)
 - 1.0 FTE at Henry, Edison, Roosevelt, South, Southwest, Washburn.
 - .5 FTE FAIR, Heritage, North
 - *This position expands leadership responsibilities for instructional leadership of all advanced academic programs*
- IBCP Coordinator: 0.3 FTE at Henry, Roosevelt, Southwest
- Professional development funds are allocated to Henry, Edison, North, Roosevelt, South, Southwest, Washburn to assist in the mandatory training of teachers in advanced academic programs and coursework. See budget tie out for dollar amounts to each site.

Talent Development & Advanced Academics will fund the following additional costs associated with programs:

- IB License and evaluation fees
- MNIB dues
- ManageBac license
- IB Exam fees and shipping (beyond state reimbursement and collected student fees)
- CIS student tuition
- Core texts for advanced courses
- Targeted student supports (site plans developed around student data and school improvement goals)

Required uses of allocation (non-negotiables):

Coordinator:

- Schools must purchase a coordinator.
 - Schools may choose to “buy up” to a full FTE with other funding
 - Schools may not “cash out” FTE allocations
- All new Coordinators must be hired from a centrally-screened pool of candidates
- Required professional development and district-wide collaboration for the coordinators will occur two half days per month 12:00-3:00pm. Thus, if teaching .4, the .4 part of the job would have to take place in the morning so that the coordinator can attend PD

PD Allocation:

- Dollars allocated should supplement (not supplant) other building funds dedicated to PD and support goals and strategies in the School Improvement Plan (SIP). Note [restrictions for use of Title I funds](#).
- In order to maintain authorization, sites should maintain records of level of training for each staff member and prioritize training necessary to maintain authorization.
- Buildings will be responsible for all registration, travel arrangements, and paperwork. Sites will submit a professional development plan to the Office of Talent Development in August and a spreadsheet with accounting in May for submission to MDE. Office of Talent Development will offer support as needed.
- *Additional PD funds will be available to support non-IB programs

Non-allowed uses of allocation:

- Funds may only be used for uses detailed above

Advancement Via Individual Determination (AVID)

Contact Name: Tommie Casey
Contact Dept: Teaching & Learning

Email: tommie.casey@mpls.k12.mn.us
Phone: 612.668.5472

Methodology of allocation:

AVID Elective course allocation is determined by:

1. Enrollment into AVID elective during the 19-20 school year
2. Implementation as measured by progress toward annual certification
3. Measured progress in the 19-20 AVID Site Commitments
4. Number of sections of AVID planned to implement in 20-21 as indicated by the school in their Excellence in AVID application

AVID Tutor Allocations:

AVID Tutor allocations are determined by number of AVID classes and number of students enrolled; there is a required 7:1 student to tutor ratio for each AVID class. AVID Tutors will be hired by district staff in the fall.

Required uses of allocation (non-negotiables):

Allocation is for:

- **AVID Elective Teacher:** Responsible for instructing the AVID Elective course and communicating and working with AVID tutors

Other allowed uses of allocation:

Basic Per Student (Fund 1001)

The basic per student in Fund 1001 is an allocation given to schools to help operate the school based on the projected enrollment in the fall. This is an unrestricted funding source and it can be used to buy up classroom teaching positions, classroom support staff, office support staff, and non-salary items such as reserve teachers, copy machines, and cell phones.

Class-size Requirement (Fund 1096/1001-Class Size)

Based on the projected student enrollment for next year, each site is required to have a specific number of classroom teachers to meet their class size. To meet this requirement, sites are given an allocation to strictly buy classroom teachers and prep teachers. This budget is broken down into two pots of money (Referendum fund 1096 and Class size-General fund 1001). If additional teachers are needed, you may use Compensatory Ed fund 1031 to buy additional teaching positions.

Grade	K	01	02	03	04	05	06	07	08	09	10	11	12
Class Size Targets	24	24	25	26	28	28	32	32	32	36	36	36	36
Transitional Class Size Targets	22	22	23	23	26	26	30	30	30	36	36	36	36
North Star Comprehensive	18	18	18	18	24	24	28	28	28	36	36	36	36

Allowable funding sources:

1001—Class Size-General fund

1096—Class Size-Referendum

Positions by subject area that can be funded with class size budget:

Art Teachers
 Elementary Teachers
 English Teachers
 Foreign Language Teachers
 Health Teachers
 Math Teachers
 Media Teachers
 Music Teachers
 Physical Education Teachers
 Reading Teachers
 Science Teachers
 Social studies Teachers
 Technology Teacher

Positions that cannot be funded with class size budget:

ESL Teachers
 Psychologists
 Special Ed teachers
 Social workers
 TOSAs
 Non-licensed positions

Exception: Special Ed sites, special positions can be funded by the class size budget

Compensatory Education

[Minnesota State Statute Section 126C.15 subd. 1](#) provides that compensatory revenue is “...used to meet the educational needs of pupils who enrolled under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age.”

Based on the above state, the following are acceptable uses of compensatory funds:

1. Employing additional teachers and teacher aides to provide individualized remedial instruction in reading, language arts, mathematics, and other content areas or study skills
2. Employing additional teacher and aides to provide services to students in need of special education or ELL services
3. Employing additional teachers to lower class size or do team teaching
4. Conduct all-day kindergarten
5. Provide programs designed to increase the academic achievement of struggling learners by:
 - a. Employing additional teachers and/or teacher assistants to provide remedial instruction in reading, language arts, mathematics, and other content areas including study skills;
 - b. Providing ELL teachers/assistants;
 - c. Providing SERT services;
 - d. Employing additional teachers to lower class size or do team teaching;
 - e. Employing additional kindergarten teachers;
 - f. Conducting all-day kindergarten;
 - g. Providing health services;
 - h. Providing counseling/guidance services;
 - i. Providing social worker services;
 - j. Providing psychological services;
 - k. Providing a safe/secure environment;
 - l. Providing programs to enhance students’ self-concept;
 - m. Conducting after school or summer programs at your site by contracting with community-based organizations (CBOs);
 - n. Purchasing instructional materials;
 - o. Purchasing technology equipment or software;
 - p. Enhancing parental involvement;
 - q. Conducting staff development consistent with site/district staff development plans to improve remedial/intervention skills; and/or
 - r. Creating programs to reduce truancy.

CTE (Career and Technical Education)

Contact Name: Sara Etzel

Email: sara.etzel@mpls.k12.mn.us

Contact Dept: CTE/STEM

Phone: 612.668.5377

All CTE Perkins and CTE Levy fund expenditures must adhere to the following parameters:

- **CTE teachers must be properly licensed, according to the Minnesota Department of Education (MDE) in a manner that allows them to be eligible to draw Carl D. Perkins Federal Grant and CTE Levy funds.** Please work with the CTE department (Sara Etzel or Paul Klym) and Human Resources if you have questions related to eligibility. FYI - teacher out of field permission (variances) are not as easy to acquire in the new PELSB tiered licensing system.
- **CTE teachers funded by Carl D. Perkins federal or CTE Levy dollars must teach state-approved CTE courses in state-approved programs of study according to the Minnesota Department of Education (MDE and MNSCU continuously monitor compliance).** All MPS CTE courses are in the 90000 series. Please contact the CTE department (Sara Etzel or Paul Klym) for assistance related to programs/courses that have been approved.
- **FTEs associated with CTE teaching positions cannot be cashed in or changed to fund non-CTE teaching positions.** All CTE licensed positions are used to leverage funding in future school years. If you do not have a need for the positions that are allocated for your school site please contact Sara Etzel, Director of CTE.
- **CTE funds from Carl D. Perkins Federal Grant or the CTE Levy are designated by legislation to be used ONLY in grades 9-14 CTE state-approved CTE instruction as well as related course programming needs, and limited support of career exploration in 6th-8th grade.** Approval to spend outside of this constraint is very limited and requires MDE or Minnesota State (formerly MNSCU) approval.
- **Only enrolled CTE students and CTE teachers with appropriate CTE licenses may use Perkins and CTE Levy purchased CTE lab equipment and supplies.** In some instances, unplanned, unrepeated incidental use may be allowed upon written approval by MDE and MPS CTE director.

Methodology of allocation for Perkins funds (not CTE Levy dollars*)

- The annual Carl D. Perkins budget for MPS is approximately \$650,000 supporting 14 programs of study, 26 CTE teachers, and serving over 3,300 9-12th grade students, and supporting career exploration experiences for approximately 6,000 6-8th grade students annually.
- Access to and use of Virtual Job Shadow in grades 6th - 12th grade is financially supported by the CTE department. All teachers and students in 6th - 12th grade may use this online career exploration software in their classrooms throughout the academic year. Plans to fund Virtual Job Shadow have been secured through SY22.
- Perkins funds should be used as a catalyst for innovation and improvement, aligned with current and projected workforce needs as outlined by the CTE department; not year-to-year consumable supplies. General fund or CTE Levy allocations should be used for year-to-year consumable supplies.
- All Perkins spending is required to meet "maintenance of effort" (support vs. supplant) mandates.
- CTE resources are jointly managed by MCTC (our Minneapolis Consortium Partner) and industry partners who serve on the Minneapolis Perkins advisory board. A joint application for funding is submitted annually (in May) to MDE/Minnesota State for approval. Funded initiatives are not guaranteed from one school year to the next.

**CTE Levy funds are allocated through a separate process from Carl D. Perkins funding.*

Required uses of CTE allocations (non-negotiables)

In order for MPS to maintain CTE funds, the following must be maintained:

- CTE programs of study and coursework must be submitted to the state via the MPS Director of CTE and approved by MDE on an annual basis.

- High school administrators and MPS CTE teachers/staff must work collaboratively and to complete required state/federal reporting by annual deadlines (i.e. annual performance report, Carl D. Perkins funding requests, purchase approval forms, p-file data, licensing requirements, program recertification requirements, advisory meetings, etc.)
- CTE Teachers must hold appropriate CTE licenses to teach CTE programs/courses as documented in Minnesota Department of Education (MDE) – Table C (<http://education.state.mn.us/MDE/dse/cte/tl/lic/>).

Other permissible uses of CTE allocations (pre-approval may be required by MDE)

MPS CTE director in conjunction with the Minneapolis Consortia Advisory Group and MDE/Minnesota State CTE leadership may also approve Perkins dollars to fund the following items/activities.

- **Professional development** of CTE teachers.
- **Curriculum development** for state-approved CTE courses
- **Lab equipment** improvements in alignment with industry standards.
- **End-of-Course Technical Skills Assessments** for high school CTE courses (not PSEO).
- **Field trip busses and substitute teachers** may be provided so students can visit post-secondary opportunities and/or to visit business partners to view worksite practices as an experiential learning opportunity aligned with state-approved programs of study or federally-approved career & technical education student organization (CTSO) activities.

Non-allowed uses of CTE allocations

CTE allocated FTEs **cannot** be used for non-CTE permissible duties or activities unrelated to state-approved CTE programs of study/courses in alignment with related Carl D. Perkins federal funding parameters or Minnesota’s CTE Levy related legislation.

CTE Levy* permissible expenses:

The Career Technical Education (CTE) Levy is a permissive levy for school districts to provide extra support based in part on the district’s CTE expenditures. Minnesota Statutes, section 124D.4531, as modified by the 2014 Legislature, allows a district with a career and technical program approved under this section to be eligible for career and technical revenue equal to 35 percent of approved expenditures in the fiscal year in which the levy is certified. Districts submit anticipated CTE expenditures each year in the spring for the coming school year, and detailed information about actual CTE expenditures each fall for the previous school year. (The dual reporting is required due to the legislative timing of the levy.)

UFARS codes that can be reported annually as CTE Levy-able expenses when spent on state-approved CTE programs of study and appropriately licensed CTE teacher activities**:

Special finance coding needs to occur at the site level when CTE Levy-able expenses occur and be reported via the online CTE Levy reporting system by the MPS CTE director each September of the following school year – CTE Levy reimbursements will be reinvested in CTE programming upon receipt from the state of Minnesota. Please work with the finance department to determine what codes your site should use.

****Allowable CTE Levy UFARS Codes:** *(CTE Levy funds are allocated and spent through a separate process from Carl D. Perkins funding)*

514000 Licensed CTE Classroom Teachers	536500 Inter-depart. Transportation
514300 Licensed Instruct. Support	536600 Travel, Conv and Conferences
518500 Extended time -CTE Teachers	543300 Individualized Instruction Materials
530500 Consulting Fees/Services	549000 Food (required for use in CTE courses)

CTE Maximum Enrollment Numbers (student:teacher ratio)

Recommended enrollment numbers are based on safety concerns and available resources to provide a safe and quality learning environment. It is strongly encouraged that schools use these numbers to set maximum student capacity for each type of CTE class. Sites who create class sizes larger than the recommended limits will be responsible for additional instructional materials and equipment required to run the class safely and successfully.

Welding Classes - 22:1

Construction - 25:1

Automotive - 25:1

Machine Tool - 25:1

Engineering/Robotics - 30:1

Web & Digital Graphics, including photography - 30:1

Business - 30:1

Healthcare - 30:1

Work-Based Learning Seminar - 30:1

The district CTE division will budget and pay for...	Perkins V funds	CTE Levy funds	Other District funds	School funded
First three years of instructional equipment and supplies for launch of new state-approved CTE programs of study when incorporated into annual Perkins application. New programs require approval by Minneapolis CTE Consortia advisory group and must be included in state-approved annual grant application.	X			
Maintenance and repair services for CTE equipment purchased with CTE funds related to normal classroom usage (provided on an as needed basis).	X			
Participation and software expenses for district- and state-approved CTE programs of study.	X			
Costs of required end-of-course Technical Skills Assessments (TSA) as outlined on CTE course-at-a glance outlines (CAGs).	X			
Professional Development, oversight and support of CTE state-approved programs aligned with federal, state, or community grant requirements.	X		X	
Extended time/reserve teachers to support curriculum development, inventory management, and professional development associated with federal and state-mandated CTE program of study requirements. If a building funds this work, it may qualify for CTE Levy reimbursement when coded correctly.	X	X May qualify for CTE Levy refund if coded correctly		X May qualify for CTE Levy refund if coded correctly
Travel to attend out-of-town professional development - funder determined on a case-by-case basis.	X	X May qualify for CTE Levy refund if coded correctly		X
CTE teachers/coordination time: Designated allocation of CTE FTEs as defined by the finance department during SY21 BTO process are intended for teaching duties associated with G/L code 514000 directly working with students to teach state-approved CTE courses - you cannot use initial FTE dollar allocations to embed coordination time or additional prep work during the school day without prior approval. Teacher licensing must align with current MDE/PELSB CTE licensure requirements. (With prior approval from the CTE Director, a maximum of .2 FTE of your building's entire CTE Levy allocation may be designated as coordination time to monitor and support grant required duties: i.e., improving student performance on FAUPLs, advisory meetings, guest speakers, field trips, inventory management, TSA testing, etc.)		X Some expenses require prior approval		
Appropriate safety equipment installed in CTE labs to ensure laboratory investigations can be performed optimally, reducing student and staff injuries (i.e. fire blanket, sinks, goggle sanitizer, hearing protection, eye wash stations, safety striping on floors, safety signage). Contact Lee.setter@mpls.k12.mn.us with requests.			MPS Environment, Health and Safety Dept	
Computer labs, teacher laptops, and peripherals (As of SY18, CTE no longer funds CTE computer labs or laptops)			X Negotiate with IT	X

The district CTE division will budget and pay for...	Perkins V funds	CTE Levy funds	Other District funds	School funded
Replacement of lost or damaged instructional materials and equipment, beyond normal wear and tear. Replacement of damaged instructional materials may be Levy-able if coded properly.		X May qualify for CTE Levy refund if coded correctly		X
Start-up costs and related class expenses (salary, supplies, equipment, software, etc.) for CTE courses <u>not</u> associated with state-approved CTE programs of study are the responsibility of the school. Some individual CTE elective courses may be Levy-able if coded properly. All new course requests, no matter the funding source, must be approved through the MPS "New Course Request" process. https://minneapolispublicschools.sharepoint.com/sites/Academics/SitePages/New-Course-Request.aspx		X May qualify for CTE Levy refund if coded correctly		X
Consumable CTE classroom supplies (i.e. photocopies, paper, pens, markers, toner for printers, 3D printer supplies, other non-allowable Perkins expenses). CTE supplies may be levy-able if coded properly. Recommended budget to cover consumable supplies per student per CTE class is \$10 - \$20 per student per class.	X May qualify for Perkins funding	X May qualify for CTE Levy refund if coded correctly		X
Site-level staffing as needed to support inclusion of Minnesota's Perkins V negotiated performance indicators in local School Improvement Plans (i.e. MCA language arts, MCA math, proficiency on end-of-course TSAs, non-traditional enrollment, graduation rates)				X
Site-level test coordination and support of CTE end-of-course assessments (a.k.a. technical skill assessments - TSA) in alignment with specific exam company requirements.				X

Additional CTE Allocation Resources

For additional information re: allowable/unallowable expenses and permissible/non-permissible activities that are funded with CTE Levy dollars or Carl D. Perkins grant funds please refer to the latest edition of the: Perkins Operational Handbook, Minnesota Statute, Federal Carl D. Perkins legislation, Minneapolis Consortia (MCTEC) approved Perkins application and/or MPS CTE Director or Perkins Coordinator (sara.etzel@mpls.k12.mn.us or paul.klym@mpls.k12.mn.us)

State resources to learn more about how CTE is funded in Minnesota:

Minnesota State resources: <http://www.minnstate.edu/system/cte/>

Minnesota Department of Education resources: <https://education.mn.gov/MDE/dse/cte/>

Full Perkins V legislation: https://cte.careertech.org/sites/default/files/PerkinsV_September2018.pdf

Federal resources to learn more about how the federal government supports/funds CTE:

U.S. Department of Education – Career & Technical Education: <https://www.careertech.org/>

National CTE organizations:

Association for Career & Technical Education (ACTE): <https://www.acteonline.org/>

Advance CTE: <https://www.careertech.org/>

Perkins Collaborative Resource Network (PCRN): <https://cte.ed.gov/legislation/perkins-v>

Minneapolis Public Schools CTE website: <http://cte.mpls.k12.mn.us/>

English Learners (EL)

Contact Name: Muhidin Warfa, Executive Director or Kate McNulty, Director

Phone: 612.668.0174

Email: Muhidin.Warfa@mpls.k12.mn.us

Katherine.McNulty@mpls.k12.mn.us

After having reviewed your 19-20 ESL service numbers and the projections for next year, the Multilingual Department has established ESL FTE Budget Allocations for each building using a 1:50 teacher to student caseload. Your school's ELL allocation **may be used only to purchase licensed ESL teachers**. Any exceptions must be brought to the Multilingual Department for approval. **100% of the 2020-2021 allocation for licensed ESL teachers will be funded from district funds.**

Lead ESL teacher time has been allocated to buildings based on the formula in the Multilingual Program Framework. Continuing from 2019-20, Lead teacher allocations at high density sites (27% or more ELs) and high schools will have a minimum of .5 FTE of Lead ESL teacher time. This allocation is to be used for coaching of classroom/content teachers, as well as coaching of Voluntary PreK classroom teachers at sites with those programs. At these sites, principals shall consult with the Multilingual Department to reassign the Lead teacher role as needed to fit the expanded responsibilities and skills of the role.

Support Expectations. The framework requires that **all English Learners (i.e., ESL=Y) receive English Language Development services by a licensed ESL teacher**. The amounts and types of services, vary by English Proficiency Levels:

Focused Language Study (FLS):			Discipline-specific Academic Language Expansion (DALE):	
Dedicated time, where ELs are strategically grouped together to concentrate on the critical language ELs need for on-grade-level learning in English. This is language that their native English-speaking peers typically already know.			Academic language instruction throughout the day and integrated across various content areas. Teachers provide an intentional focus on the content-specific language demands and academic language that ELs, along with their native English-speaking peers, must develop.	
Time Allotment			Time Allotment	
Level 1 – 2 <i>K-5: 45 minutes daily</i> <i>6-8: 1 period daily</i> <i>9-12: 2 periods daily</i>	Levels 3 – 5 <i>K-5: 30 minutes daily</i> <i>6-8: 1 period daily</i> <i>9-12: 1 period daily</i>		Level 1 – 2 <i>Throughout the day</i>	Level 3 – 5 <i>Throughout the day</i>
Delivered By EL Teachers in stand-alone or co-taught classes ¹			Delivered By Content Staff, Coached by EL Teachers	
Target Audience ELs (English Learners)			Target Audience ALLs (Academic Language Learners, All students)	
Informed by			Informed by	
MN Academic Standards	WIDA Standards	Common Language Assessments	MN Academic Standards	Needs of students, as determined by consultation
Connection to Content			Connection to Content	
<ul style="list-style-type: none"> May be distinct from what is taught in ELA or other content (ex: not Benchmark) May be informed by Benchmark ELD (for K-5) Specifically targets <i>language forms</i> needed to access content; is <i>not</i> content instruction 			<ul style="list-style-type: none"> All students receive access to the same content and standards Differing levels of scaffolding should be provided Should occur across <i>all</i> content areas, not limited to classes with an EL teacher All teachers are language teachers 	

¹ At the secondary level, level 1 and 2 and some level 3 students should receive Focused Language Study in a stand-alone setting. Focused Language Study could occur in an integrated co-taught classroom for level 3 and 4 students.

Please begin developing your Site Plan of Service for English Learners

We request that each school submit a Site Plan of Service for ELs to demonstrate planning for EL best practices and to comply with state and federal requirements. Site Plans of Service include two parts: 1) An EL Program plan for your school, and 2) Preliminary ESL teacher schedules. We realize that it will be challenging to put together a Plan of Service before you receive 2020 ACCESS scores in late May; however, we request that you submit **a preliminary draft for planning purposes by March 27th, 2020**. The Multilingual Department will work with the Lead ESL teachers to support and clarify expectations for the Site Plan of Service.

Some guidelines for Site Plans of Service for ELs:

- Support for English learners is part of core instruction of an EL's day. Except for Level 1 and 2 pull-out at the K-5 level, support should be scheduled as part of a student's classroom schedule wherever possible.
- **All buildings accept English learners at all levels and from multiple language backgrounds, including newcomers.** At times it is necessary to adjust Site Plans of Service and ESL teacher schedules to accommodate newly enrolled ELs.
- All ELs must receive service from a licensed ESL teacher. ELs should be clustered into co-taught and collaboration classes. It is optimal for clustering to reflect school demographics; best practices for clustering shows between $\frac{1}{4}$ up to $\frac{1}{2}$ of a class composed of ELs is acceptable.
- Sites are expected to provide student appropriate core instructional materials necessary to support key learning and language development needs of ELs. The Multilingual Department will provide supplemental instructional materials for newcomer students and Learning A-Z subscriptions. For OWDL programs, core instructional materials in the appropriate languages should be provided through the same process as other core materials are provided.
- The Multilingual Department prioritizes ELA/literacy first for coaching and content collaboration, followed by social studies and science. We strongly recommend supporting ELs in math through EA support, consultation and co-planning, and quality PD for math teachers.
- **The lead ESL teacher will play an important role in developing the Site Plan of Service.**

To ensure that we have time to review your plans, please **complete a Site Plan of Service for ELs by March 27, 2020 by completing the template for your site that will be shared later through Google Drive**. If you have any questions about your ESL Budget Allocation, feel free to contact Muhidin Warfa at Muhidin.warfa@mpls.k12.mn.us or 612.668.0174 or Kate McNulty at 612.668.5306 or Katherine.McNulty@mpls.k12.mn.us. For support with the Site Plan of Service, please contact your Multilingual Program Facilitator.

Extended Learning K-8 Parameters

The money in fund 1007 is allocated for sites based on enrollment of students meeting the state criteria for Targeted Services to purchase classroom supplies for students. The Extended Learning staff will work directly with sites regarding the amount and proper steps to place the supply orders.

Note: School site purchase card (Pcard) cannot be used for buying Extended Learning materials and supplies. Reimbursements are not applicable.

The funding codes to be used for Extended Learning purchases are as followed.

Cost Center:	2451
Fund:	1007
Internal Order:	19000007
Functional Area:	276.303.000
G/L:	varies depending on what is being purchased

ACCEPTABLE use of Extended Learning program dollars:

Student materials and supplies (this list is an example of basic classroom supplies)

- Crayons
- Paper
- Markers
- Pencils
- Erasers
- Construction paper
- Scissors
- Pens
- Tape
- Notebooks
- Books (educational)
- Textbooks (educational)
- Lysol Wipes

UNACCEPTABLE use of Extended Learning program dollars:

- Gift cards/gift certificates
- Food or drink products
- Clothing
- Toys
- DVDs, CDs, Electronics
- Tickets (movie theatre, athletic events)
- Paper products (napkins, coffee filters, cups, plates, plastic silverware, etc.)

If you have any questions about which items are approved to purchase, please call Daren Johnson at 668.0064.

Funded Projects-Donations (Fund 5024)

- Sites can use their Fund 5024 / Funded Program 9726XXXX from the current year balance to fund additional needs for the upcoming BTO cycle.
- Email your Budget Analyst with one of these two documents:
 - Copy of the check that needs to be deposited. Note that schools to acceptance of gifts up to and including \$5,000 per regulation [3280A](#) (Accepting Gifts, Bequests or Grants). Gifts of up to and including \$25,000 need to be accepted by the Associate Superintendent.
 - Email from Principal as the official request to reduce current funds and add to BTO allocation
- Tammy Fredrickson receives copy of document(s) and updates both the admin portal and BTO allocation.
- Communication of the updated allocation will go out to Principal and /or Clerk .
- Linh Phan (Treasury Analyst) then will reduce current year budget v. actuals with a ‘Supplemental’ FMBB entry.
- Once check is deposited, then budget will be added back into the budget at that time.

Fund 5024 may only be used to purchase positions:

1. Reimbursed by third-party billing (common with SpEd) OR
2. For fee-for-service programs OR
3. (If funded by donations) For positions not covered by a collective bargaining agreement (i.e. employment contracts including teacher emeritus)

Grants Parameters

The MPS Grant Office is responsible for coordinating and managing the pre-award and post-award processes for all grant proposals submitted by the school district, its department and its schools. All grant applications **must** be reviewed and approved by the Grant Office prior to submission. Once a grant has been awarded, the Grant Office will work with the Finance department to load the budget for spending and ensure that the project is implemented according to the agreements set forth in the application. If you are interested in applying for a grant, or if you have questions about current grants, please contact Kerry York-Myles (Kerry.York-Myles@mpls.k12.mn.us) or Harry Malone-Povolny (Harry.Malone-Povolny@mpls.k12.mn.us).

Grants are special funding sources that have a specific purpose AND the district is required to report back to the grantor on how the funds were spent. While most grants are for a full fiscal year (July 1-June 30), some are only for part of the year. For example, a school may have a grant that is only good until November 30th. It is important to read the full grant document, understand what is allowable, the time period that grant covers, and what the reporting requirements are for the specific grant. Each grant will have a grant administrator and a grant accountant (at a school this is typically the finance clerk/school secretary). The grant administrator and grant accountant are responsible for knowing the details of the grant. If you have questions about your grant, please contact Kim Lieb (kimberly.lieb@mpls.k12.mn.us) or Ashwin Muni (Ashwin.Muni@mpls.k12.mn.us).

What is different with a grant?

One of the main differences between a grant and other funds are the limitations on how the grant can be spent. The grant team will assist in setting up the budget with appropriate GL coding and review budget for allowability. Changes to the budget typically require MPS to contact the grantor for approval prior to adjusting a budget. If you would like to amend your budget for any reason please contact the MPS Grant Team for assistance.

All grant funded positions require time and effort reporting regardless of funding source.

High Five

Methodology of allocation:

High Five is a preschool program for children who turn 4 by September 1st and who are not eligible for kindergarten.

High Five is placed in schools based on the following criteria:

Title I School; % of Free or Reduced Lunch Students; demographics of student population; academic needs of incoming kindergartners; current waiting lists; space availability; and ESSA designation; and funding availability.

Priority placement for High Five goes to students who meet one or more of the following criteria: qualify for free and/or reduced priced lunch, is an English Learner, is homeless, has an Individualized Education Plan (IEP) or an Individual Interagency Intervention Plan (IIIP) or is identified, through health and developmental screenings, with a potential risk factor that may influence learning.

High Five Allocations are based on the number of sections of High Five that are placed at each school. For each half day section of High Five, funding is allocated for the following:

- .5 pre-K or early childhood licensed teacher position
- .1 teacher prep position
- 15 hour per week Associate Educator - Schools may choose to “buy-up” to a higher level ESP Support Staff position with other school allocations
- Some High Five sections are designated ECSE inclusion classrooms. Each Inclusion classroom is provided a Teacher or SEA.
- Budget allocations may be given to schools in multiple funding sources to meet the required FTEs needed for each section (i. e. Fund 2004, Title 1 High Five, VPK, and Scholarship)

Minnesota Reading Corps (MRC) Pre-K members are currently awarded for each section of High Five. These members are utilized in the classroom to support student language and literacy skill development. Early Childhood Education provides Internal Coaching of the MRC members.

Required uses of allocation (non-negotiable):

High Five allocations must be used to fund High Five classroom staff only

Non-allowed uses of allocation:

The purpose of the High Five program is to prepare children to enter kindergarten. It is not a program for current Kindergartners who are not meeting grade level academic or behavioral expectations or for children who are age eligible for kindergarten but whose parents choose to hold them back from attending kindergarten. It is required that all students are to be 4 (September 1st- August 31st) unless their IEP from the previous spring states retention is in the best interest of the student.

International Baccalaureate (IB)

Contact Name: Kelly McQuillan

Email: kelly.mcquillan@mpls.k12.mn.us

Contact Dept: Talent Development & Advanced Academics

Phone: 612.668.5303

Methodology of allocation:

IB sites were allocated funds to support continued implementation and improvement of the primary and middle years IB programmes. Each site is allocated:

- Program coordinator
 - 0.6+ FTE
 - 1.0 FTE [World Language Teacher](#) (Primary Years Programme only). The IB PYP requires schools to offer world language. Since it is mandatory, the Talent Development and Advanced Academics department funds the position.
- Professional development funds are allocated to IB PYP schools to assist in the mandatory training of teachers and staff.

Talent Development & Advanced Academics will fund the following additional costs associated with IBPYP & MYP:

- IB License and evaluation fees
- MNIB dues
- ManageBac license

Required uses of allocation (non-negotiables):

Coordinator:

- Schools must purchase a coordinator.
 - Schools may choose to “buy up” to a full FTE with other funding
 - Schools may not “cash out” FTE allocations
- All new IB Coordinators must be hired from a centrally-screened pool of candidates; current IB Coordinators will not need to interview again for their current role.
- Required professional development and district-wide collaboration for the coordinators will occur two half days per month. Thus, if teaching .4, the .4 part of the job would have to take place in the morning so that the coordinator can attend PD

PD Allocation:

- Dollars allocated should supplement (not supplant) other building funds dedicated to PD and support goals and strategies in the School Improvement Plan (SIP). Note [restrictions for use of Title I funds](#).
- In order to maintain authorization, sites should maintain records of level of training for each staff member and prioritize training necessary to maintain authorization.

Buildings will be responsible for all registration, travel arrangements, and paperwork. Sites will submit a professional development plan to the Office of Talent Development in August and a spreadsheet with accounting in May for submission to MDE. Office of Talent Development will offer support as needed.

Non-allowed uses of allocation:

- Funds may only be used for uses detailed above

Magnet Schools Parameters

This section is to inform you of the budget parameters regarding the use of the magnet school allocation.

2019-2020 Funding Considerations

The decision has been made for the 2018-2019 to fund the additional costs of magnet schools out of integration. At the same time, we do not want to lose sight of the importance of pursuing integration goals at the school level:

- *Pursue racial and economic integration;*
- *Increase academic achievement;*
- *Create equitable educational opportunities;*
- *Reduce academic disparities based on diverse racial, ethnic and economic backgrounds*

Please note the following parameters for your allocation of magnet school funds:

- Use funds in coming year to define program goals and implement process through: 1) integrated learning environments for effective citizens & social cohesion; 2) policies, curricula, trained staff to enhance integrated learning environments to support academic achievement; and, 3) college and career readiness; cultural competency and interaction; graduation and educational rates attainment; parent involvement.
- Use funds to identify the key program components that deliver these goals to scale up and focus resources.
- Use funds for positions to pursue academic achievement specifically tied to our magnet theme in the areas of: curricula and trained instructors, administrators, school counselors, and other advocates
- Use funds for resources and materials to support the magnet theme

Please feel free to contact your Associate Superintendent for support and to answers any of your questions.

Principal/Assistant Principal (Fund 1001)

Schools receive an allocation for school leader positions including the principal (and assistant principals as applicable). This money is strictly to be used for this purpose and cannot be used for other types of administrators. Please see your allocation memo for details.

Quality Compensation (Q Comp)

Main Purpose of Q Comp

Quality Compensation (Q Comp) is a state program that provides annual funding to support teacher and ESP effectiveness in order to advance the academic achievement of all students. More information about Q Comp can be found on the [Q Comp website](#).

Q Comp Alignment to Priorities

Q Comp funds must be leveraged to support professional development and collaboration for licensed staff (teachers and related service professionals on the MFT Contract) to meet site and district goals. In particular, sites can utilize Q Comp funds to support the goals of the school improvement plan (SIP) as well as the four core district priorities: equity, social emotional learning (SEL), literacy, and multi-tiered systems of support (MTSS). It is also encouraged that sites consider their

Q Comp funding along with any Title and Achievement & Integration (AI) allocations in order to strategically and resourcefully fund site and district priorities.

Q Comp Budget Codes

Sites can access their 2020-21 Q Comp allocations beginning July 1, 2020 using the following budget codes:

- Fund: 1006
- Cost Center: site's cost center (4-digit number)
- Functional Area: 640.335.000
- Internal Order: 190000021 (five 0's)

Q Comp Allocations

Sites and departments that support licensed staff members may receive up to two Q Comp funding allocations. Please see below for a description of each allocation and some examples of approved uses:

Allocation 1: Secondary Observations & Coaching Allocation

The main purpose for this allocation is to support secondary teacher observations and on-going coaching at the site to provide licensed staff with feedback and coaching. The allocation amount is based on the estimated number of teachers at the site in 2020-21 and is weighted for probationary teachers based on the current [observation model](#).

Sites may use this allocation in the following ways:

- **Recommended:** combine allocation with the Differentiation Specialist FTE allocation to fund a site-based TOSA position to coach and complete secondary observations
- Provide partial release time (e.g. 0.2 FTE) to at least one classroom teacher to coach and complete secondary observations part-time throughout the week
- For more information, please contact Emily R. Olson, Manager of Teacher Development & Q Comp: Emily_R.Olson@mpls.k12.mn.us

Allocation 2: Site-based Professional Development (PD) Allocation

The main purpose for this allocation is to support any type of professional development (PD) and/or activities related to teacher evaluation at the site. Sites should utilize Q Comp funds to support PD related to the district priorities (equity, SEL, literacy and MTSS) and the site's SIP goals. This allocation amount is based on the estimated number of teachers at the site.

Examples of approved uses include:

- Pay licensed extended time for a team to meet outside duty day to collaboratively plan one day a month
- Pay extended time to provide staff training
- Pay for an external trainer/facilitator to present PD at the site
- Pay for reserve teacher for a teacher to attend training or observe another teacher
- Pay extended time for the ILT or Staff Development Committee to collaboratively plan over the summer

The allocation may be loaded into the following GLs at BTO:

- GL 514500 – Reserve Teacher

- GL 529900 – Reserve Teacher fringe
- GL 518510 – Licensed Extended Time
- GL 529510 – Extended Time Fringe
- GL 530500 – Consult/Services

Sites may transfer Q Comp funds between GLs for approved uses throughout the year with approval. For more information and approval, please contact Emily R. Olson, Manager of Teacher Development & Q Comp:

Emily_R.Olson@mpls.k12.mn.us

Note about Educational Support Professionals (ESPs)

Beginning in 2019, Q Comp funds could no longer be used to provide extended time or other compensation to ESPs, even for the purposes of professional development or collaboration with licensed staff. Emily R. Olson, Manager of Teacher Development & Q Comp will review all BTO files and will require adjustments if Q Comp funds are loaded improperly.

Special Education Funding

These items are recommended and are to be considered when planning your building budget.

Budget Planning Information and Strategies

<p>Services That can be Funded by Special Education</p>	<ul style="list-style-type: none"> • Child find and pupil identification • Necessary short-term indirect or consultative services that are provided in conjunction with regular education pre-referral activities to an individual suspected of having a disabling condition to determine whether referrals for evaluation shall be made • Evaluation, progress reporting, and IEP planning for individual pupils • Instruction or related and support services to pupils who have an IEP • Parental involvement and due process • School psychological services and school social worker services provided for pupils identified as emotional or behavioral disorder according to part <u>3525.1329</u> alone or in conjunction with the instructional program outlined in any pupil’s IEP • Other related services provided in conjunction with the instructional program as outlined in the pupil’s IEP • Paraprofessional services provided under the direction of a regular or special education teacher or a related services provider that: Enhance the instruction provided by the teacher or related services staff; and Supplement instructional activities or provide extended practice in instances in which the paraprofessional has had training and ongoing support from a special education teacher or related services staff • Program coordination • Due process facilitation
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Special Education Teachers Fully Funded by Special Education	If a special education teacher is fully funded through special education, their time must be spent working with only students identified as special education. Special education teachers should not be used as reserves for regular education teachers as this compromises the legal requirements of the students' IEP, compromises the services to the students, and the ability of the Special Education Resource Teacher to conduct due process in a timely manner. In addition, Special education teachers must be able to report their time as 100% service to special education students or the district can lose reimbursement dollars.
Braiding Special Education and General Education Funding	Principals are encouraged to promote access to core instruction through collaborative teaching and "push-in" models when appropriate for students with disabilities. Braiding special and general education funding allows special education teachers to work with both general and special education students in the general education classroom.
Due Process Action Plan	Your site may be required to fill out a Due Process Action Plan form depending upon your out-of-compliance numbers for your school's special education due process spreadsheets for November 2019 – January 2020. You <i>will be contacted separately</i> by the Associate Superintendent of the Special Education Department and the Manager of the Monitoring and Compliance Team <i>if you are required to submit</i> a Due Process Action Plan as part of your budget tie out for the 2020-2021 school year.
Special Education Assessment Materials	Buildings are responsible for the purchase of tests used for special education eligibility evaluations. You may choose to purchase the Woodcock Johnson, Kaufman Test of Educational Achievement, Oral and Written Language Skills, Wechsler Individual Achievement Test, or the Peabody Individual Achievement Test. Vendor information may be obtained from PIC at 668-0461.

Creating Special Education Positions

Coding Special Education Positions in the Admin Portal	<p>In 1974, the State of Minnesota implemented the Uniform Financial Accounting and Reporting Standards known as UFARS, which is the account coding system that every school district in Minnesota must use.</p> <p>It is very important with Special Education positions that the positions are coded correctly. It can have an adverse effect on our revenues if positions are not coded properly. We have attached codes used for Special Education. This will assist you in using the appropriate UFARS codes for Special Education Staff (see last page).</p>
Special Education Resource Teacher (SERT) Allocations	<p>Special Education Resource Teachers (SERT's) are hired to provide special education services and intervention to students that qualify for special education services. SERT's can provide Federal Setting I (1-20% of student's day is spent outside of general education), Federal Setting II (21-60% of student's day is spent outside of general education) and/or Federal Setting III (60% or more of a student's day is spent outside of general education), services to students. However, Federal Setting III services are typically served in citywide special education programs or with SB allocations at certain sites. Special education services for each individual student are defined by what is determined in the student's IEP.</p> <p>SERT allocations to schools are determined by parameters explained in our board approved workload policy. Per the workload policy, considerations for SERT allocations include service minutes, evaluation time and travel time. SERT allocations are located on each school's funding allocation sheet. Schools may decide to purchase additional SERT time to increase the intensity of special education services or to use the expertise of the SERT to provide Tier III interventions to general education students. Schools may choose to purchase SERTs from Compensatory or Fund 01 dollars.</p>

	<p>SERTs may not be funded from a Title allocation.</p> <p>These positions may not be closed during the school year. Exceptions to this will require prior approval from the Associate Superintendent of Special Education.</p>
Special Education Citywide Programs	<p>Citywide Special Education Program positions are allocated to meet the needs of Federal Setting III students. These positions can be found on each school's special education allocation sheet.</p> <p>Special education assistants (SEAs) for Citywide Special Education Programs provide instructional services directly to special education students. Any duty not related to special education direct instruction must be paid for using building funds and would need to be outside the hours that are paid for with special education dollars. Hall monitoring, lunchroom and playground duties, and management of building behavior rooms are not allowable special education costs and SEAs may not be used for these purposes. Citywide SEAs can provide supports to other students in the building requiring special education services and should be considered a part of building resources.</p> <p>Allocations for Citywide Special Programs given to building cannot be converted to other classifications.</p> <p>Other special education citywide services such as Occupational Therapy, Physical Therapy, Speech, Psychology, BVI, D/HH and DAPE are not allocated to buildings but rather given building assignments by the Special Education Department for provision of services.</p>
Additional Support for Special Education Citywide Programs	<p>Any additional dollars provided for citywide program staff must be spent to fund staff licensed for special education reimbursement. Prep providers must have special education licensure; special education cannot pay for non-special education licensed teachers. Prep positions requiring a teacher with a Developmental Adapted Physical Education (DAPE) license should be posted as <i>Prep Providers</i> requiring a DAPE license (not as DAPE teacher).</p>
Converting Special Education Allocation for Other Uses	<p>Special Education positions are given by job classification in FTE's (full-time equivalents) or in hours.</p> <p>Special Education allocations cannot be converted to other uses or classifications. Any exceptions will require the prior approval of the Associate Superintendent of Special Education.</p>

Important Reminders for Office Staff

School Registration and E-Tagging	<p>The official Child Count for Special Education is done each year on December 1st. This process ultimately draws Federal dollars into the school district and supports special education staffing and materials. By keeping accurate school registration and e-tagging systems, schools can help in the recouping of special education funding.</p>
Time and Effort Reports	<p>Any staff that perform both special education functions and general education functions such as social workers, nurses, school psychologists, and bilingual program aides complete a bi-weekly personnel activity report to determine how much of their time can be claimed for State Aid reimbursement. The personnel activity reports are system generated and will be emailed to each individual that is required to complete the report. This reporting is completed on a bi-weekly basis.</p>
Additional Adult Assistance	<p>The Special Education Department also provides funding for additional adult assistance for special education programming. If a student who is receiving supplemental SEA time is either withdrawn or no longer requires the service, the building must notify Helen Pommier @ 668-5410 or helen.pommier@mpls.k12.mn.us regarding the change.</p>

Coding Special Education Materials and Professional Development	<p>All instructional supply and equipment dollars spent for special education students from building funds should be coded to the appropriate Program and Finance Code (740). This will provide State reimbursements for the school district.</p> <p>All building staff development dollars used for special education staff or building training on special education issues should be coded to the appropriate Program and Finance code (740) to draw reimbursement for the school district.</p>
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School Social Work Allocations as Related to Job Duties

The current student to School Social Worker ratio is 394 students: 1 SSW.

This does not include special education allocations to schools for citywide special education programs. These SSW positions are allocated for use only with their citywide program assignment.

The School Social Work position is one of the positions that is highlighted in the Predictable Staffing Model. This will ensure our families and community stakeholders that this position is considered a core component that each school should have and can be found at every school site in MPS. Following the guidance of the MFT contract, the predictable staffing ratio for each building will be based on the 1:600 minimum ratio. In your allocation you will receive an FTE requirement for social work that you will need to “buy” in your Budget Tie Out. This is in addition to the citywide special education allocation you receive.

School social workers are able to do the following core functions, depending on the intensity of the needs at the site:

- a. SEL/Mental Health/ /Behavioral support**
 - *Tier I:* PSWE team lead or member, school wide classroom lessons (grief, bullying, safe touch)
 - *Tier II:* SEL group interventions, individual classroom lessons, staff and family consultation
 - *Tier III:* One on one intervention, counseling, skills works, crisis intervention and support
- b. Sp Ed Team member**
 - Family engagement/home and family interview, Admin designee, Parent support and advocacy, collaboration with Sp Ed team members, coordinating Sp Ed transportation
- c. Participation/Leadership in site MTSS process for SEL**
 - CFS support, developing interventions, collaboration
- d. 504 Case management (SSWs spend 0-80% of their time on this, depending on the school site)**
 - Coordinating evaluation, eligibility, plan development, interventionist, managing timelines
- e. Site management and coordination of external partners for social services (county and contracted agencies) and mental health**
 - Itinerant mental health providers, county services collaboration, basic needs
- f. Attendance support/interventions**
 - Interventions and be@school process for educational neglect, truancy
- g. Homeless/Highly Mobile students - Identification and support**
 - Advocacy, staff trainings, support, arranging and managing transportation
- h. Support/Leadership in areas of: (This is a low frequency, potentially high intensity part of the role)**
 - Custody issues, data privacy, Child Protection reporting

NOTE: It is extremely difficult to articulate exactly what social work activities a building gets per tenth of social work time because each school building varies so greatly in its other resources, its grade and population configuration, and ultimately, its needs and how it prioritizes those needs. The above can help to clarify the full range of services offered if the recommended ratio is followed.

The special education allocations to schools for citywide special education programs are allocated as follows:

- .2 SSW time for each ECSE, SPEN/SPAN, DHH, Lifeskills/CLASS classroom, SBA.
- .1 SSW time for each PHD, DCD, ASD classroom

Contact Cathy Dalnes at 612.668.5436 or catherine.dalnes@mpls.k12.mn.us for assistance with social worker allocations and job duties.

School Social Work Mileage Reimbursements

Based on a recent state audit, the MPS Special Education Department has been made aware of a procedural change that will need to take place in School Year 2020 - 2021. It is the current practice that all mileage forms completed by School Social Workers have been submitted to and paid for by the Special Education Department. We have been advised that this practice does not take into account that School Social Workers transport both general education students and students receiving special education services. To be in compliance, mileage must be separated, approved and paid for out of two different funding sources.

Beginning in School Year 2020 - 2021, School Social Workers will need to use two different funding sources when turning in their mileage. For all transportation that is related to a student receiving special education services, School Social Workers will be given funding information from the Special Education Department and those will be approved and paid for by the Associate Superintendent of Special Education/Health Services. School Administrators will need to budget for any School Social Worker mileage costs for general education students and those will be approved and paid for by the site. School Social Workers will be able to submit one report with two or more different funding sources.

If you need to know how much to budget for in School Year 2020 - 2021, contact the Special Education Accountant, Jessica Moryn @ 668-5465 or jessica.moryn@mpls.k12.mn.us (preferred) to get an average cost for your site.

School Psychological Services: Psychologists Allocations as Related to Job Duties

All Minneapolis Public Schools have school psychologists assigned to them. Most schools receive at least one day a week of school psychologist time. When school psychologists are funded primarily out of special education dollars, they are assigned to schools at a ratio approximating 1 psychologist to 200 Individual Education Plans (IEPs) typically excluding those under Speech or Language Impairment, Physically Impaired, and Blind-Visually Impaired disability categories. It is because in most cases school psychologists have little involvement in the due process activities for those disability areas. In addition, other building, student, and due process factors are also put into consideration when assigning school psychologists to schools. Building funds can be used to purchase additional psychologist time for a school, which increases the depth and breadth of services that the school psychologist can provide.

When a school psychologist is assigned to a building according to the number of students on IEPs (Federal Funding), they must focus primarily on mandated special education activities and brief pre-referral intervention activities required by the Child Find Mandate. If a building funds additional school psychologist time, the school psychologist can participate in developing and implementing universal, targeted, and intensive supports based on the framework of Multi-Tiered System of Supports (MTSS) to improve student achievement, social emotional learning, and school mental health functioning. Extra psychology time is most useful when the building administration, school psychologist, and staff have developed plans for the use of that time based on data on achievement, attendance, behavior, engagement, and safety. School psychologists can provide support to all important school and district improvement goals. Below, the primary roles of school psychologists when they are funded by Federal dollars under Special Education and potential roles if additional time has been bought up by building are listed. Please note that the additional duties vary based on the amount of time purchased.

School Psychologist Allocation Based on Federal Special Education Funding	Additional School Psychologist Time Purchased by Building
<ul style="list-style-type: none"> • Participate in the building’s early intervention team, e.g., MTSS, and provide general guidance and recommendations for the team that meets the Child Find Mandate. • Perform initial evaluations and reevaluations of students with special education needs and engage in other due process related activities and tasks. • Consult with general education teachers, special education team members, and parents regarding student with disabilities who are experiencing academic, social/emotional, and mental health issues. • Consult with general and special education teachers on inclusive and restorative practices for students with disabilities. Assist in planning and implementing responses to crises, e.g., deaths, mental health emergencies, suicide risk assessments, etc. • After completing mandated due process services, if time allows, provide direct services to small group (1-3) of students with disabilities in skill acquisition or therapeutic groups. 	<ul style="list-style-type: none"> • Coordinate with the early intervention team to identify students who are at-risk for academic failure or experiencing behavioral difficulties through universal screening, assist staff members to design targeted interventions, support teachers in implementing these interventions including implementation consistency, help staff to review and interpret data in determining next steps for students, and evaluate the effectiveness of the school-wide early intervention effort. • Educate staff about best practices in behavioral management, social emotional learning using CASEL framework, and school mental health and/or provide direct skill-based instructional services for individual and/or groups of students, e.g., short-term counseling, 1:1 academic coaching, check-in/check-out, issue-focused groups such as support group for anxiety, Mindfulness strategies, Zones of Regulation, etc. • Provide professional development and support regarding child/adolescent development, building resilience, promoting a strength-based model of responding to students, and mental health and wellness. Consult/advise staff on implementing trauma-informed response and support • Provide consultation on effective discipline policies and practices, especially to ensure equitable practices and avoid disproportionate application to specific populations • Utilize restorative practices to help students and adults repair harm. • Provide leadership in developing good practices related to due process requirements for the special education team • Provide leadership in designing and implementing universal supports for student behavior and academic success, e.g., coordinate MTSS, PSWE, PBIS, etc. • Provide leadership in improving a building’s crisis response capacities. • Work with other staff to assess school-wide climate and create universal supports for a positive, safe, and healthy environment, e.g., coordinate Second Step curriculum implementation, school-wide anti-bullying efforts, gratitude work, etc. • Consult with parents for issues related to developmental process, general wellness, school mental health, and community supports and promote home-school partnership. • Serve as an Internal Coach for Reading and/or Math Corps.

Contact Matthew Lau, Manager of Psychological Services, at 612.668.5443 or matthew.lau@mpls.k12.mn.us for assistance.

Health Office Staffing Considerations

The mission of Health Related Services (HRS) is to create and sustain a school system that promotes and supports student achievement, health, and well-being. Providing safe care for students with chronic and acute health conditions during the school day must be a top priority when considering staffing patterns for the upcoming year. To assist with staffing decisions, an acuity-based formula was developed and designed to give weight to student factors known to influence students' health and need of nursing services at school. The factors included in the formula are: developmental level, special education status, poverty, mobility, homelessness, and a primary language other than English (ELL). Those factors are weighted in the formula based on relative predicted impact on health status. The formula suggests a baseline staffing allocation that is then adjusted based on known high intensity health needs.

Guiding principles for staffing allocations:

1. Student safety must drive decision-making in matters affecting health
2. Decisions about health care delivery in MPS must be made by MPS healthcare professionals
3. MPS school health model must allow nurses to follow the laws governing the practice of professional nursing (i.e., meet the requirements of the Nurse Practice Act)

Additional considerations:

- The number of MPS students with complex and chronic health needs have significantly increased over the past few years.
- Due Process: Licensed School Nurses (LSNs) are responsible for obtaining medical information and documenting educationally relevant medical information for all students at the pre-referral, evaluation, and re-evaluation stages of assessment. LSNs provide direct and indirect nursing services for students as outlined in their IEPs.
- According to the MN Nurse Practice Act, only LSNs can delegate, train, and supervise health related activities such as medication administration and nursing treatments (i.e., gastrostomy feedings, nebulizer treatments, blood glucose monitoring and insulin administration, catheterization, etc.). To safely and adequately support these activities, the LSN must have sufficient face-to-face overlap time with the support health personnel.

After budget tie out, HRS will bundle and post any vacant LSN positions. Contact Amber Spaniol, Director of Health Services at 612.668.5343 or amber.spaniol@mpls.k12.mn.us with questions.

Health Service Assistant (HSA) and Licensed Practical Nurse (LPN) Staffing Considerations

The mission of Health Related Services (HRS) is to create and sustain a school system that promotes and supports student achievement, health, and well-being. Providing safe care for students with chronic and acute health conditions during the school day is a top priority. This is why predictable staffing is an essential component of safe healthcare delivery in the school setting.

All schools, at a minimum, are required to have a Health Services Assistant (HSA) 32.5 hours/week. Special Education and Health Services will determine student need for Licensed Practical Nurses (LPNs) and fund the difference at no cost to the building. Buildings will be notified if an LPN is needed for student care.

Health Services will staff Licensed School Nurses per an acuity staffing model at no cost to the building. If you have historically “bought up” Licensed School Nursing or LPN time, and want to continue that practice, please contact Amber Spaniol @ 668-5343 or amber.spaniol@mpls.k12.mn.us to discuss. The bell-to-bell time requirement remains the same.

Considerations:

- **Complex Health Needs:** The number of MPS students with complex and chronic health needs has significantly increased over the past few years.
- **Planning for Safety:** Don’t staff based on current student enrollment. Students with significant health conditions such as diabetes, can enroll at any time of the year.
- **Efficiency of Resources:** The HSA role is to provide direct care to students during school hours. To provide safe care, working hours should mirror student hours, instead of working less days with extended hours.
- **Availability of Resources:** There are limited resources available to cover health office staff absences. If coverage is not available, the building is responsible for providing delegated care.
- **Health Office Back-Up Plan:** Every building must have designated back-up staff members, trained by the Licensed School Nurse, to cover individual student health needs when there is an absence. Building staff are often busiest at the same time there are increased health office needs (i.e. beginning of the day, lunch, and end of the day).
- **Legal Supervision Requirements:** Licensed School Nurses are the only staff members that can delegate, train, and supervise health related activities (i.e. medication administration, gastrostomy feedings, nebulizer treatments, blood glucose monitoring, catheterization, etc.). To safely and adequately support these activities, the LSN must have sufficient face-to-face overlap time with support health personnel.
- **Communication:** It is important for parents/guardians to know how the health office is staffed. Parents/guardians often assume the HSA is a nurse.

Contact Amber Spaniol, Director of Health Services, at 612.668.5343 or amber.spaniol@mpls.k12.mn.us with questions.

UFARS Codes for Special Education Services

PROGRAM
CODE

401 = Speech

402 = Developmental Cognitive Disability (Mild-Moderate)

403 = Developmental Cognitive Disability (Moderate-Severe)

404 = Physically Impaired

405 = Deaf-Hard of Hearing

406 = Visually Impaired

407 = Specific Learning Disability

408 = Emotional/Behavioral Disorders

409 = Deaf-Blind

410 = Other Health Impaired

411 = Pervasive Developmental Disorder Autism

412 = Developmentally Delayed/ECSE

414 = Traumatic Brain Injured

416 = Severely Multiply Impaired

418 = Psychology

419 = Social Worker

420 = Psychology/Tests/Assessments

Title I (ESSA)

Federal guidance requires the district to allocate Title I funds to all schools where at least 75% of the student population is eligible to receive free/reduced price meals. Additionally, the guidance clarifies that sites where less than 35% of the student population are eligible for free/reduced priced meals are not eligible to receive Title I funds. Title I has two types of programs: schoolwide and targeted assistance. Both types of programs must follow federal rules for education grants and the Every Student Succeeds Act (ESSA)/Title I expectations and rules. In addition, there are program specific expectations and rules for schoolwide and targeted assistance programs.

Schoolwide Program

A schoolwide program uses its Title I allocation to improve the entire educational program of the school in order to raise academic achievement for all students, particularly for those children who are consistently or chronically underserved based on each school's comprehensive needs assessment. The students and teachers are no longer labeled "Title I"; instead the entire school is considered a Title I school. A schoolwide program is built upon schoolwide reform strategies rather than using the school's Title I allocation to "fill gaps" in the budget (i.e. "buying up" positions).

Schoolwide programs meet this provision by combining all resources to achieve a common goal. A school must have at least 40% of its enrollment receiving free/reduced price meals to be eligible to be a schoolwide program. Schoolwide programs must use Title I funds for prioritized educational needs which are based on the school's comprehensive needs assessment and aligned to school improvement plan.

There are three required components of a schoolwide program that are essential to effective implementation: 1) conducting a **comprehensive needs assessment**, 2) preparing a comprehensive **schoolwide plan**, and 3) **annually reviewing and revising**, as necessary, the schoolwide plan.

As the School Improvement Plan serves as the Title Schoolwide Plan, completion of these requirements is already embedded in the online School Improvement Planning Portal.

For reference, the Federal guidance on the required components of a schoolwide program is as follows:

- **Conducting a comprehensive needs assessment:** The school must conduct a comprehensive needs assessment to ensure that a school's comprehensive plan best serves the needs of those children who are consistently or chronically underserved so that they meet Minnesota Academic Standards. Through the needs assessment, a school must consult with a broad range of stakeholders, including parents, school staff, and others in the community, and examine relevant academic achievement data to understand students' most pressing needs and their root causes. ([ESEA](#) section 1114(b)(2); 34 C.F.R. § 200.26(a)). Where necessary, a school should attempt to engage in interviews, focus groups, or surveys, as well as 43 review data on students, educators, and schools to gain a better understanding of the root causes of the identified needs.
- **Preparing a comprehensive schoolwide plan:** A plan which describes how the school will improve academic achievement throughout the school, but particularly for the lowest-achieving students, by addressing the needs identified in the comprehensive needs assessment. ([ESEA](#) section 1114(b)(7)). The schoolwide plan must include a description of how the strategies the school will be implementing will provide opportunities and address the learning needs of all students in the school, particularly the needs of the lowest-achieving students. ([ESEA](#) section 1114(b)(7)(A)(i), (iii)). The plan must also contain descriptions of how the methods and instructional strategies that the school intends to use will strengthen the academic program in the school, increase the amount and quality of learning time, and help provide an enriched and accelerated curriculum, including programs and activities necessary to provide a well-rounded education. ([ESEA](#) section 1114(b)(7)(A)(ii)). To ensure that the plan results in progress toward addressing the needs of the school, the plan should include benchmarks for the evaluation of program results. This plan may be integrated into an existing improvement plan.
- **Annually evaluating the schoolwide plan:** Using data from the State's assessments, other student performance data, and perception data to determine if the schoolwide program has been effective in addressing the major problem areas and, in turn, increasing student achievement, particularly for the lowest-achieving students. Schools must annually revise the plan, as necessary,

based on student needs and the results of the evaluation to ensure continuous improvement. ([ESEA](#) section 1114(b)(3); 34 C.F.R. § 200.26(c)).

Targeted Assistance Programs

A targeted assistance program is so-termed because it targets its services on specific, identified children. The children are selected for services solely on the basis of academic need, not the low-income formula. A targeted assistance program must include the eight components set out in the statute ([ESEA](#) section 1115(c)). In targeted assistance programs, all expenses must support **ONLY** the identified targeted students.

Program Planning and Budget

Each school must submit the [Title I Budget Worksheet](#) because MPS must document that schools are using their Title I funds to:

- Improve academic achievement for all students (schoolwide programs) and identified students (targeted assistance programs)
- Engage families and facilitate activities that allow for increased family involvement in each school's Title I programming;
- Demonstrate how children who are consistently or chronically underserved will meet Minnesota Academic Standards;
- Meet the needs identified in each school's comprehensive needs assessment; and
- Align directly with the School Improvement Plan (SIP) through the implementation of targeted strategies and professional learning communities (PLCs).

Title I Budget Priorities

All positions and non-salary expenditures funded with Title I funds must show direct support for the strategies outlined in your School Improvement Plan.

As schools are expected to implement the district strategic priorities as part of their school improvement plan, your Title I budget must be aligned to whichever of those strategies you select. Schools are expected to select at least two strategic priorities to implement: either MTSS or Literacy (all secondary schools will select MTSS), and either Social-Emotional Learning or Equity. If schools implement other school improvement strategies outside of the district priorities, your Title I budget must show support for implementing those strategies as well. It is **recommended that you limit your SIP to no more than four strategies**, so that you can effectively focus your time, resources, and capacity.

EXAMPLES OF USES OF TITLE I FUNDS

- High-quality preschool or full-day kindergarten and services to facilitate the transition from early learning to elementary education programs.
- Instructional coaches to provide high-quality, school-based professional development.
- Educational staffing to increase learning time.
- Teachers who hold a valid Minnesota teaching license and/or special permission for the subject and grade range of the teaching assignment
- Non-licensed staff members who meet the federal definition of "highly qualified," including EAs, AEs, BPAs, SSPAs who are providing instructional activities.
- Evidence-based strategies to accelerate the acquisition of content knowledge for English Learners.
- Activities designed to increase access and prepare students for success in high-quality advanced coursework to earn postsecondary credit while in high school (e.g., Advanced Placement, International Baccalaureate, early college high schools, and dual or concurrent enrollment programs).
- Career and technical education programs to prepare students for postsecondary education and the workforce.

- Counseling, school-based mental health programs, mentoring services, and other strategies to improve students' nonacademic skills.
- School climate interventions (e.g., anti-bullying strategies, positive behavior interventions and supports).
- Multi-tiered systems of support (MTSS) strategies intended to allow for early identification of students with learning or behavioral needs and to provide a tiered response based on those needs.
- Activities that have been shown to be effective at increasing family and community engagement in the school, including family literacy programs.
- Devices and software for students to access digital learning materials and collaborate with peers, and related training for educators.
- Two-generation approaches that consider the needs of both vulnerable children and parents, together, in the design and delivery of services and programs to support improved economic, educational, health, safety, and other outcomes that address the issues of intergenerational poverty.
- Class size reduction (to implement co-teaching model or add an additional section; not to "buy up" a position)
- Additional instructional support for reading, math and science (may include technology)
- Reserve Teachers while classroom teachers attend supplemental professional development (excludes Reserve Teachers while classroom teachers are on sick leave or on vacation)
- Extended time for teachers (related to strategies and/or goals outlined in your school's SIP)
- Family or Community Liaison, Educational Assistants, Associate Educators, Bilingual Program Aides, and School Success Program Assistants for additional educational support
- Teacher Emeritus to provide staff development and/or coaching
- Transportation of families to parent meetings (excluding IEP and 504 meetings)
- Field trip buses for educationally-related field trips
- Contracted services (related to strategies and/or goals identified in your school's SIP)
- A portion of your school's postage (supplemental and may not be used for required mailings)
- In state conference registration & fees for supplemental staff development opportunities aligned to your school's SIP.
- Light refreshments and snacks for academic parent meetings not to exceed \$5.00 per person.

Title I may NOT be used to fund:

- *Your Predictable Staffing requirements*
- *Food for staff*
- *Staff for in-school suspension (or other reactive behavior support)*
- *Secretaries, Clerks, or Office Specialists*
- *Staff assigned as Testing Coordinators, Bus Monitors, Lunch Monitors, or Recess Monitors*
- *Nurses, LPNs, or Health Service Assistants (HSAs)*
- *Translators for parent/teacher conferences or IEP meetings (required by Title VI of Civil Rights Act)*
- *Reserve Teachers while classroom teachers are on sick leave or on vacation.*
- *ELL Teachers* (Title I may not be used to meet the number of ELL teachers the district requires a school to have. Title I may be used to add additional ELL teachers).

Family Involvement Set-Aside

The Family Involvement allocation must be given to schools as a distinct allocation and must be spent only on academically related family involvement activities. **Functional area 216.401.638 will be used for your school's family involvement allocation.**

The Family Involvement set-aside may be used to fund:

- Staffing (or portion) for an Associate Educator, Educator Assistant or School Success Program Assistant who works with families and the community. The district is recommending that Title I schools provide staffing if the total

student count of the school is 300 students or more. Title I schools may choose to use Title I dollars or another funding source. The following chart is the FTE recommendation based on student count.

- 0-299 students: 0.0 FTE
 - 300-499 students: .2 FTE
 - 500-799 students: .5 FTE
 - 800 or more students: 1.0 FTE
- Books/workbooks (under the cost of \$5) for students to take home and work with parents.
 - “Snacks and light refreshments” limited to \$5/person for parent/family engagement meetings which are educationally related.
 - A portion of your school’s postage budget to send home fliers related to family engagement opportunities.
 - A portion of your school’s paper budget to print documents related to family engagement opportunities.
 - Contractors or professional speakers (assumes current staff is unable to provide the training) to meet/discuss with family about technology, school climate, and community opportunities.
 - Bus, taxi, and Uber transportation for families to attend school meetings/Family Night.
 - Translation services for families to better understand academic information being provided to their children. (Excludes Translators for parent/teacher conferences or IEP meetings (required by Title VI of Civil Rights Act))
 - Extended time for teachers and staff to visit families at home to discuss their student’s education (includes travel costs for these staff who visit parents)
 - Supplies and/or materials to be used during parent engagement events (i.e. pens, pencils, notepads, etc.)
 - Translator headsets in order to make parent meetings more efficient and welcoming to all parents.

The Family Involvement Set-Aside may NOT be used to fund:

- *Costs associated with ceremonies, banquets, or celebrations.*
- *Costs associated with entertainment, recreation or social events.*
- *Costs related to fundraising activities or promotional activities*
- *Translators for parent/teacher conferences or IEP meetings (required by Title VI of Civil Rights Act)*

Budget Codes for Title I

Grant #: 2430030000

Internal Order #: 2430030000

Fund #: 5023

Functional Areas:

- Title I Basic: 216.401.000
 - Title I Family Involvement: 216.401.638
- *Budget Reallocations between different functional areas are not allowed.

Title I Position budgeting:

- Use the average salary table and grids for all school positions and include fringe benefits.
- Budget fringe at 20% for extended time and reserve teachers and teacher emeritus contracts.
- Budget fringe at 36% for all salaried positions.

Time & Effort

When funding positions with federal funds including Title I, it is necessary to consider the federal time and effort requirement for **all** staff funded with federal funds, including full-time staff, part-time staff, reserve teachers and extended time. Recipients (employees) of federal education funds are required to certify the time spent and activities performed for the federal funds. Every position (employee) not 100% federally funded through one funding source are required to complete the Time and Effort documents each payroll reporting period. This certification is done through the time and effort forms via the district website.

****In order for the employee to complete the forms accurately, it is very important for administrators to discuss with each federally funded (including Title I) staff member why they are funded this way and what job responsibilities/activities they perform are appropriate for the federal funded portion of their position.***

How does this certification take place?

- Employees funded through one federal funding source (example: 100% of their time is coded to Title I): Periodic Certification Form completed twice per year certifying that the employee has been working solely in activities supported by the federal funding source. This certification is completed by the supervisor with direct knowledge of the employee's work.
- Employees funded with multiple funding sources, with at least one source being federal funds (example: 50% coded to Title I, 50% coded to Referendum): Must complete a Bi-weekly Certification Form, and this form must correspond with the pay period worked. These records must document the portions of time and effort dedicated to Title I and to the other revenue sources. The time and effort record must be completed after-the-fact (not estimated or budgeted) and account for the total time the employee is compensated. The record must be prepared every pay period and must be signed by the employee and countersigned by an administrator or supervisor. Time & Effort is now all done electronically through the staff time and effort web site <http://timeandeffort.mpls.k12.mn.us/>. Directions are located on the front log in page.
- Administrator Monitoring (certification and approval) for Biweekly Certification and Periodic Certification can be found on the Minneapolis Public School's Administrative Portal: <http://adminportal.mpls.k12.mn.us/>
- Extended Time: Time & Effort is now required for extended time. Time and Effort for extended time is entered and approved only in the SAP ESS module. Short text must be included to describe the work performed. Extended time funded with federal funds may only be approved by a supervisor with knowledge of the work performed. File loads are no longer permitted with grant funds.
- Reserve Teacher Time: Time & Effort is also required for reserve teacher time. You must obtain a Conference Billing form for all teacher absences funded with Title funding or any other federal funding source. These forms must be forwarded to Kim Lieb in Finance.

Federal Education Grants – Allocable Expenditures & Documentation

Statutes, regulations, OMB documents, and guidance govern the use of funds from the U.S. Department of Education to school districts. Statutes include both the specific law that establishes a program (e.g. ESSA, Perkins, etc.) and the General Education Provisions Act (GEPA). Regulations include both specific program regulations and the Education Department General Administrative Regulations (EDGAR). The omni-circular sets federal cost principles. All of these, combined with the specific grant application and award and district policy must be taken into account when determining whether a grant can pay for a particular expenditure.

When trying to make a determination about whether an expense is allowable, a grant manager should ask if the proposed cost is:

- Consistent with federal cost principles set in the omni-circular
- Allowable under the relevant program
- Consistent with program specific fiscal rules
- Consistent with EDGAR
- Consistent with special conditions imposed on the grant
- Consistent with the underlying needs of the program

Note: an important principle is **“this year’s money for this year’s kids.”** This means that supplies and materials purchased with your FY19-20 budget must be used in the 2019-2020 school year.

Federal Cost Principles Set in the [Uniform Grant Guidance](#).

All costs must be:

1. Necessary
2. Reasonable
3. Allocable
4. Legal under state and local laws
5. Conform with federal law and grant terms
6. Consistently treated
7. In accordance with Generally Accepted Accounting Principles (GAAP)
8. Not included as match
9. Net of applicable credits
10. Adequately documented

To determine if an expense is necessary, ask yourself:

- Do I really need this to run the program?
- Do I have existing resources I could use?
- Is this the minimum amount I need to spend to meet the program need?

To determine if an expense is reasonable, ask yourself:

- Is the expense targeted to valid programmatic/administrative considerations (identified in your SIP)?
- Do I have the capacity to use what I am purchasing?
- Did I pay a fair market price? Can I prove it?
- If I were asked to defend this purchase, would I feel comfortable?

Allocable means you can only charge an expense to a grant in proportion to the value received by the grant's program. For example, if a staff member is working on a grant half time and on another program half time, then only half the cost of the person's computer can be charged to the grant.

For additional information about Title I allowable costs, please contact **Ash Muni** or **Kim Lieb** in Finance at Ashwin.Muni@mpls.k12.mn.us or 612.668.0476 or Kimberly.Lieb@mpls.k12.mn.us or 612.668.0403.

For Title I program questions, please contact **Sarah Hunter**, Director of Accountability, at Sarah.Hunter@mpls.k12.mn.us or 612.668.0576.

For questions on accessing and completing your Title I budget worksheet, please reach out to **Jessie Welton** Jessie.Welton@mpls.k12.mn.us or 612.668.0583.

Title II (ESSA)

The Title II program under ESSA continues to focus on raising student achievement by improving the quality of teachers, principals, and other school leaders. Title II provides resources for the implementation of professional learning for educators and adheres to the understanding that high quality professional learning should be sustained, intensive, collaborative, job-embedded, data-driven, and classroom-focused.

Since ESSA no longer adheres to NCLB’s definition of “core academic subjects” regarding allowability, Title II resources can be used for professional development **to support educator effectiveness for teachers of every subject, principals, and paraprofessionals, including early childhood.**

The non-regulatory guidance also recognizes that educators learn best when they can collaborate and apply what they learn by explicitly requiring ongoing job-embedded activities that improve instruction. Therefore, resources to support the implementation of PLCs can be supported. ESSA also supports professional learning related to teacher leadership, aligning supports for ILT and PSWE leadership teams, as well as other Q-Comp teacher leadership positions.

Title II also promotes the ongoing professional development aimed at cultural competency and responsiveness and equity coaching, designed to improve conditions for all educators and students, including educators and students from underrepresented minority groups, diverse national origins, English Language competencies, and varying genders and sexual orientations.

The Federal guidance also requires local districts to coordinate professional learning with district strategic goals, related strategies, and programs to improve educator effectiveness.

Districts are required to develop a comprehensive needs assessment in meaningful consultation with a broad range of stakeholders and should examine relevant data to understand students’ and educators’ most pressing needs, including the potential root causes of those needs given the local context.

Once the needs assessment has been completed, districts should seek evidence-based practices for their core strategies.

Aside from professional learning, Title II can also fund the following strategies designed to support educator effectiveness throughout an educator’s career at the local level:

- Induction and mentorship—establish and support educator induction and mentorship programs that are evidence based, designed to improve classroom instruction, student learning and student achievement; and increase the retention of effective teachers, principals and other school leaders.
- Meaningful Evaluation and Support—support evaluation and support systems that continually improve instruction by relying on multiple measures and meaningful input from educators and other stakeholders
- Strong Teacher Leadership—support meaningful teacher leadership opportunities
- Transformative School Leadership—support for principal supervisors, as well as to support the activities of the principal professional learning.

Guidance

The non-regulatory guidance for Title II outlines the intent of Title II programming and funding: [Non-regulatory Guidance for Title II, Part A, 2016](#)

Budget Codes for Title II

Grant #: 2432400000
Internal Order #: 2432400000
Fund #: 5023
Functional Area: 204.414.000

Supplement, not Supplant

The supplement not supplant provision applies to the use of Title II funds. Title II may NOT be used to fund any activity that can be defined as supplanting. Supplanting occurs if:

- MPS uses federal funds to provide services that MPS is required to make available under other federal, state, or local laws;
- MPS uses federal funds to provide services that were provided with nonfederal funds in the prior year; or
- MPS uses federal funds to do something MPS would do in the absence of these funds. For example, Title II funds cannot be used towards activities mandated through policies set by the district.

Translation/Language Line

Schools receive an allocation intended to cover the cost of translations. This allocation may be used to fund extended time or contracted services. It may NOT be used to fund a portion of a position.

Other Funding Sources

There may be other funding sources that a site is allocated. All allocations should be specified in your allocation memo. Please refer to your allocation memo for additional details and parameters for other allocations your site may have received.

Section 4 - Departmental Services

This section includes information about the services various departments provide as well as the services schools or departments are required to budget and plan for in their departments. The information included in this section was provided by the individual departments and is organized by chief. Please contact the respective departments for clarifications regarding services.

Note: Not all departments submitted services information for this document. If you have questions about a department that is not listed in this document, please contact that department directly.

Associate Superintendent of Special Programs

Contact Name: Rochelle Cox, Associate Superintendent

Email: rochelle.cox@mpls.k12.mn.us

Homeless and Foster Care Student Services

Contact Name: Charlotte Kinzley

Phone: 612.668.5480

Email: charlotte.kinzley@mpls.k12.mn.us

Services Provided to Schools by Department:

- Consultation and assistance on eligibility, best interest determination, school placement, and transportation
- Guidance on compliance and best practices to facilitate identification and student success
- Development and maintenance of systems and structures to ensure compliance and to facilitate identification, enrollment, and full participation in school and activities
- Ensure MPS policies and practices are in compliance with applicable laws and rules
- Resolution of disputes on school placement and transportation eligibility decisions
- Professional development and coaching opportunities to improve staff ability to support homeless and foster care students
- School placement, initial transportation setup, and basic school supplies provided for students in shelters
- Connect staff to internal and external resources for students and families (Stable Homes Stable Schools, housing stability funds, school supplies, uniforms, coats, school activity fees etc)

Services that schools are required to provide from building budgets (i.e. required services):

- Connect students and families to external resources (food, housing, etc.)
- Make initial best interest decisions for students about placement and transportation
- Identify students experiencing homelessness and students in foster care in schools and report to Homeless and Foster Care Services department staff
- Request transportation
- Communicate with families
- Identify and meet the individual academic and social/emotional needs of students

Services that schools may choose to provide from building budgets (i.e. optional services):

- Additional staff time or resources to serve students experiencing homelessness and students in foster care

Changes from FY 2019-20:

- Beginning in 2019-20 we were no longer able to use Title I funds to pay for field trips for HHM students. Both state and federal law prohibit schools from charging fees for field trips that are "required as part of a basic education program" (those that occur during the school day). To better align with this policy we have discontinued **using Title I funds to pay for field trips for HHM students**. For 2019-20, if schools already had a trip planned that they were relying on this funding to cover, we were willing to support in some cases. We will not be able to do that in 2020-21.

Special Education

Contact name: Rochelle Cox
Phone: 612.668.5438
Email: rochelle.cox@mpls.k12.mn.us

Services provided to schools by Department:

- **Instructional Coaching**
 Special Education Directors will consult with principals on instructional needs of their special education staff based on the SOEI process. District Program Facilitators will provide instructional coaching to special education staff as directed by Special Education Directors. District Program Facilitators will provide coaching on Domains 1, 2, and 3 of the SOEI Rubric.
- **New Teacher Training**
 The Special Education Department will provide special education specific training through New Teacher Orientation, summer training sessions and year round support.
- **Professional Development**
 The Special Education Department will provide district wide training, on-site training, E learning and modules that can be presented by building staff.
- **Due Process Training and Consultation**
 The special education department will provide due process clerical time at each building to assist with the monitoring of due process files at most site. Due process training will be provided in a variety of models for special education staff. Due process consultation and support will be provided to each building as needed for individual cases.
- **Special Education Accounting**
 The special education department is available throughout the year to assist principals and secretaries with special education allocations and questions. The special education department creates and closes special education positions and sends out position reports to schools. Mileage is also processed through the department for special education related services staff at school sites. The special education department also provides budget codes for special education grants and funded programs.
- **Special Education Placement**
 The special education department will place incoming Federal Setting III and IV students into district programs and assist schools when students require a different level of service.
- **EdPlan and Electronic Data Systems**
 The special education department will fiscally support a district wide electronic special education due process system (EdPlan), provide maintenance, support and training as needed.
- **Financial and Student Data**
 The special education department will create and maintain fiscal and student data requirements for both the district and Minnesota Department of Education. The department will also support schools in the analysis of their student data in key state and district performance indicators.
- **Limited Supplemental Support Allocation**
 Limited fiscal support will be available to schools for new students who enter the district and may require additional support due to medical or behavioral needs.
- **SOEI Observation Support**
 Special Education Directors and District Program Facilitators will be available to assist both primary and secondary observers in SOEI Special Education and ESP staff. Special Education Directors can assist with the development of “Next Steps” and District Program Facilitators will be available to assist with coaching and training specified in “Next Steps”. Related Services Managers will take primary responsibility for the completion of evaluation process for Related Services staff

- **Special Education Program Development**
Special Education Directors will consult and advise principals regarding special education programming and models in their building. District Program Facilitators can be used to support special education programming under the direction of the Special Education Director.
- **Intervention Recommendations, Support and Training**
The Special Education Department will provide schools and special education staff with evidence based practices and research information to support promising special education practices in buildings. The Special Education Department will provide training, professional development modules and instructional coaching on special education interventions, with a strong focus on reading.
- **Disability Information**
District Program Facilitators will provide school staff with up to date information about disability specific information, parent engagement strategies and inclusive school environments.
- **Transition Guidance**
Guidance will be provided from the special education department on strategies to increase special education graduation rates, high school courses of studies, transition planning, college planning and a rigorous sequence of work opportunities.
- **Inclusive Practices**
Inclusive Practices are a special area of focus for the special education department. We offer each school the development of an individualized inclusion plan and assistance in inclusion model development. Professional Development modules will be available to schools with special attention to collaborative planning and teaching.
- **ESY Services**
Extended School Year Services are coordinated for schools during the summer for all students in the district who qualify. The special education department coordinates with case managers to determine the type and amount of services needed for each student. After the ESY session, data is provided to IEP teams at the building to assist in determining eligibility for ESY the following year.
- **Coordination and Management of Related Services**
The Special Education Department coordinates Related Services for the special education students district wide. These services include occupational therapy, physical therapy, speech therapy, Developmental Adapted Physical Education, Vision Services, Deaf/Hard of Hearing Services, school social work, and school psychology. Related Services Managers provide hiring or assistance with hiring, supervision, evaluation, training, and coaching for Related Services staff.
- **Assistive Technology Consultation and Devices**
Our Assistive Technology Team provides consultation, evaluation, training and technical support for special education students in the district. They lead our district's Universal Design for Learning Team and maintain a library of assistive technology, featuring low and high technology solutions. The Assistive Technology Center, along with its many volunteers, creates many assistive technology solutions through their own design, saving the district thousands of dollars every year.
- **Specialized Assessment Protocols and Materials through the Professional Instruction Center**
The Professional Instruction Center provides instructional materials, strategies and interventions for special education staff to utilize on a library loan system. This resource allows special education staff to try specially designed interventions without cost to the school. It is expected that a school would purchase the materials if it is going to be utilized on a long term basis. The Professional Instruction Center also supplies Related Services Staff with assessment protocols that are needed for evaluations. In addition, the Professional Instruction Center supports implementation of MTSS, the Problem Solving Model, and progress monitoring for students with disabilities by providing assessment probes and training on administration, scoring, and data analysis.
- **Learning Walks**
Special Education Directors look forward to participating in learning walks with principals in their

schools. The focus of the walks can be determined by the principal, SOEI information, or district/state performance indicator data.

Services that schools are required to provide from building budgets (i.e. required services):

- Technology that is supplied to any general education student or staff member.
- Office and classroom supplies, materials, and curriculum that are provided to any general education student or staff member must also be provided to special education staff. Special education staff should have access to general education curriculum, instructional support, and professional development opportunities.
- Special education staff should have access to copy, fax, and scanning machines and supplies.
- Locked cabinets and/or file drawers must be provided to secure due process documents, technology and equipment.
- School sites have been purchasing standardized achievement measures such as the Woodcock-Johnson IV Tests of Achievement and test protocols for special education evaluations.
- Special education staff should be provided adequate work space, desk, phone, internet access (wifi or wired).
- Related service budget that is allocated to the school, must be used for purchase of related service staff as required by law and due process (OT/PT, speech, DAPE, social work, school psychology) from the school budget.
- Mileage costs for school social workers for transportation of students who do not receive special education services.

Services that schools may choose to provide from building budgets (i.e. optional services):

- Building administrators may choose to 'buy up' additional FTE to support special education students' needs including: social worker, psychologist, SEA floater, SERT, special education lead or coordinator for the building or cluster of buildings.
- Administrators may choose to buy instructional materials to support special education students' learning

Changes from 2019-20

- Sites are required to budget for mileage for SSW when they transport students who do not receive special education services.

Office of the Chief of Academics

Contact Name: Aimee Fearing, Interim Senior Academic Officer

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Athletics Department

Contact Name: Antony M. Fisher, District Director of Athletics

Phone: 612.668.0603

Email: antony.fisher@mpls.k12.mn.us

Services Provided to Schools by Department:

Salaries

- Coaches (a base number for High School)
- Officials (for High School game events)
- Workers (limited at high schools sports and AD offices)
- District Sports (oversee boys and girls Hockey, Lacrosse and Alpine Ski)
- Engineer/Janitor overtime
- Police Officers (security at athletic events)
- Assignors for officials: Track, Cross Country, Soccer, Hockey, Basketball, Baseball, and Softball
- District Office Middle School Sports Coordinator (see separate listing)
- District Office Specialist (see separate listing)
- District Assistant Director of Athletics (see separate listing)
- District Director of Athletics (see separate listing)

Transportation (scheduling and maintaining FY20 – no additional staff)

- High School Game Events
- Middle School Game Events
- Limited - Practice buses

Athletic Training Services

- Athletic Trainers that service student-athletes for injuries and prevention of injuries for any athletic contest and practices.
- Concussion information sessions (provided by TRIA Orthopedic Center)
- First Aid training for all Directors and District staff
- Baseline Concussion Testing

Background checks cost

- New Coaches, Returning Coaches, and Volunteers

Scheduling Website Membership (Distributed Website rSchool Today currently being used)

- Create, Update, and Maintain High School Schedules www.mpls.city.org (used by all Athletic Directors and limited access by Head Coaches.
- Implementation of Rycor for online registration/payment etc.

Minnesota State High School League Contract Membership:

- Cost based on per school and per sport of student-athlete participation.
- Provide rule books and manuals of updated information regarding athletics and equipment

Tournament Entry Fees

- Schwan Cup
- Invitational Tournaments (from other districts)
- Inter district invitational meets and events
- Conference affiliation fees

Facilities (Rentals)

- Hockey Ice time (Parade and Northeast with Park Board)
- Tennis Courts (Reed Sweat Inner City Tennis)
- Baseball & Softball Fields (MPRB Premium Fields)
- Lacrosse (MPRB Premium Field)
- YMCA Midtown and Phillips Swimming Pools
- Loppett Foundation (Nordic Ski)

Outdoor Temporary Facilities (Porta Potties)

- Henry High School (no outdoor facilities for sports game events)
- Various Outdoor MPS facilities (Lincoln, Franklin, etc.)

AED Servicing / CPR

- AED Service - checked and restocked yearly (assigned to school Athletic Directors)
- CPR training renewal for Athletics staff

Coaches Workshops Training and Registration

- Fall, Winter, and Spring Sports

Awards and Recognition

- Custom Medals (Gold, Pewter/Silver, and Bronze for High School sports events – Broadway Awards)
- National Signing Day event for student athletes accepted to colleges
- Athena Awards
- All-City Sports Recognition
- All-City Academic Athletic Awards
- Trophies (Middle School Awards)

District Middle School Sports Coordinator

- Assist District Director of Athletics
- Assist Director with Budget Tie Out and Budget development
- Prepare and create informational documents and presentations for Athletic Department needs
- Outlook – calendar scheduling and maintaining
- Order District Awards
- Assist All Middle School Athletic Directors
- Athletic Data Reporting with District Athletic Office
- Develop, Nurture and Manage External Partnerships (MPRB, Mn. Vikings, TRIA Athletic Training Services, Midtown YWCA)
- Represent District at Community Meetings (Youth Coordinating Board (YCB), Minneapolis Youth Sports Association (MYSAs),
- Hire all Middle School Sports Officials
- Update Athletic Website
- Attend Local Athletic Directors conferences and meetings

- Coordinate Season Meetings and Workshops for Athletic Directors, Coaches and Officials
- Schedule all athletic events including post season tournaments
- Coordinate transportation needs for all athletic events
- Serves as a liaison between the Middle School Athletic Programs and the High School Athletic Programs

District Office Specialist of Athletics

- Office management duties (include assisting all Athletic Directors)
- Supervise and train temporary staff and workers
- Support Directors of the budget (viewing, reallocations, journal entries)
- Novatus (contract management system)
- Concur (travel and expenses)
- SRM - Create requisitions (orders)
- Athena project

District Assistant Director of Athletics

- Assist District Director of Athletics
- Prepare and create informational documents and presentations for Athletic Department needs
- Outlook – calendar scheduling and maintaining
- Order District Awards
- Assist All High School Athletic Directors
- Athletic Data Reporting with Minnesota Department of Education (MDE)
- Athletic Game Reports (tickets, workers, officials, engineer overtime)
- Develop, Nurture and Manage External Partnerships (MPRB, MSHSL, MSHSL Foundation, Pitch In For Baseball, Hennepin County Youth Sports Program, Vikings, TRIA Athletic Training Services, Midtown YWCA)
- Represent District at Community Meetings (Youth Coordinating Board (YCB), Minneapolis Youth Sports Association (MYSA),
- Serve as member of Metro Area Officials Association Negotiations Committee
- Administer District Athletic Sports Hockey and Alpine Ski
- Facilitate Academic Appeals Hearings
- Update Athletic Website
- Attend National and Local Athletic Directors conferences and meetings
- Coordinate Season Meetings and Workshops for Athletic Directors, Coaches and Officials

District Director of Athletics

- Directs and provides leadership for MPS District Athletic Department
- Payroll for all coaches and district workers of sports game events
- Prepare Agendas and Facilitate Districtwide Athletic Director Monthly Meetings
- Prepare Agendas and Facilitate School Specific One-on-One Athletic Director bi-monthly sessions
- Management of Staff (includes Building Athletic Directors)
- Management of Operations and Community Relations for Athletics
- Management of the District Athletic Department Budget
- Management of the District Athletic Department Eco-system
- Management of MPS Athletic Department conflict resolution
- Chairperson of Board of Athletic Directors Appeals Committee
- Collaborating as a team member, with colleagues, staff and community representatives
- Organize Athletic Procedures

- Generating and Reviewing Conference schedules
- Serves as a liaison between the High School Athletic Directors and the High School Principals
- Liaison between the Middle School Athletic Programs and the Middle School Principals

Services that schools are required to provide from building budgets (i.e. required services):

- Clerical/Account clerk to process independent contract forms submitted by building Athletic Directors for payment of officials and workers.
- Process shopping carts /P.O.'s for supplies, uniforms, equipment, etc.
- Payment of non-baseline coaches

Services that schools may choose to provide from building budgets (i.e. optional services):

- Game Workers
- Game Managers
- Security, Ticket Sellers, and/or Announcers
- Scoreboard/Clock Operators, Timers
- Additional Coaches
- Transportation for Practices
- Special Events
 - Team Banquets
 - State Tournament Expenses
 - Parent Night/Senior Night Event Expenses
- Additional Security
- Premium Athletic Facility Usage
- Entry Fees – Tournaments, Passes, etc.

Changes from FY 2019-20:

- Added a Uniform Replacement Program
- Middle School programming shifted back to the District Athletic Department
- Addition of Middle School Track & Field and Girls Flag Football
- Expansion of Cooperative Sponsorships
- Implementation of Rycor online registration and payment
- Officials Request for Payment Process
- Game Workers Request for Payment Process
- Expansion of the MPS Athletic Department by serving on various high school athletic committees
- Partnering with the St. Paul Public School Athletic Department
- Partnering with the local professional sports teams
- Coordinating consistent protocols and systems across the districts
- Checks and balances implemented through district sports equipment inventory controls
- Utilization of an athletic storage unit designed specifically for District Athletic Department equipment
- Implementation of a revamped eligibility appeals process
- Align the Athletic Department with the new District Comprehensive Design which includes compliance with the EDIA findings and School Board Resolutions

Early Childhood Education

Contact Name: Maureen Seiwert

Phone: 612.668.2143

Email: Maureen.Seiwert@mpls.k12.mn.us

Services Provided to Schools by Department:

- Professional Development for MPS Early Childhood Education teachers and staff
- Embedded Professional Development for High Five Team - ongoing throughout the year
- Internal Coaching for PK - MRC Reading Corps Members - ongoing throughout the year
- Consultation to school administration sites regarding ECE/ECSE Pre-Referral/Referral Process
- Winter and Spring Data Meetings with the Principals and High Five Teams
- High Five-Core Curriculum, materials, and equipment
- Early Childhood Screening for children in High Five and Kindergarten who have not been previously screened
- Parent Education opportunities for parents of High Five students
- Transition into kindergarten support for incoming MPs kindergarteners
- Management of Early Admission to Kindergarten application and assessment process
- MPS Enrollment outreach and support to community partners

Services that schools are required to provide from building budgets (i.e. required services):

- SW/Nursing/Clerical
- A designated office staff to enter students' information in Discovery Early Education tab
- Consumable materials budget- construction paper, glue, crayons etc.
- SOEI Observers
- Translation/Interpretation (i.e. ARCH)

Changes from FY 20:

None

Multilingual Department

Contact Name: Muhidin Warfa, Executive Director, or Kate McNulty, Director

Phone: 612-668-0174

Email: Multilingual.Department@mpls.k12.mn.us

English Learner Services Provided to Schools by Department:

- Title III Compliance
 - Technical assistance to Lead ESL teachers as needed to meet Title III requirements of identifying, assessing, monitoring, and exiting English Learners.
 - Assessment support and consultation for WIDA testing, placement and progress monitoring.
 - Collaboration to ensure service to Dual Eligible students who qualify for both ESL and Federal Special Education setting 3 and 4
 - Itinerant ESL service and consulting for low-density EL sites
- Professional Development
 - Support for site-based PD in collaboration with site staff
 - Regular Lead ESL teacher meetings and PD
 - Data Dives to support long and short-term instructional planning
 - Coaching training & support for new EL Lead Coaches
- Family Outreach
 - Outreach to inform parents of EL programming and services, support for EL Family Night events

- Targeted support for newcomer students
- Program Development, Evaluation, and Reporting
 - Annual process to review and evaluate site EL Plans of Service
 - Data analysis of EL academic outcomes and consultation with building ILTs as needed
 - Development of Common Language Assessments to progress monitor growth in ELP between ACCESS administrations
 - Review of framework for Developmental Dual Language programs
- Supplemental instructional materials for newcomer students and Learning A-Z subscriptions

Services that schools are required to provide from building budgets (i.e. required services):

- Appropriate English Language Development services by a licensed ESL teacher for all English Learners (i.e., ESL=Y) in accordance with the Multilingual Department [Program Framework](#).
 - For 2019-20, 100% of the allocation for licensed ESL teachers will be funded from district funds.
 - Includes staff, materials and support necessary to meet the needs of Dual Eligible (SpED) ELs and other ELs with special needs (e.g. Newcomers and Students with Limited or Interrupted Formal Education)
- Student appropriate core instructional materials necessary to support key learning and language development needs of ELs
- Ensuring adequate bilingual staff for both the instructional needs of students and the capacity to communicate effectively with families.
- Translation and interpretation services not funded by Special Ed, Family Outreach or other District Departments.
 - **Please note that services not funded by district departments include all standard interpreters for needs such as Parent/Teacher conferences, home visits, and school/community events.** Building budgets must include sufficient funds for interpretation service to ensure that school communications are shared in languages accessible by all parents, as mandated by ESSA.
 - Schools will continue to receive an allocation for Language Line usage in 2019-20. Language Line provides convenient and direct connection with interpreters for phone language interpretation in emergency, urgent or unexpected situations and should be used for immediate needs (i.e., parent phone call, transportation updates, or urgent parent meeting).

Services that schools may choose to provide from building budgets (i.e. optional services):

- ESL teachers in excess of the required FTE allocation
- Heritage Language instruction
- Extended Learning instruction targeted to English Learners.
- Technology tools and resources to meet the needs of English Learners
- Level appropriate and culturally relevant curriculum support materials, including materials for student independent reading.

Online Learning

Name: Opal Ehalt, Director Contract Alternatives

Email: opal.ehalt@mpls.k12.mn.us

Online Learning Requirements

Minneapolis Online Learning (MPS Online) is our districts' 8-12 online school. MPS provides both supplemental and full-time courses. The course offerings can be found [HERE](#). **We do not provide credit recovery.**

State law allows all students to take online courses from any MDE accredited school including MPS Online. If students attend an accredited school other than MPS Online, state funding for those students goes to the outside school. MPS "brick and mortar" schools with students dual enrolled with MPS Online will **NOT** lose funding as MPS Online operates as a cost center.

Enrollment and registration is facilitated among guidance counselors at our school sites and MPS Online personnel. Go to MPS <http://online.mpls.k12.mn.us/registration> for additional information.

Teaching and Learning

Contact Name: Jennifer Rose, Executive Director K-12 Academics

Phone: 612.668.5341

Email: Jennifer.rose@mpls.k12.mn.us

The Teaching and Learning department supports schools by providing professional development for teachers, administrators, differentiation specialists, instructional specialists, and other classroom support staff (ie AE's & SEA's) and recommends/supports core curriculum and instruction and assessments to guide classroom instruction. T & L supports the revisions of the curriculum guides and selects and pays for core curriculum, orders and processes all instructional materials, and supports grade reporting and course creation/registration. Department staff also set standards and support for special programs such as IB, AP, CIS, PSEO, and AVID and manage identification of advanced learners.

Talent Development & Advanced Learner Services K-8

Contact Name: Christina Ramsey and Melissa Damon

Phone: 612.668.5376 or 612-668-5393

Email: Christina.ramsey@mpls.k12.mn.us or melissa.damon@mpls.k12.mn.us

Requirements for this area:

Identification

As required by the State of MN, MPS screens students in grades K-5 for possible identification as advanced learners in order to find:

- students who perform at an advanced level when compared with others of the same age, experience or environment
- students who show the potential for performing at an advanced level
- advanced learners representative of all of our diverse student body, including those who are culturally, linguistically and economically diverse (CLED)
- Students can be referred for identification by either parents, students, or school staff.

Decisions about advanced learner identification for currently enrolled MPS students include considerations of:

- Assessment of ability (Cognitive Abilities Test - CogAT7)
- Assessment of achievement (FAST)
- Information from teachers and parents about demonstrated characteristics in and out of the classroom

Once identified:

- The core curriculum is differentiated by the classroom teacher trained to provide greater depth, complexity, novelty and/or pacing based on individual strengths, talents and sustained interests.
- Instructional practices for advanced learners and **grouping** are emphasized at this level. MPS advanced learner curriculum is available for all K - 5 core content units of study.

Levels of Service

 Talent Development & Advanced Academics				
All students recognize and develop their academic talents as a result of enrichment and appropriately challenging learning opportunities.				
<h2 style="margin: 0;">Levels of Service</h2>				
Level I		Level II	Level III	Level IV
←		→		
Enrichment Pedagogy		Advanced Differentiation		
DESCRIPTION	ALL emphasis on classroom differentiation for interest and learning profile, and enrichment	MANY (anyone might, not everyone will)	SOME Meets the needs for more rigor and challenge. Emphasis on advanced classes, differentiation of core content with depth, complexity, novelty and ascending intellectual demand	FEW Emphasis on subject or grade acceleration and/or individual learning plans
WHO	All students	Students who show an interest, propensity, or achievement in a particular area as evidenced by assessed performance	Students identified with advanced learning needs	Identified advanced learners whose needs surpass curricular enhancements/ extensions available in a grade level or subject area
WHAT	<ul style="list-style-type: none"> • Exposure to and opportunities to explore possible interest areas into, through and beyond the core curriculum • Other enrichment opportunities: field trips, service learning, guest speakers, residencies. 	<ul style="list-style-type: none"> • Clubs & specialized groups • Interest projects • Competitions • Enrichment Clusters 	<ul style="list-style-type: none"> • Core curriculum and instruction qualitatively differentiated specifically for advanced learners • Classroom teachers trained to meet cognitive and affective needs of advanced learners • Grouping for core instruction <p style="text-align: center;"><i>Learning Targets for Advanced Learners</i></p>	<ul style="list-style-type: none"> • Full grade or single-subject acceleration • Mentorships/ Apprenticeships • Individualized learning plans • Participation in advanced coursework through university partners and other agencies <p style="text-align: center;"><i>Learning Targets for Advanced Learners</i></p>

Schools are required to provide Level I & II services (MTSS Tier 1) for all students, Level III (MTSS tier 2) services additionally for all identified advanced learners and Level IV (MTSS tier 3) services for advanced learners demonstrating greater need for individualization and/or acceleration. Level III (MTSS tier 2) services to students require teachers to be trained in advanced differentiation and students to be grouped together for core instruction. Sites should set targeted improvement goals around advanced learner growth and plans should specifically address the population of students who are at or above grade level as measured by the MCA and FAST but not making expected growth. Generally, advanced learners should be making more than expected growth.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Identification ● Advanced Differentiation resources for Literacy, Math, Science and Social Studies (housed within MPS curriculum guides) ● Curricular materials to support Advanced Differentiation resources for school resource library and teacher check-out ● Stipend for Talent Development Site Lead (\$1,400) ● Professional development (upon completion of MPS Certificate in Talent Development) ● 2 days of substitute teacher to continue training in advanced differentiation for one teacher per grade level at each elementary (K-8) site. 	<ul style="list-style-type: none"> ● Interest-based enrichment opportunities (Level I and II services) ● The replacement of lost or damaged advanced differentiation curriculum materials previously purchased and deployed to support Advanced Differentiation resources ● School should designate a Talent Development Site Lead to support parents and teacher, the identification process, and manage the TDAA resources for the building. ● Schools will also identify teachers from each grade level to attend the two day TDAA training (subs paid by TDAA).

Differentiation Specialist

Contact Name: Jennifer Rose, Interim Executive Director of K-12 Academics

Phone: 612.668.5341

Email: Jennifer.Rose@mpls.k12.mn.us

Methodology of allocation:

All K - 8 sites are allocated .5 FTE funds for Differentiation Specialists (DS).

Required uses of allocation (non-negotiables):

Schools must purchase a Differentiation Specialist (DS)

- Schools may choose to “buy up” to a full FTE with other funding. it is a role best paired with a Math or Reading Specialist or other coaching position. It is not recommended that this position is paired with an admin TOSA.
- Schools may not “cash out” FTE allocation
- Required bi-weekly professional development to support the roles of position. These PD sessions give information and training to the DS who should bring the information to their site(s) and apply the learnings to building PD and/or with individual teachers they work with.
- Differentiation Specialist are not to facilitate intervention or pull-out groups. Additionally, DS cannot serve as a building sub or take on duties that are outside of the role position below (ie. Lunch duty or bus duty).
- For more information, see Differentiation Specialist Job Description 2020-2021.

Role: The Differentiation Specialists (DS) supports teacher efficacy in differentiated daily instruction in order to equitably increase academic growth and achievement for **all** learners. Essential functions of the DS include:

- Coaching
- Co-Planning
- Co-Teaching
- Model Lessons
- Serving as a member of the Instructional Leadership Team
- Implementing MTSS at a high level
- Facilitating data cycles with teachers and grade-level teams
- Differentiating for all subgroups including:
 - Unrepresented populations
 - English Learner
 - Special Education
 - Advanced Learner

Equity: A Differentiation Specialist must have a firm foundation in equity and be willing to participate in site-based conversation around race and identity. Academic success is grounded in the ability to apply academic strategies through an equity lens in planning, implementation, and assessment.

Talent Development & Advanced Academics will fund professional development for Advanced Differentiation Certificate and payment for coursework taken outside the school day after completed portfolio is submitted and reviewed as **Advanced Differentiation Certificate is a requirement of this position.**

Elementary Literacy

Contact Name: Julie Tangeman

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Requirements for this content area

The Elementary Foundational Program guarantees students receive a minimum of 145 minutes of literacy instruction per day towards the MN ELA Common Core Standards. The model of instruction for literacy is balanced literacy through a reading and writing workshop. This 145 minutes should include approximately 45 minutes of reading, 45-60 minutes of writing, and 45-60 minutes of foundational skills, word work, and guided reading (specific times vary by grade level). Each classroom should have a comprehensive classroom collection to support independent reading which should be organized by genre, with an equal split of 50/50 fiction/non-fiction. In any given elementary classroom, there should be a wide range of texts - both above and below grade level, with the largest number in the range of reading level appropriate for the grade. Additionally, small group instruction would require a classroom area conducive to pulling small groups of students.

Required Professional Development

- Balanced literacy and Benchmark- reading, writing, and foundational skills/word work
- Independent reading and/or differentiation and scaffolding
- Engage in data dives and diagnostics (fall, winter, and spring)
- Engage in long- and short-term instructional planning to meet student needs

See [elementary scheduling guidelines](#)

Recommendations for this content area

Teachers should look for opportunities to increase content integration - particularly opportunities to align reading and writing activities to science and social studies content in meaningful and relevant ways.

Teachers should utilize a variety of assessment tools - beyond the interim assessments - to identify student instructional needs. Some examples include F&P benchmark assessments, FAST and F&P diagnostic assessments, running records, dictation, retellings, reading response logs, Benchmark quick checks, Benchmark unit & weekly assessments (located on Illuminate) and FAST.

Schools are highly recommended to allocate funding for literacy specialist positions to help support teachers in implementing high impact instructional strategies through co-planning, co-teaching, data collection, and modeling of effective instruction. This position can also help bring strong literacy instructional strategies to content areas.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● “Core” material needs related to increased enrollment/added classrooms ● Current Core materials 2020-2021 <ul style="list-style-type: none"> ○ PK: Houghton Mifflin Core literacy curriculum ○ K-5 Benchmark Advance/Adelante core literacy materials (Texts for Shared Reading and Close Reading) ○ Scholastic Classroom collection (100 book sets) 	<ul style="list-style-type: none"> ● Consider at least .5 FTE reading specialists to support high quality core instruction and literacy across content areas ● Ongoing additions to classroom collections and book rooms ● Additional optional (LLI) Leveled Literacy Intervention Kits to meet school MTSS plan and a licensed, qualified reading interventionists to deliver instruction to students ● Replacement of lost or damaged materials (including book rooms, F&P kits/books, classroom libraries, core resources) ● Additional approved programs to support literacy instruction (Lexia Core5, RAZ Kids, etc.) see approved software ● Reading Corp fees ● Paper/copying needs related literacy ● Opportunities to support F&P administration (ex. before school, sub support, etc.)

Secondary ELA

Contact Name: Hibaq Mohamed
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Email: hibaq.mohamed@mpls.k12.mn.us

Requirements for this content area

- All schools should provide a schedule that provides a minimum of 50 minutes per day for students in their core ELA class.
- Teachers teaching ELA need to hold licensure in 5-12 or 7-12 Communication Arts/Literature or English Language Arts in order for students to receive high school credit for the course.

All students take the MCA III in Reading in grades 6, 7, 8, and 10. Students in 10th grade take the Compass reading assessment. Students in grade 11 take the ACT plus Writing assessment. Schools should ensure that students reach mastery of grade-level MN ELA reading standards by the time the tests are administered in the spring, and all grade-level English Language Arts standards within the course of the school year.

MPS students need to complete four years of high school English Language Arts in order to meet district graduation requirements.

Recommendations for this content area

- Minneapolis offers a wide variety of resources to support instruction, which are connected to thematic instructional units, distinguished as anchor texts (common unit texts), core texts (to accompany anchor texts), and supplemental texts (to complement anchor and core texts).
 - These texts provide challenging and engaging literacy opportunities for ALL students. Teachers should select core and supplementary texts to provide both “windows” and “mirrors” for students - allowing them to grow in their identity, while also accessing opportunities to see the world outside of their personal experience.
 - All students should regularly engage with grade-level texts as defined by MN State Standards **and** accessible texts based on the individual readiness and personal choice. Students should read a minimum of 4 anchor texts *and* 4-12 supplemental texts within the instructional framework over the course of the school year.
- Students should also have regular exposure to a variety of shorter supportive texts (eg. poems, articles, video clips...) that support the essential question and unit of study.
- Teachers should deliver Language Arts content through balanced and varied instructional modes, but always with the intent of maximizing students’ time actively engaging in reading and writing. Therefore,
 - Teachers should prioritize small group structures over other structures at a rate of 50% small collaborative group work, 25% independent work, and 25% whole group work.
 - Differentiated student needs should be addressed in flexible small group structures. Equal emphasis should be placed on writing practice as on reading practice, and occur within all of the delivery structures.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Anchor texts for each grade level ● Supplemental text sets for each grade level to support small group reading structures ● <i>Writing: Reading and Writing Source Books (6-8)</i> ● <i>Reader’s Handbook (6-12)</i> ● <i>Great Books texts (6-12)</i> ● <i>Great Source – Daybooks (6-12)</i> ● <i>Consumable materials from Great Source Publishing, Writer’s Inc., Insider (9-12) - as ordered</i> 	<ul style="list-style-type: none"> ● Classroom leveled collection resources to support independent reading ● Lost/damaged materials ● reference materials ● access to current event texts/subscriptions ● reader’s and writer’s consumable notebook (composition notebook) ● Schools should allocate funding for literacy specialist positions to help support teachers in implementing high impact first-time instructional strategies through co-planning, co-teaching, data collection, and modeling of effective instruction. This position brings strong literacy instructional strategies to content areas.

Secondary Reading and/or Read 180/System 44 Classrooms

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Requirements for this content area

Read180/System 44:

- Any program using Read180/System 44 must have a minimum of 45 minutes daily.
- Any program using Read180/System 44 must implement **all** components of Read180/System 44, including assessment cycles, with fidelity.

Recommendations for this content area

Reading teachers AND Read 180 teachers should actively collaborate with core content area teachers (ELA, Science, Social Studies, Math) to align learning and support using reading strategies to access content resources and materials.

Note: Maintaining consistent teacher assignments year-to-year to the program will minimize/eliminate cost for training teachers new to the program.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Approved sites materials/licenses for Read 180/System 44 implementation. ● Program hosting and maintaining cost ● Implementation support and PD related to Read 180/System 44 to include costs related to the SAM system, coaching, new teacher training, and continuing teacher training in Read 180/System 44 best practices. 	<ul style="list-style-type: none"> ● Additional high interest texts for independent reading libraries ● Lost materials ● Technology needed to successfully implement Read 180/System 44 <ul style="list-style-type: none"> ○ 6-8 computers per Read 180 classroom equipped to run Next Gen ○ Headsets equipped with microphones for each workstation (including annual replacement for lost and damaged headsets.) ● Read 180 Student Books (consumable workbooks) (Book should stay with student through all 9 workshops – sometimes multiple years). ● Orders for new students enrolled/added to programming. ● Sub for training days (1-3 per school year) <ul style="list-style-type: none"> ○ If teacher did training during summer, it is only one day in fall ○ If teacher did not do training in summer, three days September through early November.

Elementary Mathematics

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Requirements for this content area

- The Elementary Foundational Program requires a minimum of 75 minutes per day and 70 minutes per day for K of core math instruction.
- Schools should create schedules that support students in flexibly moving into and out of the [Assessing Math Concepts](#)/Developing Number Concepts (K-2) and [Do the Math \(3-5\)](#) intervention programs for students who demonstrate the need for additional support in moving towards grade level appropriate strategies for thinking about mathematics.
- We require teachers to actively connect instruction to student work in online math programs like [Dreambox](#) in order to monitor progress and make adjustments to the content that students are working on.
- Teachers should use advanced differentiation resources found in the curriculum guide grade level unit folders to provide increased challenge to students demonstrating mastery and/or high levels of readiness on formative assessments.
 - In addition, schools should [screen](#) students at the end of 3rd grade for potential acceleration in mathematics beginning in grade 4 using the Talent Development and Advanced Learner Education decision making matrix for math acceleration.
 - Telescoped math courses (4|5 and 5|6) should be made available for students who meet the [acceleration criteria](#) in grades 4 and 5.
- See [elementary scheduling guidelines](#)

Recommendations for this content area

- Schools are recommended to allocate funding to math specialist positions to help support and coach teachers in implementing high impact instructional strategies through action-oriented data analysis, targeted professional development, and effective co-planning and co-teaching practices. Specialists in 2020-2021 school year will focus on data analysis, standards-based backwards planning, supporting teams in planning for differentiated core lessons, and getting an MTSS system that supports K-5 mathematics structures.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Additional “core” material needs related to increased enrollment ● MPS custom printed workbooks to support the elementary mathematics curriculum ● Grades 1-5 Interim assessment booklets if requested prior to May 2020 deadline ● “Do the Math” Intervention consumable materials ● “Assessing Math Concepts” student account/access ● Continuation of Dreambox at all elementary sites 	<ul style="list-style-type: none"> ● Math specialist positions ● Replacing lost or damaged materials ● Additional programs to support math instruction (e.g. additional modules of <i>Do the Math</i>) ● If implementing Tier 2 interventions, fund math intervention position

- Woot Math grades 3-5

Other Considerations to make when considering Math Budgeting and Scheduling for Next Year

- Schools with 10 or more students who may potentially [qualify for Telescoped Mathematics](#) in grade 4 should provide adequate staffing to teach and monitor the course .

Secondary Mathematics

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Requirements for this content area

- All schools should provide a schedule that provides a minimum of 50 minutes per day for students in their core math class.
- Teachers teaching Telescoped Algebra 8 | Intermediate Algebra, Intermediate Algebra, or Geometry in a 6-8 program **need to have a 5-12 or 7-12 teaching license in mathematics** in order for students to receive high school credit for the course.

All students take the MCA III in mathematics in grades 6, 7, 8, and 11. Schools should ensure that students have mastered the standards for each grade level by the time the test is administered in April/May. Students need to complete a three-course sequence: Intermediate Algebra, Geometry, and Advanced Algebra in order to meet the high school standards in mathematics and be prepared for the MCA III in 11th grade. MPS students need to complete three years of high school mathematics in order to meet district graduation requirements.

Recommendations for this content area

- Schools are suggested to allocate funding to math specialist positions to help support teachers in implementing high impact instructional strategies through co-planning, co-teaching, data collection, and modeling of effective instruction.
- Schools are suggested to create flexible support systems for their students who are not proficient in mathematics or struggling with course content.
 - These support systems might include extra classes such as Focus Math (MS) and Math Support (HS) classes that focus on developing a strong conceptual understanding of previous math topics for students who have not met proficiency in previous grades. Short-term interventions for students in need of more time with current learning targets may be accomplished through a math learning center or through working with providers of extended day services to create experiences for students that complement their school-based mathematics course work.

For 2020-2021, sites with 6-8th grade students are **required** to offer Telescoped Math 7 | Algebra 8, Telescoped Algebra 8 | Intermediate Algebra, and access to an in-person or online Geometry course for 8th graders who have completed Telescoped Algebra 8 | Intermediate Algebra. For 2020-2021, all middle grades sites will now offer access to the entire Telescoped Math sequence listed in the math acceleration [guidelines](#). For sites with low enrollment (**less than 10 per course**), there are online options for the Telescoped math courses. Courses in the telescoped math sequence and advanced differentiation resources are ways for schools to provide acceleration options for students who meet acceleration criteria.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Additional “core” text needs related to increased enrollment ● Continuation of ST Math at current sites ● Woot Math for grades 6-8 	<ul style="list-style-type: none"> ● Math Specialist positions ● Replacing lost or damaged texts ● Replacing lost or damaged calculators ● Batteries for calculators ● Math Corps fees

Elementary Science and STEM

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Requirements for this content area

- Science instruction is needed for all grades K-5 to meet the [2019 MN Science Standards](#) requirements. Sites have a year-long [schedule](#) of [core science units/materials](#) (eg. “kits”) by grade level. The schedule remains constant from year to year. This consistent kit delivery schedule establishes predictable patterns in the sequence of science instruction. As a result, teachers can intentionally plan from one science unit to the other and across disciplines.
- One core unit of STEM will be taught at each grade 1-5 including STEM Engineering. In Kindergarten one unit of STEM will include coding and computational thinking.
- [New MN K-12 Science Standards](#) were released in July 2019. Teacher can begin i teachers can be exploring components of the new framework called Three Dimensional Learning includes scientific and engineering practices. Teacher professional development and revised curriculum materials will take place over a 4-year period (SY2020-2024) MCA IV will be administered in the spring of 2024.
- The MCA’s comprehensively assesses 3-5 grades MN Science academic standards and is administered in 5th grade.
- See [elementary scheduling guidelines](#)
Discovery scheduling for science

Course Title	District Course Number
Science- K	050
Science- 1	150
Science- 2	250
Science- 3	350
Science-4	450
Science- 5	550

Recommendations for this content area

- Schools should meet the Elementary Foundational Program recommendation of **150 minutes per week of core science instruction**. If possible, we recommend a minimum of three 50 minute instructional sessions.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Science materials and supplies (eg. kits) needed to deliver core curriculum referenced in the PreK-5 curriculum guides ● The delivery of science kits to all MPS classrooms (deliveries and pickups occur weekly as needed at all sites) ● The inventory and refurbishment/restocking of kits after each use ● The supply and delivery of living materials that are used in the core curriculum to all K-5 classrooms as specified in core curriculum; living materials are supplied to individual teachers based on their orders ● The living materials manager provides teachers with expertise in the care and handling of living organisms The scheduling of all science kits to ensure equitable access ● Media and integrated reading resources that connect to the science concept throughout the unit. (ie. classroom sets of science books, integrated science readers as anchor texts). Note a few science units include books that are permanently housed in media centers at all elementary site. ● The coordination of services and materials between the MPS Science Center and the district core curriculum 	<ul style="list-style-type: none"> ● Non-core Science material ● Copies of student investigation sheets and benchmark assessments ● Science notebooks (optional and recommended)

* Note- Science kits include commercially published curriculum such as Full Options Science System (FOSS), Science, Technology and Children (STC), and Engineering is Elementary (EiE) and MPS created curriculum. This curriculum material aligns with the MN Academic Science Standards, MPS curriculum guides and district benchmark assessments for High 5, preschool classrooms and K-5 classrooms.

*The services listed above are coordinated by Teaching and Learning Science and the MPS Science Material Center.

Middle School Science and STEM

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Requirements for this content area

- A full year of science instruction is needed for all grades 6-8 to meet the [2019 MN Science Standards requirements](#).
- The [6-8 grade core curriculum resources](#) integrate the MN Science Academic Standards including: Life Science, Earth Science, Physical Science, and the Practice of Science and Engineering. Teacher licensure should reflect the content and pedagogical demands of these classes. **It is required that teacher licensure be Science 5-8, Science 5-9, or science middle school endorsement because the curriculum integrates life, earth, and physical sciences throughout 6-8 grades.**
 - Teaching licenses required to teach middle school Science courses can be found on [MDE's Licensure Assessment Tables](#).
- Teachers will provide opportunities to engage in STEM units/lessons that focus on the engineering design process.

Student will engage in the engineering and

- NOTE- [New MN K-12 Science Standards](#) were released in July 2019. Currently, teachers can be exploring these standards and begin implementing the Scientific and Engineering Practices along with incorporating scientific phenomena into existing curriculum units. Teacher professional development and revised curriculum materials will take place over a 4-year period (SY2020-2024) MCA IV will be administered in the spring of 2024.
- The MCA's [comprehensively](#) assesses 6-8 grades MN Science Academic Standards and is administered in 8th grade.

Recommendations for this content area

- All schools should schedule a minimum of **50 minutes per day/or the equivalent to 250 min per week** for students in their core science class.

An equitable funding model is used to allocate secondary science funds. Students with comparable needs are receiving comparable funding. This weighted model intentionally prioritizes students of color, free/reduced lunch, English learner, special education services, and homeless/highly mobile.¹

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ■ Laboratory equipment and materials for 6-8 science core curriculum as referenced in the curriculum guides (partially funded at approximately \$7-\$14 per student). Sites with higher numbers of students from the demographics listed above (1) will receive allocations closer to \$19 per student. ■ Microscope maintenance and repair services provided on a rotating basis (i.e. approximately half of 6-12 sites in year 1 and the other half of sites in year 2). ■ Living materials supplied and delivered to all middle school classrooms as specified in the district core curriculum. ■ The living materials manager provides teachers with expertise in the care and handling of living organisms. ■ The coordination of services and materials between the MPS Science Center and the district core curriculum 	<ul style="list-style-type: none"> ■ Other laboratory equipment and materials not included in science orders funded by the Teaching and Learning Dept. (It is recommended that schools reserve \$5-\$12 per student to pay for additional science supplies and equipment. This will maintain the minimum of \$19 per student recommended for 6-12 grade Science classes.) ■ Appropriate safety equipment installed in science labs to ensure laboratory investigations can be performed optimally, reducing student and staff injuries (i.e. fire blanket, sinks, goggle sanitizer are necessary for teaching middle school curricula). ■ Replacement of lost or damaged core laboratory equipment, materials, and student laboratory guides. ■ Supplementary science text/reading material, technology, and web-based software and subscriptions ■ Other non-core science materials. ■ Perishable laboratory materials

Note- Curriculum resources are refurbished and stored by 6-8 grade sites. These resources include Full Options Science System (FOSS); Delta Science; Science, Technology and Children Middle School (STC/MS); and Scholastic, Science Education for Public Understanding Program (SEPUP), Great Explorations in Math and Science (GEMS), Scholastic, and MPS created curriculum.

High School Science

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Requirements for this content area

To meet with state law and district policy students must have the following to graduate:

- Satisfactorily completing all 9-12 MN [Science academic standards](#) from the four standard areas in science: Life Science, Earth Science, Physical Science (Chemistry & Physics), and the Practice of Science and Engineering.
- NOTE- [New MN K-12 Science Standards](#) were released in July 2019. Currently, teachers can be exploring these standards and begin implementing the Scientific and Engineering Practices along with incorporating scientific phenomena into existing curriculum units. Teacher professional development and revised curriculum materials will take place over a 4-year period (SY2020-2024) MCA IV will be administered in the spring of 2024.

- Graduation requirements per MPS and MDE include one year of Biology and one year of Chemistry or Physics. (3.0 year-long credits in science for graduation).

The district approved course sequence provides all students will the opportunity to graduate meeting standards, credit, and course requirements. (See sequence below)

- [Graduation requirements for 2019 and beyond](#)
 - [High School Course Catalog](#)
1. All students take the Science MCA III upon completion of year-long Biology. The MCAs comprehensively addresses all the 9-12 Life and Nature of Science and Engineering standards.
 2. Teaching licenses required to teach Science courses can be found on [MDE’s Licensure Assessment Tables](#) .

Minneapolis Public School students address all of the standards by taking the following district core science sequence:

Grade	Course	District Course #	Academic standards embedded within the course
9	Physical Science	056010	<ul style="list-style-type: none"> o Physical Science o Earth and Space Science o Practice of Science and Engineering
10	Biology	052010	<ul style="list-style-type: none"> o Life Science
11	Chemistry --OR-- Physics --OR-- advanced course in Chemistry or Physics*	053010 (Chemistry) 054010 (Physics) *see catalog for adv courses	<ul style="list-style-type: none"> o Chemistry o Physics
12	Advanced course* --OR-- electives		

*see [Rigorous Course Waiver Pre-Approved Courses](#)

Other helpful links
[District core science sequence](#)
[Core textbook materials](#)

Recommendations for this content area

An equitable funding model is used to allocate secondary science funds. Students with comparable needs are receiving comparable funding. This weighted model intentionally prioritizes students of color, free/reduced lunch, English learner, special education services, and homeless/highly mobile. ¹

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Core textbook materials (includes increases to enrollment). ● Laboratory equipment and materials to support the common high school sequence (partially funded at approximately \$7-\$14 per student). Sites with higher numbers of students from the demographics listed above (†) will receive allocations closer to \$19 per student. ● Living materials used for specific Biology units are supplied and delivered to all Biology classrooms. ● Provides teachers with expertise in the care and handling of living organisms. ● Microscope maintenance and repair services provided on a rotating basis (approximately half of 6-12 site in year 1 and the other half of sites in year 2). ● Coordination of services and materials between the Science Center and the district core curriculum. 	<ul style="list-style-type: none"> ● The replacement of lost or damaged core texts. ● Other laboratory equipment and materials not included in science orders funded by the Teaching and Learning Dept. (It is recommended that schools reserve \$5-12 per student to pay for additional science supplies and equipment. This will maintain the minimum of \$19 per student recommended for 6-12 grade Science classes.) ● Appropriate safety equipment installed in science labs to ensure laboratory investigations can be performed optimally, reducing student and staff injuries (i.e. a fume hood,, fire blanket, natural gas outlets, eye wash, and sinks are necessary in Chemistry classrooms). ● Other laboratory equipment and materials not included in science orders funded by the Teaching and Learning Dept. ● Perishable laboratory materials ● Supplementary science text/reading material, technology, and web-based software and subscriptions.

Social Studies

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Requirements for Social Studies

This content area includes 4 disciplines: Economics, Citizenship and Government, Geography, and History (both U.S. and World). The MN State Social Studies Standards are grade specific K-8. High school standards are arranged by discipline and can be taught in any order.

Primary Grades

The standards in kindergarten through grade 3 require students to master fundamental understandings that prepare them for in-depth study later on--failure to prioritize Social Studies instruction risks setting students up for failure in later Social Studies classes. Content in grades K-3 is balanced among the four Social Studies disciplines with no single discipline emphasized over another. K-3 students require a minimum of 60 minutes of Social Studies instruction each week, plus 60 minutes of integrated content instruction in the literacy block.

See [elementary scheduling guidelines](#)

Course Title	Course # in Discovery	Social Studies Lead Discipline	Instructional Time
Social Studies - K	020	Equally weighted	Minimum of 60 min/week
Social Studies - 1	120	Equally weighted	Minimum of 60 min/week
Social Studies - 2	220	Equally weighted	Minimum of 60 min/week
Social Studies - 3	320	Equally weighted	Minimum of 60 min/week

Intermediate and Middle Grades

In grades 4-8, students are introduced to a disciplinary focus with a lead discipline that frames the social studies for that grade. Grades 6-8 require 50-60 minutes a day of instruction taught by a teacher with a 5-12 Social Studies licensure. Grade 5 can be taught as a stand-alone course by a dedicated Social Studies teacher or as part of instruction in an elementary model.

See [elementary scheduling guidelines](#)

Course Title	Course # in Discovery	Social Studies Lead Discipline	Instructional Time
Social Studies - 4	420	Geography	Minimum of 120 min/week
Social Studies - 5	520	History	Minimum of 120 min/week
Minnesota Studies	2005	History	50-60 minutes of daily instruction

US Studies	2110	History	50-60 minutes of daily instruction
World Studies	2010	Geography	50-60 minutes of daily instruction

High School

MPS High School students must 5 specific Social Studies courses for graduation. Courses require 50-60 minutes a day of instruction taught by a teacher with a 5-12 Social Studies license. Required high school courses include:

Course	Course # in Discovery	Required Length
US History	02301	1 year, 1.0 credits
Human Geography	02101	1 semester, 0.5 credits
World History	02201	1 year, 1.0 credits
Economics	02401	1 semester, 0.5 credits
US Government	02311	1 semester, 0.5 credits

Ethnic Studies

All high schools are required to offer a minimum of two different Ethnic Studies elective courses during the school year. Although electives, schools can build Ethnic Studies into their expected 4-year sequence, similar to how some currently build in a year of Human Geography when only a semester is required.

Course	Course # in Discovery	Required Length
African American Studies	021071	1 semester, 0.5 credits
Chicanx/Latinx Studies	021072	1 semester, 0.5 credits
Asian American Studies	021073	1 semester, 0.5 credits
First Nations Studies	021074	1 semester, 0.5 credits
Hmong Studies	02271	1 semester, 0.5 credits
Somali Studies	021076	1 semester, 0.5 credits
Race & Identity Studies	021079	1 semester, 0.5 credits

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● Digital texts for 6th grade: <i>Northern Lights</i> ● <i>Culturegrams</i> subscription ● Substitutes for professional development in Ethnic Studies and curriculum writing 	<ul style="list-style-type: none"> ● The replacement of lost or damaged core texts. ● Supplementary text/reading material, technology, and web-based software and subscriptions. ● Globes and maps ● History Day student materials ● Field trips

Fine Arts Education

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REQUIREMENTS:

- [Minnesota State Statute 120B.021](#) requires that arts standards are mandatory for all students, K-12.
- The State of Minnesota requires that elementary and middle schools **offer at least three and require at least two** of the following **four arts areas**: dance; music; theater; and visual arts.
- Public high schools must offer the five areas and **require** at least one of the following five arts areas: Media arts; dance; music; theater; and visual arts.
 - Minneapolis requires one full year of Fine Arts coursework in high school for students.

Fine Arts

- **K - 5:** Students must receive at minimum two of the four art areas (music, dance, theatre, or visual arts). It is recommended that students receive music one day per week and visual art one day per week.
- **6 - 8:** Students must receive two fine art classes every year and have access to at least three art forms (music, visual art, and dance or theater).
- **9 - 12:** Students are required to take 2 semesters of Fine Arts courses from the five arts areas (MPS and MN Graduation Requirement)

The curriculum guides of Focused Instruction were developed with the expectation of 55 minutes of fine arts contact per week in grades K-5 and 1 semester per year in grades 6-8 to implement our Fine Arts curriculum with fidelity.

See [elementary scheduling guidelines](#)

Staffing

All art, music, dance, and theater teachers must be licensed in the appropriate arts area. Current licenses issued by MDE are K-12 Vocal and Classroom Music, K-12 Instrumental and Classroom Music, K-12 Visual Arts, and K-12 Dance/Theater. For dance and theater teachers, the resume should reflect the focus area that the license is intended to serve. Tier 1 licenses should only be used if there is a shortage of teachers in the licensure area

The district will budget and pay for...	The school is required to budget and pay for ... (determined by programming offered)
<ul style="list-style-type: none"> ● K-5 General Music core texts and media resources: <i>Spotlight on Music Series</i> ● Musical Instrument Repair ● Piano Tuning (priority to music classrooms and auditoriums) ● Small Kiln Repair ● Viva City Exhibitions and Performance Evenings <p><u>Cultural Experience Partnership (CEP) Programming:</u></p> <ul style="list-style-type: none"> ● Kindergarten: MacPhail Music Residency (selected pilot schools) ● 1st Grade: Cowles Center Dance Residency ● 2nd Grade: Children’s Theatre Field Trip ● 3rd Grade: Mia VTS Residency and Field Trip ● 4th Grade: MN Orchestra ● 5th Grade: MN Zoo ● 6th Grade: Walker Art Center Residency ● 7th Grade: Ordway Field Trip ● 8th Grade: Cowles Center Field Trip ● 9th Grade: Guthrie and Project Success Field Trip ● 10th Grade: Northrop Field Trip 	<p>Dance</p> <ul style="list-style-type: none"> ● Footwear (ballet/tap shoes) ● Dance Flooring (marley/vinyl) ● Sound system and speakers ● Reference materials, curriculum materials, costumes and props. <p>Music</p> <ul style="list-style-type: none"> ● Method/lesson books, theory, solo, small and large ensemble music for band, choir and orchestra ● Sheet music ● Reference materials ● Consumables such as reeds, strings, sticks, oil etc. ● Classroom music equipment - Orff instruments, step bells, ukuleles, world drums, guitars, keyboards and computers ● Sound System and speakers (including wireless microphones for teaching) ● Music stands and chairs ● New instruments beyond current inventory <p>Theater</p> <ul style="list-style-type: none"> ● Reference Materials, curriculum materials ● Scripts, props, and costumes. ● Sound System and Speakers <p>Visual Arts</p> <ul style="list-style-type: none"> ● Consumable materials for a variety of media including drawing (quality white drawing paper), painting, printmaking, sculpture, fiber arts, jewelry making, media arts, and computer arts ● Software (Adobe Creative Suite) ● Digital Arts Equipment (Computers, Cameras, Scanners, Etc) ● Large Kiln Repairs or Replacements

RECOMMENDATIONS:

Elementary Instrumental Music:

Inclusion of school band/orchestra program is strongly recommended, given that the school band/orchestra is a significant learning opportunity for participating students and that without the school program most MPS students would not have the opportunity to learn to play a musical instrument. Recommended student-teacher ratios for positions: 50 students = .2 position. Positions of .1 are not recommended.

Recommended Budget per Student for Classroom Material Support:

Visual Arts K-8:	\$10 per pupil plus additional support of \$10/pupil for clay/ceramics.
Visual Arts 9-12:	\$20-30.00 per pupil plus additional support of \$10/pupil for clay/ceramics
Dance K-8	\$10 per pupil
Dance 9-12:	\$15 per pupil
Music K-8:	\$20- per pupil; when possible instrument rental fee of \$25
Music 9-12:	\$20 – 30.00 per pupil; when possible instrument rental fee \$50.00
Theater K-8:	\$10 per pupil
Theater 9-12:	\$15 per pupil

Library Media Services

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Requirements for this content area and program

All students must receive instruction in the Minnesota State Standards in order to be skilled 21st Century learners. All students must receive this instruction to meet Tier 1 MTSS as [Library, Information, and Technology standards](#) are embedded across all K-12 content areas. The only educator licensed to fulfill the standards and programs listed below for the benefit of both students and staff is a [Library Media Specialist](#) (LMS). This content is to be delivered by a licensed Library Media Specialist or classroom/content area teacher who has collaborated with the school's licensed Library Media Specialist.

Please note the [duties that only a Library Media Specialist may perform per PELSB](#) as there has been confusion in the past with other licensed staff and paraprofessional positions.

For description of MPS licensed Library Media Specialist job duties as a Leader, Instructional Partner, Information Specialist, Teacher, and Program Administrator, see [MPS's Library Media Specialist job description](#).

K-12 MN Library, Information, and Technology Literacy state standard strands

- **Strand 1: Inquire & Design:** Students will develop strategies and/or design processes to find information/solutions relevant to their question or personal need.
- **Strand 2: Connect Globally:** Students will work effectively with others to broaden perspectives and work toward common goals.
- **Strand 3: Collaborate, Communicate, and Create:** Students will participate effectively in groups to pursue and generate information.
- **Strand 4: Collect, Organize, and Curate:** Students will access and gather information efficiently and effectively.
- **Strand 5: Discover, Read, and Reflect:** Students will gain an increased enjoyment of literature and informational text and grow in their ability to locate and select appropriate reading materials independently.

- **Strand 6: Engage as Digital Citizens:** Students will demonstrate safe, legal, and ethical creating and sharing of knowledge products independently while engaging in a community of practice.
- **Strand 7: Problem Solve:** Students will develop and employ strategies for understanding and solving problems in ways that leverage the power of computational thinking, cycles of design, implementation, and reflection.

Within MPS curriculum guides for Media classes, there are 5 units that address these standards: I am a Library User, I am a Reader, I am a Researcher, I am a Communicator, and I am a Responsible Digital Citizen. These can be taught as a Media class but standards and skills must also be incorporated across all other K-12 content areas through collaboration with the school’s licensed Library Media Specialist(s).

All students must have access to Library Media Programming administered by a licensed Library Media Specialist (LMS) and supported by a Library ESP (LESP) to support the development of multiple literacies, which includes, but is not limited to:

- 20 exemplary materials per pupil, both print and non-print
- Collection age of no more than 15 years
- Before, during, and after school access to the Library Media Center administered by a licensed Library Media Specialist

See [elementary scheduling guidelines](#)

Recommendations for this content area and program

Per ESSA, all sites should have to have library resources and a licensed [Library Media Specialist](#) (LMS) as well as a Library ESP on staff to support the development of multiple literacies of both students and staff.

The district will budget and pay for...	The school should budget and pay for ...
<ul style="list-style-type: none"> ● Destiny Library and Resource Manager licenses, including Webpath Express ● Student Learning Resources for districtwide use ● Annual Library Materials Allocation*: ● Standard Library Media Center Electronic Devices (IT Services) <ul style="list-style-type: none"> ○ Circulation Desk Computer ○ First Handheld Scanner ● Destiny Training for New Library Media Specialists ● Destiny Training for Library ESP 	<ul style="list-style-type: none"> ● School Library Media Specialist FTE from BTO FTE distribution* ● Library ESP FTE ● Supplies needed for library operations: <ul style="list-style-type: none"> ○ Book mending: Barcodes, spine labels, clear barcode protectors, book tape, book glue, etc. ○ Bookmarks, signage for the library, posters, shelfmarkers, etc ○ Additional/replacement Handheld Scanners (each school needs at least 2 scanners, no more than 5 years old)

*Schools who do not employ a licensed School Library Media Specialist submit book requests to the K-12 Library Media Services DPF. The K-12 Library Media Services DPF will make final decisions on library materials orders to comply with MPS policy, MPS Finance requirements, and MPS Library Media Services Collection Development standards and the school’s existing collection. Only schools with a licensed LMS may order magazines.

PTA/fund-raised dollars may be used to fund library collection materials, periodicals/magazines, and library supplies as selected by the licensed Library Media Specialist. Schools without an LMS must have their orders reviewed by the K-12 Library Media Services DPF before purchasing.

There are 2 different scheduling models for Library Media Specialists: FLEXIBLE and FIXED.

- Flexible means LMS work flexibly to deliver content and collaborate as best meets the need of students and staff in their course of study. LMS do not have strict daily schedules of the same classes.
- Fixed scheduling means that LMS have regularly scheduled classes **for no more 4 periods a day.**

FLEXIBLE Staffing Based on Total Student Enrollment

Enrollment	Licensed or Variance Library Media Specialist	Library ESP
1-100 students	0.5 FTE	0.7 FTE
101-500 students	1.0 FTE	0.5 FTE
501-750 students	1.5 FTE	0.8 FTE
751-1000 students	2.0 FTE	1.0 FTE
1000+ students	2.0 FTE	2.0 FTE

FIXED Staffing Based on Total Student Enrollment

Elementary	LMS: student ratio
K-1	1:19
2	1:20
3	1:21
4-5	1:23

This ratio accounts for the needed Admin time (minimum 0.2 FTE or one period a day), as opposed to Art and PE/Health who teach 5 classes a day.

FIXED Staffing Schedule Breakdown

Enrollment	Model	Teaching Load	LMS Prep Time	Admin Time *	Total FTE
1-100 (0.5 FTE)	Fixed	0.2 FTE	0.1 FTE	0.2 FTE	0.5 FTE
101-500 (1.0 FTE)	Fixed	0.6 FTE	0.1 FTE	0.3 FTE	1.0 FTE
501-750 (1.5 FTE)	Fixed	0.8 FTE	0.1 FTE	0.6 FTE	1.5 FTE
751-1000 (2.0 FTE)	Fixed	1.2 FTE	0.2 FTE	0.6 FTE	2.0 FTE
1000+ (2.0 FTE)	Fixed	1.2 FTE	0.2 FTE	0.6 FTE	2.0 FTE

*This is the time to fulfill the roles of the Instructional Partner, Information Specialist, and Program Administrator.

For both scheduling models, the following applies: Duty free time will be covered by the Library ESP. This includes admin time, prep time, lunch, and if the library media center is open before and/or after school.

Other Duties as Assigned: As assigned duties may include committees and miscellaneous needs. Other Duties as Assigned should not include Hallway Duty, Bus Duty, Testing Coordinator, and Coordinator of Learning Resources unless an equivalent amount of time is added to Admin Time of a Library Media Specialist.

Physical and Health Education

Contact Name: Sarah Loch

Phone: 612.668.0418

Email: sarah.loch@mpls.k12.mn.us

Physical Education

Requirements

- [2018 Minnesota K-12 Academic Standards in Physical Education](#) are mandatory for all students (MN Statute 120B.021) beginning school year 2021-2022
- Students must be offered physical education every academic year, K-8.
- Students must be offered one semester of physical education in high school, grade 9 or 10.
- MPS requires .5 credit of Physical Education in high school to meet graduation requirements. The course is called Fitness for Life, course #12000.

Scheduling

K - 5: Students receive physical education no less than 2 days per week; minimum of 110 minutes

6 - 8: Students receive physical education for a minimum of 1 quarter per year

9 - 12: Students receive one semester of physical education in grade 9 or 10.

See [elementary scheduling guidelines](#)

In order to meet the Academic Standards of Physical Education, 110 minutes of physical education per week is recommended in grades K-5, and one quarter of physical education each year is recommended in grades 6-8. Additionally, elective courses are recommended at the middle and high school levels to meet the needs of all students.

Recommendations

The goals/objectives of the [Healthy Persons 2020 report](#) and the report by the Centers for Disease Control recommend daily physical education for all students. A school's physical education periods are the only fitness activities that many of MPS students have in the course of a week [MN Student Survey](#).

Health Education

Requirements

- National Health Standards adopted by MPS are mandatory for all students.
- [MN State Statute 121A.23](#) requires students to receive HIV prevention education. MPS has adopted Making Proud Choices (8th grade curriculum) and Safer Choices (high school curriculum) as HIV prevention education curricula. New, high school sexual health curriculum will be adopted and implemented in SY 2020-2021. Curriculum is currently in the review process (spring 2020).
- MPS requires .5 credit of Health Education in high school to meet graduation requirements. The course is named Health Science, course #11000.
- All middle and high school Health Education courses are to be taught by a fully licensed Health Education teacher.
- Health is not a state requirement in middle school, however health education is recommended to support students' development and ensure students have the skills to navigate and make decisions based on their identity and values. Middle school health also prepares students for HIV prevention and healthy relationships, in high school Health.

Scheduling Recommendations

5th grade: Students *should* receive puberty education

6 – 8 grades: Students *should* receive one quarter of health in 7th grade and one quarter of health in 8th grade

9 – 12 grades: Students receive one semester of health education in grade 9 or 10.

<p>he district will budget and pay for...</p>	<p>he school should budget and pay for...</p>
<ul style="list-style-type: none"> • Middle School text: Teen Health 2 (Glencoe), Making Proud Choices (Select Media), • High School Text: Glencoe Health, Safer Choices (ETR Associates) • CPR Manikins • Traveling equipment • Lifeguard Training/certification • CPR Training 	<ul style="list-style-type: none"> • Consumable materials (balloons, floor tape, chalk/paint, office supplies, etc. • A <u>minimum</u> of \$2.50-\$3.00 per student in Health/Physical Education courses to replace instructional supplies. • Provide classroom materials (whiteboards, projector, audio-visual equipment (speakers, sound system, microphone, scoreboard) • Replace equipment (balls, ropes, jerseys, batteries, stopwatches, etc. and other equipment that wears out or must be replaced periodically) • Consumable Materials (printing budget, CPR materials, office supplies) • Real Babies and supporting supplies

Elementary World Languages

Contact Name: Ayumi Stockman, World Languages Content Specialist

Phone: 612.668.0669

Email: Ayumi.stockman@mpls.k12.mn.us

Goals of World Languages Program:

- Prepare **ALL students** to be global multilingual leaders through the development of **proficiency in a language** other than English and their home language.

Develop **ALL students'** multicultural competency **through language proficiency development**
Requirements for this content area

Programming requirements

- Language instruction must occur **at least 3 times per week**. Consistency throughout the year and frequency of instruction are key components in language acquisition. **Daily instruction in the target language** is the most desirable.
- Total language instruction must meet **the minimum of 90 minutes total per week** (not including passing time). At elementary level, shorter class periods more frequently during the week is most effective. (I.e., 30 minutes x 3 times a week.)
- Language offerings align with offerings at the secondary level in the zone and/or pathway.
- Language instruction includes **ALL students**, including English Learners and students with IEPs.

Any changes in language offerings and programming require consultation with Multilingual Department (e.g., adding a new language offering, cutting an existing language offering, etc.)

Instructional requirements

- Curriculum integrates the national world language standards, [World Readiness Standards for Learning Languages](#) (ACTFL's 5Cs - Communication, Culture, Connection, Comparison and Communities)
- The majority of instruction occurs in the target language, supported by strategies and means that make the input comprehensible to students.
- Instruction is interactive and incorporates three distinct modes of communication: interpretive (listening and reading), interpersonal (conversational speaking), and presentational (speaking and writing). **The extent of focus on each mode will vary according to student age.**

Recommendations for this content area

- Language instruction occurs in a classroom designed to immerse students in the target language and culture (i.e., cultural artifacts, photos, posters, pictures are displayed, classroom items and objects are labeled, signs, charts, and schedules are written in the target language.)
- Classroom teacher actively participates in language learning when and if applicable.

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● World Language flashcards ● Titles identified by the district as core materials. 	<ul style="list-style-type: none"> ● Classroom leveled collection with books, graded readers, stories, magazines. ● Miscellaneous teaching materials <ul style="list-style-type: none"> ○ Posters (letters, colors, numbers, shapes, animals, people, body, food, common phrases, emotions, etc.) ○ Maps ○ Costumes, puppets, stuffed animals, plastic objects, cultural artifacts ○ Mini whiteboards and markers ○ Supplies (construction sheets, colored pencils, markers)

Secondary World Languages

Contact Name: Ayumi Stockman, World Languages Content Specialist

Phone: 612.668.0669

Email: Ayumi.stockman@mpls.k12.mn.us

Goals of World Languages Program:

- Prepare **ALL students** to be global multilingual leaders through the development of **proficiency in a language** other than English and their home language.
- Develop **ALL students'** multicultural competency **through language proficiency development.**

Programming requirements

- Language instruction is scheduled daily for 45 to 60 minutes for the duration of the school year for 7th to 12th graders with the primary goal of language proficiency development
- Exploratory courses such as a language carousel (IB MYP) can be offered; however middle grade students should not repeat any kind of exploratory course in the same language more than once over the middle grade experience.
- Language offerings align with offerings at the elementary and other secondary levels in the zone and/or pathway.
- Language instruction includes ALL students, including English Learners and students with IEPs.

Any changes in language offerings and programming require approval from the associate superintendents and Multilingual Department (e.g., adding a new language offering, cutting an existing language offering, etc.)

Instructional requirements

- Curriculum integrates the national world language standards, [World Readiness Standards for Learning Languages](#) (ACTFL's 5Cs - Communication, Culture, Connection, Comparison and Communities)

- The majority of instruction occurs in the target language, supported by strategies and means that make the input comprehensible to students.
- Instruction is interactive and incorporates three distinct modes of communication: **interpretive** (listening and reading), **interpersonal** (conversational speaking), and **presentational** (speaking and writing).

Recommendations for this content area

High Schools:

Minnesota World Language Proficiency Certificates/Bilingual Seals:

- Students who demonstrate skills in listening, speaking, reading, and writing at a certain level through an assessment can obtain a certificate or a bilingual seal.
- AAPPL tests, IB DP exams, and AP exams count toward the awards. Students who have had three to four years of language study should take one of these assessments.
- Obtaining a seal or World Language Proficiency Certificate allows a student to earn Minnesota State Colleges and Universities credit upon enrollment and request. This may also allow students to be placed into upper level language courses at any college, or have college language requirements waived (Colleges set their own criteria for granting college credits; consultation with an admissions department is strongly recommended).

The district will budget and pay for...	The school should budget and pay for...
<ul style="list-style-type: none"> ● World Language flashcards ● Adopted textbooks, teacher resources ● Mini novels, teacher resources ● Novels, books ● Proficiency assessments (AAPPL, STAMPS, etc.) 	<ul style="list-style-type: none"> ● Classroom leveled collection with books, graded readers, stories, magazines ● Miscellaneous teaching materials <ul style="list-style-type: none"> ○ Posters (letters, colors, numbers, shapes, animals, people, body, food, common phrases, emotions, etc.) ○ Maps ○ Costumes, puppets, stuffed animals, plastic objects, cultural artifacts ○ Mini whiteboards and markers ○ Supplies (construction sheets, colored pencils, markers)

Office of the Chief of Accountability, Research, and Equity

Contact Name: Eric Moore, Chief of Accountability, Research, and Equity

Email: eric.moore@mpls.k12.mn.us

Accountability

Contact Name: Sarah Hunter, Director of Accountability

Phone: 612.668.0576

Email: sarah.hunter@mpls.k12.mn.us

Services Provided to Schools by Accountability Department:

Monitoring and Compliance

- ESSA (Federal) and MDE (State) guidance, monitoring, reports, and evaluations
- Title I Crate training, monitoring, and consultation
- Allowability training and review
- Expenditure review
- Budget guidance, planning, and review for Title I
- Requirements for other documentation in collaboration with other departments (e.g. Family Involvement Plan/FIP with Engagement and External Relations)
- Run the Minneapolis Non-Public school program for Title I, II, and III
- Support reporting requirements (e.g. AYP, OCR, Achievement & Integration)

Accountability

- Department planning
- Workforce 2020 Advisory Committee
- World's Best Workforce monitoring and reporting
- Systems and goal alignment
- Support schools and departments with completing the Equity Considerations process for budget decision-making

School Improvement:

- Design, create, and train school and district staff on the tools and resources for equity-driven continuous school improvement, aligned with implementation science best practices
- Design and maintain the School Improvement Planning Portal; provide technical support and assistance with school improvement planning and progress monitoring
- Monitor the implementation of district strategic priorities through the school improvement process

Services that schools are required to provide from building budgets (i.e. required services):

- Developing and monitoring the School Improvement Plan (SIP), including comprehensive needs assessment, end of year evaluation (including family feedback), and posting an accessible, family-friendly version online
- Developing and monitoring the Family Involvement Plan (FIP), including posting an accessible, family-friendly version on the school's website and getting family feedback on the plan annually

- Hosting a State of the School meeting (Title I meeting)
- Designing and hosting family engagement events tailored towards the needs of the community
- Developing, getting feedback on, distributing, and implementing the School-Parent-Student compact, including reviewing the compact during conferences at the elementary school level
- Completing the Equity Considerations process for school budgeting each year during budget tie-out
- Title I Crate documentation maintenance
- Time and effort reporting, review, and approval

Equity and Integration

Contact Name: Kandace Logan

Phone: 612.668.0468

Email: Kandace.Logan@mpls.k12.mn.us

Services Provided to Schools by Department:

- Provide guidance to Racially Identifiable Schools (RIS) as they develop their Achievement & Integration site plan
- Support goal setting and strategic directions for equity plans for your school.
- Coach Instructional Leadership, Equity and Engagement, and/or Positive School Wide Engagement Teams toward achieving your equity-related goals and instruction.
- Co-plan unit and lesson plans with teacher leaders to ensure equitable instruction delivery and practices.
- Co-design and co-lead critical conversations and professional development about systems of oppression and their intersection as root causes of educational inequity (e.g. racism, sexism, classism, linguisticism, religious oppression, white supremacy, patriarchy)
- Collaborate with and potentially co-lead with equity teams, teacher leaders, and/or administrators professional development for your building with an equity focus.

Changes from FY 2019-2020:

N/A

Positive School Wide Engagement (PSWE)

Contact Name: Kandace Logan, Director

Phone: 612-668-0468

Email: kandace.logan@mpls.k12.mn.us

Services Provided to Schools by Department:

Our purpose is to support all MPS schools by providing resources and assistance on positive engagement and equitable discipline practices for the academic and social success of all learners.

School Site Support:

- Discovery Data Entry Training
- Positive School Wide Engagement School Compliance Training

- Positive School Wide Engagement Team Thought Partner
- Discipline Incident Review
- Success and Safety Plan Training
- Student Conflict and Intervention Handbook Training
- Student/Staff Conflict Mediation
- Provide assistance with PSWE Plan

Professional Development Offerings:

- Restorative Practices
- iNCI
- Discovery Platform Training
- Positive Behavior Interventions Training
- Understanding the Levels of Behavior Training

District

- Critical Incident Response Team Member
- Discovery Discipline Data Review Committee Member
- Provide assistance with parent concerns

Services that schools are required to provide from building budgets (i.e. required services): Staff to input behavior incidents to discovery; PSWE/Equity and Engagement site team and lead (currently comes from Q comp)

Research, Evaluation and Assessment

Contact Name: Kelly Stewart, Director

Phone: 612.668.0574

Email: Kelly.Stewart@mpls.k12.mn.us

Services Provided to Schools by Department:

Data

- Support with interpreting data and analyzing for trends
- Maintain [Tableau Data Dashboards](#) and providing training on use of Tableau and other data visualization programs
- Maintain the On-Track system
- Provide additional data and support school data presentations by request

Assessments

- Train and communicate with testing coordinators about how to administer state and district required assessments, including considerations for improving the student testing experience
- Purchase and provide district required universal assessment systems (e.g., FAST, MAP)

Surveys

- Support administration of state and district required surveys
- Communicate with survey coordinators about survey administration

External Research Support

- Manage external research requests
- Be the liaison between schools and research entities to ensure safety of students and staff

System and Program Evaluation

- Conduct and share results of evaluations aligned with the district priorities
- Conduct and share results of funded evaluations, including Full Service Community Schools Grant, SEL Grant

Youth Participatory Evaluation (YPE)

- Train YPE advisors in schools to lead their teams in their participatory evaluation project
- Provide coaching support for YPE advisors
- Plan and coordinate two YPE summits per year

Parent Participatory Evaluation (PPE)

- In collaboration with Engagement & External Relations:
 - Plan and coordinate meetings to train parents in evaluation methods and sharing and summarizing their findings
 - Facilitate use of findings at the district level
- Development of site-based PPE aligned to grants

Services that schools are required to provide from building budgets (i.e. required services):

1. Testing and Survey Coordinator

- The minimum amount of time for a test and survey coordinator should be .5 FTE (e.g., small elementary school with a low EL population)
- Middle Schools should have .8 FTE dedicated to a testing and survey coordinator.
- High Schools should have 1.0 FTE dedicated to a testing and survey coordinator.

DRAFT for 20-21	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March	Apr.	May
Training	FAST/ MAP	CoGAT			ACCESS	MCA			
Screeners Assessment	FAST/ MAP		CoGAT	FAST/ MAP	FAST/ MAP ACCESS	ACCESS	ACCESS MCA	MCA	MCA
Surveys			5E HR						School Climate

**National Assessment of Education Progress (NAEP) is given to a random sample of schools/students every year

A testing coordinator who will:

- Administer district required screeners (MAP/FAST) and state mandated assessments (ACCESS/MCA)
- Administer CoGAT
- Facilitate district survey taking
- Attend mandatory REA trainings and test specific training modules throughout the year
- Be well organized, comfortable with technology, and work well under time constraints
- Have a working knowledge of Special Education and English Learners testing accommodations
- Understand and enforce test security protocol
- Use the Train-the-Trainer Model to instruct school staff in test administration
- Foster collaboration amongst the school staff

NOTE: Testing Coordinators can be an Associate Educator, TOSA position, a teacher emeritus, or assistant principals. The school Testing Coordinator must be selected so as not to interfere with daily responsibilities. Counselors, school secretary or a classroom teacher may not be appropriate choices.

Once you have identified the test coordinator for your school, please e-mail this information to Kelly Stewart (Kelly.Stewart@mpls.k12.mn.us) no later than June 30, 2020.

Note: One of the other school-level positions connected to REA is the Youth Voice Advisor, which comes out of QComp funding. This role supports with YPE.

Student Support Services: SEL Team

Contact Name: Kandace Logan, Director

Phone: 612-668-0468

Email: kandace.logan@mpls.k12.mn.us

Services Provided to Schools by Department:

Services/Resources Provided to Schools by Department:

- SEL Implementation training, coaching/consultation, materials
- Bullying & Harassment Prevention & Response/Support
- Youth Substance Use Prevention & Response/Support
- Student/School of Concern Consultation (District SME function)
- SEL Cohort Schools have access to materials and training for SEL Evidenced Based Practices (EBP) Direct Instruction on School Improvement Plan (such as Second Step, Responsive Classroom, Caring School Community) which are provided by department using Integration Funds
- Teacher leader extended time pay for curriculum writing and SEL deliverable development in partnership with cross-department experts.

Services that schools may choose to provide from building budgets (i.e. optional services):

- Any costs associated with optional (not from EBP) SEL activities on the SIP in the "Other" section
- Hiring of Site SEL TOSA or RC Coordinator

Office of the Chief Financial Officer

Contact Name: Ibrahima Diop, Chief Financial Officer

Email: ibrahima.diop@mpls.k12.mn.us

Finance Department

Contact Name: Shanique Williams, Project Coordinator

Phone: 612.668.0113

Email: finance@mpls.k12.mn.us

Services Provided to Schools and Other Departments by Finance:

Accounting, Budget, and Internal Audit

- Project, record, and reconcile revenues and expenses
- Plan and manage budget
- Review internal controls and provide recommendations for improvements

Accounts Payable

- Processing approved/authorized invoices
- Routing invoices to schools and departments for approval
- Discrepancy resolution with vendors
- Managing the district P-card system

Budget Analysts

- Reviewing departments' and schools' financial transactions and position changes for accuracy and allowability
- Monitor budgets and provide guidance to site leadership
- Provide finance trainings and other support for new clerical staff
- Send biweekly financials to site leader

Grants – Application through Close of Award

- Identify grant opportunities
- Provide support, review, and submit grant applications
- Coordinate communication with grantor and internal approval process
- Review award documents and establish project numbers when documentation is complete
- Monitor project expenditures and provide assistance as needed
- Coordinate financial and programmatic reports and submit to grantor as required

Payroll

- Processing payroll and reviewing time entered in ESS
- Filing applicable tax documents (federal, state, W-2s)
- Submitting required reports to other agencies (TRA, PERA)
- Administer union dues and send reports to bargaining units

- Answer payroll questions from employees

Purchasing

- Turning shopping carts to POs and emailing POs to vendors
- Setting up new vendors in SAP and SRM (once vendors submit information to MPS)
- Source free text shopping carts/negotiate pricing with vendors
- Manage Official Publications (OPs) and Request for Proposals (RFPs)
- Create and manage contracts in SRM
- Provide training on SRM and other procurement activities
- Assist with travel requests and booking travel as needed

Risk Management

- Manages institutional insurance coverage; markets, negotiates and purchases casualty and property insurance coverage for the District.
- Manages loss control programs (i.e., defensive driving, premises liability injury reduction, etc.).
- Reviews and approves all small to medium-sized property and casualty claims and settlements; retains claim adjusters and investigators; assists defense counsel in case preparation and settlement posture; attends Mandatory Settlement Conferences; monitors case development; manages the self-insurance funds from which payments are made; sets case reserves; coordinates defense and recovery strategies with insurance carriers.
- Analyzes loss data to determine risk exposure and advises executive cabinet of gaps in policy or procedure that create loss exposure for the District.
- Develops, implements and provides training on risk management.

Student Accounting

- Provide support to site staff on Discovery (student accounting software)
- Partner with school staff to support data entry processes and validity for MDE reporting
- Submit required reports to MDE
- [Discovery training is provided by IT]
- Create enrollment projections
- Coordinate open enrollment with other districts
- Provide copies of diplomas and enrollment verifications
- Provide transcripts for students from more than 5 years ago

Worker's Compensation/Leave Management

- Process, manage and provide customer service on 600+ WC claims per year
- Audit and manage benefits vendors
- Ensure compliance with State regulations and legislation
- Analyze and recommend settlements/payouts
- Manage FMLA leaves and ensure compliance with Federal and State laws
- Manage other short and long-term leaves for all District employees and groups

Services that schools are required to provide from building budgets (i.e. required services):

Principal:

- Approve time and establish/maintain internal controls for time approval to ensure employees are paid accurately
- Authorize expenditures
- Approve and sign contracts up to \$10K in SRM (contract management system), obtain proper authorization for contracts over this amount
- Manage the budget
- Respond to requests from the Finance Department

Clerk/Secretary:

- Enroll and manage students in Discovery
- Submit required Student Accounting forms and related documentation
- Provide transcripts to students enrolled within the last 5 years
- Create shopping (orders) for materials in SRM and enter receiving in SAP
- Obtain authorization for expenditures from the principal or department head
- Process invoices in Concur
- Support the management of the budget (viewing budget, reallocations, journal entries, etc.)
- Create and/or change positions
- Process conference billing
- Manage student activity accounts (as applicable)
- Approve time and manage internal controls for time approval
- Attend relevant training sessions
- Explain relevant policies and procedures to other stakeholders
- Respond to requests from the Finance Department

Total Compensation

Contact Name: Peter Ronza

Phone: 612.668.0544

Email: peter.ronza@mpls.k12.mn.us

Services Provided to Schools by Department:**Compensation**

- Classification audits
- FLSA compliance audits and determinations
- Create/revise classification descriptions
- Support labor negotiations, settlements, arbitrations
- Perform labor market analyses
- Support Finance during budget process
- Perform and audit employee compensation transactions
- Perform State Comparable Worth audits
- Ensure compliance with State and Federal regulations and legislation

Benefits

- Administer benefits plans for all employees and groups

- Provide customer service to employees on benefits plans
- Audit and manage benefits vendors
- Develop and direct benefits strategies to maintain access and affordability
- Ensure compliance with State and Federal regulations and legislation
- Liaison with State retirement programs to ensure accuracy and timeliness of services
- Ensure compliance with regulatory reporting and notifications requirements
- Ensure fiscal stability and accountability

Wellness

- Design, implement and manage multiple wellness initiatives that lead to improved employee performance and reduced plan utilization on medical
- Manage multiple Employee Assistance Program (EAP) initiatives that lead to improved employee performance and retention, reduce absenteeism and enhance productivity.

ADA Compliance

- Review disability documentation of functional limitations to determine eligibility for services and to substantiate requests for reasonable accommodations.
- Perform worksite and classification physical audits and analyses.
- Coordinate and manage communications between supervisor, staff and Worker's Compensation/Leave Coordinator and provide ongoing consultation to all involved parties.
- Assist employees in their understanding of their disabilities/limitations; their rights to reasonable accommodations; explain MPS policies and procedures.
- Perform research and provide expert consultation with in-house legal counsel.

Clinic Operations

- Manage onsite clinic contract for services and operations.
- Ensure fiscal accountability.
- Improve/modify/add services as deemed appropriate through analyses of census, utilization and market trends.

Services that schools may choose to provide from building budgets (i.e. optional services):N/A

Changes from FY 2019-20: N/A

Office of the Chief Information Officer

Contact Name: Justin Hennes, Interim Chief Information Officer

Phone: 612.668.0245

Email: justin.hennes@mpls.k12.mn.us

Services Provided to Schools by Department:

- Staff devices as outlined [here](#).
- Sub laptops for schools that have laptops for licensed staff.
- One shared workstation for non-licensed staff (AEs, EAs, SEAs, HSAs, Parent Liaisons, etc.)
- Repair of existing standard classroom technology package for instructional spaces (interactive board, audio system, document camera) as funding permits. Audio systems in gyms, auditoriums, and other large spaces are not provided by IT. Those must be part of a small cap project through Facilities.
- Badge stickers for printing. Submit a [ticket](#) to receive a printing sticker if one is needed.
- Help desk/technical break/fix staff (Field Technicians – max of 4 sites per tech). Schools cannot purchase additional technical staff. Use the [ticketing system](#) or call 612-668-0088 to communicate your IT needs.
- Training labs for Discovery and Gradebook provided throughout the year. Courses are listed in The Source & SuccessFactors.
- In-person & digital Promethean training in support of curriculum and technology integration
- Digital training resources created by Design & Training and hosted on The Source & SuccessFactors
- Desk phones in classrooms and offices.
- Districtwide software (Discovery/Gradebook, SAP, Microsoft Office).
- Provide quotes for technology/software that is not listed in the [WeBuy catalog](#).

Services that schools are required to provide from building budgets (i.e. required services):

- Budget for existing cell phone service
- Consumable such as mice, keyboards, headphones, batteries, Apple TVs, iPad cases, laptop bags, power strips, extension cords, etc.
- Promethean board height changes

Services that schools may choose to provide from building budgets (i.e. optional services):

- Schools/departments may purchase devices from their own budget through the [WeBuy catalog](#)
- Consumable items and peripherals such as mice, keyboards, headphones, batteries, Apple TVs, iPad cases, laptop bags, power strips, extension cords, etc.
- Additional devices for non-licensed staff, or laptops for licensed staff less than 0.5 FTE
- Replacement for aging (non-leased) student devices or classroom computers
- Cell phones (need Chief-level approval for phone purchases or upgrades)
- [Approved software](#) that is not funded districtwide
- Power and data for IT equipment/devices. Power and data should be requested from Facilities.

Changes from FY 2019-20:

- Added in-person training for Promethean boards

Office of the Chief Human Resources Officer

Contact Name: Maggie Sullivan, Chief Human Resources Officer

Phone: 612.668.0457

Email: maggie.sullivan@mpls.k12.mn.us

Talent Acquisition

Contact Name: Jayda Sallis, Director of Talent Acquisition (interim)

Phone: 612.668.0504

Email: jayda.sallis@mpls.k12.mn.us

Services Provided to Schools by Department:

- Leads strategic recruitment and hiring of all MPS teachers, principals, and non-licensed staff
- Manages onboarding process for new MPS employees
- Supports internal teacher residency programs: Elementary Residency and Special Education Residency
- Manage pre-service (student) teacher placement process
- Manages the reserve (substitute) teacher assignment process
- Oversees teacher re-licensure process
- Provides support and approval for all staffing decisions during Budget Tie Out (i.e. excessing, reassignment, etc.)
- Provides consultation and approval for staffing decisions to ensure compliance with all Collective Bargaining Agreements

Talent Management

Contact Name: Keenan Shelton, Director of Talent Management

Phone: 612.668.0537

Email: keenan.shelton@mpls.k12.mn.us

Services Provided to Schools by Department:

- Oversees teacher and principal evaluation system design and ongoing implementation
- Oversees Q-Comp grant, funding teacher coaching and evaluation, professional development, teacher leadership, ESP collaboration
- Manages Davis Center performance management system
- Design and implementation of districtwide non-academic professional development plan
- Manages PAR mentorship program, which assigns master teachers to coach new and struggling MPS teachers
- Manages the Instructional Specialist team, who are dedicated teacher coaches supporting the MPS teacher evaluation system and ongoing, site-based professional development for teachers
- Oversees the Teacher Development team, which supports PDP coordination, SOEI certification, new learning opportunities for teachers and principals with effective teacher observations and coaching

Employee Relations

Contact Name: Montquice Mccoy, Director of Employee Relations

Phone: 612.668.0534

Email: Montquice.Mccoy@mpls.k12.mn.us

Services Provided to Schools by Department:

- Administration of contracts with all 16 MPS employee groups
- Advises District administration and management on contract interpretation matters
- Manages the contract negotiation process with all 15 MPS collective bargaining units
- Represents District in contract administration and joint labor-management committee matters
- Handles all employee grievance and mediation matters
- Manages employee discipline and due process

Human Resources Information Systems

Contact Name: Scott Weber, Director of Human Resources Information Systems

Phone: 612.668.0224

Email: scott.weber@mpls.k12.mn.us

Services Provided to Schools by Department:

- Manages Human Resource Data systems, including our candidate application portal and employee information database
- Manages HR data requests from external stakeholders and the Board of Education
- Compiles the annual STAR report for the Minnesota Department of Education, verifying correct licensure of all licensed employees

Other Important Human Resources Contacts

Contact Name: Daniel Glass, Administrator, HR Strategic Projects

Phone: 612.668.0477

Email: daniel.glass@mpls.k12.mn.us

- Leads MPS principal and assistant principal hiring processes
- Manages pre-service registration and leads the MPS Student Teacher Fellowship program
- Supports pipeline programs for current and aspiring school leaders
- Manages additional strategic, cross-functional, and ongoing HR projects as assigned

Office of the Chief Operations Officer

Contact Name: Karen DeVet, Chief Operations Officer

Email: karen.devet@mpls.k12.mn.us

Culinary and Wellness Services

Primary Contact Name: Bertrand Weber

Phone: Office 612.668.2821 / Cell 612-280-8463

Email: Bertrand.weber@mpls.k12.mn.us

Secondary Contact Name: Omar Guevara-Soto

Phone: Office 612.668.2839 / Cell 612-212-2169

Email: Omar.Guevara-Soto@mpls.k12.mn.us

Services Provided to Schools by Department:

- **School Breakfast – National School Breakfast Program**
 - Provides breakfast at no cost to all MPS students regardless of their eligibility status. Paid and reduced student breakfast meals are funded by CWS provided CWS maintains a positive Fund Balance per USDA regulations.
- **School Lunch – National School Lunch Program**
 - Offers Lunch to all MPS student.
 - Serves meals at no-cost to all students in Community Eligibility Provision (CEP) schools. This designation is updated annually.
- **After-School Snack**
 - Provides snacks at no cost for MPS students in after-school programs in eligible areas and at reduced cost in non-eligible areas.
- **After-School Dinner**
 - Provides dinner meals or SuperSnacks for MPS students at no charge in after-school programs in eligible areas.
- **Summer Meals**
 - Provides breakfast and lunch meals at no cost in MPS District Summer School sites and MPS Community Education in eligible areas.
- **Fresh Fruit and Vegetable Program (FFVP)**
 - Provides fresh fruit and/or vegetable snack, along with relevant educational materials, during the school day in qualifying schools at no-cost to all students and one classroom teacher.
- **Farm to School**
 - Provides relevant Food education including farmers visit to classrooms.
 - Provides resources and guidance for School Gardens.
 - Offers field trip opportunities to CWS Farm and Central Kitchen tours.

- **Applications for Educational Benefits**
 - Provides guidance to schools in the collection of Application for Educational Benefits (formerly known as Free and Reduced Meal Forms.)
 - Processes these applications on behalf of the district.
 - Prepares regular reports on standing of applications collected by school to administration to track compensatory revenue status.
- **Special Diets**
 - Processes requests and provide special dietary accommodations for eligible students per state and federal requirements.
- **Student Wellness**
 - Provides guidance on MPS Wellness Policy 6690 and Smart Snacks in Schools, per USDA Healthy and Hunger Free Kids Act of 2010.
 - Offers at least three Taste Tests each school year to all Elementary and Middle Schools.
 - Offers Nutrition and Wellness Education.
 - Coordinates Winter and Spring Wellness Week.
 - Oversees Safe Routes to School programming, including coordination of seasonal Bike/Walk to School Day, implementation of universal bicycle education, and Bus Top & Walks.
- **Catering**
 - Utilizing the district's internal catering department helps support our free programs, such as Free breakfast, after school snack, etc.
 - In-school caterings.
 - School celebrations/PTA functions.
 - Food Truck for school and non-school events.
- **Vending Services**
 - Provides Vending administration to schools and district offices
- **Food Waste Prevention and Organic Recycling**
 - Facilitates the implementation of the True Food – No Waste Action Plan for MPS across MPS departments.

Services that schools are required to provide from building budgets (i.e. required services):

- Student support and supervision in cafeteria.
- Special Ed Students meal assistance.
- Collection of applications for educational benefits.
- Assistance with collection of negative meal balances.

Services that schools may choose to provide from building budgets (i.e. optional services):

- Help in serving breakfast and lunch.
- Catering services.

Environmental Health & Safety

Contact Name: Lee Setter, Manager EH&S

Phone: 612.668.0308

Email: lee.setter@mpls.k12.mn.us

Services Provided to Schools by EH&S Department:

Physical Hazard Control: playground surface material, playground resurfacing, machine guarding, physical/electrical hazard control, elevator inspection regulatory service fees, theatrical rigging inspections, hoist and lift inspections, bleacher inspections, personal protective equipment.

Hazardous Substance: hazardous/infectious/pharmaceutical/regulated/electronics waste management, disposal and recycling, lead in water testing & mitigation, radon testing and mitigation, backflow prevention device testing and maintenance and City, County and State regulatory service fees.

Health, Safety and Environmental Management: district compliance with local, state and federal health and safety laws, AWAIR program, safety committee, playground inspections, CTE shop inspections, science lab inspections, GMAX testing, employee safety training, OSHA recordkeeping, AHERA asbestos management plans and six-month inspections, AHERA initial inspections at four sites, employee right-to-know, SDS database, bloodborne pathogen compliance, indoor air quality, districtwide automated external defibrillators maintenance and City regulatory service fees.

Asbestos: Districtwide asbestos testing, operations and maintenance, laboratory fees.

Fire and Life Safety: districtwide three-year fire inspection fees, fire marshal orders districtwide, fire marshal orders at Green Central Gym, district fire alarm monitoring, fire alarm testing and maintenance, fire extinguisher testing and maintenance, sprinkler system testing and maintenance, Dry Pipe Sprinkler System Flushing.

Indoor Air Quality: testing and balancing and retro-commissioning mechanical ventilation systems districtwide with all sites on a five-year interval, calibration & maintenance of outside air flow devices districtwide and science fume hood testing and balancing districtwide.

Services that schools are required to provide from building budgets (i.e. required services):

- Insure safe work practices and timely report of observable unsafe conditions
- Participate in required safety training
- Post required employee notices
- Distribute required notifications and materials
- Maintain equipment in safe working condition
- Maintain work areas in orderly condition
- Conduct mandatory fire and tornado drills
- Provide staff/student personal protective equipment as required
- Report employee injuries / accident via established procedures
- Maintain science/shop chemical inventory and SDS information

Services that schools may choose to provide from building budgets (i.e. optional services): N/A

Changes from FY 2019-20:

- Implementation of Operations Safety Committee
- Improved staff and public web page design and integration
- Fire Marshal orders at Green Central Gym
- Fire extinguisher testing/RPZ testing converted from chargeback to .5 Plumbing Shop FTE
- Add .7 FTE to Sprinkler system testing and maintenance due to code changes
- Implementation of Pesticide/Herbicide Transition Committee recommendations

Emergency Management, Safety & Security

Contact Name: Jason Matlock

Phone: 612.668.0178

Email: Jason.matlock@mpls.k12.mn.us

Services Provided to Schools by Department:

School Resource Officer Partnership

We oversee the scope of the SRO services with the Minneapolis Police Department Juvenile Division.

Staff Training

We provide training opportunities and workshops for building administrators and staff covering areas of need and interest. Examples of some training conducted include topics such as R.E.A.C.T., personal safety, personal property protection, how and when to call 911, verbal de-escalation and lockdown procedures.

Threat Assessments

Threats of targeted violence are presumed to involve both issues of safety & security and mental health concerns and therefore must be evaluated by a comprehensive and multidisciplinary team. Threat assessment tracking in EdPlan.

Tip line and G Suite Monitoring

Fully staffed 24/7 tip line across platforms and active monitoring of activity within student district accounts for any threats or risk behaviors.

Site Assessments

We conduct physical security site assessments to identify areas of concern. We then make recommendations to site administration for improvements and/or changes.

Provide Assistance

Support buildings during periods of needed additional adult presence and at extra-curricular events such as athletics, dances, concerts, and Open Houses when specific threats or risks have been identified.

Monitor District Site Emergency Plans

The site emergency plans are a web based application that is outlined by the District Emergency plan. They are submitted annually by each site's administrator. Each plan is monitored for completion and accuracy.

Monitor School Site Emergency Drills

Each school is mandated by law to conduct a specific amount of emergency drills including:

- Lockdown (5),
- Fire (5) and
- Tornado (1).

Tracking via CrisisGo

Security Camera, Card Access, Staff Photo ID

Advise facilities of best practice and map deployment with input from sites. Provide post installation training and video evidence handling. Manage staff ID program and RFID roll out.

Consultation

Provide consultation and referral service to building administrators and staff in areas of safety, security, planning, and printed material.

Incident Command for the MPS Emergency Operations Center

Coordinates resources and provides support to ongoing critical incident repose during and after an emergency.

Manage the District Communications Center (DCC)

Respond to various inquiries or connect staff and public to the department they need.

Transportation dispatch and call taking, helping families and schools locate buses and students, be aware of real time changes in routing due to weather, construction, traffic or other delays, assist in reporting unsafe driving conditions, accidents and injuries.

Monitors district systems such as fire and burglar alarms, elevator emergency calls, assisting with HVAC issues, works as a liaison between EICs and trades, as well as trade and plant ops support, and various administrative duties for processing work order charge backs.

Centralized communication and drill management platform

App based system allows for instant communication between schools and support teams (SROs, EMSS, Senior Leaders). It also provides a more robust platform for drill recording.

Services that schools are required to provide from building budgets (i.e. required services):

1. Critical Incident response personnel in the school
2. Off Duty police for afterhours events over 300 attendees
3. In building communication (radio/cell phone)
4. Replacement and replenishment of classroom go kits
5. Visitor ID management system supplies
6. Student ID
7. Site Emergency Team

8. Initial management of critical incidents
9. Purchase of replacement weather radio

Services that schools may choose to provide from building budgets (i.e. optional services):

1. Off Duty police for afterhours events with less than 300 attendees
2. Staff to monitor entrances after school hours

Changes from FY 2019-20:

- Full roll out of app based communication system
- Threat Assessment tracking in EdPlan
- Gaggle tip line

Facilities – Physical Plant Maintenance

Contact Name: Grant Lindberg, Manager of Plant Maintenance

Phone: General Repairs 612.668.0282; Non-Repair/Special Projects: 612.668.0285; 668.0300

Email: grant.lindberg@mpls.k12.mn.us or work order system

Services Provided to Schools and Other Departments by Physical Plant Maintenance:

Work Order System: The work order system is the appropriate means to communicate and expedite general repair work requests. The Senior Custodian or the Principal/Building Manager has access to the work order system. Please inform the Senior Custodian of the building repair request so that building issues can be documented, coordinated and resolved in a timely manner.

Our maintenance services are available for emergency response 24/7/365 and include skilled and licensed personnel from more than twelve different trades which include but not limited to:

- Carpentry & Locksmith
- Electrical
- Fire Protection
- Athletic Grounds & Trucking
- Energy Management & Low Voltage
- Paint & Glazing
- Pipefitting (Heating & Cooling)
- Plumbing
- Sheet Metal (Ventilation) and Roofing

Facility emergencies or after-hour concerns should be reported to the District Communications Center (DCC). The DCC can initiate various communication and on-call dispatch procedures. [DCC can be contacted at: 612.668.0322](#)

Services that schools are required to provide from building budgets:

Small capital project are projects that include minor improvements to school facilities to support student learning, equity and sustainability. Examples of small capital improvements include but are not limited to classroom modifications; space repurposing; Furniture, Fixtures, or Equipment (FFE); gardens, murals and other “non-repair” requests. [Click here to complete a small capital project request](#). All requests are reviewed in February and September. Funded requests and unfunded requests will be

communicated to the Principal by the Capital Planning, Constructions and Maintenance Executive Director. Unfunded requests may be funded through building budgets if available resources exist.

Services that schools may choose to provide from building budgets:

Requests to move classroom furniture, furnishings, or equipment are usually performed by contracted services. Please contact the Facilities Department to discuss any of your building needs.

612.668.0300, 668.0288 or facilities@mpls.k12.mn.us

Changes from FY 2019-20:

- GOB budget reduction will impact general repair timeliness and some preventative maintenance services. Approximately half of our resources are now assigned to planned deferred maintenance projects funded by LTFM.
- Procurement procedure will also impact service timeliness. New work-flow processes require site specific budget and purchase order for each project, planned or emerging. Administrative tasks are implemented more proactively to allow more time for procurement processes.
- Trucking demands for FFE, curriculum and athletics are increasing; however, resource levels are slightly reduced in FY21.

Physical Plant Operations

Contact Name: Doug Hill Director of Physical Plant Operations

Phone: 612.668.0153 or 612.356.3080

Email: douglas.hill@mpls.k12.mn.us

Services Provided to Schools by Department:

Provide custodial and mechanical upkeep services for MPS Physical Plants.

- Provide interior custodial services
- Maintains grounds including seasonal lawn care and snow removal
- Maintains and operates Heating-Ventilation-Air Conditioning (HVAC) systems
- Customer Service, recognizes, avoids and reports unsafe acts, conditions, accidents and injuries: reports security issues
- Opens and closes facilities and sets security systems
- Responses to emergency situations including break-ins, mechanical failures
- Provides set ups and teardowns for school events, during and after school
- Collaborates with school admin and other district staff regarding permits and other bldg. use
- Assist with compliance inspections and makes corrections as mandated
- Responds to building emergencies, ie. Fire alarms, Smell of gas, Water leak, etc.
- Pest Control

Daily Tasks

Public Restrooms (Daily)

- Fixtures cleaned and disinfected
- Trash receptacles & sanitary boxes emptied
- Re-stock paper & soap dispensers
- Graffiti removed
- Mirrors cleaned

- Floors swept & wet mopped

Lunchroom (Following Breakfast, Lunch & After School Programming)

- Trash removed
- Milk buckets emptied
- Table tops washed
- Floors swept
- Floors auto scrubbed

Drinking Fountains (Daily)

- Clean and disinfected

Gym Floors (Daily)

- Dust mopped
- Spot Mopped

Stairwells (Day Cleaning)

- Swept
- Spot mopped

Halls (Daily Cleaning)

- Dust mopped
- Spot mopped

Classrooms (Trash emptied daily)

Alternate Day task

Classrooms (Alternate Day Cleaning)

- All trash receptacles emptied (daily)
- Liners replaced as needed
- Floors swept or vacuumed

As Conditions warrant

Grounds (As Needed)

- Lawn Mowing
- Pruning of landscape
- Snow removal
- Trash removal

Services that schools are required to provide from building budgets (i.e. required services):

Event support

- Provide funding for "Extended Pay"
- Funding for Community Ed and permit driven functions

Services that schools may choose to provide from building budgets (i.e. optional services):

Equipment and supplemental assets

- Walk off "Mats"
- Small equipment to assist operation staff
- Site specific specialized projects (cleaning, room moves, etc.)

Annual Summer Deep Cleaning:

- Fixtures cleaned and disinfected
- Trash receptacles & sanitary boxes emptied

- Re-stock paper & soap dispensers
- Graffiti removed
- Mirrors cleaned
- Floors striped & waxed and sealed
- High dusting
- Detail cleaning
- Windows cleaned
- Additional services as needed

Changes from FY 2019-20:

- Further custodial reductions for budget purposes may impact the frequency of regular cleaning at a site. Principals may be asked to identify ‘food zones’ within their buildings to help assist with pest control and other custodial functions.

Transportation

Contact Name: Lisa Beck

Phone: 612.668.2311

Email: lisa.beck@mpls.k12.mn.us

Services Provided to Schools by Department:

- RegED to-from student transportation services
- SED to-from student transportation services
- Mid-day transportation services
- SED TRAIN bus service
- SED Life Skills bus service
- Athletic High School game buses - Athletic Department covers the cost of all Athletic related trips. Field trips are requested for bus service using the district’s web site. The Athletic Dept. account codes are automatically filled in and the trip is charge to them by a Journal entry at months end done by Transportation.
- Inter-district mail delivery service
- Science department classroom material delivery
- Auto and truck maintenance (yellow and white fleet) - We provide services for all MPS vehicles which gets charged back to the departments by JE at month end.
- SED –Transportation provides account codes to schools to fund Bus Aides as needed

Services that schools are required to provide from building budgets (i.e. required services):

- Athletic practice buses - We provide the routing and transportation service - cost of trip is paid by the Athletic department - see above
- Field trip services
- Printing and distributing bus tags
- Maintaining current student contact information in the designated student information system
- Requesting new / different bus stops and special services
- Monitoring busing performance at school sites and communicating with parents and Transportation as needed

- School Transportation Coordinator duty assignment

Services that schools may choose to provide from building budgets (i.e. optional services):

- RegED - Occasionally we will need a bus aide to assist on a RegED bus determined by the safety managers. The school may choose to provide an aide which would be funded by them.

Bell Times: School start and stop times are subject to approval by the Board of Education, as recommended by the Operations Division in consultation with schools, staff and families. Schools are expected to adhere to the 2019-20 bell times for the 2020-21 school year. Any exceptions would require approval from the respective Associate Superintendent and the Chief of Operations who, if approved, will submit to the Board of Education for approval by June 2020. Changes to High school bell times would need to be approved prior to November of the preceding year, based on our relationship with Metro Transit.

Office of the Chief of Staff

Contact Name: Suzanne Kelly, Chief of Staff

Email: suzanne.kelly@mpls.k12.mn.us

Communications, Engagement and External Relations

Contact Name: Suzanne P. Kelly

Phone: 612.668.0128

Email: suzanne.kelly@mpls.k12.mn.us

Services Provided to Schools and Departments:

Comprehensive Districtwide Assessment Planning & Implementation

Education, Engagement & Outreach Specialists

- Annual development and implementation of division's strategic family and community engagement plans
- Supports & monitors development of districtwide and school-based engagement plans
- Provides required and voluntary educational workshops including requirements of ESSA, the adopted MN Omnibus Education Bill, and Federal Title provisions in various locations
- Represent the District in local communities and drive engagement through networking, marketing, and partnership development.

Parent Academies and Connecting Parents to Educational Opportunities

- 7 week CPEO program offered at Title I schools and weekend Parent Workshops

Ombudsperson

- Assisting families navigating the systems when experiencing conflicts with a school or department.

Family Engagement School Site Supports

- Supporting school and district wide family and community involvement and engagement with culturally specific supports. Parent Advisory Councils, Site Council Supports, culturally specific and general family engagement supports for schools.
- Monthly training for school-based family liaisons

Volunteer Services

- Special Project recruitment, general volunteer training & placement, data management and background checks, and promotion of volunteers across MPS schools.

Community Partnerships

- Coordinates collaborations and partnerships with community and national organizations, faith-based entities, civic as well as private sector entities to assist in the goals and objectives of the MPS Strategic Plan
- Leads District efforts at establishing strong relationships with individual, corporations and friends of the District for the purpose of securing funding and partnership support on behalf of students
- Coordination of contracts, data-sharing agreements with broader community entities and

partners, evaluation to track impact related to Acceleration 2020, and training and technical assistance to support our partners.

Media Relations

- Strategic counsel
- Sets media strategy and media relations priorities for the District, determines appropriate tactics and channels for communicating priorities
- Proactive story mining and pitching throughout the district
- Interview preparation and support for designated spokespeople
- Statements and talking points for designated spokespeople
- Policy guidance and training
- Crisis support/ issues management
 - Media management
 - Coordination with external departments/agencies

Marketing Materials and Brand Management

- Department will maintain an Engagement Toolkit of approved, customizable designed marketing and engagement materials for use by schools and departments; manage District's logos, taglines; Edit and maintain data base of imagery and provide to departments and schools
- Help develop marketing plans for Title 1 schools and schools with low market share
- Implement programs and strategies to increase the percentage of families of color who have confidence in and select MPS as a preferred school choice for their children.

Events with Districtwide Reach and Chief Sponsorship

- Strategic Planning
- Logistics management
- Day-of management and event set-up/tear-down

Crisis Communications

- Craft and disseminate messages for schools
- Advise on audience scope of communications
- Support with robo call scripts, emails, backpack letters, key messages, web content
- Set media and messaging strategy for broader public

Digital/web/multimedia

- Manage and maintain sites
 - Provide best practices guidelines
 - Train staff
 - Develop and maintain content
 - Manage and improve accessibility
 - Develop and implement design components
- Social media
 - Proactive storytelling and engagement across District channels
 - Provide best practices guidelines, train staff, develop and maintain content
- Multimedia services
 - Limited photography and districtwide carousel system (screens in every building)
- Robo calls

- Manage School Messenger service
- Support schools with School Messenger inquiries
- Draft, record, and/or send robo calls

Translations

- Translate key District documents
- Translate and record robo calls

Messaging

- Review responses to public inquiries/concerns
- Develop key messages for staff to use in response to emerging issues

Services that schools are required to provide from building budgets (i.e. required services):

- Schools who participate in CPEO are asked to have at least one staff person present each night to build relationships with families, all other costs are covered by CEER.
- **Translation/Language Line Information**

Schools will now receive separate allocation for interpretation and translation services. Funds will be allocated based on the average use per school districtwide, as well as numbers of non-English speaking students in each school.

These funds should be used by schools for:

- Face-to-face interpreting
- Site-specific document translation
- Telephone interpreting
- Parent-teacher conferences
- On-site interpretation
- Emergency interpretation
- Home visits
- Early Childhood Education and Special Education interpretation

Schools are responsible for tracking and managing their incurred interpretation and translations expenses. Since these are finite funds annually, we recommend that schools access in-house bilingual services as often as possible to ensure that allotted funds last the entire school year.

MPS district staff will manage the contracts with the vendors providing these services, but schools will work directly with the vendors to secure the services and access usage reports for tracking and maintenance.

Current vendor contracts (with ARCH and Language Line) are under review and new contracts for these services will be implemented at the beginning of the new school year. Schools and departments will be notified of new vendor contact information and processes when the contracts are finalized.

Services that schools are recommended to provide from building Title I budgets:

The Family Engagement Department is recommending Title I schools to staff a family liaison if their total student count is 300 students or more. Title I schools may choose to use Title I dollars or another funding source to staff the family liaison. The following chart is the Family Liaison FTE recommendation based on students count.

- 0-299 students: 0 FTE
- 300-499 students: .2 FTE
- 500-799 students: .5 FTE
- 800 or more students: 1.0 FTE

Family Resource Center

Contact Name: Thaddeus Lesiak

Phone: 612.668.4281

Email: Thaddeus.Lesiak@mpls.k12.mn.us

Services Provided to Schools by Department:

- All incoming students who speak a language other than English at home receive Health Assessment by a Community Liaison and School Nurse.
- Assist with public program benefit applications and connect families to community resources, basic needs and medical/dental/mental health resources as requested by school social workers, nurses, and staff.
- Assist schools with family engagement planning, activities, training and events.

Services that schools are required to provide from building budgets (i.e. required services):

None

Services that schools may choose to provide from building budgets (i.e. optional services):

None

MEMO



MINNEAPOLIS
PUBLIC SCHOOLS
Urban Education. Global Citizens.

Date: December 1, 2020

To: Board of Education, Minneapolis Public Schools

From: Ed Graff, Superintendent

RE: Pro-Forma Financial Projections – General Fund – Executive Summary

We have updated our 5-year pro-forma financial projections for the district's General Fund using, as our starting point, an adjusted forecast of this year's budget. (Refer to Table 1 to see the pro-forma by year). The pro-forma is a 5-year projection of the district's revenue and expenses based on a model that incorporates key assumptions.

We have taken a cautiously optimistic view and we assume that the Comprehensive District Design (CDD) will be successful. Our projections anticipate that enrollment will continue to decline, but decelerate, until the district begins increasing its enrollment again by the 25-26 school year. Our analysis finds that, regardless of whether the CDD succeeds, the district is burdened by an unsustainable fiscal structure and should urgently seek to identify and act on cost efficiencies to prevent entering statutory operating debt in the 2023-24 school year.

Key Findings

Our projections and the analysis of them have allowed us to reach several conclusions:

- The district operates under an unsustainable and inefficient cost structure, which, under current circumstances, will likely completely deplete the district's General Fund balance sometime during the 2023-24 school year.
- The district will be unable to solve its problems through enrollment increases alone. Adding the number of additional students needed to justify the current cost structure is unrealistic. A full analysis of the impact of enrollment increases and cost structure is included in the accompanying detailed report.
- The district will continue to assess its scope and footprint as it begins implementation of the Comprehensive District Design. Once the CDD has been fully implemented we will better be able to determine its impact on programming and enrollment across the District, and where adjustments may be needed.
- The district must set clear parameters and priorities to guide where funding should be maintained or increased and where disinvestment may need to occur. Constantly evaluating return on investment allows the District to maintain the future flexibility needed to ensure available funding for areas showing the most promising results.

Table 1 Millions of \$	Projected FY21	Pro-Forma Projection				
		FY22	FY23	FY24	FY25	FY26
Revenue	\$627.4	\$572.3	\$566.1	\$566.6	\$572.8	\$584.6
Expenses	\$650.4	\$603.2	\$602.8	\$610.9	\$631.9	\$652.0
Change in Fund Balance	(\$23.1)	(\$30.8)	(\$36.8)	(\$44.3)	(\$59.1)	(\$67.4)
Ending Fund Balance	\$83.2	\$52.4	\$15.6	(\$28.7)	(\$87.8)	(\$155.2)

Base Assumptions

Given the financial difficulties faced by the district as well as the State of Minnesota, we are assuming that the state’s biennial budget will not include any increases to the funding formula. We are also assuming the district will be unable to agree to any increases in salaries in the next round of collective bargaining. In the just concluded current round of bargaining, when the district renegotiated contracts with its labor unions, the district was able to agree to 2.5% increases (about \$12M of current salary and benefits expense) in total compensation. Finally, we are assuming that enrollment continues to decline over the next three years as the CDD is implemented, but that this trend will reverse in FY25 and start to trend in a positive direction after the impacts of the CDD start to take root.

COVID-19 Response Expenses

Like most districts, we did not understand the significant impact that the Covid-19 Pandemic would have, both financially and in terms of its impact on students, families and staff. Unbudgeted expenditures to support distance learning, safe buildings and additional staffing are estimated to be \$58.7M this year, with additional expense in future years. While we are able to offset these expenses using additional state aid provided under the Coronavirus Aid, Relief, and Economics Act (CARES Act) and other sources, that aid will only cover about half of our anticipated costs.

This gap is further compounded by higher-than-expected enrollment declines in our schools as families look for alternatives to distance learning and other sources of daytime care for their children. These additional and unpredictable enrollment declines will reduce district revenue by about \$7.1 million this year, the 2020-21 school year. Finally, as a result of the distance learning mandate in the spring, the district was forced to move to a ‘one-to-one’ device program this year, providing laptops or tablets and often cellular hotspots to all families. We anticipate that this program will cost about \$20.1 million this year alone, with annual costs of \$8-\$12 million per year going forward to pay for additional staff, equipment replacement, filtering software, hotspots, and other costs needed to effectively operate such a program.

Legislative Response

While our pro-forma does not include any new funding from the state to offset the unfunded Covid-19 costs faced by the district, we did contemplate two potential scenarios in which the legislature responds to the needs of Minnesota’s schools:

- First, we considered a scenario in which the legislature makes districts “whole” for any enrollment declines experienced this year. While this would not address the district’s structural issues it would add about \$11.5M in revenue to our current year forecast.

- Second, we considered a projection that includes standard formula increases over the next two years, as our base projection does not include any formula increases.

Although both these scenarios improve the district’s long-term financials (see Table 2), they do not solve the district’s cost structure issues or lead to financial sustainability. Additionally, for a district already struggling with financial sustainability, the incremental costs arising from the COVID-19 pandemic only exacerbate these issues. Of the \$262 million in deficit spending projected in the current year and five years after, \$75 million represents unfunded spending required as a result of the Covid-19 pandemic. Many of these costs arise from state government mandates to provide devices to students, install expensive air filters in classrooms, and continue to pay employees who are not working.

While COVID-19 will eventually come to an end, many of these programs and pieces of equipment will long outlive it. These legacies of the pandemic – even though they may ultimately benefit staff and students – were unfunded, unplanned for and will be with us for many years. The new programs will need to be administered and equipment maintained and replaced. We do not anticipate any ongoing assistance from the state in addition to what we already receive.

There is also pending legislation (the “HEROES Act”) in the U.S. Congress to provide additional relief to schools. Current proposals include about \$105 billion for schools. While the amount that would flow to Minneapolis Public Schools is unclear, a similar program was created in 2009 with funding of about \$100 billion going to schools, and the district received \$19.8 million.

	Base Projection				Make Whole for FY21				2% Funding Increase		
	Rev	Exp	Chng	Balance	Rev	Exp	Chng	Balance	Rev	Exp	Chng
FY21	627.4	650.4	(23.1)	83.2	638.9	650.4	(11.5)	94.8	627.4	650.4	(23.1)
FY22	572.3	603.2	(30.9)	52.4	572.3	603.2	(30.9)	63.9	576.8	603.2	(26.4)
FY23	565.6	602.8	(37.3)	15.1	565.6	602.8	(37.3)	26.6	574.4	602.8	(28.4)
FY24	566.4	610.9	(44.5)	(29.4)	566.4	610.9	(44.5)	(17.9)	575.2	610.9	(35.7)
FY25	572.8	631.9	(59.1)	(88.5)	572.8	631.9	(59.1)	(77.0)	581.6	631.9	(50.3)
FY26	584.6	652.0	(67.4)	(155.9)	584.6	652.0	(67.4)	(144.4)	593.7	652.0	(58.3)
Total Change in Fund Bal			(262.2)				(250.6)				(222.1)
FY21 Starting Balance			106.3				106.3				106.3
FY26 Ending Fund Balance			(155.9)				(144.4)				(115.9)

Comprehensive District Design (CDD)

Our pro-forma includes all CDD-related costs included in the CDD Finance Presentation presented to the Board of Education at their meeting on May 12, 2020. This totals approximately \$11.5 million in FY22, with ongoing costs of \$10.7 million per year, adjusted for inflation. We are also including an offset of approximately (\$7.0 million) per year to account for anticipated transportation savings associated with the CDD.

Appendix 1: Pro-Forma Financial Projection
(Thousands of Dollars)

A more detailed breakdown of revenue and expenses than is presented in Table 1.

	MPS Pro-Forma Financial Projection					
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Starting Fund Balance	106,286	83,226	52,404	15,649	(28,688)	(87,812)
State Aid	388,311	373,485	371,186	368,683	370,242	377,191
Levy	142,738	137,847	133,912	136,099	138,625	141,486
Grants	87,324	51,914	51,885	52,581	54,388	56,119
Funded Projects	9,000	9,090	9,085	9,207	9,523	9,826
Subtotal Revenue	627,373	572,336	566,068	566,569	572,779	584,623
Salaries	339,023	340,503	338,651	343,610	353,199	365,922
Extended Time	16,871	14,283	14,635	15,001	15,376	15,761
Reserves	18,102	6,019	6,080	6,140	6,202	6,264
Fringe	128,862	129,483	132,105	136,730	143,358	151,618
Purchased Services	95,172	75,534	74,912	72,587	74,814	75,108
Supplies	31,738	25,964	25,225	24,995	27,534	25,826
Capital Expenses	16,329	6,994	6,794	7,378	6,910	6,958
Misc	4,334	4,377	4,421	4,465	4,510	4,555
Subtotal Expense	650,432	603,159	602,823	610,905	631,903	652,012
Change in Fund Balance	(23,059)	(30,823)	(36,755)	(44,337)	(59,124)	(67,390)
Ending Fund Balance	83,226	52,404	15,649	(28,688)	(87,812)	(155,202)

Appendix 2: Enrollment Assumptions by Year

FY	ADM Est	Change	% Change	Adj. Pupil Units	% Change
FY21	31,645			34,212	
FY22	30,700	-945	-3.0%	33,187	-3.0%
FY23	29,700	-1,000	-3.3%	32,091	-3.3%
FY24	29,100	-600	-2.0%	31,350	-2.3%
FY25	29,101	0	0.0%	31,255	-0.3%
FY26	29,501	400	1.4%	31,600	1.1%

Appendix 3: COVID-19 Related Aid & Costs:

Table 3 Thousands of \$	Projected COVID-19 Related Revenue & Expenditures						Total
	FY21	FY22	FY23	FY24	FY25	FY26	
COVID-19 Related Aid	\$31,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$31,096
<u>Expenditures</u>							
IT/Universal Tech Access	20,188	7,993	9,560	8,668	12,014	8,299	66,722
Human Resources *	16,307	-	-	-	-	-	16,307
Facilities	9,911	-	-	-	-	-	9,911
Transportation	6,608	-	-	-	-	-	6,608
Academics & Supports	5,418	114	117	120	124	128	6,022
Culinary	300	-	-	-	-	-	300
Subtotal Expenditures	58,732	8,106	9,677	8,788	12,139	8,427	105,870
Fund Increase/(Decrease)	(27,636)	(8,106)	(9,677)	(8,788)	(12,139)	(8,427)	(74,773)

Appendix 4: Statutory Operating Debt Definition

Minnesota Statutes, section 123B.81 – Statutory Operating Debt.

Subdivision 1. Operating debt. The "operating debt" of a school district means the net negative unreserved general fund balance calculated as of June 30 of each year in accordance with the uniform financial accounting and reporting standards for Minnesota school districts.

Subdivision 2. Statutory operating debt. If the amount of the operating debt is more than 2 ½ percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative undesignated fund balance is defined as "statutory operating debt".

MEMO



MINNEAPOLIS
PUBLIC SCHOOLS
Urban Education. Global Citizens.

Date: December 1, 2020

To: Board of Education, Minneapolis Public Schools

From: Ed Graff, Superintendent

RE: Pro-Forma Financial Projections – General Fund

The Office of Budget and Analysis has updated the 5-year pro-forma for the district’s general fund for fiscal years 2022 through 2026. We are using the fiscal year 2021 projected budget as our base year, with adjustments for Covid-19 and lower enrollment. Our projection shows that without structural changes the district will experience declining revenues, increasing expenses, and large deficits over the next six years. Absent structural changes to the district’s staffing philosophy or its physical footprint within the city, we can expect our General Fund balance to be fully depleted at some point in fiscal year 2024.¹ Moreover, while funds are expected to decline over the next four or more years, the trend of increasing deficits will become so large they will eventually become unsustainable, forcing the district into statutory operating debt.

Table 1 Millions of \$	Projected	Pro-Forma Projection				
	FY21	FY22	FY23	FY24	FY25	FY26
Revenue	\$627.4	\$572.3	\$566.1	\$566.6	\$572.8	\$584.6
Expenses	\$650.4	\$603.2	\$602.8	\$610.9	\$631.9	\$652.0
Change in Fund Balance	(\$23.1)	(\$30.8)	(\$36.8)	(\$44.3)	(\$59.1)	(\$67.4)
Ending Fund Balance	\$83.2	\$52.4	\$15.6	(\$28.7)	(\$87.8)	(\$155.2)

Enrollment & Revenue Assumptions

Our enrollment projection (see Table 2) assumes continued decline in the first years of the projection. The projection was created in consultation with the district’s Research, Evaluation & Assessment Department. The continued declines are a combination of three factors: a continuation of the enrollment trend in recent years; the impact of the Comprehensive District Design (CDD); and the impact of the COVID-19 pandemic. Although we anticipate long-term growth from the CDD, the short-term disruptions due to implementation are expected to accelerate enrollment decline. The incremental enrollment decline observed in FY21 so far due to COVID-19 have been significant and are likely a result of families seeking alternatives to distance learning in the absence of the district providing custodial care during the workday.

¹ The district’s General Fund balance is divided between assigned and unassigned funds. Assigned fund balances include funds held for programs funded by third parties as well as state aid and levy revenue with specific categorial uses. At the end of FY20 about \$51.7M (unaudited), or 47%, of the district’s general fund balance was held as unassigned general reserves.

As a result of the CDD we are assuming that enrollment will level off in FY25 and then begin to increase in FY26 gaining 400 ADMs². While we consider this enrollment projection to be conservative, we believe that the risk of continued future declines or significant overperformance are possible. Although we are assuming that the CDD will be an overall success, we would consider our assumption to be cautiously optimistic.

Table 2 FY	ADM Est	Change	% Change	Adj. Pupil Units	% Change
FY21	31,645			34,212	
FY22	30,700	-945	-3.0%	33,187	-3.0%
FY23	29,700	-1,000	-3.3%	32,091	-3.3%
FY24	29,100	-600	-2.0%	31,350	-2.3%
FY25	29,101	0	0.0%	31,255	-0.3%
FY26	29,501	400	1.4%	31,600	1.1%

Our pro-forma also assumes no change in the state aid formula, in FY22 or FY23, due to the state government’s projected deficit resulting from COVID-19. We do anticipate a resumption of annual 2% increases beginning in FY24. We also assume that compensatory revenue will fall to \$35M in FY22 from an expected \$47.8M in the current fiscal year. This is consistent with the level of qualifying educational benefits applications received so far this year relative to prior years. In FY23 we anticipate compensatory revenue increasing to about \$45M, and then continuing to fluctuate with annual enrollment. Finally, we anticipate no material changes to the district’s tax base, referendum formula, grant and title funding, or funded project revenue.

Expense Assumptions

In the just concluded round of bargaining we negotiated 2.5% increases in total compensation (about \$12M). Our pro-forma assumes no changes to any wage scales during the FY22-23 collective bargaining cycle, with wage progression continuing again as part of the FY24-25 cycle. However, we also assume that contractually obligated step increases are given to members of the MFT - K-12 Teachers Chapter as well as the three professional unions. For both groups this is an increase of approximately 2% in each year.

We assume that predictable staffing in our schools will continue unchanged.

This pro-forma assumes position vacancy rates of 5% for all fiscal years between FY22 and FY26³. This is consistent with recent trends. It is also a change from prior projections which assumed that all positions would be filled. Additionally, it incorporates the district’s salary projection for the remainder of FY21. That projection is favorable to budget by \$24M in salaries and associated fringe. We are also assuming variability in staffing levels for classroom teachers and employees represented by the ESP bargaining unit. This variability is based on changes in enrollment and class size targets.

We also make several expense assumptions throughout the model, including annual increases of 2.5% for extended time and 1% for reserve costs, services, supplies and equipment, as well as any

² ADM, or “Average Daily Membership” is the average enrollment on any given day during the school year and is the primary metric which drives state aid payments and levy authority.

³ By “vacancy rate” we mean the average percent of district positions, in terms of budgeted salary, that are not filled at any point during the fiscal year.

miscellaneous costs. These increases account for increasing labor costs resulting from collective bargaining as well as general inflation. We also assume that the district’s health and dental insurance costs increase faster than inflation: 7% for teachers and 5% for all other bargaining units. Due to existing collective bargaining agreements all health insurance cost increases for teachers are the responsibility of the district whereas the district splits any increase with other bargaining units.

CDD Expenses

Our pro-forma includes all CDD related costs included in the CDD Finance Presentation that was presented to the Board of Education at their meeting on May 12, 2020. This totals approximately \$11.5M in FY22, with ongoing costs of \$10.7M per year, which has been adjusted for inflation. We are also including an offset of approximately (\$7.0M) to account for anticipated transportation savings associated with the CDD. These savings have also been adjusted for inflation.

COVID-19 Revenues & Expenditures

We have included approximately \$59M in anticipated unbudgeted FY21 expenses for the district’s response to the COVID-19 pandemic. These expenses (see Table 3) include equipment for sanitizing facilities and busses, distance learning supplies, a device for every student capable of accessing the internet, and extended time and reserves for employees who are unable to work as a result of the pandemic. These expenses are offset by \$31.1M in state and federal aid intended to defray the incremental cost to the district.

While the bulk of the COVID-19 related expenses will be incurred in FY21, there are approximately \$8M-\$10M in ongoing annual costs, mostly for the continued provision of IT devices to students and the necessary supports required to maintain the district’s IT program.

Table 3 Thousands of \$	Projected COVID-19 Related Revenue & Expenditures						Total
	FY21	FY22	FY23	FY24	FY25	FY26	
COVID-19 Related Aid	\$31,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$31,096
<u>Expenditures</u>							
IT/Universal Tech Access	20,188	7,993	9,560	8,668	12,014	8,299	66,722
Human Resources *	16,307	-	-	-	-	-	16,307
Facilities	9,911	-	-	-	-	-	9,911
Transportation	6,608	-	-	-	-	-	6,608
Academics & Supports	5,418	114	117	120	124	128	6,022
Culinary	300	-	-	-	-	-	300
Subtotal Expenditures	58,732	8,106	9,677	8,788	12,139	8,427	105,870
Fund Increase/(Decrease)	(27,636)	(8,106)	(9,677)	(8,788)	(12,139)	(8,427)	(74,773)

* HR Includes most staffing costs related to teacher absences, health provider costs, etc.

Analysis

We expect that revenue will continue to decline and costs continue to go up for the foreseeable future. The district continues to experience chronic declines in enrollment, as well as the immediate fiscal impact of COVID-19 and the CDD. Although we anticipate increasing enrollment in just a few years as the CDD is fully implemented, there is no realistic scenario where revenue returns to current levels. The CDD is a necessary restructuring to improve the future prospects of the district, however

in the short term it exacerbates a developing fiscal challenge that must be addressed with changes to the district’s cost structure. Given the district’s commitments to fair labor contracts and appropriate school funding levels, we will likely find the efficiencies necessary to make the CDD successful in non-salary and overhead expenses. The district should also carefully examine its footprint throughout the city, to determine whether resources are deployed efficiently.

Our analysis has several important findings. First, that potential legislative relief that takes the form of a one-time infusion of funds or a regular increase in the formula aid as part of the state’s biennial budget will not solve the district’s cost structure issues or lead to financial sustainability. Indeed, even if the state were to increase the state aid formula by 2% annually, as it has done for several years, the increase in funds would be insufficient to cover the additional costs imposed on the district by Covid-19 alone, never mind the financial sustainability issues that already existed before the pandemic.

We contemplated two potential legislative responses to the pandemic and the financial struggles of school districts as a result of it (Table 4). First, we considered a scenario in which the legislature makes districts “whole” for any enrollment declines experienced this year. While this would not address the district’s structural issues it would add about \$11.5M in revenue to our current year forecast. Next, we considered a projection that includes standard formula increases over the next two years, since our base projection does not include increases to the formula in those years. In this scenario the FY21-26 cumulative deficit decreases by about \$40.1M.

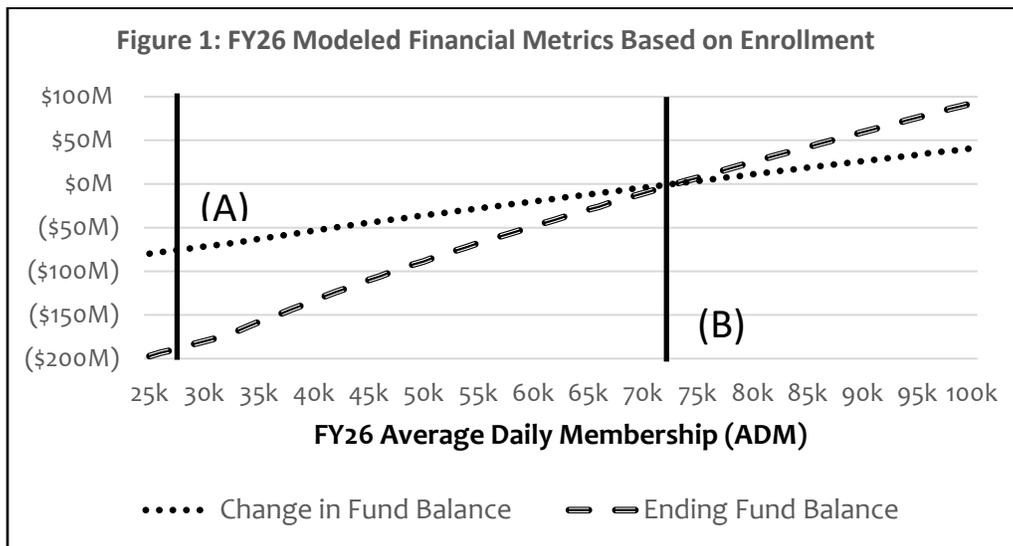
Table 4: Impact on Fund Balance Based on Action by State Legislature (Millions of Dollars)											
	Base Projection				Make Whole for FY21				2% Funding Increase		
	Rev	Exp	Chng	Balance	Rev	Exp	Chng	Balance	Rev	Exp	Chng
FY21	627.4	650.4	(23.1)	83.2	638.9	650.4	(11.5)	94.8	627.4	650.4	(23.1)
FY22	572.3	603.2	(30.9)	52.4	572.3	603.2	(30.9)	63.9	576.8	603.2	(26.4)
FY23	565.6	602.8	(37.3)	15.1	565.6	602.8	(37.3)	26.6	574.4	602.8	(28.4)
FY24	566.4	610.9	(44.5)	(29.4)	566.4	610.9	(44.5)	(17.9)	575.2	610.9	(35.7)
FY25	572.8	631.9	(59.1)	(88.5)	572.8	631.9	(59.1)	(77.0)	581.6	631.9	(50.3)
FY26	584.6	652.0	(67.4)	(155.9)	584.6	652.0	(67.4)	(144.4)	593.7	652.0	(58.3)
Total Change in Fund Bal			(262.2)				(250.6)				(222.1)
FY21 Starting Balance			106.3				106.3				106.3
FY26 Ending Fund Balance			(155.9)				(144.4)				(115.9)

Of the \$262 million in deficit spending projected in the current year and five years after, \$75 million represents unfunded spending required as a result of the Covid-19 pandemic. Many of these costs arise from state government mandates to provide devices to students, install expensive air filters in classrooms, and continue to pay employees who are not working. While Covid-19 will eventually come to an end, many of these programs and pieces of equipment will live on as legacies of the pandemic. Even though they may ultimately benefit staff and students, they were unfunded, unplanned for, and will be with us for many years. These new programs will need to be administered and equipment maintained and eventually replaced. We do not anticipate any ongoing assistance from the state in addition to what we already receive.

Our second finding is that enrollment increases alone are insufficient to prevent depletion of the district’s fund balance. Any scenario that we can generate which results in long term sustainability is

either unreasonable or impossible if enrollment is the only variable that we change. Even achieving 95% market share by FY26 would not solve the district’s structural issues.

This is demonstrated in Figure 1, which plots the projected end of year change in fund balance, as well as the ending fund balance itself, at the end of FY26. Our projection anticipates an enrollment level that corresponds with line A – 29,501 students. In order to reach sustainability through enrollment increases alone enrollment would need to reach the point marked by line B – 72,910 students – by the end of the projection. This assumes constant growth over the five-year period of 18.2% annually.⁴ Since the total number of students living in the district is expected to be about 51,000 in FY26, enrollment at a break-even level would require ‘market share’ of 143%. In other words, for every school age student living in the district, the district would need to enroll 1.43 students.



Our third finding is that acting sooner rather than later will significantly reduce the number of people and programs that will be impacted as the district tries to remain solvent. Continuing to pay for programs that will inevitably be eliminated depletes valuable reserves despite the future benefits of those programs being, inevitably, lost. Making difficult but necessary decisions as early as possible will reduce the overall impact to the district as a whole. If the district waits until their hand is forced, necessary cuts in terms of impacted programs and positions will be greater. Programs may need to be cut that could have been saved given an earlier response.

Table 5 shows the impact of making a \$20M cut to Salaries & Fringe by the year in which the cut is made. If the reduction is made in FY22, reducing the deficit in that year from (\$30.9M) to (\$10.9M), that \$20M reduction also carries through in each and every year, ultimately saving \$107.5M over the five year period after factoring in increases to salaries and benefits. However, if you wait until FY26 to make the reductions you will only save the \$20M in FY26. If those reductions could have been identified and executed in FY22 as opposed to four years later the district would avoid paying \$87.5M in wages and benefits for positions and programs which are going to be eliminated anyway. Given

⁴ Although this enrollment level is unrealistic, as the total student age population of the city is only about 55,000, it is interesting to note that it falls well short of the district’s enrollment peak of 90,073 in the 1932-33 school year. Even as recently as 1965 district enrollment was around 76,000 students.

the district’s financial position that entire \$87.5M is being paid not out of revenue but out of fund balance, further weakening the district’s position.

Though restructuring can be a difficult exercise, it is important that the district begin the work of identifying and executing on opportunities for operating efficiencies now instead of putting it off until the last possible moment. The cost of not doing so is using precious district reserves to continue to fund programs, positions, and services that are not part of a sustainable future cost structure.

Year of Reduction	Change in Fund Balance					FY21-26 Impact	
	FY22	FY23	FY24	FY25	FY26	Deficit	Ending FB
FY22	(\$10.9)	(\$16.6)	(\$23.0)	(\$36.8)	(\$44.3)	(\$154.6)	(\$48.4)
FY23	(\$30.9)	(\$17.3)	(\$23.8)	(\$37.6)	(\$45.0)	(\$177.5)	(\$71.2)
FY24	(\$30.9)	(\$37.3)	(\$24.5)	(\$38.4)	(\$45.8)	(\$199.9)	(\$93.6)
FY25	(\$30.9)	(\$37.3)	(\$44.5)	(\$39.1)	(\$46.6)	(\$221.4)	(\$115.1)
FY26	(\$30.9)	(\$37.3)	(\$44.5)	(\$59.1)	(\$47.4)	(\$242.2)	(\$135.9)

Our fourth finding is that financial sustainability cannot be achieved only by reducing the amount spent on administration and overhead. During the three year period starting with FY17 and ending with FY19 (the last year in which audited financial statements are available across districts), Minneapolis Public Schools spent, on average, about \$36.9M per year to pay for the Board of Education, Superintendent’s Office, Principals (not Assistants), and district wide administrative functions such as finance, HR, IT, and Legal. This spending represents 6.27% of the spending during that period. (See Table 6).

	<i>Minneapolis</i>	<i>Anoka-Hennepin</i>	<i>Rosemount-Apple Valley</i>	<i>St. Paul</i>	<i>Four District Average</i>
Average Percent of budget spent on:					
Board of Education	0.11%	0.08%	0.05%	0.14%	0.10%
Superintendent's Office	0.14%	0.11%	0.16%	0.14%	0.14%
Instructional Administration	0.59%	0.24%	0.35%	0.61%	0.47%
Principals & Site Councils	1.82%	2.03%	3.83%	3.02%	2.58%
HR & Federal Program Support	0.46%	0.50%	0.57%	0.68%	0.55%
Research & Community Relations	0.65%	0.33%	0.24%	0.99%	0.60%
IT Administration & Systems Support	1.97%	1.01%	1.06%	0.30%	1.08%
Finance, Legal, Student Accounting	0.53%	0.82%	0.92%	0.86%	0.77%
Total % of Spending	6.27%	5.12%	7.18%	6.74%	6.29%

We believe that district spending on these functions is about right when compared to other districts. Looking at the three other large districts in the state (Anoka-Hennepin, Rosemount-Apple Valley, and

St. Paul) average spending on these items is 6.29% of total General Fund spending. Additionally, the one area where we spend a higher percentage than the comparable districts is IT Administration & Systems Support, which is largely funded by a voter approved levy specific to that function.

It is imperative that any proposals to close or eliminate the District's funding gaps, acknowledge that "administrative" budgets comprise a very small percentage of the District's total expenses and a minimal level of staffing must be maintained to ensure programmatic fidelity and effective fiduciary and operational responsibilities; legal mandates and maintenance of effort.

Conclusion

Given the current footprint and cost structure of the district we project that the Minneapolis Public Schools could enter statutory operating debt status in FY24. In Minnesota a school district is considered to be in statutory operating debt when they do not end the year with an unreserved fund balance exceeding 2.5% of operating expenditures. In the event that a district enters statutory operating debt they are required to create a 'Special Operating Plan' to be approved by both the board and the Commissioner of Education.

Any 5-year plan leading to financial sustainability would likely need to include institutional and structural changes. The three large areas for potential efficiencies remain the District's operational footprint, its staffing model and its compensation structures. However, any changes in these areas would need to be part of a larger overall strategy that includes a transparent engagement process. Fiscal discipline is only one of many dimensions that must combine to form a cohesive and effective school district. While an effective district requires a strong financial position, it's important that financial decisions be made as one piece of a broader vision. However, the fiscal gaps that the district faces cannot be solved by increasing enrollment or market share alone. Indeed, the market that exists is not big enough to even potentially solve these problems. Instead, the district will need to consider how it might realign itself for its new fiscal reality.

Appendix 1: Pro-Forma Financial Projection
(Thousands of Dollars)

A more detailed breakdown of revenue and expenses than is presented in Table 1.

MPS Pro-Forma Financial Projection						
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Starting Fund Balance	106,286	83,226	52,404	15,649	(28,688)	(87,812)
State Aid	388,311	373,485	371,186	368,683	370,242	377,191
Levy	142,738	137,847	133,912	136,099	138,625	141,486
Grants	87,324	51,914	51,885	52,581	54,388	56,119
Funded Projects	9,000	9,090	9,085	9,207	9,523	9,826
Subtotal Revenue	627,373	572,336	566,068	566,569	572,779	584,623
Salaries	339,023	340,503	338,651	343,610	353,199	365,922
Extended Time	16,871	14,283	14,635	15,001	15,376	15,761
Reserves	18,102	6,019	6,080	6,140	6,202	6,264
Fringe	128,862	129,483	132,105	136,730	143,358	151,618
Purchased Services	95,172	75,534	74,912	72,587	74,814	75,108
Supplies	31,738	25,964	25,225	24,995	27,534	25,826
Capital Expenses	16,329	6,994	6,794	7,378	6,910	6,958
Misc	4,334	4,377	4,421	4,465	4,510	4,555
Subtotal Expense	650,432	603,159	602,823	610,905	631,903	652,012
Change in Fund Balance	(23,059)	(30,823)	(36,755)	(44,337)	(59,124)	(67,390)
Ending Fund Balance	83,226	52,404	15,649	(28,688)	(87,812)	(155,202)

Adjustment 2: Enrollment Assumptions Detail

Projections of ADM (Average Daily Membership) estimates by year:

	Total Enrollment by Year					
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Kindergarten	2,191	3,254	2,603	2,593	2,638	2,712
Grade 1	2,678	2,033	3,068	2,764	2,811	2,890
Grade 2	2,570	2,484	1,915	2,925	2,691	2,766
Grade 3	2,500	2,386	2,342	1,829	2,852	2,652
Grade 4	2,395	2,279	2,208	2,199	1,753	2,763
Grade 5	2,398	2,187	2,114	2,079	2,114	1,703
Grade 6	2,272	2,037	1,884	1,855	1,863	1,914
Grade 7	2,253	2,093	1,903	1,792	1,801	1,828
Grade 8	2,320	2,102	1,981	1,833	1,762	1,791
Grade 9	2,430	2,282	2,100	1,965	1,857	1,804
Grade 10	2,345	2,314	2,208	2,018	1,928	1,841
Grade 11	2,109	2,184	2,190	2,075	1,936	1,869
Grade 12	2,128	2,216	2,332	2,322	2,245	2,117
EC	399	399	399	399	399	399
PK	206	0	0	0	0	0
HK	300	300	300	300	300	300
Contract Alts	507	507	507	507	507	507
Tuition Pass Through	151	151	151	151	151	151
Total ADM	32,153	31,208	30,207	29,608	29,608	30,008
ADM w/o Contract Alts	31,645	30,700	29,700	29,100	29,101	29,501
ADM w/o CA or Tuition	31,138	30,193	29,193	28,593	28,593	28,994
Total APU	34,820	33,796	32,700	31,959	31,864	32,208
APU w/o Contract Alts	34,212	33,188	32,093	31,351	31,256	31,601
APU w/o CA or Tuition	34,037	33,013	31,917	31,176	31,081	31,425

Note: the increase in Kindergarten enrollment in FY22 is expected as a result of children who would have entered Kindergarten in FY21 entering a year later due to COVID-19.

Appendix 3: Adjustment Bridge

The following bridge details all of the adjustments that were made to the output of the model to reach the final projection.

	Budget FY21	Forecast FY22	Forecast FY23	Forecast FY24	Forecast FY25	Forecast FY26
Initial Revenue	600,602	577,827	569,140	566,329	570,064	580,485
--Initial Change in Revenue	-1.9%	-3.8%	-1.5%	-0.5%	0.7%	1.8%
Covid Relief	31,096	-	-	-	-	-
Anticipated State Aid Adjustment	(12,351)	-	-	-	-	-
Contract Alternatives ADM Revenue	-	4,079	4,079	4,159	4,240	4,324
Anticipated Levy Adjustments	-	-	(4,447)	(1,310)	-	-
Comp Ed Revenue	-	(11,360)	(4,925)	(5,337)	(6,230)	(6,949)
Integration Carryforward	3,200	-	-	-	-	-
Additional Grants Received	4,828	-	-	-	-	-
Tuition Pass Through Revenue	-	1,153	1,153	1,176	1,199	1,223
Grants General Increase	-	514	485	1,181	2,988	4,719
Funded Programs General Increase	-	90	85	207	523	826
Adjusted Pro-Forma Revenue	627,375	572,303	565,569	566,404	572,785	584,628
--Adjusted Change in Revenue	2.5%	-8.8%	-1.2%	0.1%	1.1%	2.1%
Initial Expenses	612,868	621,899	630,718	645,505	662,896	682,285
--Initial Change in Expenses	6.1%	1.5%	1.4%	2.3%	2.7%	2.9%
Comprehensive District Design (CDD)	-	11,492	10,946	11,176	11,413	11,587
CDD Transportation Savings	-	(6,960)	(7,030)	(7,100)	(7,171)	(7,243)
COVID-19 & Subsequent	58,732	8,106	9,677	8,788	12,139	8,427
FY21 Salary Reforecast	(24,368)	-	-	-	-	-
Integration Carryforward	3,200	-	-	-	-	-
Enrollment Based Headcount Adjustments	-	(5,357)	(14,028)	(18,584)	(17,677)	(12,970)
Enrollment Based Headcount Adjustments	-	(1,209)	(2,489)	(3,337)	(3,420)	(2,954)
Vacancy Adjustments	-	(17,918)	(17,698)	(17,892)	(18,410)	(19,153)
Vacancy/ESP Fringe	-	(6,894)	(7,275)	(7,651)	(7,867)	(7,967)
Adjusted Pro-Forma Expenses	650,432	603,159	602,823	610,906	631,903	652,012
--Adjusted Change in Expenses	12.6%	-7.3%	-0.1%	1.3%	3.4%	3.2%

Notes:

- Contract Alternatives & Tuition Pass Through Revenue are built into the initial FY21 budget.
- Compensatory revenue reduced to \$35M in FY22 based on lower than trend received applications for financial assistance with partial increase in FY23 forward.
- Salary reforecast for FY21 assumes that all vacant positions will be filled at Step 1 or bottom of scale based on the wage scale for that classification from current collective bargaining contract.
- COVID-19 future expenses are maintenance and operations of 1:1 device program and mental health supports.

Appendix 4: Calculation of State Aid and Levy

	Revenue by School Year						
	'20-'21 Bdgt	'20-'21 Fcst	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
Basic Revenue (Formula)	233,433,209	224,670,204	217,939,119	210,744,741	209,991,915	213,543,488	220,215,647
Declining Enrollment	1,406,651	3,013,268	1,884,704	2,014,426	1,390,962	181,514	-
Pension Adjustment	4,276,773	4,049,974	4,766,331	5,376,075	6,012,887	6,101,644	6,223,578
Gifted & Talented	462,103	444,748	431,431	417,189	407,548	406,315	410,794
Extended Time	9,251,536	7,359,269	9,482,824	9,719,895	9,962,892	10,211,965	10,467,264
Compensatory	47,787,558	47,787,558	46,360,410	44,849,728	43,944,273	43,944,724	44,549,204
English Learner	3,731,200	2,956,800	3,619,770	3,501,817	3,431,121	3,431,156	3,478,353
English Learner	1,325,000	1,050,000	1,285,430	1,243,543	1,218,438	1,218,450	1,235,211
Operating Capital	1,819,812	1,530,380	1,264,615	949,058	713,334	627,961	645,704
Operating Capital (2)	8,607	-	5,981	4,489	3,374	2,970	3,054
Alternative Attend Adj	377,490	474,268	366,216	354,283	347,130	347,134	351,909
Q Comp (65% aid 33% levy)	5,848,365	5,700,138	5,177,471	4,979,569	4,775,798	4,639,061	4,599,136
Special Education	70,862,571	68,862,571	70,862,571	70,862,571	70,862,571	70,862,571	70,862,571
Integration (60% aid 40% levy)	10,348,662	10,348,662	9,781,174	9,597,251	9,431,083	9,321,445	9,309,915
Non Public Transportation	2,669,010	2,669,010	2,669,010	2,669,010	2,669,010	2,669,010	2,669,010
Contract Alternative	3,831,103	4,200,000	3,716,689	3,595,579	3,522,989	3,523,025	3,571,486
Subtotal State Aid Forecast	397,439,650	385,116,850	379,613,747	370,879,224	368,685,325	371,032,432	378,592,835
Carryforward of FY 20 Integration	-	3,200,000	-	-	-	-	-
Contract Alternatives	-	-	4,078,976	4,078,976	4,158,935	4,240,494	4,323,683
Tuition Pass Through	-	-	1,152,692	1,152,692	1,175,746	1,199,261	1,223,246
Compensatory on Lower Free/Reduced %	-	-	(11,360,410)	(4,924,864)	(5,337,367)	(6,230,024)	(6,948,650)
Misc/Other	-	(6,160)	-	-	-	-	-
Fully Adjusted State Aid	397,439,650	388,310,690	373,485,005	371,186,028	368,682,639	370,242,162	377,191,115
Equity	1,777,320	1,777,320	1,674,970	1,604,574	1,567,492	1,562,748	1,579,977
Transition	6,651,442	6,651,442	6,268,408	6,004,958	5,866,183	5,848,428	5,912,904
Operating Capital	6,446,148	6,446,148	6,708,682	6,624,570	6,720,582	6,817,840	6,916,359
Operating Capital	334	334	-	-	-	-	-
Local Optional Tier 1 & Tier 2	25,735,594	25,735,594	24,241,678	23,234,231	22,697,287	22,628,592	22,878,061
Referendum Tier 1	16,351,344	16,351,344	15,409,724	14,762,080	14,420,928	14,377,282	14,535,784
Referendum Tier 2	31,343,038	31,343,038	29,538,096	28,296,661	27,642,725	27,559,063	27,862,887
Unequalized Levy	19,897,808	19,897,808	18,910,076	19,338,800	20,110,991	21,289,853	22,803,027
Q Comp (65% aid 33% levy)	3,365,513	3,365,513	3,245,712	3,002,519	2,946,189	2,927,029	2,967,032
Integration (60% aid 40% levy)	4,453,718	4,453,718	4,253,885	4,130,397	4,058,885	4,011,696	4,006,729
Reemployment	679,996	679,996	430,266	438,872	447,649	456,602	465,734
Safe Schools	1,279,670	1,279,670	1,205,978	1,155,293	1,128,594	1,125,179	1,137,583
Judgments	-	-	391,627	-	-	-	-
Career & Tech Ed	684,995	684,995	695,423	695,423	695,423	709,331	723,518
Other Postemployment Benefit	5,523,446	5,523,446	2,548,413	2,548,413	2,548,413	2,548,413	2,548,413
Long Term Facilities Maint	1,287,081	1,287,081	3,345,461	3,412,370	3,480,618	3,550,230	3,621,235
Disabled Access	300,000	300,000	-	-	-	-	-
Lease Levy	416,819	416,819	427,435	427,435	427,435	427,435	427,435
MERF/TRA	7,088,400	7,088,400	7,088,400	7,088,400	7,088,400	7,088,400	7,088,400
Capital Projects Referendum	13,916,463	13,916,463	14,791,925	15,087,764	15,389,519	15,697,309	16,011,256
Prior year levy adjustments	(4,461,301)	(4,461,301)	(3,328,682)	-	-	-	-
Subtotal Levy Forecast	142,737,829	142,737,829	137,847,478	137,852,759	137,237,313	138,625,431	141,486,334
Prior Year Levy Adjustments	-	-	-	(3,940,828)	(1,138,669)	-	-
Fully Adjusted Levy	142,737,829	142,737,829	137,847,478	133,911,932	136,098,645	138,625,431	141,486,334
Grants (Fully Adjusted)	51,400,000	87,324,289	51,914,000	51,885,049	52,580,733	54,387,981	56,118,812
Funded Projects (Fully Adjusted)	9,000,000	9,000,000	9,090,000	9,084,931	9,206,743	9,523,187	9,826,251
Total Revenue	600,577,479	627,372,808	572,336,483	566,067,940	566,568,760	572,778,763	584,622,512

Appendix 5: Formula Revenue by Grade/Type
(Thousands of Dollars)

This schedule shows the calculation results for the Basic State Aid payments (formula) by fiscal year:

	FY22			FY23			FY24			FY25			FY26		
	ADM	APU	Formula \$												
Kindergarten	3,554	3,554	\$23,338	2,903	2,903	\$19,066	2,893	2,893	\$19,382	2,938	2,938	\$20,072	3,012	3,012	\$20,988
Grade 1	2,058	2,058	\$13,518	3,068	3,068	\$20,145	2,764	2,764	\$18,516	2,811	2,811	\$19,208	2,890	2,890	\$20,142
Grade 2	2,515	2,515	\$16,518	1,915	1,915	\$12,578	2,925	2,925	\$19,594	2,691	2,691	\$18,385	2,766	2,766	\$19,278
Grade 3	2,416	2,416	\$15,865	2,342	2,342	\$15,382	1,829	1,829	\$12,253	2,852	2,852	\$19,487	2,652	2,652	\$18,482
Grade 4	2,308	2,308	\$15,155	2,208	2,208	\$14,502	2,199	2,199	\$14,728	1,753	1,753	\$11,978	2,763	2,763	\$19,254
Grade 5	2,214	2,214	\$14,541	2,114	2,114	\$13,883	2,079	2,079	\$13,927	2,114	2,114	\$14,441	1,703	1,703	\$11,871
Grade 6	2,063	2,063	\$13,549	1,884	1,884	\$12,372	1,855	1,855	\$12,427	1,863	1,863	\$12,728	1,914	1,914	\$13,339
Grade 7	2,119	2,543	\$16,699	1,903	2,284	\$14,997	1,792	2,150	\$14,403	1,801	2,162	\$14,769	1,828	2,194	\$15,289
Grade 8	2,128	2,554	\$16,771	1,981	2,377	\$15,610	1,833	2,200	\$14,735	1,762	2,114	\$14,446	1,791	2,149	\$14,974
Grade 9	2,311	2,773	\$18,208	2,100	2,520	\$16,552	1,965	2,358	\$15,798	1,857	2,228	\$15,224	1,804	2,165	\$15,087
Grade 10	2,343	2,812	\$18,465	2,208	2,649	\$17,399	2,018	2,421	\$16,219	1,928	2,313	\$15,803	1,841	2,209	\$15,394
Grade 11	2,212	2,654	\$17,430	2,190	2,628	\$17,259	2,075	2,490	\$16,676	1,936	2,323	\$15,869	1,869	2,243	\$15,630
Grade 12	2,244	2,693	\$17,686	2,332	2,799	\$18,380	2,322	2,786	\$18,663	2,245	2,694	\$18,409	2,117	2,541	\$17,708
Subtotal K-12	30,486	33,157	\$217,744	29,150	31,692	\$208,125	28,550	30,951	\$207,319	28,550	30,856	\$210,817	28,951	31,201	\$217,435
Early Childhood	399	399	\$2,620	399	399	\$2,620	399	399	\$2,673	399	399	\$2,726	399	399	\$2,781
Voluntary Pre-K	0	0	\$0	0	0	\$0	0	0	\$0	0	0	\$0	0	0	\$0
Contract Alternatives	507	607	\$3,989	507	607	\$3,989	507	607	\$4,069	507	607	\$4,150	507	607	\$4,233
Tuition Pass-Through	151	176	\$1,153	151	176	\$1,153	151	176	\$1,176	151	176	\$1,199	151	176	\$1,223
Total All Enrolled	31,544	34,339	\$225,506	30,207	32,874	\$215,887	29,608	32,133	\$215,237	29,608	32,038	\$218,893	30,008	32,383	\$225,672

Note: Contract Alternatives are not included in ADM counts presented as district enrollment.

Appendix 6: Projected Salaries & Fringe Expense by Bargaining Unit

Bargaining Unit	Adjusted Salaries					
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
AFSCME	10,859,708	11,176,261	11,176,261	11,455,667	11,742,059	12,035,611
ESP	36,776,429	37,922,920	36,707,267	36,878,110	37,800,444	39,269,285
MFT -Teachers	230,278,390	231,456,938	230,328,662	233,327,094	240,159,529	249,532,443
MFT - Adult Ed	17,566	16,685	16,685	17,103	17,530	17,968
MPF	14,768,690	13,555,744	13,555,744	13,894,637	14,242,003	14,598,053
Professional	25,100,480	24,584,351	25,075,659	25,702,241	26,344,472	27,003,309
SEIU - Custodial	10,568,304	10,080,176	10,080,176	10,332,181	10,590,485	10,855,247
SEIU - Food Service	-	-	-	-	-	-
Teamsters	6,125,859	6,519,872	6,519,872	6,682,869	6,849,940	7,021,189
Trades	1,160,112	1,045,637	1,045,637	1,071,778	1,098,572	1,126,036
Non-Rep	3,367,516	4,144,577	4,144,577	4,248,192	4,354,397	4,463,256
Subtotal Salary	339,023,054	340,503,162	338,650,541	343,609,871	353,199,432	365,922,398

Bargaining Unit	Adjusted Fringe					
	'20-'21	'21-'22	'22-'23	'23-'24	'24-'25	'25-'26
AFSCME	3,954,904	4,138,682	4,267,363	4,441,605	4,623,580	4,813,652
ESP	14,070,096	14,082,111	14,095,752	14,416,204	15,025,513	15,850,936
MFT -Teachers	84,632,817	85,285,259	86,978,253	90,120,476	94,928,657	101,113,062
MFT - Adult Ed	6,324	6,157	6,314	6,554	6,805	7,066
MPF	5,316,719	5,002,980	5,132,048	5,328,109	5,532,461	5,745,478
Professional	9,036,171	8,837,334	9,179,314	9,552,939	9,943,113	10,339,494
SEIU - Custodial	3,976,652	3,739,518	3,855,667	4,013,038	4,177,391	4,349,054
SEIU - Food Service	-	-	-	-	-	-
Teamsters	2,669,153	2,418,740	2,493,866	2,595,654	2,701,959	2,812,992
Trades	693,665	638,177	638,177	654,132	670,485	687,247
Non-Rep	1,153,374	1,479,725	1,525,571	1,587,779	1,652,746	1,720,600
Subtotal Fringe	125,509,875	125,628,683	128,172,325	132,716,489	139,262,709	147,439,581

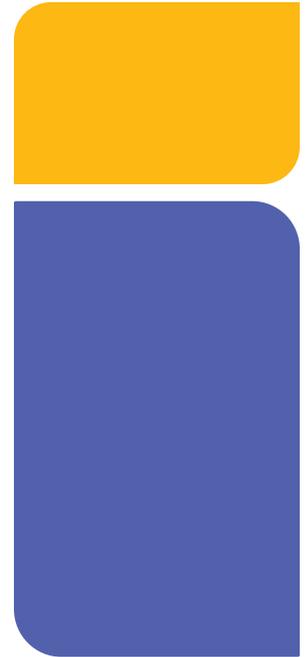
Subtotal Salary & Fringe	464,532,929	466,131,845	466,822,866	476,326,360	492,462,141	513,361,979
Extended, Reserves & Misc	38,325,883	24,157,621	24,648,070	25,154,840	25,673,185	26,203,384
Total Salary & Fringe	502,858,812	490,289,466	491,470,936	501,481,200	518,135,326	539,565,363

Notes

- Increased Extended Time & Reserves expense in FY21 due to anticipated COVID expenditures for hybrid/in-person learning.

2021 Legislative Agenda

Regular Business Meeting
December 8, 2020



Legislative Timeline

Legislative Timeline (December - February)

- State Budget Forecast released
- House and Senate committees announced
- Legislative session begins (January 5, 2021)
- Governor releases budget recommendations
- State releases February Budget Forecast

Legislative Timeline (March - May)

- Policy and finance committee deadlines established
- Finance committees given budget targets - House and Senate set separate targets
- Committees pass finance bills based on budget targets
- House and Senate appoint conference committees to work out differences between bills
- Governor and legislative leaders agree to joint budget targets
- Regular legislative session ends (May)

Legislative Timeline (June - July)

- Special legislative session (if no agreement is reached before May adjournment)
- June 30, 2021 end of fiscal year

Budget Forecast

December Forecast

- Fiscal Year 2021 forecast improved from \$2.4 billion deficit to \$641 million surplus
- Fiscal Years 2022-23 forecast improved from \$4.7 billion deficit to \$1.3 billion deficit
- State budget reserve of \$1.88 billion to help close the gap
- Governor and legislative leaders may tap some of the FY 21 forecasted surplus to provide businesses additional relief
- Unemployment data and income tax receipts show a widening gap between low and high income families due to the pandemic's economic impacts.

Legislative Agenda

Legislative Agenda Recommendations

- **Provide schools stable, predictable funding**
 - Link general education formula to inflation
 - Expand and make permanent pre-kindergarten funding
- **Ensure equitable special education funding**
 - Address the tuition billing mismatch that takes aid from districts but requires them to pay special education costs
 - Reform state funding for charter schools serving high percentages of students receiving special services

Legislative Agenda Recommendations

- **Support families to help improve student learning**
 - Expand child care assistance and align it with early learning scholarship funding
 - Ensure families have safe and affordable housing
- **Invest in proven programs and supports**
 - Support programs that recruit and retain teachers of color
 - Make ethnic studies a state graduation requirement

Questions?



DRAFT Minneapolis Schools' 2021 Legislative Agenda

I. Stable, Predictable Funding

- Tie the general education aid formula to inflation
- Allow districts to use Fiscal Year 2020 enrollment and free-reduced lunch counts for Fiscal Year 2021 funding formulas
- Renew Voluntary pre-kindergarten funding and expand school-based pre-kindergarten programs so more families have access to all day pre-k
- Allow elected school boards to renew existing operating and capital projects levies which have been approved by voters without requiring additional referenda elections
- Renew the authority for districts to bill for Special Education Aides salaries and special education transportation expenses as if in-person learning were taking place
- Continue funding for the Minneapolis Employee Retirement Fund (MERF) at current law levels
- Transfer district of residence to the serving district after one year for students who open enroll and are placed in cooperative programs

II. Special Education Funding and Policy

- Address the mismatch of open enrollment and special education tuition billing statutes so resident district budgets do not take a disproportionate share of the cost burden
- Address the rapidly rising cost of special education tuition billing due to some schools' ability to bill back 100% of their costs

III. Foster Stable, Healthy Engaged Families

- Support increases in state funding for Full Service Community Schools
- Expand funding for school-linked mental health grants
- Fully fund the Child Care Assistance Program (CCAP) and align it with Pathway I Scholarships
- Ensure access to safe and affordable housing for students and families

IV. Ensure Equitable Access to Proven Programs

- Increase English Learner funding to close the funding gap
- Expand state support of teacher residency programs with a focus on teachers of color, special education, career and technical education, math and ESL/bilingual education
- Allow Q Comp funds to be used for professional development for associate educators
- Fund ACT for all students
- Make ethnic studies a state graduation requirement for high school students
- Reduce the length of the required state assessments and give districts the authority to replace the high school assessments with college and career readiness assessments

SPECIAL SCHOOL DISTRICT NO. 1
Board of Education

January 12, 2021

RESOLUTION REGARDING MINNEAPOLIS PUBLIC SCHOOLS' LEGISLATIVE PRIORITIES

WHEREAS, School and district budgets across the state have been impacted by declines in enrollment, school meal eligibility and special education aids due to the pandemic; and

WHEREAS, schools have incurred additional costs associated with distance learning including laptops, iPads, hotspots, security platforms and professional development; and

WHEREAS, public schools continue to offer child care to families of critical care workers; and

WHEREAS, the underfunding of special education and English Language Learner services impacts students of all backgrounds; and

WHEREAS, students' mental health and social emotional needs have only increased during the pandemic; and

WHEREAS, families across the state are struggling to afford the basics of food, housing, child care and health care; and

WHEREAS, recruiting and supporting a diverse cohort of education professionals will provide students with a wide range of perspectives and experiences to prepare them for our diverse world;

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1 hereby endorses the 2021 Minneapolis Public Schools' Legislative Agenda and pledges to support its passage.

Signed by:

Board of Education Chairperson

Board of Education Clerk

Date

Date

SECTION 1: **REPEAL** “Policy 6412: Paperbound Books” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

Policy 6412: Paperbound Books (Repealed)

Paperbound Books Purchased from School Budgets

~~Paperbound editions of adopted texts, if available, may be purchased from school textbook budgets and used in lieu of hardbound texts if learning materials committees recommend the titles as part of textbook committee reports or the titles are approved for experimental use by the appropriate area superintendent. Committee may recommend both hardbound and paperbound editions.~~

~~Paperbound editions of trade or textbooks approved for library purchase may be purchased from school library budgets or any other funds used for the purchase of media library books and added to school library collections.~~

Sale of Paperbound Books to Students

Paperbound Books Clubs

~~Teachers wishing to have students in their classes voluntarily subscribe to approved, quality paperbound book clubs may do so providing:~~

- ~~-That great care is exercised to insure that no pressure is put on any student to subscribe to such book clubs.~~
- ~~-That a sufficient number of copies of books used as required instructional materials are also available to the students without charge from the school library, textbook storeroom, etc~~
- ~~-That the classroom teachers assumes responsibility for all financial and clerical matters involved in such subscriptions.~~
- ~~-That students subscribe to the book club at the specified book club rate; i.e.c, no monetary profit is gained by any group or individual.~~

~~Note: This policy is in no way to be misconstrued as to include voluntary subscriptions to periodicals that are used as a required resource for the educational program. The Library Department of the Minneapolis Public Schools, working cooperatively with teachers and librarians, will from time to time evaluate paperbound book clubs and issue lists of approved clubs.~~

Paperbound Book Stores in the School

~~To make the purchase of quality paperbacks available to students, schools may operate paperbound book stores. These stores are usually mobile units that can be pushed into a convenient location and set aside and locked up when not in use.~~

~~Arrangement for stocking paperbound book stores and procuring mobile bookstore units may be made with a local jobber who usually furnishes the books at a slight discount. Such books must be sold to students for either (a) the net cost of the book or (b) the cost printed on the cover of the book. Profits derived from plan (b) must be used for the purchase of books for the school library, for children with financial need, etc., at the discretion of the principal or a committee assigned this responsibility.~~

~~Books sold in school stores must be of quality approved by school librarians and central library department.~~

~~Some plan for student exchange of books purchased from the paperbound book store might be devised within the school.~~

Paperbound Book Fair

~~Schools may have paperbound book fairs for parents. Such fairs are usually conducted in cooperation with a local paperbound book jobber and handled by the school P.T.A.~~

Agents

~~Agents representing companies that sell paperbound book club memberships, paperbound books and the like may call on elementary school personnel only at the invitation of a principal, a teacher or a member of the central office staff. This regulation applies to all contacts: initial or follow up.~~

Original Adoption:

~~4/25/67~~

Revision Dates:

~~3/28/72, 9/25/73, 12/16/75~~

SECTION 1: **REPEAL** “Policy 6137: Ceremonies And Observances” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 6137: Ceremonies And Observances (Repealed)~~

~~The flag of the United States, a symbol of our country's liberty and unity, shall be treated with respect and courtesy. If displayed with any other flag, it shall be accorded the place of honor.~~

~~**Original Adoption:**~~

~~04/25/1967~~

~~**Revision Dates:**~~

~~3/28/72, 12/16/75, 8/13/85~~

~~**Legal Reference:**~~

- ~~● M.S. 126.14~~

SECTION 1:**AMENDMENT** “Policy 5680: Search Of Students, Lockers, Desks And Motor Vehicles” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

A M E N D M E N T

Policy 5680: Search Of Students, Lockers, Desks And Motor Vehicles

~~School officials may search students for items that may be harmful to themselves or to others and to detect items that are prohibited from being on school grounds or other places under supervision of school personnel, i.e. busses, field trips. Consent of the student is not required prior to the search. Except for lockers and desks, all searches will be based upon reasonable suspicion.~~

~~Student lockers are school property and remain at all times under the control of the school; however, students are expected to assume full responsibility for the security of their lockers. Periodic general inspections of lockers may be conducted by school authorities for any reason at any time without notice, without student consent, and without a search warrant.~~

~~School desks are school property and remain at all times under the control of the school. Periodic general inspections of desks may be conducted by school authorities for any reason, at any time without notice, without student consent, and without a search warrant.~~

1. PURPOSE

Minneapolis Public Schools is committed to providing a safe educational and work setting for its students, staff, families and visitors. The District is also committed to preserving the constitutional rights of its students and staff. Searches of persons, and equipment, may be required to preserve the safe environment for students and staff. The purpose of this policy is to establish the rights and limitations regarding such searches.

2. GENERAL STATEMENT OF POLICY

- a. Students are prohibited from bringing contraband to school, having it on their persons, or in their possession while on school property or while at school events, regardless of location.
- b. Other than searches of lockers, desks, or school owned equipment, searches by school officials shall be based upon reasonable suspicion standards.
- c. School officials may search students for items that may be harmful to themselves or to others and to detect items that are prohibited from being on school grounds or other places under supervision of school personnel. Consent of the student is not required prior to a search.
- d. Lockers assigned to students are school property and remain at all times under the control of the school; however students are expected to assume full responsibility for the security of their assigned lockers. Periodic general inspection of lockers may be conducted by school officials for any reason at any

- time without notice, without student consent and without a search warrant.
- e. School desks are school property and remain at all times under the control of the school. Periodic general inspections of desks may be conducted by school officials for any reason, at any time, without notice, without student consent, and without a search warrant.
- f. School buses, whether owned and operated by the district, or operated for district purposes under contract, rental or lease are school property for the purpose of searches, and remain at all times under the control of the school. Periodic general inspections may be conducted by the school officials for any reason, at any time, without notice, without consent of the students or driver, and without a search warrant.
- g. Motor vehicles on school grounds are subject to search by school officials without consent of the owner or the driver and without a search warrant upon reasonable suspicion that the search will provide evidence that may be harmful to the student or others that is a violation of a law, school rule or policy.
- h. Searches of personal property found within school desks, lockers, motor vehicles or other school areas subject to search shall be conducted only if the searcher has a reasonable suspicion that such a search will reveal evidence of a violation of law or school policy or rule. Students whose personal property has been searched as a result of a locker or desk search who were not present at the time of search will be notified by the school administrator as soon as reasonable that such a search has occurred regardless of findings during such a search.
- i. Searches of a student's person shall be conducted only if the searcher has a reasonable suspicion that such a search will reveal evidence of a violation of law or school policy or rule.
- j. When possible, searches of desks, lockers, buses, motor vehicles, personal property, or of a student shall only be conducted when more than one staff member is present.

3. DEFINITIONS

- a. "Contraband" means any item that students should not possess on school grounds, including illegal substances as well as school rule or policy prohibited items. Prohibited items include "look-alike" items as well as the actual items.

4. RESPONSIBILITY

- a. School Principals or administrators will provide annual notice of this policy to all students, staff and parents of enrolled students.

Original Adoption:

8/28/73

Revision Dates:

6/12/84

Legal References:

- M.S. 123.35
- M.S. 125.02

Minneapolis Public Schools

List A: All Employees: Tuesday, December 8, 2020

Hiring - Licensed

Erin Bartlett	Jenny Lind	Teacher, TOSA General	11/16/2020
Sara Cutts	Jenny Lind	Teacher, TOSA General	11/9/2020
Karl Gronwall	Teaching & Learning	Teacher, TOSA Literacy Specialist	11/23/2020
Samantha Pavett	Special Ed Program 3	Teacher, Music Therapist	11/30/2020
Arnise Roberson	Extended Learning	Teacher, Counselor	11/2/2020
Jean Strait	Barton Open	Teacher, Elementary	11/9/2020

Hiring - Non Licensed

Eva Adderley	Dowling Elementary	Associate Educator	11/10/2020
Fahan Artan	Anne Sullivan	Associate Educator	12/1/2020
Abraham Asher	AVID Tutors	AVID Assistant	11/17/2020
Arnaundia Avent	Jenny Lind	Security Monitor	11/2/2020
Candra Bennett	Human Resources	Executive Director, Human Resources	12/7/2020
Lora Berglund	Jenny Lind	Special Education Assistant	11/10/2020
Renita Brown	CWS, Site Group 4	Food Service Assistant	11/19/2020
Henry Carlson	Minneapolis Kids	Program Coordinator, Minneapolis Kids	11/17/2020
Adriana Cerrillo	Board Of Education	Board Of Education	1/4/2021
Sharon El-Amin	Board Of Education	Board Of Education	1/4/2021
Quinn Hanzlik	SEA Cadre	Special Education Assistant	11/3/2020
Kathryn Hauck	Armatage	School Secretary	12/1/2020
Ingrid Hellevik	Washburn High	Special Education Assistant	12/1/2020
Sahra Ismail	CWS, Site Group 4	Food Service Assistant	11/12/2020

Minneapolis Public Schools

List A: All Employees: Tuesday, December 8, 2020

Hiring - Non Licensed

Shamaria Jordan	Office of Black Male Achievement	School Success Program Assistant	11/17/2020
Theodore Marcil	South High	Associate Educator	12/1/2020
Jenny Mauricio	Early Childhood Education Program 1	School Success Program Assistant	11/17/2020
William Olson	Check and Connect	Associate Educator	11/3/2020
Kelly Owens	Mental Health Support	Licensed Alcohol & Drug Counselor	8/6/2020
Kevin Passmore	CWS, Site Group 1	School Cook	11/10/2020
Laura Phongsavath	Minneapolis Kids	Program Coordinator, Minneapolis Kids	10/20/2020
Tania Ramirez Grajales	Emerson Spanish Immersion	Associate Educator	11/17/2020
Sasha Ryshkus Knutson	Andersen United	Special Education Assistant	11/17/2020
Curtis Sandeford	Northeast Middle School	Special Education Assistant	12/1/2020
Michael Souza	Extended Learning	Materials Handler	12/1/2020
Megan Thimmesch	Minneapolis Kids	Child Care Assistant	12/1/2020
Rosezet Williams	District Communications Center	Manager, District Communications Center	11/17/2020
Sue Yang	AVID Tutors	AVID Assistant	11/17/2020



MINNEAPOLIS PUBLIC SCHOOLS

Urban Education. Global Citizens.

Capital Planning, Construction & Maintenance Department

Construction Contract Change Order Cover Sheet

Project Information

Contractor	Central Roofing	Date	10/29/2020
Project Name	North High Re-roof for Solar	Project No.	19NORT003
Contract Approval Date:	1/14/2020	OP Number	OP-2908

Summary

Original Contract Amount	\$ 1,219,500.00	Date of Substantial Completion	8/15/2020
Authorized Amount	\$ 1,363,509.80	Date of Last Board Approval	9/8/2020

Summary of Previous Change Orders		
Change Order #1	\$	93,039.10
Change Order #2	\$	50,970.70
Change Order #3	\$	-
Change Order #4	\$	-
Change Order #5	\$	-
Change Order #6	\$	-
Change Order #7	\$	-
Change Order #8	\$	-
Change Order #9	\$	-
Change Order #10	\$	-
TOTAL OF PREVIOUS CHANGE ORDERS		\$ 144,009.80

AMOUNT OF THIS CHANGE ORDER #	3	\$ 712.10
--------------------------------------	----------	------------------

TOTAL CHANGE ORDERS TO DATE \$ **144,721.90**

ACCUMULATIVE CONTRACT AMOUNT \$ **1,364,221.90**

ABOVE AUTHORIZED AMOUNT* \$ **712.10**

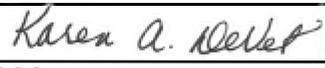
*this will be the amendment value in Novatus, if applicable

REVISED DATE OF SUBSTANTIAL COMPLETION 9/15/2020

DATE OF BOARD ACTION 12/8/2020

Reviewed By: _____ Date: _____
 Manager of Planning

Approved By:  _____ Date: 11/3/2020

Approved By:  _____ Date: _____
 SOO

Approved By:  _____ Date: 11/20/2020
 SFO

CHANGE ORDER

AIA DOCUMENT G701

OWNER
 ARCHITECT
 CONTRACTOR
 FIELD
 OTHER

PROJECT: North High Re Roofing
 (name, address) 1500 James Ave, North
 Minneapolis, MN 55411

CHANGE ORDER NUMBER: Three (3)
 DATE: October 29, 2020

TO CONTRACTOR: Central Roofing Company
 (name, address) 4550 Main Street NE
 Minneapolis, MN 55421

ARCHITECT'S PROJECT NO: 2190006
 CONTRACT DATE: January 14, 2020
 CONTRACT FOR: General Construction -
 Roofing

The Contract is changed as follows:

1. Add amount to install cable and connectors to the antenna in the courtyard.

Total amount \$712.10

See attached invoice #30855 from Muska Electric

Not valid until signed by the Owner, Architect and Contractor.

The original (Contract Sum) (Guaranteed Maximum Price) was	\$	1,219,500.00
Net change by previously authorized Change Orders	\$	144,009.80
The (Contract Sum) (Guaranteed Maximum Price) prior to this Change Order was	\$	1,363,509.80
The (Contract Sum) (Guaranteed Maximum Price) will be (increased) (decreased) (unchanged) by this Change Order in the amount of	\$	712.10 (increased)
The new (Contract Sum) (Guaranteed Maximum Price) including this Change Order will be	\$	1,364,221.90
The Contract Time will be (increased) (decreased) (unchanged) by	(Unchanged)	(0) days
The date of Substantial Completion as of the date of this Change Order therefore is	N/A	

NOTE: This summary does not reflect changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive

The Design Partnership, Ltd.	Central Roofing Company.	Minneapolis Public Schools
ARCHITECT 2700 Louisiana Ave S #26396	CONTRACTOR 4550 Main Street NE	OWNER 1250 West Broadway Ave.
Address Minneapolis, MN 55426	Address Minneapolis, MN 55421	Address Minneapolis, MN 55411
BY <i>Uli P. Palubach</i>	BY <i>Michael Obo</i>	BY
DATE 10-29-2020	DATE Nov. 2, 2020	DATE

AIA® Document G701™ – 2017

Change Order

PROJECT: *(Name and address)*
MPS BAS FY 2020 BAS Upgrades
6 Sites

CONTRACT INFORMATION:
Contract For: BAS Upgrade
Date: September 28, 2019

CHANGE ORDER INFORMATION:
Change Order Number: 004
Date: November 4, 2020

OWNER: *(Name and address)*
Minneapolis Public Schools
Special District #1
1250 W. Broadway
Minneapolis, MN 55411

ARCHITECT: *(Name and address)*
KFI Engineers
670 County Road B W
St. Paul MN 55113

CONTRACTOR: *(Name and address)*
Harris Controls
909 Montreal Circle
St. Paul, MN 55102

THE CONTRACT IS CHANGED AS FOLLOWS:

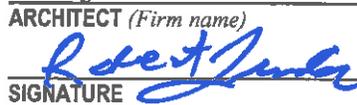
(Insert a detailed description of the change and, if applicable, attach or reference specific exhibits. Also include agreed upon adjustments attributable to executed Construction Change Directives.)

The original Contract Sum was	\$ 808,060.00
The net change by previously authorized Change Orders	\$ 155,362.00
The Contract Sum prior to this Change Order was	\$ 963,422.00
The Contract Sum will be increased by this Change Order in the amount of	\$ 70,008.00
The new Contract Sum including this Change Order will be	\$ 1,033,430.00

The Contract Time will be increased by Zero (0) days.
The new date of Substantial Completion will be unchanged

NOTE: This Change Order does not include adjustments to the Contract Sum or Guaranteed Maximum Price, or the Contract Time, that have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

KFI Engineers ARCHITECT <i>(Firm name)</i>	Harris Controls CONTRACTOR <i>(Firm name)</i>	Minneapolis Public Schools OWNER <i>(Firm name)</i>
 SIGNATURE	 SIGNATURE	 SIGNATURE
Robert Linder PRINTED NAME AND TITLE	Jon King PM PRINTED NAME AND TITLE	 PRINTED NAME AND TITLE
November 4, 2020 DATE	11/4/20 DATE	 DATE

MPS BAS Upgrades 6 Sites
 20-2904 (KFI 19-221.00)
 Change Order #4
 11/4/2020

Date	Site	Scope of Work Item	Cost	Status
10/7/2020	Windom	N4 Upgrades	\$ 36,244.00	Recommend Approve
	Kenny	N4 Upgrades	\$ 11,683.00	Recommend Approve
11/4/2020	Barton	VAV Access for 7 vavs	\$ 700.00	Recommend Approve
11/4/2020	Northeast	AHU-1&2	\$ 5,984.00	Recommend Approve
		AHU-5	\$ 3,385.00	Recommend Approve
		OA Sensor	\$ 1,612.00	Recommend Approve
		AHU Safety Wiring	\$ 10,400.00	Recommend Approve
Total			\$ 70,008.00	Total Approved



909 MONTREAL CIRCLE
ST. PAUL, MN 55102

October 27, 2020

Jason Kohnen
Minneapolis Public Schools
1225 North 7th Street
Minneapolis, MN 55411

RE: MPS Windom and Kenny N4 Upgrades

Dear Jason,

Please review the following lump sum pricing for the replacement of the existing Windom Boiler Room WEB-600 with a WEB-8100 and Kenny Boiler Room WEB-600 with a

Clarifications:

- This proposal excludes any material price increases due to tariffs, import tax changes, and import investigations which may be imposed by Section 232 of the Trade Expansion Act.
- This proposal assumes that the existing enclosure can be reused. If a new one is required, additional material and labor will need to be included.
- All labor included in this proposal is assumed to be during normal working hours.

Windom Immersion School Inclusions:

- Remove existing WEB-600 and connected NDIO-34 and NDIO-16.
- Provide new WEB-8100.
 - Includes the following:
 - One (1) WEB-8100 controller.
 - One (1) backup power supply.
 - One (1) IO-R-34 module.
 - One (1) IO-R-16 module.
 - Two (2) NPB-8000-LON modules.
 - One (1) SSMA-8100-5YR software maintenance agreement (SMA).
 - Wiring, mounting, and terminating of controller, power supply, and modules.
- Verification of equipment operation and sequence once controller upgrade is complete.
- One-year warranty on installed parts and labor.
- Control system checkout, verification, O&M manuals, and as-built drawings.
- Project management.

Windom Immersion School VAV Alternate:

- Remove existing XL10 controllers from 15 VAVs.
- Provide controls for 15 VAVs.
 - Includes the following (per VAV):
 - One (1) PVL-4022AS/U VAV controller with integral damper actuator.
 - Reuse of existing wiring connections, control valves, and sensors.
 - Wiring, mounting, and terminating of controller.

Scope of Work	Pricing
Windom Base Bid Total	\$16,034
Windom Material	\$8,916
Windom Labor	\$7,118
Windom Alternate ADD Total	\$20,210
Windom Alternate ADD Material	\$6,578
Windom Alternate ADD Labor	\$13,362

Kenny Elementary School Inclusions:

- Remove existing WEB-600 and connected NDIO-34 and NDIO-16.
- Provide new WEB-8010.
 - includes the following:
 - One (1) WEB-8010 controller.
 - One (1) backup power supply.
 - One (1) IO-R-34 module.
 - One (1) IO-R-16 module.
 - One (1) NPB-8000-LON module.
 - One (1) SSMA-8010-5YR software maintenance agreement (SMA).
 - Wiring, mounting, and terminating of controller, power supply, and modules.
- Verification of equipment operation and sequence once controller upgrade is complete.
- One-year warranty on installed parts and labor.
- Control system checkout, verification, O&M manuals, and as-built drawings.
- Project management.

Scope of Work	Pricing
Kenny Base Bid Total	\$11,683
Kenny Material	\$4,985
Kenny Labor	\$6,698
Kenny 8005 Option Base Bid Total	\$11,142
Kenny 8005 Option Material	\$4,444
Kenny 8005 Option Labor	\$6,698

Exclusions:

- Liquidated damages.
- Bid or payment bond.
- Work with hazardous materials.
- Furnish or install HVAC equipment.
- Testing, adjusting, and balancing.
- Premium / overtime / shift labor.
- Bid or payment bond.
- Painting.
- Cutting / patching / core drilling / wall or finish repair.

Sincerely,

Jeremy Wagner
Account Executive
C: 920-979-0888
jwagner@harriscompany.com



909 MONTREAL CIRCLE
ST. PAUL, MN 55102

November 4, 2020
Bob Linder - KFI

RE: MPS FY2019 BAS Upgrades – Barton VAV Access

Please review the following scope of work and pricing for MPS BAS FY2019

Scope of Work

- Seven (7) existing VAV enclosures have been found to be either in-accessible, or not safe to access.
- Harris proposes to abandon existing VAV enclosure in place.
- Harris to provide a new enclosure and mount on other side of VAV, or on adjacent wall.
 - If wall mounted, EMT or flex will be used to get from the enclosure to the VAV.

Scope of Work	Pricing
Seven VAV Enclosure Re-Locates (Total)	Labor - \$0 Material - \$700

Exclusions

- Premium/overtime hours
- Working with fire/smoke alarms
- Working with hazardous materials and asbestos abatement
- Provide or install wells, taps, threadalets, weldalets, ball valves, dampers
- Installation of wells/taps/threadalets/weldalets/ball valves
- Work with refrigerant or provision of any materials for refrigerant systems
- Liquidated damages
- Furnish or install HVAC equipment
- Testing, adjusting, balancing.
- Painting
- Fire/smoke dampers and wiring.
- Installation of duct smoke sensors
- Cutting/patching/core drilling/wall or finish repair
- Provide or install VFDs, starters, or disconnects
- Integration of any existing equipment and data points not specifically stated or shown as being part of this project.

Sincerely,

Jon Klug
Project Manager
C: 507-469-9184
E: jklug@harriscompany.com



November 4, 2020
Bob Linder - KFI

RE: MPS FY2019 BAS Upgrades – Northeast Multiple Items Proposal

Please review the following scope of work and pricing for MPS BAS FY2019

Scope of Work

- AHU 1 and AHU 2 Damper Control (Add 5 Actuators for 3 Dampers)
 - Add DDC control of AHU 1 RA “Damper C” (requires MPS Sheetmetal repair)
 - Add DDC control of AHU 2 OA damper
 - Add DDC control of AHU 2 RA damper
 - Excludes “shared” RA damper (MPS to lock open?)
- AHU 5
 - Add Modulating OA damper actuator (originally 2 position)
 - Add 2 damper actuators for existing Face/Bypass damper control
 - Add Low Static Safety between OA damper and supply fan
 - Credit for 2 position OA damper actuator
- Outdoor Air Temperature sensor re-locate to outdoor location
 - Present location is in AHU 1 and 2 OA duct
 - OA_T sensor included in base bid. MPS requests OA_T & H
 - Add OA_T and H sensor
 - Credit for OA_T sensor
 - MPS assistance to determine suitable location of sensor
- AHU/RTU Safety Wiring
 - Harris discovered the existing safety wiring is not what Harris typically provides. MPS/KFI requested Harris investigate each AHU/RTU to determine what’s needed to correct the issues. Upon investigation, the equipment does not utilize ice cube relays. Rather, they utilize the contacts on the freeze stats. Note – the equipment is protected at present, as Harris wired it like for like to maintain safety protection of the equipment, and performed functional testing. Additional information per AHU/RTU:
 - RTU 1, RTU 2, and AHU 3
 - The return fan VFD safety signal was “daisy chained” from the supply fan.
 - This proposal includes re-wiring so both fans are controlled directly by a relay.
 - AHU 1, AHU 2
 - This existing safety wiring is very complex. Harris’ investigation yielded little information to determine how exactly it’s wired.
 - AHU 4, AHU 5, AHU 6
 - These units have existing ice cube relays for safety control. However, the wiring is not to current standard. Given the relays exist, Harris doesn’t see a need to update unless MPS requests an update.
 - AHU 7, AHU 8, AHU 9, AHU 10
 - No relays exist at present.
 - Harris to provide and install relays as needed to bring up to standard.

Scope of Work	Pricing	
AHU 1 & 2 DDC Damper Control	Labor - \$2,871	Material - \$3,113
AHU 5 F/B Control	Labor - \$2,607	Material - \$778
OA_T Re-locate & Add Humidity	Labor - \$1,056	Material - \$556
AHU/RTU Safety Wiring (13 Units)	Labor \$9,750	Material - \$650

Exclusions

- Premium/overtime hours
- Working with fire/smoke alarms
- Working with hazardous materials and asbestos abatement
- Provide or install wells, taps, threadalets, weldalets, ball valves, dampers
- Installation of wells/taps/threadalets/weldalets/ball valves
- Work with refrigerant or provision of any materials for refrigerant systems
- Liquidated damages
- Furnish or install HVAC equipment
- Testing, adjusting, balancing.
- Painting
- Fire/smoke dampers and wiring.
- Installation of duct smoke sensors
- Cutting/patching/core drilling/wall or finish repair
- Provide or install VFDs, starters, or disconnects
- Integration of any existing equipment and data points not specifically stated or shown as being part of this project.

Sincerely,

Jon Klug
 Project Manager
 C: 507-469-9184
 E: jklug@harriscompany.com



Amendment to the Professional Services Agreement

PROJECT: *(name and address)*
Lyndale, Security and HVAC FY19

AGREEMENT INFORMATION:
Date: 12/08/2020

AMENDMENT INFORMATION:
Amendment Number: 005
Date: 12/08/2020

OWNER: *(name and address)*
Minneapolis Public Schools - SSD#001
1250 West Broadway Avenue,
Minneapolis, MN 55411

ARCHITECT: *(name and address)*
Pope Architects
1295 Bandana BLVD. N Ste#200
Saint Paul, Mn. 55105

The Owner and Architect amend the Agreement as follows:

Amendment #005:

Additional Services to Split Project into multiple Phases to be completed over 2 and potentially 3 Summers with Best Value Approach

TOTAL for Amendment #005: ADD \$173,230.00 to Pope's Contract with MPS

The Architect's compensation and schedule shall be adjusted as follows:

Compensation Adjustment:

Original Contract amount - \$494,348.00

Amendment #001: \$33,243.00 - Increased project scope

Amendment #002: \$8,750.00 - Bring on True north as security consultant under pope

Amendment #003: \$8,425.00 - School going from Duel Fuel to Firm Fixed Gas. Pope had to bring on Civil Engineering Firm - Pierce Pini

Amendment #004: \$48,750.00 - Split Project into 2 Phases and Redesign effort by Pope Team to accomplish

PROPOSED Amendment #005: \$173,230.00 - Additional Services Proposed for Phases 2, 3 & potentially 4 with Best Value Approach.

Total Proposed Contract for Pope Architects: \$766,746.00

Schedule Adjustment:

360 Days

SIGNATURES:

Pope Architects
ARCHITECT *(Firm name)*

Minneapolis Public Schools **SSD#001**
OWNER *(Firm name)*

SIGNATURE

Gonzalo Villares
PRINTED NAME AND TITLE

PRINTED NAME AND TITLE

11/17/2020
DATE

DATE



Capital Planning, Construction & Maintenance Department

Consultant/Architect Contract Change Order Cover Sheet

Project Information

Consultant/Architect Pope Architects Date 12/8/2020
 Project Name Lyndale MEP Upgrades Project No. LYND FY19
 Contract Approval Date: 7/8/2019 OP Number RFP 21-06

Summary

Original Contract Amount \$ 494,348.00 Date of Substantial 8/21/2022
 Completion
 Authorized Amount \$ 593,516.00 Date of Last Board 3/10/2020
 Approval

Summary of Previous Change Orders		
Change Order #1	\$	33,243.00
Change Order #2	\$	8,750.00
Change Order #3	\$	8,425.00
Change Order #4	\$	48,750.00
Change Order #5	\$	-
Change Order #6	\$	-
Change Order #7	\$	-
Change Order #8	\$	-
Change Order #9	\$	-
Change Order #10	\$	-
TOTAL OF PREVIOUS CHANGE ORDERS		\$ 99,168.00

AMOUNT OF THIS CHANGE ORDER #	5	\$ 173,230.00
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TOTAL CHANGE ORDERS TO DATE \$ 272,398.00

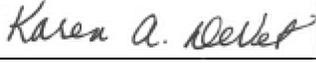
ACCUMULATIVE CONTRACT AMOUNT \$ 766,746.00

ABOVE AUTHORIZED AMOUNT* \$ 173,230.00

*this will be the amendment value in Novatus, if applicable

REVISED DATE OF SUBSTANTIAL COMPLETION 8/21/2022

DATE OF BOARD ACTION 12/8/2020

Reviewed By:  Date: 11/19/2020
 Manager of Planning & Construction
 Approved By:  Date: 11/19/2020
 Executive Director, CPCM
 Approved By:  Date: 11/30/2020
 SOO
 Approved By: _____ Date: _____
 SFO

October 19, 2020

Jeff Helstrom
Project Manager
Minneapolis Public Schools
Special School District #1
1250 West Broadway Avenue,
Minneapolis, MN 55411

**Re: MPS Lyndale Community School 19LYND001 – OP#20-2919
Additional Services Proposal for Phase 2, Phase 3 with Best Value Procurement Approach**

Dear Jeff:

This is our Additional Services Proposal for the Phase 2, Phase 3 and potentially Phase 4 scope of work that is pursuant to our Steering Committee meeting on 10/14/2020 where the decision was made to pursue a Best Value Procurement approach to awarding the Lyndale MEP Upgrades project to a Contractor.

Project Understanding

The total project scope of Phase 1, Phase 2, Phase 3 and Phase 4 combined are generally based on the original Exhibit A Project Charter 19LYND001 Lyndale Community School project (OP#20-2910) that was in design during the fall of 2019 and issued for bid on 12/20/2019. Since there were no bidders for the OP#20-2910 project, the decision was made in January 2020 to split the project into 2 phases.

1. Phase 1 (OP#20-2018): The first phase which consisted of the Safe/Secure Entrance & Monument Sign, is Substantially Complete as of October 16, 2020.
2. Phase 2 - Phase 4 (OP#20-2919): The phase 2, phase 3, and potentially phase 4 project generally consisting of most of the original HVAC, MEP, FA/Clock/PA design and ceiling design. The Construction Documents will be issued in a Best Value Procurement RFP in early November 2020, with a Pre-Proposal meeting mid November 2020, and Awarded in late December 2020. MPS wants limit construction to 2 phases in Summer 2021 and Summer 2023. If required by the Contractor, construction may also occur in a 4th phase during Summer 2023. It is anticipated that the Contractor will have approximately 10 weeks each summer to complete the work. It is anticipated that Asbestos Abatement will take approximately 10 weeks total using current abatement methods.

Project A/E Team

The A/E project team will include the following individuals:

Gonzalo Villares	Principal in Charge, Pope Architects
Raphael Lister	Project Manager, Pope Architects
Mai Xiong	Interior Designer, Pope Architects
Structural Engineering	Ericksen Roed and Associates
MEP Engineering	KFI Engineers
Security and Access Control	True North
Civil Engineering	Pierce Pini

POPE ARCHITECTS, INC.

Scope of Service

Pope Architects proposes to provide Architectural, Structural Engineering, MEP design, Civil Engineering and Security / Access Control services to support the redesign of existing building renovation project as one separate bid package.

Specifically, we propose to provide the following additional services:

Construction Documents

Phase 2, Phase 3 (and Phase 4 if required)

1. Revise the Architectural drawings and Project Manual specification sections, including Project Manual front end sections to address project specific scope of work. This includes Phasing drawings addressing the Phase 2 - 4 work scope as related to the completed Phase 1 work scope. The Construction Documents will be tailored to outline specific milestone and project completion requirements for the Phases. This includes revising the Project Manual to use the most recent version of MPS updated specs.
2. Creating phasing drawings showing the phase 2, phase 3 work scope and coordinating with the asbestos work scope and scheduling.
3. Revise the Structural drawings and Project Manual specification sections to address project specific scope of work.
4. Update the Pierce Pini Civil drawings and Project Manual specification sections to address project specific scope of work.
5. Update the True North security drawings and Project Manual specification sections to address project specific scope of work. TNCG will perform an interior and exterior camera coverage gap analysis to determine areas which will require additional coverage. TNCG will document all existing cameras and shift them to various new locations while adding new cameras to fill gaps minimizing waste of functional cameras. This assumes finding ear marked for Lyndale will be moved from District Wide security project to this project.
6. Revise the MEP-F design and Construction Documents for systems as noted below: (plans, specifications, sections, details, equipment schedules and MEP diagrams as required to address Phase 2 and Phase 3 (and Phase 4) work scope only). Please note that at least **70 MEP-F plan sheets** will have to be revised for the work.
 - a. Revise Mechanical construction documents (plans and specifications, sections, details and equipment schedules) to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020. Due to discoveries during the Phase 1 construction, design revisions are needed to accommodate the structural discoveries.
 - b. Revise AHU selections to accommodate the new MPS COVID guidelines. *Scope increase from original Lyndale work scope.*
 - c. Revise Demolition drawings in coordination with the asbestos abatement.
 - d. Revise HVAC drawings in coordination with existing structural and building clearance restrictions.
 - e. Revise Hydronic Piping drawings coordination with existing structural and building clearance restrictions.
 - f. Revise and increase number of elevation drawings of new Air Handling Units within mechanical spaces.
 - g. Revise and increase number of section views / 3 Dimensional views of Boiler Room and Mechanical Rooms.
 - h. Include overall building phasing drawings for Phase 2 and Phase 3 Areas of Work.

POPE ARCHITECTS, INC.

- i. Include replacement of the domestic water branch valves as part of the design. *Scope increase from original Lyndale work scope.*
- j. Revise building controls system including schematics, point list, sequence of operations, and specification of devices and instruments to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020.
- k. Revise Fire protection system performance specifications and plans to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020.
- l. Revise design of electrical power distribution systems to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020.
- m. Revise general building power and grounding systems to address the revised AHU selections. *Scope increase from original Lyndale work scope.*
- n. Revise lighting systems design – including building lighting as required to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020.
- o. Revise PA system with new to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020.
- p. Revise battery powered wireless control clocks to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020.
- q. Revise existing fire alarm system control panels and devices including subpanels, annunciating devices, activation devices, etc. to address the MEP-F design for the rest of the building and interface with the Secure Entrance area to be completed in 2020.
- r. Interface with the Phase 1 Secure Entrance project. *Scope increase from original Lyndale work scope.*
7. Upload 100% documents to Bluebeam studio for MPS' project staff, MPS trades and Commissioning Agent review and comment. Respond to MPS and CX review comments via an Addendum.
8. Attendance at one (1) Asbestos Abatement coordination meeting completed on 09/30/20. One additional Asbestos coordination meeting is anticipated.
9. Attendance at one (1) Steering Committee meeting on 09/16/2020 held virtually.
10. Attendance at one (1) Steering Committee meeting on 09/28/2020 attended in person.
11. Attendance at one (1) Steering Committee meeting on 10/14/2020 held virtually.
12. Attendance at one (1) Best Value meeting with NAC on 10/13/2020 attended in person.
13. Attendance at one (1) Best Value coordination meeting with MPS on 10/21/2020.
14. Prepare Best Value Procurement RFP documents in conjunction with MPS. Meet with MPS to review drafts.
15. Issue 70% Construction Document Drawings and 95% Project Manual for all phases as part of the RFP documents.
16. Complete 100% Construction Documents (Drawings and Specs) by end of November 2020.
17. Submit Permit Drawings to the City of Minneapolis for Permit Review. Attend a pre-permit submittal meeting with MPS as required.

Best Value Procurement RFP Phase Services

Phase 2

1. The A/E project team will support the RFP phase efforts including:
 - a. Attending one (1) pre-proposal meeting.
 - b. Responding to Contractor RFIs.
 - c. Issuing any required Addenda.
 - d. Evaluating Contractor Proposals.
 - e. Attending the Contractor Interviews.
 - f. Providing the Contractor Award Recommendation letter to MPS as required.

Phase 3

1. There will be no RFP Phase scope for Phase 3.

Phase 4 if required

1. There will be no RFP Phase scope for Phase 4.

Construction Phase Support Services

Phase 2

1. Pope Architects will provide the Notice to Proceed letter to the Contractor.
2. The A/E team will review Contractor submittals and answer Contractor RFIs. It is anticipated that the majority of Contractor submittals will be reviewed during Phase 2.
3. The Architect will attend one site visit per week during Construction. The mechanical and electrical engineer will attend up to (15) site visits during Construction. The structural engineer will attend up to (1) site visit during construction.
4. The security / access control consultant will attend periodic meetings, a punch list meeting and commissioning of the cameras / security systems.
5. The A/E team will attend a Phase 2 Substantial Completion punch list walkthrough.
6. The A/E team will attend a Phase 2 Final Completion walkthrough.
7. The A/E team will review the Phase 2 O&M Manuals.

Phase 3

1. Review Contractor submittals, answer Contractor RFIs.
2. The Architect will attend one site visit per week during Construction. The mechanical and electrical engineer will attend up to (15) site visits during Construction. The structural engineer will attend up to (1) site visit during construction.
3. The security / access control consultant will attend periodic meetings, a punch list meeting and commissioning of the cameras / security systems.
4. The A/E team will attend a Phase 3 Substantial Completion punch list walkthrough.
5. The A/E team will attend a Phase 4 Final Completion walkthrough.
6. The A/E team will review the Phase 3 O&M Manuals.
7. The A/E team will participate in up to (4) Post Warranty reviews

Phase 4 (If required)

1. Review Contractor submittals, answer Contractor RFIs.
2. The Architect will attend one site visit per week during Construction. The mechanical and electrical engineer will attend up to (15) site visits during Construction. The structural engineer will attend up to (1) site visit during construction.
3. The security / access control consultant will attend periodic meetings, a punchlist meeting and commissioning of the cameras / security systems.
4. The A/E team will attend a Phase 4 Substantial Completion punchlist walkthrough.
5. The A/E team will attend a Phase 4 Final Completion walkthrough.
6. The A/E team will review the Phase 4 O&M Manuals.
7. The A/E team will participate in up to (4) Post Warranty reviews

Schedule

Pricing is based on completion of the construction documents, bidding and construction phase services in accordance with the project schedule and work plan dates discussed with MPS at the 10/14/2020 Steering Committee meeting and as summarized below:

1. Phase 2:
 - a. Issue RFP Documents: November 5, 2020
 - b. Select GC: December 17, 2020
 - c. Last Day for Students June 11, 2021
 - d. Phase 2 Construction Start: June 21, 2021
 - e. Phase 2 Occupied Spaces completed and Substantial Completion: August 23, 2021
 - f. Students Return September 07, 2021
 - g. Heating system Operational: October 2021
 - h. Warranty Phase 2 Complete: August 2022

2. Phase 3:
 - a. Last Day for Students June 10, 2022
 - b. Phase 3 Construction Start: June 20, 2022
 - c. Phase 3 Occupied Areas Complete and Substantial Completion: August 22, 2022
 - d. Students Return September 06, 2022
 - e. Heating system Operational: October 2022
 - f. Warranty Phase 3 Complete: August 2023

3. Phase 4 (if required):
 - g. Last Day for Students June 09, 2023
 - h. Phase 4 Construction Start: June 19, 2023
 - i. Phase 4 Occupied Areas Complete and Substantial Completion: August 21, 2023
 - j. Students Return September 05, 2023
 - k. Heating system Operational: October 2023
 - l. Warranty Phase 4 Complete: August 2024

Fees

1. Additional Services Phase 2 - Phase 3 Design Lump Sum Fee:

Architectural	\$46,000.00
Structural	\$2,000.00
MEP-F	\$73,500.00
Civil	\$1,000.00
<u>Access Control / Security</u>	<u>\$10,700.00</u>
Phase 2 and Phase 3 total	\$133,200.00

2. Additional Services Phase 4 Design Lump Sum Fee (if required due to construction schedule):

Architectural	\$20,000.00
Structural	\$500.00
MEP-F	\$16,500.00
Civil	\$0.00
<u>Access Control / Security</u>	<u>\$3,030.00</u>
Phase 4 total	\$40,030.00

This amount will be billed on a percent complete basis once each month through the design and construction process.

Normal reimbursable expenses such as printing, travel, delivery, and communication costs are additional and will be billed on a Cost X 1.05 basis as they are incurred.

Please note the following:

1. Our fee is based on the assumption that the following items will be provided to us by others:
 - a. Digitized survey information including boundary, topography and utilities.
 - b. A Geotechnical Report indicating soil conditions, ground water level and construction recommendations specific to the project proposed.
 - c. Testing services during construction.
2. Please note the following clarifications to this Additional Services Proposal:
 - a. Each of the phases of work as described above shall proceed only upon the Owner's approval of the preceding phase of work documents, and on the Owner's authorization of any adjustments in the project requirements and the budget for the cost of the work. Significant changes in the project including, but not limited to scope, size, quantity, complexity, the Owner's schedule of budget shall be considered additional service.
3. Please note the following exclusions to this Additional Services Proposal:
 - a. With the Best Value Procurement approach, Cost Estimating is not included in this Proposal.
 - b. Multiple bid packages beyond the combined Phase 2 - Phase 4 package described in this proposal.
 - c. Equipment bidding and procurement.
 - d. Environmental permitting.
 - e. Building enclosure moisture analysis and modeling (hygrothermal modeling).
 - f. Building enclosure air-tightness testing.
 - g. Special inspections, if required.
 - h. Energy modeling; life cycle analysis; systems payback analysis; daylighting analysis.
 - i. LEED documentation / administration.
 - j. Arc-Flash Hazard & Selective Coordination studies (may be added if requested).
 - k. Value Engineering meetings, revisions, and redesign (may be added if requested).
 - l. Commissioning and attending commissioning meetings other than those as part of the regular construction meeting (may be added if requested).
 - m. Revisions due to furniture layout revisions after CDs (may be added if requested).
 - n. Troubleshooting of faulty equipment (existing or new).

Again, we appreciate the opportunity, and look forward to continue working with Minneapolis Public Schools to make the project a great success on every level. If you or others have questions or need any further information, please do not hesitate to call.

Sincerely,

POPE ARCHITECTS, INC.



Gonzalo Villares AIA,
Principal
Pope Architects, Inc

Raphael Lister, AIA, LEED AP
Project Manager
Pope Architects, Inc

POPE ARCHITECTS, INC.



AIA Document G802™ – 2017

Amendment to the Professional Services Agreement

PROJECT: *(name and address)*
Waite Park Community School Phase II
Improvements
1800 34th Ave NE, Minneapolis, MN
55418

AGREEMENT INFORMATION:
Date: 12/08/2020

AMENDMENT INFORMATION:
Amendment Number: 004
Date: 12/08/2020

OWNER: *(name and address)*
Minneapolis Public Schools - SSD#001
1250 West Broadway Avenue,
Minneapolis, MN 55411

ARCHITECT: *(name and address)*
292 Design Group
3533 West Lake Street, Minneapolis,
MN 55406

The Owner and Architect amend the Agreement as follows:

Amendment #04:

Additional Services to Split Project into 2 Phases to be completed over 2 Summers.

TOTAL for Amendment #04: ADD \$75,000.00 to 292 Design Group's Contract with MPS

The Architect's compensation and schedule shall be adjusted as follows:

Compensation Adjustment:

Original Contract: \$392,100.00

AMENDMENT #01 (APPROVED): \$48,080.00

AMENDMENT #02 (APPROVED): \$9,450.00

AMENDMENT #03 (APPROVED): \$25,350.00

PROPOSED AMENDMENT #04: \$75,000.00

TOTAL AMOUNT 292 Design Group Contract, inclusive of all Amendments: \$549,980.00

Schedule Adjustment:

360 Days

SIGNATURES:

292 Design Group
ARCHITECT *(Firm name)*

Minneapolis Public Schools
OWNER *(Firm name)*

SIGNATURE

SIGNATURE

Pamela B. Anderson - Partner
PRINTED NAME AND TITLE

PRINTED NAME AND TITLE

11/17/2020
DATE

DATE

Jeffrey Helstrom

From: Pam Anderson <panderson@292designgroup.com>
Sent: Wednesday, November 11, 2020 10:55 AM
To: Jeffrey Helstrom
Subject: [EXTERNAL] Waite Park Additional Services

Jeff,

Based upon our phone conversation yesterday, 11/10/2020, 292 Design Group will accept an amendment to our contract of \$75,000 in lieu of the initial request of \$102,120, for services as outlined in our fee letter response dated 11/10/2020. For reference, this is a summary of our contract with this amendment:

Original Contract	\$392,100
Amendment #1 – approved	\$48,080
Amendment #2 - approved	\$9,450
Amendment #3 – approved	25,350
Total contract to date	\$474,980
Current request	\$75,000
Total contract with additional request	\$549,980 \$549,980

Pam Anderson AIA LEED AP
Partner

292DesignGroup
panderson@292designgroup.com
3533 E LAKE STREET MPLS, MN 55406
O.612.767.3773 C.612.839.3237
DIRECT DIAL PHONE NUMBER: 612.767.9094

November 10, 2020

Jeffrey Helstrom, CPCM
Project Manager, Construction Services
Minneapolis Public Schools
1250 West Broadway Avenue
Minneapolis, MN 55411

Re: Additional Services Request for Phase 2 – Follow-up Response
Waite Park Elementary School
292 Project Number: 19038.00

Dear Jeff:

In follow up to your comments on our request for additional services for Phase 2 at Waite Park Elementary School Renovation, I will reiterate our requirement for additional fees to produce a second full construction set for this project based upon the following contractual obligations.

Between July and December 2019, the Waite Park Improvements project was designed, and construction documents prepared based upon the project scope identified in our contract and as directed by MPS staff. The entire project which included a safe/secure entry, kitchen/cafeteria and auditorium improvements was issued for bid on January 10, 2020. Construction cost estimates prepared by Loeffler were showing that the project would be close to budget per your spreadsheet (\$4,544,798 including elevator but not including monument sign). When bids were received on 2/13/2020, the low base bid plus alternates for lighting and elevator totaled \$5,342,700. The two key area where the budget clearly did not align was the elevator (budget of \$144,000; bids ranging from \$260,000 to \$376,000). During the timeframe with this project was bid, we had other school projects which also came in over budget and had information on school projects by other architects with the same issues. It was a difficult time in the bid market over which we have no control.

Following the initial bid, 292 Design Group and our consultants modified the project documents at the request of Minneapolis Public Schools to split the project into two phases. Under Article 6.6 of our contract, there are six options for the Owner if the lowest bona fide bid exceeds the budget by 5%, including revising the scope or rebidding. It was entirely the decision of MPS to maintain the full project scope but split the project into two separate projects with full bid documents, bidding phases, separate construction contracts and construction administration.

Under Article 6.7 of our contract, it also notes that "If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6."

While we contend that revisions made for preparing Phase 1 documents should have been compensated per the article noted above, 292 Design Group and our consultants, in good faith, prepared the revised Phase 1 documents without compensation. Since it was the decision of MPS to create a second phase and second bid project, we believe that these efforts should be compensated as I had outlined in my letter from October 2, 2020.

As noted in my previous letter, 292 and our consultants have been able to quantify additional time for these efforts which include:

- Updating Revit models to show completed Phase 1 work as “Existing”
- Repackaging drawings as a new bid set
- Updating selected specification sections to match current MPS master specifications
- Providing bidding phase services (prebid meeting, addenda, bid review)
- Providing construction administration services for a new project/contractor
- Creating two sets of record documents
- Completing two warranty review periods

While we did plan for the original project to run over two summers, we will encounter significantly more time for administration of a new contract and work with a second contractor. We have also included time for:

- Some minor changes to kitchen area as requested by CWS
- Adding alternates for flooring in all corridors

Additional Fees

The requested additional fees are broken down by discipline as follows:

▪ Architectural – 292 Design Group	\$47,950
▪ Structural – ERA	\$3,000
▪ Mechanical & Electrical – Hallberg	\$36,400
▪ Civil/Landscape – HTPO	\$7,300
▪ Food Service – Rippe	\$1,300
▪ Security – True North	\$6,170

Total additional fee: ~~\$102,120~~

Original Contract	\$392,100	
Amendment #1 – approved	\$48,080	
Amendment #2 - approved	\$9,450	
<u>Amendment #3 – approved</u>	<u>25,350</u>	
Total contract to date	\$474,980	
Current request	\$102,120	\$75,000
Total contract with additional request	\$577,100	\$549,980

\$75,000, per
negotiated
agreement

Please let me know if you have any questions regarding this request or if you need additional backup information such as our sub-consultant additional service requests provided to you.

Sincerely,



Pamela Bakken Anderson, AIA Partner

Acceptance of Request

By

Date



Capital Planning, Construction & Maintenance Department

Consultant/Architect Contract Change Order Cover Sheet

Project Information

Consultant/Architect	292 Design Group	Date	7/8/19
Project Name	Waite Park	Project No.	WAITFY19
Contract Approval Date:	7/8/19	OP Number	20-2925

Summary

Original Contract Amount	\$ 392,100.00	Date of Substantial Completion	8/21/21
Authorized Amount	\$ 474,980.00	Date of Last Approval	6/9/20

Summary of Previous Change Orders	
Change Order #1	\$ 48,080.00
Change Order #2	\$ 9,450.00
Change Order #3	\$ 25,350.00
Change Order #4	\$ -
Change Order #5	\$ -
Change Order #6	\$ -
Change Order #7	\$ -
Change Order #8	\$ -
Change Order #9	\$ -
Change Order #10	\$ -
TOTAL OF PREVIOUS CHANGE ORDERS	
	\$ 82,880.00

AMOUNT OF THIS CHANGE ORDER #	4	\$ 75,000.00
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TOTAL CHANGE ORDERS TO DATE \$ 157,880.00

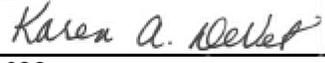
ACCUMULATIVE CONTRACT AMOUNT \$ 549,980.00

ABOVE AUTHORIZED AMOUNT* \$ 75,000.00

*this will be the amendment value in Novatus, if applicable

REVISED DATE OF SUBSTANTIAL COMPLETION 8/21/21

DATE OF BOARD ACTION 12/8/20

Reviewed By:		Date:	11/18/2020
	Manager of Planning & Construction		
Approved By:		Date:	11/18/2020
	Executive Director, CPCM		
Approved By:		Date:	11/23/2020
	SOO		
Approved By:	_____	Date:	_____
	SFO		

Jeffrey Helstrom

From: Pam Anderson <panderson@292designgroup.com>
Sent: Wednesday, November 11, 2020 10:55 AM
To: Jeffrey Helstrom
Subject: [EXTERNAL] Waite Park Additional Services

Jeff,

Based upon our phone conversation yesterday, 11/10/2020, 292 Design Group will accept an amendment to our contract of \$75,000 in lieu of the initial request of \$102,120, for services as outlined in our fee letter response dated 11/10/2020. For reference, this is a summary of our contract with this amendment:

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Total contract to date	\$474,980
Current request	\$75,000
Total contract with additional request	\$549,980 \$549,980

Pam Anderson AIA LEED AP
Partner

292DesignGroup
panderson@292designgroup.com
3533 E LAKE STREET MPLS, MN 55406
O.612.767.3773 C.612.839.3237
DIRECT DIAL PHONE NUMBER: 612.767.9094

November 10, 2020

Jeffrey Helstrom, CPCM
Project Manager, Construction Services
Minneapolis Public Schools
1250 West Broadway Avenue
Minneapolis, MN 55411

Re: Additional Services Request for Phase 2 – Follow-up Response
Waite Park Elementary School
292 Project Number: 19038.00

Dear Jeff:

In follow up to your comments on our request for additional services for Phase 2 at Waite Park Elementary School Renovation, I will reiterate our requirement for additional fees to produce a second full construction set for this project based upon the following contractual obligations.

Between July and December 2019, the Waite Park Improvements project was designed, and construction documents prepared based upon the project scope identified in our contract and as directed by MPS staff. The entire project which included a safe/secure entry, kitchen/cafeteria and auditorium improvements was issued for bid on January 10, 2020. Construction cost estimates prepared by Loeffler were showing that the project would be close to budget per your spreadsheet (\$4,544,798 including elevator but not including monument sign). When bids were received on 2/13/2020, the low base bid plus alternates for lighting and elevator totaled \$5,342,700. The two key area where the budget clearly did not align was the elevator (budget of \$144,000; bids ranging from \$260,000 to \$376,000). During the timeframe with this project was bid, we had other school projects which also came in over budget and had information on school projects by other architects with the same issues. It was a difficult time in the bid market over which we have no control.

Following the initial bid, 292 Design Group and our consultants modified the project documents at the request of Minneapolis Public Schools to split the project into two phases. Under Article 6.6 of our contract, there are six options for the Owner if the lowest bona fide bid exceeds the budget by 5%, including revising the scope or rebidding. It was entirely the decision of MPS to maintain the full project scope but split the project into two separate projects with full bid documents, bidding phases, separate construction contracts and construction administration.

Under Article 6.7 of our contract, it also notes that "If the Owner requires the Architect to modify the Construction Documents because the lowest bona fide bid or negotiated proposal exceeds the Owner's budget for the Cost of the Work due to market conditions the Architect could not reasonably anticipate, the Owner shall compensate the Architect for the modifications as an Additional Service pursuant to Section 11.3; otherwise the Architect's services for modifying the Construction Documents shall be without additional compensation. In any event, the Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6."

While we contend that revisions made for preparing Phase 1 documents should have been compensated per the article noted above, 292 Design Group and our consultants, in good faith, prepared the revised Phase 1 documents without compensation. Since it was the decision of MPS to create a second phase and second bid project, we believe that these efforts should be compensated as I had outlined in my letter from October 2, 2020.

As noted in my previous letter, 292 and our consultants have been able to quantify additional time for these efforts which include:

- Updating Revit models to show completed Phase 1 work as "Existing"
- Repackaging drawings as a new bid set
- Updating selected specification sections to match current MPS master specifications
- Providing bidding phase services (prebid meeting, addenda, bid review)
- Providing construction administration services for a new project/contractor
- Creating two sets of record documents
- Completing two warranty review periods

While we did plan for the original project to run over two summers, we will encounter significantly more time for administration of a new contract and work with a second contractor. We have also included time for:

- Some minor changes to kitchen area as requested by CWS
- Adding alternates for flooring in all corridors

Additional Fees

The requested additional fees are broken down by discipline as follows:

▪ Architectural – 292 Design Group	\$47,950
▪ Structural – ERA	\$3,000
▪ Mechanical & Electrical – Hallberg	\$36,400
▪ Civil/Landscape – HTPO	\$7,300
▪ Food Service – Rippe	\$1,300
▪ Security – True North	\$6,170

Total additional fee: ~~\$102,120~~

Original Contract	\$392,100	
Amendment #1 – approved	\$48,080	
Amendment #2 - approved	\$9,450	
<u>Amendment #3 – approved</u>	<u>25,350</u>	
Total contract to date	\$474,980	
Current request	\$102,120	\$75,000
Total contract with additional request	\$577,100	\$549,980

\$75,000, per
negotiated
agreement

Please let me know if you have any questions regarding this request or if you need additional backup information such as our sub-consultant additional service requests provided to you.

Sincerely,



Pamela Bakken Anderson, AIA Partner

Acceptance of Request

By

Date



Contract Summary of Approval

Contract Group: IT Services

Contract Type: Purchase Goods and services

VENDOR DETAILS

Vendor Name:	T-Mobile
Reason Vendor Selected:	State, Cooperative or Joint Power Contract
Vetted/State/Cooperatives	
End Date:	

CONTRACT INFORMATION

Contract Purpose:	Contract Amendment for T-Mobile hot spots to provide internet access for students during Distance Learning.
Contract Description:	Contract Amendment for T-Mobile Hot Spots for Students during Distance Learning
Amendment Description:	AMD #4 – 4400000624 – Additional hot spot devices for Distance Learning.
Deliverables/Outcomes:	T-Mobile Hot Spots
Site(s) Affected:	All
Effective Start Date:	12/20/2020
Effective End Date:	12/20/2022
Contract Manager:	Justin Hennes

FUNDING INFORMATION

Shopping Cart No.:	
Contract Value:	\$728,000.00
Original Contract Amount:	\$2,074,865.00
Accumulative Contract Value:	\$2,802,865.00
Primary Fund Source:	Bonding

APPROVED BY

Kim Ellison	Board, Chair		
LEVEL 1 APPROVER	TITLE	SIGNATURE	DATE
Justin Hennes	Senior Information Officer		
LEVEL 2 APPROVER	TITLE	SIGNATURE	DATE

T-Mobile for Education EmpowerED Agreement (with Device Subsidy) 2-year Term

This T-Mobile for Education Agreement which will be effective as of the date the second Party signs this Agreement below (“**Agreement Effective Date**”), is by and between T-Mobile USA, Inc., a Delaware corporation (“**T-Mobile**” or “**Contractor**”), and **Minneapolis Public Schools, a(n) Minnesota Education K-12**, with its principal place of business at **1250 W Broadway Ave, Minneapolis, MN 55411** (“**Customer**”).

1. Term. The term of this Agreement is for 24 months from Agreement Effective Date and each line of Service will have a 2-year term from date of activation (“**Term**”).

2. Underlying Agreement. Customer agrees to purchase wireless mobile Services and Devices from T-Mobile and T-Mobile agrees to provide the Services and Devices to Customer based on the prices listed below. The terms of Customer’s purchase and use of the Services will be governed by this Agreement and by this Agreement and the **NASPO ValuePoint Contract No. S1907 and applicable Participating Addendum.**] (“**Master Agreement**”).

(a) NASPO 1907 Agreement. The NASPO Wireless Voice Service, Wireless Broadband Service, Accessories and Equipment Agreement No. 1907 (“**NASPO 1907 Agreement**”) will expire on December 31, 2020. If Customer elects NASPO 1907 Agreement as the Master Agreement in Section 2 above, Customer agrees that this Agreement will be governed by the NASPO ValuePoint Wireless Data, Voice and Accessories Master Agreement No. MA176 and applicable Participating Addendum (“**NASPO MA176 Agreement**”) effective on or before January 1, 2021.

(b) The terms and conditions of this Agreement or the Master Agreement will not be modified or superseded by any terms and conditions in a Customer generated Purchase Order. Purchase Orders will have no force or effect other than to denote quantity, the products or services purchased, delivery destinations, requested delivery dates and any other information required by this Agreement.

3. Offer/Pricing. Mobile Rate Plans include Mobile Device as listed below:

- Discounted or free mobile Internet devices dependent on rate plan as described below.

Rate Plan	Monthly Recurring Charge/Line*	Features	Device Subsidy/line**
2GB	\$0	Up to 2GB of high-speed data, followed by data at reduced speeds up to 128kbps.	\$0 subsidy
2GB	\$10	Up to 2GB of high-speed data, followed by data at reduced speeds up to 128kbps.	\$100 subsidy/line
Government Unlimited LTE	\$20	Unlimited on device 4G LTE data	\$200 subsidy/line

**This internet connectivity device offer is subject to inventory availability;

* Prices above do not include applicable taxes and surcharges; not qualified for any further aggregate volume discount.

4. Total Order. Customer agrees to order the following lines of Service and, if applicable, Devices. Amounts below do not include any applicable taxes and surcharges:

Total # of Lines of Service	Rate Plan (check applicable rate plan)	Term Length (months)	Total Service Charge for Term	Pre-Subsidy Cost per Device	Total Pre-Subsidy Cost of Devices	Total Subsidy Amount to Customer under T-Mobile EmpowerED Program (Subsidy from Section 3 x # of Lines)	Total Customer Commitment for Service and Device for the Term of the Agreement ¹
2000	<input type="checkbox"/> \$0* <input type="checkbox"/> \$10 <input checked="" type="checkbox"/> \$20	24	\$960,000	\$84	\$168,000	\$400,000	\$728,000

¹Total Customer Commitment for Service and Device is equal to the Total Service Charge for Term added to the Total Pre-Subsidy Cost of Device subtracted from the Total Subsidy Amount to Customer under the T-Mobile EmpowerEd Program.

5. (a) Requirements to qualify for Device Discount/Subsidy:

- For the Device Discount/Subsidy to be effective, Customer must purchase a Device from T-Mobile with an activated line of Service based on the rate plan listed above under its Master Account. Each line of Service must be activated and maintained for at least the Term without any suspension or termination of any line of Service that received the Device Discount/Subsidy (the “**Device Discount/Subsidy Term**”);
- Customer agrees that it cannot change or move the lines of Service with a Device Discount/Subsidy to a rate plan with a different or lower Rate Plan during the Device Discount/Subsidy Term and if it does, Customer will reimburse T-Mobile for the Device Discount/Subsidy received, as set forth in Section (c) below;
- Each line of Service and each Device purchased must be activated in accordance with the terms of the Master Agreement;
- This Device Discount/Subsidy cannot be combined with any other discount or promo offers;
- Customer’s account must remain in good standing with T-Mobile to receive the Device Discount/Subsidy; and
- Lines of Service that are terminated or suspended (without reactivation) within the Device Discount/Subsidy Term will be subject to repayment of the Device Discount/Subsidy as set forth below in Section (c). Customer may suspend lines during the summer months while Customer is not in session; however, the terms for those lines will be extended to qualify for the Device Discount/Subsidy Term, and the months while the lines are suspended will not qualify to meet the Device Discount/Subsidy Term.

(b) Device Discount/Subsidy on Customer’s Master Account. Subject to the requirements in the Section above, T-Mobile will issue the Device Discount/Subsidy when Customer submits an order to T-Mobile under its Master Account.

(c) Device Discount/Subsidy Term/Termination; Device Discount/Subsidy Repayment. If any line of Service that received a Device Discount/Subsidy is terminated or suspended (without reactivation) prior to the end of the Device Discount/Subsidy Term, then Customer agrees to reimburse T-Mobile a pro rata portion of the Device Discount/Subsidy equal to 1/24th of the discounted or subsidized amount for each month remaining in the Device Discount/Subsidy Term. T-Mobile will charge Customer the repayment amount of the Device Discount/Subsidy for each line of Service terminated before the end of the Device Discount/Subsidy Term on Customer’s monthly bill.

6. Primary Contacts: The primary contact individuals for this Agreement are as follows (or their named successors):

T-Mobile/Contractor

Name:	David Bezzant, Vice President, T-Mobile For Government
Address:	c/o T-Mobile USA, Inc., 12920 SE 38 th Street, Bellevue, WA 98006
Telephone:	(480) 638-2608
Email:	David.Bezzant@T-Mobile.com

For Legal Notice – send a copy to:

Name:	Legal Department – Sales & Distribution, T-Mobile USA, Inc.
Address:	12920 SE 38 th Street, Bellevue, WA 98006

Customer:

Name of School/ Contact Name:	Minneapolis Public Schools Justin Hennes, CIO
Address:	1250 W Broadway Ave, Minneapolis, MN 55411
Telephone:	612-668-0245
Email:	justin.hennes@mpls.k12.mn.us

This Agreement is executed by each Party’s authorized representative as of the Agreement Effective Date.

Customer: Minneapolis Public Schools	Contractor: T-Mobile USA, Inc.
Signature:	Signature:
Printed Name:	Printed Name:
Title:	Title:
Date:	Date:
	Reviewed and Acknowledged: _____ T-Mobile USA, Inc. CSCA Representative

**AMENDMENT #1 TO CONTRACT BETWEEN: SPECIAL SCHOOLS DISTRICT NO.1 AND
NASCO**

This Amendment (“Amendment”) to the Contract between Special School District No. 1 and NASCO dated 10/30/2020 (“Contract”) is made and entered into by and between Special School District No.1 (“District”) and NASCO (“Contractor”) (collectively “parties”).

WHEREAS, Special School District No.1, a special school district created and existing under Minnesota law (“District”) and NASCO (“Contractor”) entered into a contract titled CONTRACT FOR SERVICES for a period between 7/28/2020 through 6/30/2021 (“Contract”), and

WHEREAS, the Parties now desire to amend the Contract number: SRM: 4400000622

1. *Original contract amount:* \$693,269.00
2. *Accumulative contract amount:* \$764,732.50

NOW THEREFORE IT IS HEREBY AGREED by the Parties to amend the Contract as follows:

Section: Exhibit A and 3.1 Total Obligation

Description:

Exhibit A: Additional 6082 K-8 Art Kits for \$71,463.50 [Ref Quote #2016859].

Section 3.1: District’s total obligation to Contractor/Vendor under this Contract, including compensation for goods, and/or services, and reimbursable expenses (if applicable), shall not exceed \$764,732.50. Contractor/Vendor shall not receive any additional reimbursement for materials or subsistence expenses incurred in the performance of this Contract.

Except as herein amended, the terms, conditions and provisions of the contract shall apply to and govern the provisions of this Amendment.

(The remainder of this page intentionally left blank.)

SPECIAL SCHOOL DISTRICT NO. 1

AMD#1 SRM – 4400000622
Updated January, 2020

Signature: _____

Name: Kim Ellison

Title: Board Chair

Date: _____

NASCO:

Signature: _____

Name: Michelle Au

Title: Contract Sales Manager

Date: _____

**SPECIAL SCHOOL DISTRICT NO. 1
Board of Education**

December 8, 2020

RESOLUTION REGARDING RECEIPT OF FISCAL YEAR 2020 AUDIT

WHEREAS, in accordance with legal requirements, an independent financial audit of Special School District No. 1 was conducted by BerganKDV; and

WHEREAS, the Audit Committee has reviewed the audit findings and recommendations.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Directors of Special School District No. 1 hereby affirms receipt of the FY2020 audit.

Signed by:

Kim Ellison
Board of Education Chairperson

Date

Josh Pauly
Board of Education Clerk

Date

SPECIAL SCHOOL DISTRICT NO. 1
Board of Education
December 8, 2020

RESOLUTION TO AMEND THE DISTRICT'S 2020-2021 BUDGET

WHEREAS, there is a decrease in the adjusted daily membership of the District due to the COVID-19 pandemic which reduces anticipated revenue,

WHEREAS, the District is managing position vacancies due to fewer students and further reducing other expenses to offset the additional costs required for COVID-19 expenses such as 1:1 devices, mobile hotspots, PPE, child care for critical care workers and distance learning material,

WHEREAS, the District is allowed a one-time carryforward of unspent Achievement and Integration dollars of \$3.2 million,

WHEREAS, the District's Grants funds are increased due to CARES Act funding related to the COVID-19 pandemic,

WHEREAS, the District's Food Service fund has reduced revenue and expenses due to the COVID-19 pandemic,

WHEREAS, the District's Community Service fund has decreased revenue and expenses due to the COVID-19 pandemic requirement at fee-based programs,

WHEREAS, the District's budget is as amended as follows:

REVENUE	ORIGINAL	AMENDED
General Operating Fund	\$540,202,099	\$531,050,738
General Fund Grants	\$ 51,400,000	\$ 87,324,289
General Fund Special Revenue	<u>\$ 9,000,000</u>	<u>\$ 9,000,000</u>
Total General Fund	\$600,602,099	\$627,375,027
Food Service Fund	\$ 24,020,463	\$ 20,974,189
Community Service Fund	\$ 32,237,463	\$ 30,824,799
EXPENSES	ORIGINAL	AMENDED
General Operating Fund	\$552,468,174	\$554,107,738
General Fund Grants	\$ 51,400,000	\$ 87,324,289
General Fund Special Revenue	<u>\$ 9,000,000</u>	<u>\$ 9,000,000</u>
Total General Fund	\$612,868,174	\$650,432,027
Food Service Fund	\$ 24,020,463	\$ 20,974,189
Community Service Fund	\$ 35,472,811	\$ 33,171,674

NOW, THEREFORE BE IT HEREBY RESOLVED that the Board of Directors of Special School District No. 1 approves the above mentioned revenue and expenditure amended general fund budget for the fiscal year 2020-2021.

Signed by:

Kim Ellison
Board of Education Chairperson

Date

Josh Pauly
Board of Education Clerk

Date

**MINNEAPOLIS PUBLIC SCHOOLS
RESOLUTION 2020-0056**

**RESOLUTION REPEALING POLICIES 3120, 3125, 3128, 3135, 3145, 3150, 3160,
3195, AND 3430 AND AMENDING POLICY 3005**

WHEREAS, The District is required by law to have several policy provisions related to budget; and

WHEREAS, it is in the best interest of clarity and transparency to have these provisions be contained in one policy instead of in several different policies;

WHEREAS, the Board's Policy and Finance Committees have recommended this proposal.

NOW THEREFORE, be it resolved that the Board of Directors, Special School District No. 1 adopts the changes as follows:

SECTION 1: **REPEAL** “Policy 3120: Budget Preparation” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

R E P E A L

~~Policy 3120: Budget Preparation (Repealed)~~

~~The goal of the budget preparation process is to design a budget that meets the education goals established by the Board of Education within parameters of the financial resources available. In order to accomplish this goal, it will be necessary for the individual program managers to focus on the identification, quantification, and initial prioritization of their program's needs. The annual budget preparation should be compatible with the long-range goals of the school district.~~

~~The Associate Superintendent for Finance and Operations and the Director of Finance shall accumulate all budget requests and submit a tentative annual budget document for the School District to the Cabinet for approval. The Superintendent shall then present the administration's balanced budget to the Board for approval by June 30th of each year.~~

~~**Original Adoption:**
04/25/1967~~

~~**Revised Dates:**
11/09/1971, 10/09/1973, 10/30/1990~~

~~**Legal Reference:**~~

- M.S.121.908 Subd.3a

SECTION 2: **REPEAL** “Policy 3125: Budget Preparation” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3125: Budget Preparation (Repealed)~~

~~The operating budget will describe the major goals to be achieved, and the services and programs to be delivered for the level of funding provided.~~

~~**Original Adoption:**~~

~~10/30/1990~~

SECTION 3: **REPEAL** “Policy 3128: Performance Indicators” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3128: Performance Indicators (Repealed)~~

~~Where possible, the Minneapolis Public Schools will integrate performance measurement and productivity indicators with the budget.~~

~~**Original Adoption:**~~

~~10/30/1990~~

SECTION 4: **REPEAL** “Policy 3430: Periodic Financial Reports” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3430: Periodic Financial Reports (Repealed)~~

~~Regular monthly and annual financial reports will present a summary of financial activity by major types of funds. Monthly financial reports will be presented to the Board of Education Finance Committee. The Comprehensive Financial Report will be presented through the Finance Committee to the Board of Education.~~

Original Adoption:

~~04/25/1967~~

Revision Dates:

~~11/9/71, 10/9/73, 10/30/90~~

SECTION 5: **REPEAL** “Policy 3135: Budget Review, Adoption, Publication” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3135: Budget Review, Adoption, Publication (Repealed)~~

~~The organization and content of the budget shall be presented to the Board of Education by the Superintendent of Schools, assisted by staff, before it is official for public review. The Superintendent of Schools may call for a public review of the tentative budget document which shall be scheduled in as many locations of the district as practical and at a date(s) to allow for public reaction in accordance with any legal requirements. The tentative budget document shall be approved by the Board by the date set in State statute and be published and distributed to all interested parties.~~

Original Adoption:

~~04/25/1967~~

SECTION 6: **REPEAL** “Policy 3145: Budget As A Spending Plan” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3145: Budget As A Spending Plan (Repealed)~~

~~The Superintendent of Schools shall have power to approve and direct expenditures in accordance with the budget.~~

Original Adoption:

04/25/1967

SECTION 7: **REPEAL** “Policy 3150: Budget Reports” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3150: Budget Reports (Repealed)~~

~~The Minneapolis Public Schools' administration will prepare regular monthly reports comparing actual revenues and expenditures to the budgeted amount.~~

Original Adoption:

04/25/1967

SECTION 8: **REPEAL** “Policy 3160: Current Expenditures” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3160: Current Expenditures (Repealed)~~

~~The Minneapolis Public Schools and each school and department within will pay for all current expenditures with current revenues.~~

Original Adoption:

10/30/1990

SECTION 9: **REPEAL** “Policy 3195: Revenue Projections” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3195: Revenue Projections (Repealed)~~

~~The Minneapolis Public Schools will estimate its revenues by an objective analytical process. The Director of Finance, under the supervision of the Associate Superintendent for Finance and Operations, will project revenue for the next three years and update this projection annually. Each existing and potential revenue source will be reexamined annually.~~

Original Adoption:

10/30/1990

SECTION 10: **AMENDMENT** “Policy 3005: Budget” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

A M E N D M E N T

Policy 3005: Budget

~~The Board of Education recognizes the importance of providing an educational environment that maximizes each child's opportunity to learn. Business matters and other non-instructional business operations of the district must be constantly assessed to determine how well they enhance the instructional program. The administrators of the district shall be responsible for the continuous evaluation of the business operations. New policies and procedures shall be recommended by the Superintendent to the Board whenever needed as long as they are in keeping with the laws of the state and the principles of fiscal responsibility.~~

1. PURPOSE

The purpose of this policy is to establish parameters to ensure the School District's revenue and expenditure budgets are in accordance with the applicable provisions of law.

2. GENERAL STATEMENT OF POLICY

The School District's budget expresses how the School Board's values, goals, and priorities will be implemented within given financial and legal parameters. The budget also shows how public resources are responsibly and strategically used to advance the District's mission and vision.

3. PREPARATION

- a. The Superintendent or designee shall each year prepare preliminary revenue and expenditure budgets for review by the School Board's Finance Committee. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the School Board and the public.
- b. Where possible, performance measurement and productivity indicators will be integrated within the budget.

4. ADOPTION

- a. Prior to July 1 of each year, the School Board shall approve and adopt its initial revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the School Board's expenditure authorization for that school year.

5. PUBLICATION

- a. Each year, the School District shall publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures, and fund balances for the prior year, and the projected fund balances for the current year in the form prescribed by the Commissioner within one week of the acceptance of the final audit by the School Board, or November 30, whichever is earlier.
- b. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the School District upon request to the Superintendent.

6. MODIFICATION

- a. If revisions or modifications in the adopted expenditure budget are determined to be advisable by the administration, the Superintendent shall recommend the proposed changes to the School Board. The proposed changes shall be accompanied by sufficient and appropriate background information on the revenue and policy issues involved to allow the School Board to make an informed decision.
- b. If sufficient funds are not included in the expenditure budget in a particular fund to allow the proposed expenditure, funds for this purpose may not be expended from that fund prior to the adoption of an expenditure budget amendment by the school board to authorize that expenditure for that school year. An amended expenditure shall not exceed the projected revenues available for that purpose in that fund.
- c. The School District's revenue budget shall be amended from time to time during a fiscal year to reflect updated or revised revenue estimates. The Superintendent shall make recommendations to the School Board for appropriate revisions. If necessary, the School Board shall also make necessary revisions in the expenditure budget if it appears that expenditures would otherwise exceed revenues and fund balances in a fund.

7. REPORTING

- a. The Superintendent or designee shall prepare regular monthly reports comparing actual revenues and expenditures to the budgeted amount.
- b. The School District shall make such reports to the Commissioner as required relating to initial allocations of revenue, reallocations of revenue, and expenditures of funds.

8. PROJECTIONS

- a. The School District will estimate its revenues by an objective analytical process and will project revenue for the next three years and update this projection annually. Each existing and potential revenue source will be reexamined annually.
- b. Each year, the district will update expenditure projections for its Internal

Services Funds for the next three years.

9. RESPONSIBILITY AND AUTHORIZATION

- a. The School Board places the responsibility for administering the adopted budget with the Superintendent. The Superintendent may delegate duties related thereto to other officials, but maintains the ultimate responsibility for this function.
- b. The Superintendent shall have power to approve and direct expenditures in accordance with the budget.

Original Adoption:

04/25/1967 (as Policy 3000)

Revised Dates:

10/9/1973, 02/26/1991

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS _____.

	AYE	NAY	ABSENT	ABSTAIN
Arneson	_____	_____	_____	_____
Felder	_____	_____	_____	_____
Ali	_____	_____	_____	_____
Walser	_____	_____	_____	_____
Inz	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____
Caprini	_____	_____	_____	_____
Pauly	_____	_____	_____	_____
Ellison	_____	_____	_____	_____

Presiding Officer

Attest

Kim Ellison, Chair, Minneapolis
Public Schools

Josh Pauly, Clerk, Minneapolis Public
Schools

SPECIAL SCHOOL DISTRICT NO. 1
Board of Education
December 8, 2020

**RESOLUTION RELATING TO REMAINING PROCEEDS
OF FULL TERM CERTIFICATES OF PARTICIPATION,
SERIES 2014D, AND AUTHORIZING THE TRANSFER
THEREOF**

WHEREAS, Special School District No. 1 (Minneapolis), Minnesota (the “District”) entered into a Lease-Purchase Agreement dated as of December 1, 2014 (the “Lease”), between the District, as lessee, and U.S. Bank National Association, as trustee (the “Trustee”), as lessor, and a Trust Agreement dated as of December 1, 2014 (the “Trust Agreement”), between the District and the Trustee;

WHEREAS, the forms of such documents were approved by resolution of the Board of Education of the District (the “Board”);

WHEREAS, pursuant to the Trust Agreement, the District authorized the Trustee to execute and deliver Full Term Certificates of Participation, Series 2014D, in the Lease in the aggregate principal amount \$125,570,000 (the “Certificates”);

WHEREAS, pursuant to the Trust Agreement, there was established with the Trustee a special trust fund and within it, a Project Acquisition Account and a Certificate Account;

WHEREAS, the Trust Agreement provides that after completion of the construction, acquisition and installation of the financed projects and receipt by the Trustee of a completion certificate, or on December 23, 2017, if earlier, the Trustee shall transfer any amounts remaining in the Project Acquisition Account (“Remaining Proceeds”) into the Certificate Account, and upon deposit of such amounts into the Certificate Account, such amounts shall be segregated into a separate subaccount and applied as a credit against the principal component of the next succeeding and subsequent rental payments due by the District following the date of such deposit;

WHEREAS, the District provided the Trustee with a completion certificate and the Trustee has applied Remaining Proceeds to the payment of amounts due on the Certificates; and

WHEREAS, the District now desires to ratify all actions heretofore taken with respect to the Certificates and the Remaining Proceeds thereof.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of Special School District No. 1 (Minneapolis), Minnesota, as follows:

Section 1. Authorization. The Board hereby ratifies and approves all action heretofore taken by officers and employees of the District, in accordance with the provisions of the Trust Agreement, including but not limited to, the transfer of Remaining Proceeds in the amount of \$3,197,268.00 to the Trustee for application to the payment of the Certificates:

R-07-005-000-000-649-000	Permanent Transfers from Other Funds (\$3,197,268.00)
E-06-005-870-000-910-000	Permanent Transfers to other Funds \$3,197,268.00

Signed by:

Kim Ellison
Board of Education Chairperson

Date

Josh Pauly
Board of Education Clerk

Date

SPECIAL SCHOOL DISTRICT NO. 1
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the “District”), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted by the affirmative vote of six or more members of the Board of Education of the District at a lawful meeting duly called and held on December 8, 2020, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District, this ____ day of December, 2020.

School District Clerk

RESOLUTION RELATING TO \$[_____] GENERAL
OBLIGATION SCHOOL BUILDING BONDS, SERIES 2020B;
AWARDING THE SALE THEREOF; PRESCRIBING THE
FORM AND DETAILS THEREOF; AND AUTHORIZING
THEIR ISSUANCE

BE IT RESOLVED by the Board of Education (the “Board”) of Special School District No. 1 (Minneapolis), Minnesota (the “District”), as follows:

Section 1. Authorization and Sale

1.01. Pursuant to Minnesota Statutes, Chapter 475, and Section 128D.11, the District, by a two-thirds majority vote of all the members of the Board and without any election by the voters of the District, is authorized to issue and sell in calendar year 2020, general obligation bonds of the District in an amount not to exceed \$61,883,270, including \$15,000,000 as a carry forward from calendar year 2019 and \$1,237,665 as additional bonds representing interest as authorized by Minnesota Statutes, Section 475.56. The carry forward amount from calendar year 2020 to calendar year 2021 is provided in Section 1.03.

1.02. This Board finds, determines and declares that it is in the best interest of the District to proceed forthwith to issue its General Obligation School Building Bonds, Series 2020B in the principal amount of \$[_____] , including in such issue of bonds \$0 representing interest as authorized by Minnesota Statutes, Section 475.56, to finance the rehabilitating, remodeling, expanding, and equipping of existing school buildings, the acquisition of sites, construction, and equipping of new school buildings and the acquisition and betterment of District facilities, and to pay costs of issuing the Bonds (as hereinafter defined); provided, however, that the proceeds of the Bonds shall not be used to finance any project for which a favorable review and comment has not been received from the Minnesota Department of Education, if such a favorable review and comment is required by the provisions of Minnesota Statutes, Section 123B.71. On November 18, 2020, the District received a positive review and comment with respect to proposed project at North High School and has discussed the same at this or another public meeting. The \$[_____] in total principal amount of General Obligation School Building Bonds, Series 2020B is referred to herein as the “Bonds.”

1.03. PFM Financial Advisors LLC, municipal advisor to the District, has solicited, on behalf of the District, competitive proposals for the purchase of the Bonds. Upon consideration by this Board, the most favorable of such proposals is ascertained to be that of [_____] (the “Purchaser”), who offered to purchase the Bonds at a price of \$[_____] (\$[_____] in par amount of Bonds [plus original issue premium][less original issue discount] in the amount of \$[_____] less Purchaser compensation of \$[_____]) plus accrued interest from the date of the Bonds to the date of delivery thereof, and upon the further terms and conditions set forth in this resolution. The amount of bonding authority carried forward from 2020 to 2021 pursuant to Minnesota Statutes, Section 128D.11, subdivision 3, is hereby determined to be \$[15,000,000].

1.04. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing

Bonds and the registration of transfers and exchanges of Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of any Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an

appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Bonds. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

3.04. Appointment of Initial Registrar. The District hereby appoints U.S. Bank National Association as the initial Registrar. The Chair and the School District Clerk are authorized to execute and deliver, if necessary or appropriate, on behalf of the District, a contract with U.S. Bank National Association, as Registrar. A bank or trust company authorized by law to conduct such business, may be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar and shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the School District Clerk shall transmit to the Registrar, from the Debt Service Fund described in Section 4.02, moneys sufficient for the payment of all principal and interest then due.

3.05. Redemption. Bonds maturing in the years 2031 and thereafter shall each be subject to redemption and prepayment, at the option of the District, in inverse order of maturities and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, on February 1, 2030, or any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty (30) days prior to the date set for redemption of any Bond, the School District Clerk shall cause notice of the call for redemption to be published in a daily or weekly periodical published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and to be mailed to the Registrar and to the registered owner of each Bond to be redeemed, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

3.06. Preparation and Delivery. The Bonds shall be prepared under the direction of the School District Clerk and shall be executed on behalf of the District by the signatures of the Chair and the School District Clerk, and may be sealed with the official seal of the District; provided that said signatures and the official seal may be printed, engraved, or lithographed facsimiles thereof. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the School District Clerk to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

3.07. Securities Depository.

(a) For purposes of this section, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the District agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the

Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair of the Board of Education and School District Clerk, is hereby authorized, and execution of the Representation Letter by the Chair of the Board of Education and School District Clerk shall be conclusive evidence of such approval.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or another securities depository as holder of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

3.08. Closing Certificates. The Chair and School District Clerk, or the Chief Financial Officer, or any of their authorized designees, are hereby further authorized and directed to execute

such closing certificates and other instruments and documents as may be necessary to complete the issuance and delivery of the Bonds or maintain the tax-exempt status of the Bonds. The authority granted hereby is effective with respect to any District officer holding office as of the date hereof and any successor. No execution of any document, certificate or instrument by an officer holding office as of the date hereof shall be considered invalidated or unauthorized by replacement of such officer between the date of execution.

Section 4. Use of Proceeds; Sinking Fund and Tax Levies

4.01. Proceeds of the Bonds shall be held in a separate fund or account in the official financial records of the District (the "Project Fund") and the District shall continue to maintain the Project Fund until payment of all costs and expenses incurred in connection with the projects financed by the Bonds have been paid. To the Project Fund there shall be credited all the proceeds of the Bonds and from the Project Fund there shall be paid all costs and expenses of the projects financed by the Bonds, including costs of issuing the Bonds. Amounts allocable to issuance expenses not disbursed after 60 days shall be transferred to the Debt Service Fund (as defined herein). After payment of all costs and expenses of the projects financed by the Bonds, the Project Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund or used for other projects in accordance with Minnesota law.

4.02. So long as any of the Bonds are outstanding and any principal or interest thereon remains unpaid, the District shall maintain as a separate account on its books and records the sinking fund heretofore established (the "Debt Service Fund"). The Debt Service Fund shall be used for no purpose other than the payment of principal of and interest on the Bonds and the payment of principal of and interest on such other general obligation bonds of the District as this Board by resolution has heretofore designated or hereafter shall designate as being payable from the Debt Service Fund. The Board irrevocably appropriates to the Debt Service Fund (a) any taxes levied in accordance with this resolution, (b) any taxes levied and to be levied for the payment of other obligations made payable from the Debt Service Fund, (c) accrued interest on the Bonds from their date to the date of delivery, and (d) all such other moneys as shall be received and appropriated to the Debt Service Fund from time to time. If any payment of principal of or interest on the Bonds or other obligations payable therefrom shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds or other obligations payable therefrom. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year (as defined in the Tax Certificate) and will be fully depleted at least once a year, except for a reasonable carryover amount expected not to exceed the greater of (a) the earnings on the Debt Service Fund in the immediately preceding Bond Year or (b) one-twelfth of the annual debt service on the Bonds in the immediately preceding Bond Year.

4.03. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment thereof, there is hereby levied upon all of the taxable property in the District a direct, annual, ad valorem tax which shall be spread upon the tax rolls collectible in the years and amounts set forth below, as a part of other general taxes of the District, as follows:

Levy Year

Collection Year

Amount

SEE ATTACHED SCHEDULE

The foregoing taxes shall be irrevocable as long as any of the Bonds are outstanding and unpaid; provided, that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If on October 1 in any year the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrevocable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution.

Section 5. Defeasance

5.01. When all Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full provided that notice of redemption thereof has been duly given as provided in Section 3.05 or arrangements for the giving of such notice have been made. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal, redemption premium, if any, and interest to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 6. Certifications of Proceedings and Tax Matters

6.01. The School District Clerk is hereby authorized and directed to file with the County Auditor of Hennepin County, Minnesota (the "County Auditor") a certified copy of this resolution together with such other information as the County Auditor shall require, and to obtain from the

County Auditor a certificate that the Bonds have been entered upon the bond register as required by law.

6.02. The officers of the District are hereby authorized and directed to prepare and furnish to the Purchaser and to bond counsel certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District as to the facts recited herein.

6.03. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest of the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code"), and any Treasury Regulations promulgated thereunder (the "Regulations"), and that it will take or cause its officers, employees or agents to take any and all actions legally within its or their power necessary to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. So long as the Bonds are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the projects financed with proceeds of the Bonds which would cause the Bonds to be considered a "private activity bond" or "private loan bond" pursuant to the provisions of Section 141 of the Code.

6.04. The Chair and the School District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver a Tax Certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by bond counsel to the District to be unnecessary to maintain the tax-exempt status of the Bonds.

6.05. The District acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the exceptions set forth in the Code and the Regulations.

6.06. The District certifies that the proceeds of the Bonds will not be used by the District to reimburse itself for any expenditure which the District paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the District has made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided, however, that this certification shall not apply (i) with respect to certain de

minimis expenditures, if any, meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

6.07. The preliminary Official Statement, dated December [], 2020, prepared and distributed by PFM Financial Advisors LLC on behalf of the District, is hereby ratified and approved and the officers of the District are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the preliminary Official Statement and the final Official Statement to be dated on or about December [], 2020, which final Official Statement is also hereby approved. PFM Financial Advisors LLC is hereby authorized on behalf of the District to prepare and distribute to the Purchaser within seven business days from the date hereof a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 7. State Payment; District and Bond Registrar Obligations

7.01. The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the “State Payment Law”), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each interest and principal payment date for the Bonds an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar shall be required to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Bonds at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar to pay the Bonds in full at maturity. The Registrar shall be required to cooperate with the District, the Commissioner of Education and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statutes, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the commissioner of Education that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Education or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Chief Financial Officer, or

any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

Section 8. Continuing Disclosure

8.01. Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

“*Annual Report*” means any annual report provided by the District pursuant to, and as described in, Section 8.03.

“*Beneficial Owner*” means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“*Financial Obligation*” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of either (i) or (ii). The term “*Financial Obligation*” does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“*Holder*” means the registered holders of the Bonds, as recorded in the registration books of the Registrar (as defined in the Trust Agreement).

“*Listed Events*” means the events listed in Section 8.04.

“*MSRB*” means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“*Participating Underwriter*” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

8.02. Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

8.03. Provision of Annual Reports.

- (i) Not later than 12 months after the end of each fiscal year of the District (the “*Submission Deadline*”) (the first report being due not later than 12 months after June 30, 2020), the District shall, either directly or indirectly through an agent

designated by the District, file on EMMA an electronic copy of its Annual Report in a format and accompanied by such identifying information as prescribed by the MSRB. If the District's fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under Section 8.04, and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

- (ii) The Annual Report must contain or include by reference the following:
 - (1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the District's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA promptly after they become available.
 - (2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained in the Official Statement for the Bonds under the following headings or captions, which information may be unaudited:
 - (A) Financial Summary
 - (B) Indebtedness
 - (C) Property Valuations and Taxes
 - (D) Financial Information
- (iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official

statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

8.04. Reporting of Significant Events.

(i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Bonds, all pursuant to the provisions of this section:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the

obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
 - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
 - (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
 - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred *and the District has determined that such Listed Event is material under applicable federal securities laws*, the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.
 - (iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subparagraphs (8) and (9) need not be given under this section any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Trust Agreement.

8.05. Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

8.06. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

8.07. Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

- (i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or
- (ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 8.04, and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8.08. Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

8.09. Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under the Lease, the Trust Agreement or this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

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EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS)
GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2020B

R-____ \$ _____

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	December [__], 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

Special School District No. 1 (Minneapolis), Minnesota (the “District”), a duly organized school district with boundaries coterminous with the City of Minneapolis, whose post office address is Minneapolis, Minnesota, acknowledges itself to be indebted, and for value received hereby, promises to pay to the registered owner specified above, or registered assigns, upon presentation and surrender at the principal corporate trust office of the Bond Registrar hereinafter identified, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, all subject to the provisions hereinafter stated with respect to the redemption of the principal of this Bond before maturity. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2021, by check or draft mailed by the Bond Registrar to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable in any coin or currency of the United States of America, which on the respective dates of payment is legal tender for payment of public and private debts. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit, and taxing power of the District have been and are hereby irrevocably pledged. U.S. Bank National Association, in St. Paul, Minnesota, has been designated by the Resolution described herein as Bond Registrar, Transfer Agent and Paying Agent (the “Bond Registrar”), and a successor Bond Registrar, if any, may be designated in accordance with said Resolution.

This Bond is one of an issue in the aggregate principal amount of \$[_____] (the “Bonds”), all of like tenor except as to serial number, maturity date, interest rate and redemption privilege and all issued by the District for the acquisition and betterment of school facilities, and is issued pursuant to authority conferred by the required vote of the members of the Board of Education of the District and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 128D.11, and pursuant to and in full conformity with resolutions of the Board of Education of the District, including a resolution adopted

December 8, 2020 (the “Resolution”). This Bond is payable primarily from the Debt Service Fund (the “Debt Service Fund”) of the District, but the Board is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if moneys on hand in the Debt Service Fund are insufficient therefor. The Bonds of this issue are issuable only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in the years 2031 and thereafter are each subject to redemption and prepayment in inverse order of maturities and by lot, assigned in proportion to their principal amount, within a maturity, at the option of the District, on any date on or after February 1, 2030, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty days prior to the date set for the redemption and prepayment of any Bond, notice of the call for redemption will be published in a daily or weekly periodical, published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and will be mailed or furnished to the Bond Registrar and mailed to the registered owner of each Bond to be redeemed at the address appearing in the Bond Register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his/her/its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his/her/its attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner thereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, covenanted and agreed that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist, and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent (5%) in excess of sums sufficient to pay the interest hereon and the principal hereof as the same respectively become due; that additional taxes, if needed to meet the

principal and interest requirements of the Bonds, shall be levied upon all of such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Special School District No. 1 (Minneapolis), Minnesota, by its Board of Education has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Education and the School District Clerk and has caused this Bond to be dated as of the date of original issue set forth above.

(Facsimile Signature)
Chair of the Board of Education

(Facsimile Signature)
School District Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By _____
Authorized Signature

The following abbreviations, when used in the inscription of the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants
in common

UTMA as Custodian for
(Cust) (Minor)

TEN ENT — as tenants
by the entireties

under Uniform Transfers to
Minors Act
(State)

JT TEN — as joint tenants with
right of survivorship
and not as tenants in
common

Additional abbreviations may also be used, though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto
the
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER OF
ASSIGNEE:

NOTICE: The signature to this assignment must
correspond with the name as it appears upon the
face of the within Bond in every particular,
without alteration or any change whatsoever.

SIGNATURE GUARANTEE:

Signature(s) must be guaranteed by an
“eligible guarantor institution” meeting the
requirements of the Registrar, which
requirements include membership or
participation in STAMP or such other
“signature guaranty program” as may be
determined by the Registrar in addition to or
in substitution for STAMP, all in accordance
with the Securities Exchange Act of 1934, as
amended.

SCHEDULE

[TO COME]

SPECIAL SCHOOL DISTRICT NO. 1
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF OFFICIAL ACTION

The undersigned, being the duly qualified and acting School District Clerk of Special School District No. 1 (Minneapolis), Minnesota (the "District"), DOES HEREBY CERTIFY as follows:

Attached hereto is a true and correct copy of a resolution duly adopted by the Board of Education of the District at a lawful meeting duly called and held on December 8, 2020, at which meeting a quorum was present and acting throughout. Such resolution remains in full force and effect in the form in which adopted.

IN WITNESS WHEREOF, the undersigned has hereunto set her/his hand and affixed the official seal of the District, this ____ day of December, 2020.

School District Clerk

RESOLUTION RELATING TO \$[_____] GENERAL OBLIGATION LONG-TERM FACILITIES MAINTENANCE BONDS, SERIES 2020C; AWARDING THE SALE THEREOF; PRESCRIBING THE FORM AND DETAILS THEREOF; AND AUTHORIZING THEIR ISSUANCE

BE IT RESOLVED by the Board of Education (the “Board”) of Special School District No. 1 (Minneapolis), Minnesota (the “District”), as follows:

Section 1. Authorization and Sale

1.01. Pursuant to Minnesota Statutes, Section 123B.595, the District, with the approval of the Commissioner of Education of the State of Minnesota and after proper notice, is authorized to issue and sell general obligation bonds of the District to finance facilities plans approved under Minnesota Statutes, Section 123B.595. The Board has heretofore approved the District’s ten-year facilities plan (the “Plan”) and on October 23, 2020, the District received written approval from the Commissioner of Education of its ten-year facilities plan (the “Plan”) and a bond issue up to \$32,244,126. The levy of ad valorem taxes for the payment of the principal of and interest on bonds issued in 2020 to finance such Plan was approved as part of the Minnesota Department of Education (“MDE”) Levy Limitation and Certification 2020-2021. The Board hereby ratifies all action heretofore taken by District staff with respect to the Plan and publication of the notice required by Minnesota Statutes, Section 123B.595, Subd. 5(b).

1.02. This Board finds, determines and declares that it is in the best interest of the District to proceed forthwith to issue its General Obligation Long-Term Facilities Maintenance Bonds, Series 2020C in the principal amount of \$[_____], including in such issue of bonds \$0 representing interest as authorized by Minnesota Statutes, Section 475.56, to finance the projects included in the Plan and to pay costs of issuing the Bonds (as hereinafter defined); provided, however, that the proceeds of the Bonds shall not be used to finance any project for which a favorable review and comment has not been received from the Minnesota Department of Education, if such a favorable review and comment is required by the provisions of Minnesota Statutes, Section 123B.71. The \$[_____] in total principal amount of General Obligation Long-Term Facilities Maintenance Bonds, Series 2020C is referred to herein as the “Bonds.”

1.03. PFM Financial Advisors LLC, municipal advisor to the District, has solicited, on behalf of the District, competitive proposals for the purchase of the Bonds. Upon consideration by this Board, the most favorable of such proposals is ascertained to be that of [_____] (the “Purchaser”), who offered to purchase the Bonds at a price of \$[_____] (\$[_____] in par amount of Bonds [plus original issue premium][less original issue discount] of \$[_____] less Purchaser compensation of \$[_____] plus accrued interest from the date of the Bonds to the date of delivery thereof, and upon the further terms and conditions set forth in this resolution.

1.04. All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done prior to the issuance of the Bonds having been done, existing and having happened, it is now necessary for this Board to establish the form and terms of the Bonds, to provide for the security thereof, and to issue the Bonds forthwith.

Section 2. Form of Bonds

designated transferee or transferees, one or more new Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until such interest payment.

(c) Exchange of Bonds. Whenever any Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver one or more new Bonds of a like aggregate principal amount and maturity, as requested by the registered owner or the owner's attorney in writing.

(d) Cancellation. All Bonds surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The District and the Registrar may treat the person in whose name any Bond is at any time registered in the bond register as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Bond to the extent of the sum or sums paid.

(g) Taxes, Fees and Charges. For every transfer or exchange of Bonds, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bonds. In case any Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Bond or in lieu of and in substitution for any such Bond lost, stolen or destroyed, upon payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. All Bonds so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Bond has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Bond prior to payment.

(i) Authenticating Agent. The Registrar is hereby designated authenticating agent for the Bonds, within the meaning of Minnesota Statutes, Section 475.55, Subdivision 1, as amended.

(j) Valid Bonds. All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same benefits under this Resolution as the Bonds surrendered upon such transfer or exchange.

3.04. Appointment of Initial Registrar. The District hereby appoints U.S. Bank National Association, as the initial Registrar. The Chair and the School District Clerk are authorized to execute and deliver, if necessary or appropriate, on behalf of the District, a contract with U.S. Bank National Association, as Registrar. A bank or trust company authorized by law to conduct such business, may be authorized to act as successor Registrar. The District agrees to pay the reasonable and customary charges of the Registrar for the services performed. The District reserves the right to remove any Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar and shall deliver all cash and Bonds in its possession to the successor Registrar and shall deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of this Board, the School District Clerk shall transmit to the Registrar, from the Debt Service Fund described in Section 4.02, moneys sufficient for the payment of all principal and interest then due.

3.05. Redemption. Bonds maturing in the years 2031 and thereafter shall each be subject to redemption and prepayment, at the option of the District, in inverse order of maturities and, within any maturity, in \$5,000 principal amounts selected by the Registrar by lot, on February 1, 2030, or any date thereafter at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty (30) days prior to the date set for redemption of any Bond, the School District Clerk shall cause notice of the call for redemption to be published in a daily or weekly periodical published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and to be mailed to the Registrar and to the registered owner of each Bond to be redeemed, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

3.06. Preparation and Delivery. The Bonds shall be prepared under the direction of the School District Clerk and shall be executed on behalf of the District by the signatures of the Chair and the School District Clerk, and may be sealed with the official seal of the District; provided that said signatures and the official seal may be printed, engraved, or lithographed facsimiles thereof. In case any officer whose signature, or a facsimile of whose signature, shall appear on the Bonds shall cease to be such officer before the delivery of any Bond, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Bonds need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this resolution. When the Bonds have been so delivered and authenticated, they shall be delivered by the School District Clerk to the Purchaser upon payment of the purchase price in accordance with the

contract of sale heretofore made and executed, and the Purchaser shall not be obligated to see to the application of the purchase price.

3.07. Securities Depository.

(a) For purposes of this section, the following terms shall have the following meanings:

“Beneficial Owner” shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person’s subrogee.

“Cede & Co.” shall mean Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Bonds.

“DTC” shall mean The Depository Trust Company of New York, New York.

“Participant” shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

“Representation Letter” shall mean the Representation Letter pursuant to which the District agrees to comply with DTC’s Operational Arrangements.

(b) The Bonds shall be initially issued as separately authenticated fully registered bonds, and one Bond shall be issued in the principal amount of each stated maturity of the Bonds. Upon initial issuance, the ownership of such Bonds shall be registered in the bond register in the name of Cede & Co., as nominee of DTC. The Registrar and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal of or interest on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to registered owners of Bonds under this resolution, registering the transfer of Bonds, and for all other purposes whatsoever; and neither the Registrar nor the District shall be affected by any notice to the contrary. Neither the Registrar nor the District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the bond register as being a registered owner of any Bonds, with respect to the accuracy of any records maintained by DTC or any Participant, with respect to the payment by DTC or any Participant of any amount with respect to the principal of or interest on the Bonds, with respect to any notice which is permitted or required to be given to owners of Bonds under this resolution, with respect to the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or with respect to any consent given or other action taken by DTC as registered owner of the Bonds. So long as any Bond is registered in the name of Cede & Co., as nominee of DTC, the Registrar shall pay all principal of and interest on such Bond, and shall give all notices with respect to such Bond, only to Cede & Co. in accordance with the Representation Letter, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Bond for each separate stated maturity evidencing the obligation of the District to make payments of principal and interest. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the Bonds will be transferable to such new nominee in accordance with paragraph (e) hereof.

(c) In the event the District determines that it is in the best interest of the Beneficial Owners that they be able to obtain Bond certificates, the District may notify DTC and the Registrar, whereupon DTC shall notify the Participants of the availability through DTC of Bond certificates. In such event, the Bonds will be transferable in accordance with paragraph (e) hereof. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Registrar and discharging its responsibilities with respect thereto under applicable law. In such event the Bonds will be transferable in accordance with paragraph (e) hereof.

(d) The execution and delivery of the Representation Letter to DTC by the Chair of the Board of Education and School District Clerk, is hereby authorized, and execution of the Representation Letter by the Chair of the Board of Education and School District Clerk shall be conclusive evidence of such approval.

(e) In the event that any transfer or exchange of Bonds is permitted under paragraph (b) or (c) hereof, such transfer or exchange shall be accomplished upon receipt by the Registrar of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee in accordance with the provisions of this resolution. In the event Bond certificates are issued to holders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, or another securities depository as holder of all the Bonds, the provisions of this resolution shall also apply to all matters relating thereto, including, without limitation, the printing of such Bond certificates and the method of payment of principal of and interest on such Bond certificates.

3.08. Closing Certificates. The Chair and School District Clerk, or the Chief Financial Officer, or any of their authorized designees, are hereby further authorized and directed to execute such closing certificates and other instruments and documents as may be necessary to complete the issuance and delivery of the Bonds or maintain the tax-exempt status of the Bonds. The authority granted hereby is effective with respect to any District officer holding office as of the date hereof and any successor. No execution of any document, certificate or instrument by an officer holding office as of the date hereof shall be considered invalidated or unauthorized by replacement of such officer between the date of execution.

Section 4. Sinking Fund and Tax Levies

4.01. Proceeds of the Bonds shall be held in a separate fund or account in the official financial records of the District (the "Project Fund") and the District shall continue to maintain the Project Fund until payment of all costs and expenses incurred in connection with the projects financed by the Bonds have been paid. To the Project Fund there shall be credited all the proceeds of the Bonds and from the Project Fund there shall be paid all costs and expenses of the projects financed by the Bonds, including costs of issuing the Bonds. Amounts allocable to issuance expenses not disbursed after 60 days shall be transferred to the Debt Service Fund (as defined herein). After payment of all costs and expenses of the projects financed by the Bonds, the Project Fund shall be discontinued and any Bond proceeds remaining therein shall be credited to the Debt Service Fund or used for other projects in accordance with Minnesota law.

4.02. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 5(c), the portion of long-term facilities maintenance revenue for bonded debt must be recognized in the debt service fund of the District (the "Debt Service Fund"). The Debt Service Fund shall be used for no purpose other than the

payment of principal of and interest on the Bonds and the payment of principal of and interest on such other general obligation bonds of the District as this Board by resolution has heretofore designated or hereafter shall designate as being payable from the Debt Service Fund. The Board irrevocably appropriates to the Debt Service Fund (a) any taxes levied in accordance with this resolution, (b) any taxes levied and to be levied for the payment of other obligations made payable from the Debt Service Fund, (c) accrued interest on the Bonds from their date to the date of delivery, (d) any long-term facilities maintenance equalized aid receivable under Minnesota Statutes, Section 123B.595, subdivision 9, and (e) all such other moneys as shall be received and appropriated to the Debt Service Fund from time to time. If any payment of principal of or interest on the Bonds or other obligations payable therefrom shall become due when there is not sufficient money in the Debt Service Fund to make such payment, the District shall pay the same from any other available fund of the District, and such other fund shall be reimbursed for such advances out of the proceeds of the taxes levied for the payment of the Bonds or other obligations payable therefrom. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 12, the portion, if any, of long-term facility maintenance revenue not recognized in the Debt Service Fund shall be maintained with the general fund of the District in a reserve account pledged to the payment of Plan costs not financed by the Bonds. The Debt Service Fund will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year (as defined in the Tax Certificate) and will be fully depleted at least once a year, except for a reasonable carryover amount expected not to exceed the greater of (a) the earnings on the Debt Service Fund in the immediately preceding Bond Year or (b) one-twelfth of the annual debt service on the Bonds in the immediately preceding Bond Year.

4.03. For the prompt and full payment of the principal of and interest on the Bonds as the same respectively become due, the full faith, credit and taxing power of the District shall be and are hereby irrevocably pledged. To provide moneys for the payment thereof, there is hereby levied upon all of the taxable property in the District a direct, annual, ad valorem tax which shall be spread upon the tax rolls collectible in the years and amounts set forth below, as a part of other general taxes of the District, as follows:

<u>Levy Year</u>	<u>Collection Year</u>	<u>Amount</u>
------------------	------------------------	---------------

SEE ATTACHED SCHEDULE

The foregoing taxes shall be irrepealable as long as any of the Bonds are outstanding and unpaid; provided, that the District reserves the right and power to reduce the levies in the manner and to the extent permitted by Minnesota Statutes, Section 475.61.

It is estimated that the ad valorem taxes will be collected in amounts not less than five percent (5%) in excess of the annual principal and interest requirements of the Bonds. If on October 1 in any year the sum of the balance in the Debt Service Fund plus any ad valorem taxes theretofore levied for the payment of bonds payable therefrom and collectible through the end of the following calendar year is not sufficient to pay when due all principal and interest to become due on all bonds payable therefrom in said following calendar year, or the Debt Service Fund has incurred a deficiency in the manner provided in Section 4.02, an additional direct, irrepealable, ad valorem tax shall be levied on all taxable property within the corporate limits of the District for the purpose of restoring such accumulated or anticipated deficiency in accordance with the provisions of this resolution. Pursuant to Minnesota Statutes, Section 123B.595, subdivision 6, if the debt service revenue required to pay the principal and

interest on the Bonds exceeds the District's long-term facilities maintenance revenue for the same fiscal year, the District's general fund levy must be reduced by the amount of the excess.

Section 5. Defeasance

5.01. When all Bonds have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds shall cease. The District may discharge its obligations with respect to any Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The District may also at any time discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full provided that notice of redemption thereof has been duly given as provided in Section 3.05 or arrangements for the giving of such notice have been made. The District may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to pay all principal, redemption premium, if any, and interest to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 6. Certifications of Proceedings and Tax Matters

6.01. The School District Clerk is hereby authorized and directed to file with the County Auditor of Hennepin County, Minnesota (the "County Auditor") a certified copy of this resolution together with such other information as the County Auditor shall require, and to obtain from the County Auditor a certificate that the Bonds have been entered upon the bond register as required by law.

6.02. The officers of the District are hereby authorized and directed to prepare and furnish to the Purchaser and to bond counsel certified copies of all proceedings and records of the District relating to the Bonds and to the financial condition and affairs of the District, and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds as they appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall be deemed representations of the District as to the facts recited herein.

6.03. The District covenants and agrees with the holders from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest of the Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code"), and any Treasury Regulations promulgated thereunder (the "Regulations"), and that it will take or cause its officers, employees or agents to take any and all actions legally within its or their power necessary to ensure that the interest on the Bonds will not become includable in gross income of the recipient under the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax

Certificate, except to the extent compliance therewith is deemed by bond counsel to the District to be unnecessary to maintain the tax-exempt status of the Bonds. So long as the Bonds are outstanding, the District will not enter into any lease, use agreement or other contract or agreement respecting the projects financed with proceeds of the Bonds which would cause the Bonds to be considered a “private activity bond” or “private loan bond” pursuant to the provisions of Section 141 of the Code.

6.04. The Chair and the School District Clerk, being the officers of the District charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver a Tax Certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating, among other things, the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of the Code and the Regulations. The District covenants and agrees with the holders from time to time of the Bonds that it will abide by the terms of the Tax Certificate, except to the extent compliance therewith is deemed by bond counsel to the District to be unnecessary to maintain the tax-exempt status of the Bonds.

6.05. The District acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the exceptions set forth in the Code and the Regulations.

6.06. The District certifies that the proceeds of the Bonds will not be used by the District to reimburse itself for any expenditure which the District paid or will have paid more than 60 days prior to the issuance of the Bonds unless, with respect to such prior expenditures, the District has made a declaration of official intent which complies with the provisions of Section 1.150-2 of the Regulations; provided, however, that this certification shall not apply (i) with respect to certain de minimis expenditures, if any, meeting the requirements of Section 1.150-2(f)(1) of the Regulations, or (ii) with respect to “preliminary expenditures” as defined in Section 1.150-2(f)(2) of the Regulations, including engineering or architectural expenses and similar preparatory expenses, which in the aggregate do not exceed 20% of the “issue price” of the Bonds.

6.07. The preliminary Official Statement, dated as of December [], 2020, prepared and distributed by PFM Financial Advisors LLC on behalf of the District, is hereby ratified and approved and the officers of the District are authorized in connection with the delivery of the Bonds to sign such certificates as may be necessary with respect to the completeness and accuracy of the preliminary Official Statement and the final Official Statement to be dated on or about December [], 2020, which final Official Statement is also hereby approved. PFM Financial Advisors LLC is hereby authorized on behalf of the District to prepare and distribute to the Purchaser within seven business days from the date hereof a supplement to the Official Statement listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the final Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 7. State Payment; District and Bond Registrar Obligations

The District hereby covenants and obligates itself to notify the Commissioner of Education of the State of Minnesota as soon as possible, but not less than 15 working days before the date that principal or interest payment is due, of any potential default in the payment of the principal of or interest on the Bonds and to use the provisions of Minnesota Statutes, Section 126C.55 (the “State Payment Law”), to guarantee (to the extent provided therein) payment of the principal of and interest on the Bonds when due. The District further covenants to deposit with the Registrar not less than three business days prior to each interest and principal payment date for the Bonds an amount sufficient to make that payment or to notify the Commissioner of Education as provided in the State Payment Law that it will be unable to make all or a portion of such payment. The Registrar shall be required to notify the Commissioner of Education if it becomes aware of a potential default in the payment of principal of and interest on the Bonds at maturity or, if on the date two business days prior to maturity, there are insufficient funds on deposit with the Registrar to pay the Bonds in full at maturity. The Registrar shall be required to cooperate with the District, the Commissioner of Education and the Commissioner of Management and Budget in implementing the provisions of the State Payment Law. In the event that amounts sufficient to make any such interest or principal payment are held by an escrow or paying agent and invested as authorized by Minnesota Statutes, Chapter 475 and such escrow or paying agent is required to use proceeds from such investment to pay to the Registrar the amount necessary to pay such interest or principal on such payment date, then the requirements of the State Payment Law relating to the deposit of such amounts with the Registrar prior to the payment date of such interest or principal shall be deemed satisfied and neither the District nor the Registrar shall be required to notify the commissioner of Education that insufficient funds are available to pay such interest or principal on such payment date. The District shall do all other things which may be necessary to perform the obligations hereby undertaken under the State Payment Law, including any requirements hereafter adopted by the Commissioner of Education or the Commissioner of Management and Budget. The Chair, the School District Clerk, the Chief Financial Officer, or any authorized designee thereof, is hereby authorized to execute any applicable forms of the State of Minnesota.

Section 8. Continuing Disclosure

8.01. Definitions. The following capitalized terms shall have the following meanings for purposes of this section.

“*Annual Report*” means any annual report provided by the District pursuant to, and as described in, Section 8.03.

“*Beneficial Owner*” means any person which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (ii) is treated as the owner of any Bonds for federal income tax purposes.

“*EMMA*” means the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“*Financial Obligation*” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation,

or (iii) guarantee of either (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“*Holder*” means the registered holders of the Bonds, as recorded in the registration books of the Registrar (as defined in the Trust Agreement).

“*Listed Events*” means the events listed in Section 8.04.

“*MSRB*” means the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“*Participating Underwriter*” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“*Rule*” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

8.02. Purpose and Beneficiaries. The District makes the following covenants for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with the Rule.

8.03. Provision of Annual Reports.

- (i) Not later than 12 months after the end of each fiscal year of the District (the “Submission Deadline”) (the first report being due not later than 12 months after June 30, 2020), the District shall, either directly or indirectly through an agent designated by the District, file on EMMA an electronic copy of its Annual Report in a format and accompanied by such identifying information as prescribed by the MSRB. If the District’s fiscal year changes, it shall, either directly or indirectly through an agent designated by the District, give notice of such change in the same manner as for a Listed Event under Section 8.04, and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the new fiscal year. If the District is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the District shall, either directly or indirectly through an agent designated by the District, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.
- (ii) The Annual Report must contain or include by reference the following:
 - (1) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota state law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof.

If the District's audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by Minnesota state law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA promptly after they become available.

(2) To the extent not included in the financial statements provided as part of the Annual Report, tables, schedules or other information of the type contained in the Official Statement for the Bonds under the following headings or captions, which information may be unaudited:

- (A) Financial Summary
- (B) Indebtedness
- (C) Property Valuations and Taxes
- (D) Financial Information

(iii) The Annual Report may be submitted as a single document or as separate documents comprising a package. The contents of the Annual Report may be included in the Annual Report by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Annual Report shall clearly identify each such other document so included by reference. The audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date.

8.04 Reporting of Significant Events.

(i) The District shall, either directly or indirectly through an agent designated by the District, give notice of the occurrence of any of the following events with respect to the Bonds, all pursuant to the provisions of this section:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in this subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
 - (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
 - (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.
 - (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (ii) If a Listed Event described in subparagraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14) or (15) has occurred *and the District has determined that such Listed Event is material under applicable federal securities laws*, the District shall,

either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

- (iii) If a Listed Event described in subparagraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12) or (16) above has occurred the District shall, either directly or indirectly through an agent designated by the District, in a timely manner but not later than 10 business days after the occurrence of such Listed Event, promptly file a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subparagraphs (8) and (9) need not be given under this section any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Trust Agreement.

8.05. Termination of Reporting Obligation. The District's obligations under this section will terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the District's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the District to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

8.06. Dissemination Agent. The District may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this section, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent. The dissemination agent will not be responsible in any manner for the content of any notice or Annual Report prepared by the District pursuant to this section.

8.07. Amendment; Waiver. Notwithstanding any other provision of this section, the District may amend the covenants contained in this section, and any provision of this section may be waived, if

- (i) (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (2) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (3) the amendment or waiver either (A) is approved by a majority of the Holders, or (B) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or
- (ii) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this section, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the

reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 8.04, and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8.08. Additional Information. Nothing in this section will be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

8.09. Default. In the event of a failure of the District to comply with any provision of this section, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. Direct, indirect, consequential and punitive damages will not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this section will not be deemed an event of default under the Lease, the Trust Agreement or this resolution, and the sole remedy under this section in the event of any failure of the District to comply with this section will be an action to compel performance.

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EXHIBIT A

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF HENNEPIN

SPECIAL SCHOOL DISTRICT NO. 1 (MINNEAPOLIS)
GENERAL OBLIGATION LONG-TERM FACILITIES MAINTENANCE BOND, SERIES 2020C

R-____ \$ _____

<u>Interest Rate</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	February 1, 20__	December [__], 2020	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THOUSAND DOLLARS

Special School District No. 1 (Minneapolis), Minnesota (the “District”), a duly organized school district with boundaries coterminous with the City of Minneapolis, whose post office address is Minneapolis, Minnesota, acknowledges itself to be indebted, and for value received hereby, promises to pay to the registered owner specified above, or registered assigns, upon presentation and surrender at the principal corporate trust office of the Bond Registrar hereinafter identified, the principal amount specified above, on the maturity date specified above, with interest thereon from the date of original issue hereof or from the most recent interest payment date to which interest has been paid or duly provided for, at the annual rate specified above, all subject to the provisions hereinafter stated with respect to the redemption of the principal of this Bond before maturity. Interest is payable on February 1 and August 1 of each year, commencing on August 1, 2021, by check or draft mailed by the Bond Registrar to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Both principal and interest are payable in any coin or currency of the United States of America, which on the respective dates of payment is legal tender for payment of public and private debts. For the prompt and full payment of such principal and interest as the same respectively become due, the full faith, credit, and taxing power of the District have been and are hereby irrevocably pledged. U.S. Bank National Association in St. Paul, Minnesota has been designated by the Resolution described herein as Bond Registrar, Transfer Agent and Paying Agent (the “Bond Registrar”), and a successor Bond Registrar, if any, may be designated in accordance with said Resolution.

This Bond is one of an issue in the aggregate principal amount of \$[_____] (the “Bonds”), all of like tenor except as to serial number, maturity date, interest rate and redemption privilege and all issued by the District for the acquisition and betterment of school facilities, and is issued pursuant to authority conferred by the required vote of the members of the Board of Education of the District and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapter 475 and Section 123B.595, and pursuant to and in full

conformity with resolutions of the Board of Education of the District, including a resolution adopted December 8, 2020 (the “Resolution”). This Bond is payable primarily from the Debt Service Fund (the “Debt Service Fund”) of the District, but the Board is required by law to pay maturing principal hereof and interest thereon out of any funds in the treasury if moneys on hand in the Debt Service Fund are insufficient therefor. The Bonds of this issue are issuable only as fully registered bonds, in denominations of \$5,000 or any integral multiple thereof, of single maturities.

Bonds having stated maturity dates in the years 2031 and thereafter are each subject to redemption and prepayment in inverse order of maturities and by lot, assigned in proportion to their principal amount, within a maturity, at the option of the District, on any date on or after February 1, 2030, at a price equal to the principal amount thereof to be redeemed plus interest accrued to the date of redemption.

At least thirty days prior to the date set for the redemption and prepayment of any Bond, notice of the call for redemption will be published in a daily or weekly periodical, published in a Minnesota city of the first class or its metropolitan area, which circulates throughout the state and furnishes financial news as a part of its service (provided that published notice of the call need not be given if the Bonds are in registered form and notice has been mailed to the registered holder of the Bonds), and will be mailed or furnished to the Bond Registrar and mailed to the registered owner of each Bond to be redeemed at the address appearing in the Bond Register, but no defect in or failure to give such mailed notice of redemption shall affect the validity of proceedings for the redemption of any Bond. Upon partial redemption of any Bond, a new Bond or Bonds will be delivered to the registered owner without charge, representing the remaining principal amount outstanding.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the District at the principal corporate trust office of the Bond Registrar, by the registered owner hereof in person or by his/her/its attorney duly authorized in writing upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or his/her/its attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner thereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

It is hereby certified, recited, covenanted and agreed that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to happen, to exist and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the District according to its terms have been done, have happened, do exist, and have been performed in regular and due form, time and manner as so required; that, prior to the issuance hereof, a direct, annual, ad valorem tax has been duly levied upon all taxable property in the District for the years and in amounts not less than five percent (5%) in excess of sums sufficient to pay the interest hereon and the

principal hereof as the same respectively become due; that additional taxes, if needed to meet the principal and interest requirements of the Bonds, shall be levied upon all of such property without limitation as to rate or amount; and that the issuance of the Bonds does not cause the indebtedness of the District to exceed any constitutional or statutory limitation of indebtedness.

This Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, Special School District No. 1 (Minneapolis), Minnesota, by its Board of Education has caused this Bond to be executed by the facsimile signatures of the Chair of the Board of Education and the School District Clerk and has caused this Bond to be dated as of the date of original issue set forth above.

(Facsimile Signature)
Chair of the Board of Education

(Facsimile Signature)
School District Clerk

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

Date of Authentication: _____

U.S. BANK NATIONAL ASSOCIATION,
as Bond Registrar

By _____
Authorized Signature

The following abbreviations, when used in the inscription of the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants
in common

UTMA as Custodian for
(Cust) (Minor)

TEN ENT — as tenants
by the entireties

under Uniform Transfers to
Minors Act
(State)

JT TEN — as joint tenants with
right of survivorship
and not as tenants in
common

Additional abbreviations may also be used, though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto
the
within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
attorney to transfer the within Bond on the books kept for registration thereof, with full power of
substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

NOTICE: The signature to this assignment must
correspond with the name as it appears upon the
face of the within Bond in every particular,
without alteration or any change whatsoever.

SIGNATURE GUARANTEE:

Signature(s) must be guaranteed by an
“eligible guarantor institution” meeting
the requirements of the Registrar, which
requirements include membership or
participation in STAMP or such other
“signature guaranty program” as may be
determined by the Registrar in addition to
or in substitution for STAMP, all in
accordance with the Securities Exchange
Act of 1934, as amended.

SCHEDULE

[TO COME]

SPECIAL SCHOOL DISTRICT NO. 1
Board of Education

January 12, 2021

Resolution on 2021-2022 Budget Priorities

WHEREAS, the Board has received fiscal projections and parameters in the FY2021-2021 Budget Pro-Forma; and

WHEREAS, factors including declining student enrollment, inadequate funding from state and federal governments, and increased expenses and decreased revenue due to COVID-19 have resulted in a projected budget gap for the 2021-2022 school year; and

WHEREAS, the Board must adopt a balanced budget by June 30, 2021.

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of Special School District No. 1, hereby directs and empowers the Superintendent to bring forth a recommended budget for the 2021-2022 school year that prioritizes investment in the following current and planned areas:

- Measures needed to ensure the continued health and safety of students and staff
- Multi-tiered systems of support (MTSS), equity, literacy, and social emotional learning
- Direct student supports, including mental health services needed to address the trauma experienced by our students
- Implementation of the structural and programmatic elements adopted in the Comprehensive District Design
- Advancement of the Climate Framework
- Academic plan and equitable education design implementation
- Curriculum transformation including the new Ethnic Studies course requirement and math curriculum adoption
- Professional development to establish a district culture of anti-racist mindsets and actions
- Strategies to recruit and retain staff of color, including the Teacher Equity Plan
- Early childhood programs and services
- Predictable school-level staffing with discretionary allocations aligned to Board priorities and site council recommendations

Signed by:

Board of Education Chairperson

Date

Board of Education Clerk

Date