

School Board Special Meeting  
Monday, June 26, 2023 4:00 PM

District Office Conference Room, Room 164  
Austin High School  
401 3rd Ave. NW  
Austin, MN 55912

## **Agenda**

1. Call to order/roll call  
**Speaker(s):** Chairperson
2. Request approval of agenda (Action)
3. Request approval of consent agenda (Action)
  - 3.A. Lease agreement with Riverland Community College for Adult Basic Education program
  - 3.B. Long Term Facilities Maintenance (LTFM) ten-year plan
  - 3.C. Award dairy contract for 2023-24
  - 3.D. Award bakery contract for 2023-24
4. Overview and request for approval of 2023-24 budget (Action)  
**Speaker(s):** Exec Dir of Finance and Operations Andrew Adams
5. Adjournment (Action)



**DATE:** June 26, 2023  
**TITLE:** Riverland Community College Lease Renewal  
**TYPE:** Action  
**PRESENTER:** Andrew Adams, Executive Director of Finance and Operations

**BACKGROUND:**

Austin Adult Learning has partnered with Riverland Community College (RCC) for many years with the entire program being housed at RCC since 2019. The Adult Basic Education (ABE) program offers many opportunities to support students in achieving their goals including English Language classes, coursework to support completing their GED, classes through the SE MN ABE Consortium, and many additional opportunities including Pre-CNA, Citizenship, and Customer Service, just to name a few. In collaboration with the Hormel Foundation, the District is also able to offer on-site childcare and parenting classes for Adult Learning students.

**RATIONALE:**

The lease with Riverland Community College expires on June 30, 2023. The District would like to retain the space for an additional 5 years to best serve programmatic needs.

The District funds this lease out of our Lease Levy authority each school year. The new monthly payment will increase from \$4,333 to \$4,462.99 with a total increase in rent over the 5 year period of 3.00%.

**RECOMMENDATION:**

It is recommended the School Board approve the lease renewal with Riverland Community College for the ABE program space as presented.



**Minnesota**  
STATE COLLEGES  
& UNIVERSITIES

**LEASE AGREEMENT– MINNESOTA STATE AS LANDLORD**

TOTAL AMOUNT: \$ 282,602.76

THIS LEASE AGREEMENT is made by and between State of Minnesota, by and through the Board of Trustees of Minnesota State Colleges and Universities on behalf of **Riverland Community College**, located at 1900 8<sup>th</sup> Ave NW, Austin, MN 55912, hereafter referred to as MINNESOTA STATE or LANDLORD, and **Austin Public Schools** a Minnesota non-profit, located at 401 3<sup>rd</sup> Avenue NW, Austin, MN 55912 , hereafter referred to as TENANT.

WHEREAS, the Board of Trustees of Minnesota State Colleges and Universities is empowered by Minn. Stat. §136F.06, to govern Board-related property, and

WHEREAS, MINNESOTA STATE has under its control the Austin East Campus located at 1600 8<sup>th</sup> Avenue NW, Austin, MN 55912, and has space in that building, and

WHEREAS, MINNESOTA STATE and TENANT, entered into Lease Agreement L-139-01-21 commencing on September 1, 2020 and ending on June 30,2023, and

WHEREAS, TENANT desires to continue to use the space for an Adult Basic Education Center.

NOW THEREFORE, MINNESOTA STATE and TENANT, in consideration of the rents, covenants, and considerations hereinafter specified, do hereby agree each with the other as follows.

**1. LEASED PREMISES.**

MINNESOTA STATE grants and TENANT accepts the lease of the following described Leased Premises located in the City of Austin, County of Mower, Minnesota: more particularly described as:

Approximately 5,200 SF of usable classroom and office square feet of space in the Riverland Community College-Austin East Campus, 1600 8<sup>th</sup> Avenue NW, Austin, MN 55912, as shown on the floor plan or survey on attached **Exhibit A** described below:

Classrooms S100, C127, C128, C129, C130, C133, C134, C137, C138 and  
2 offices in the C121 office suite

Hereafter referred to as the “Leased Premises”.

1.1 Unless otherwise provided in this Lease Agreement, the TENANT is taking the Leased Premises in its “as is” condition, and MINNESOTA STATE is under no obligation to make any alterations or modifications to accommodate TENANT’s use. TENANT’s taking possession of the Leased Premises is evidence that the Leased Premises was in tenantable condition as of the day of occupancy.

1.2 MINNESOTA STATE reserves the right in its sole discretion to maintain and repair the structural elements and utilities that serve the Leased Premises, including, but not limited to the walls, roof, conduits, heating and cooling and other structural elements. MNSCU may at any time construct, modify, add on or demolish elements of the Building of which the Leased Premises is a part, provided MINNESOTA STATE makes reasonable efforts to minimize the impact of such work on TENANT and its use of the Leased Premises.

1.3 Parking. MINNESOTA STATE shall allow TENANT, its staff, visitors, guests and invitees the use of the College Parking lot during the term of this Lease. MINNESOTA STATE reserves the right to change, modify or otherwise redirect the location of the parking at its sole and absolute discretion. TENANT agrees to comply with MINNESOTA STATE’s parking program.

**2. TERM.**

The term of this Lease Agreement shall commence on July 1, 2023 (the “Commencement Date”), and end on June 30, 2028, unless otherwise sooner terminated as provided in this Lease. MINNESOTA STATE grants and TENANT accepts a right to enter the Leased Premises 5 days prior to the Commencement Date at no charge to install furnishings, fixtures and equipment (FF&E) necessary to allow TENANT’s occupancy, provided MNSCU has received and approved TENANT’s certificate of liability insurance evidencing that TENANT has satisfactorily met all MINNESOTA STATE insurance requirements as set forth in Paragraph 11, Insurance, and in the attached **Exhibit B**, General Insurance Requirements.

**3. PAYMENT OF RENT.**

3.1 As rent for the Leased Premises and in consideration for all covenants, representations and conditions of this Lease Agreement, TENANT shall pay to MINNESOTA STATE the sum of Two Hundred Eighty-Two Thousand Six Hundred Two and 76/100 Dollars (\$ 282,602.76) for the initial term of the Lease Agreement, such amount to be paid in advance, in monthly installments on the first day of each month, promptly and with no invoicing, by check, money order, or electronic funds transfer made payable to Riverland Community College. Rent paid more than five days late is subject to a \$ 0 late fee. Rent shall be paid in accordance with the following schedule:

<b>Lease Period</b>	<b>Monthly Payment</b>	<b>Annual Rent</b>	<b>Total due over Term</b>
7/1/23-6/30/24	\$ 4,462.99	\$ 53,555.88	
7/1/24-6/30/25	\$ 4,596.88	\$ 55,162.56	
7/1/25-6/30/26	\$ 4,734.79	\$ 56,817.48	
7/1/26-6/30/27	\$ 4,829.49	\$ 57,953.88	
7/1/27-6/30/28	\$ 4,926.08	\$ 59,112.96	

Total			\$ 282,602.76
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3.2 If TENANT uses and occupies the Leased Premises prior to the Commencement Date for other than installation of FF&E, TENANT shall pay to MINNESOTA STATE a daily rent of \$ 0 for each day prior.

3.3 Bond Financed Property. If MINNESOTA STATE used General Obligation bonds (including Higher Education Asset Preservation and Repair "HEAPR") to purchase, construct or improve the Leased Premises, TENANT agrees to comply with all requirements imposed by the Commissioner of the Department of Management and Budget, his or her successor and assigns, up to and including furnishing any documents as the Commissioner determines to be necessary to ensure that interest paid on the General Obligation Bonds, if any, used to purchase, construct or improve the property of which the Leased Premises is a part, is exempt from federal taxation.

#### 4. USE.

TENANT shall use and occupy the Leased Premises only as an Adult Basic Education Center and for no other purposes without MINNESOTA STATE's prior written consent for each instance.

#### 5. TERMINATION.

5.1 This Lease may be terminated by MINNESOTA STATE with or without cause at any time upon giving thirty (30) days prior written notice of such termination to TENANT.

5.2 Surrender of Leased Premises TENANT hereby agrees that at the expiration or earlier termination of this Lease or extension thereof:

- a. TENANT shall remove its personal property and vacate and surrender possession of the Leased Premises to MINNESOTA STATE by the end of the day the Lease terminates in as good condition as when TENANT took possession, ordinary wear and tear and damage by the elements excepted.
- b. All personal property not so removed will conclusively be deemed to have been abandoned by TENANT and may be sold, stored, destroyed or otherwise disposed of by MINNESOTA STATE without notice to TENANT or to any other person and without obligation to account for them. TENANT will pay MINNESOTA STATE all expenses incurred in connection with MINNESOTA STATE'S disposition of such personal property, including without limitation the cost of repairing any damage to the building or premises caused by removal of such property. TENANT'S obligation to pay all of MINNESOTA STATE'S expenses incurred in connection with removal of TENANT'S personal property shall survive the termination of this Lease.

#### 6. DUTIES OF LANDLORD.

MINNESOTA STATE shall provide light and heat to the Leased Premises, common areas and public access areas, including stairways, elevators, lobbies, and hallways. MINNESOTA STATE shall furnish and provide, at its expense, the following utilities and services:

6.1 Utilities: MINNESOTA STATE shall bear the cost of the following utilities except telephone and internet services: water, sewer, electricity and natural gas.

6.2. Janitorial Service: MINNESOTA STATE shall provide janitorial services and supplies to the Leased Premises and common areas of the building on a daily basis, Monday through Friday.

6.3 Trash Removal: MINNESOTA STATE shall provide the Leased Premises with a means or system of waste or trash disposal. Consistent with Minn. Stat. 16B.24, subd. 6(d), MINNESOTA STATE shall provide space for recyclable materials. MINNESOTA STATE shall provide recycling services at its expense.

6.4 Common Areas: MINNESOTA STATE shall provide yard care for the complex.

6.5 Snow Removal: MINNESOTA STATE shall keep the public sidewalks adjacent to the building and any sidewalks or stairways leading from the public sidewalks to the building cleared of snow, ice and debris, including the parking lot.

6.6 Maintenance: MINNESOTA STATE shall maintain in working condition all appurtenances within the scope of this Lease Agreement, including the maintenance of proper plumbing, wiring, heating (and, where applicable, cooling) devices and ductwork. MINNESOTA STATE shall also maintain the foundation, roof and exterior walls of the building.

6.7 Repairs: MINNESOTA STATE shall make such necessary repairs so as to continue to provide all such service appurtenances as are required by this Lease Agreement, provided, however, that MINNESOTA STATE shall not be responsible for repairs upon implements or articles which are the personal property of TENANT, nor shall MINNESOTA STATE bear the expense of repairs to the Leased Premises necessitated by damage caused by TENANT beyond normal wear and tear. TENANT will be responsible to maintain the interior walls, ceilings, windows and doors of the Leased Premises, as well as any equipment that is located within and exclusively serves the Leased Premises.

6.8 Delivery of Leased Premises: MINNESOTA STATE covenants that it will deliver the Leased Premises to TENANT in good condition with all services and appurtenances included within the scope of this Lease Agreement in effect and in good running order.

6.9 Quiet Enjoyment: TENANT shall have the quiet enjoyment of the Leased Premises during the full term of the Lease Agreement and any extension or renewal thereof.

6.10 Energy Conservation: MINNESOTA STATE shall operate within MINNESOTA STATE energy guidelines and may enact energy initiatives to reduce energy consumption. MINNESOTA STATE participates in energy conservation measures enacted by State or Federal authority as may be specifically required by such governmental orders or regulations.

6.11 Accessibility: MINNESOTA STATE agrees to provide and maintain the Leased Premises and the building of which the Leased Premises are a part in compliance with accessibility and facilities meeting code requirements for handicapped persons, pursuant to all applicable laws, rules, ordinances and regulations as issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property.

6.12 Shutdowns: MINNESOTA STATE reserves the right to shut down electricity, heat, water or air conditioning when necessitated by safety, repairs, alterations or upgrades. MINNESOTA STATE will give TENANT at least one (1) day notice of such shutdown, except in case of emergency, which shall require no advance notification. MINNESOTA STATE will use reasonable efforts to not shut down TENANT's utilities during business hours. MINNESOTA STATE will have no liability to TENANT for any loss, damage or expense that TENANT may sustain due to such shut down.

## 7. DUTIES OF TENANT.

7.1 Telephone and Telecommunications. TENANT shall pay all charges for installation and telephone usage, computer and internet access directly to Riverland Community College. For phones, this would be the cost of the phone, plus actual installation costs for telecommunication wiring for any phone location where wiring cannot support phone connection. For computer and internet access, TENANT may use the wireless guest access at no cost, and wired computers and printer will be configured at no charge. If a specific wireless network needs to be configured specifically for TENANT, a one-time cost of \$75 per hour times hours spent configuring specific wireless network will be billed to TENANT. No ongoing network access would be charged.

7.2 Window coverings, interior painting and alterations, subject to MINNESOTA STATE's prior written approval, see Paragraph 8, Alterations.

7.3 Identification signs, subject to MINNESOTA STATE'S prior written approval, see Paragraph 8, Alterations.

7.4 Furniture, Fixtures, and Equipment. TENANT shall supply all furnishings necessary for its use of the Leased Premises.

7.5 Condition of Premises. TENANT agrees to maintain the Leased Premises in a reasonably clean and sanitary condition.

7.6 Energy Conservation. TENANT agrees to observe reasonable precautions to prevent waste of heat, electricity, water, air conditioning and other utility or service, whether such is furnished by MINNESOTA STATE or obtained and paid for by TENANT.

7.7 Compliance with Laws. TENANT shall comply with all applicable municipal, county and state laws, ordinances and regulations, and shall obtain and pay for all licenses and permits (and special use permits, if applicable) as may be required by its use of the Leased Premises.

7.8 Tax or Impositions. In the event that a state or local tax is imposed upon MINNESOTA STATE due to TENANT'S occupancy, use, valuable possession or valuable leasehold interest of or in the

real property hereby leased, the obligation for the payment of the tax will be wholly that of TENANT.

7.9 Human Rights: When applicable, TENANT certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363A.36, or that it has not had more than 40 full-time employees at any time during the previous 12 months and claims exemption from Minnesota Statutes, Section 363A.36

7.10 Repairs. TENANT shall, except as otherwise specified herein, maintain in good repair and condition the Leased Premises including the building and any and all equipment, fixtures or appurtenances furnished by MINNESOTA STATE under this Lease. TENANT will be responsible to maintain the interior walls, ceilings, windows and doors of the Leased Premises, as well as any equipment that is located within and exclusively serves the Leased Premises.

7.11 Nuisance. TENANT agrees not to use the Leased Premises in any way which, in the judgment of MINNESOTA STATE, poses a hazard to building occupants, the Leased Premises or the building, in part or whole, nor shall TENANT use the Leased Premises so as to cause damage, annoyance, nuisance or inconvenience to building occupants or others.

7.12 No Smoking. TENANT shall comply with the campus policy on tobacco use on campus grounds.

## 8. ALTERATION OF LEASED PREMISES.

***TENANT shall make no alterations, additions, or changes in the Leased Premises without the advance written consent of MINNESOTA STATE.*** All alterations, additions, improvements and fixtures (including floor coverings), which may be made or installed by MINNESOTA STATE upon the Leased Premises and which in any manner are attached to the floors, walls or ceilings, at the termination of this lease shall remain the property of MINNESOTA STATE, and shall remain upon and be surrendered with the Leased Premises as a part thereof, without damage or injury beyond normal wear and tear.

8.1 Alterations, additions or changes shall comply with all applicable codes and MINNESOTA STATE Design and Construction Standards. TENANT shall at all times observe all fire and building codes relating to its operation and use of the Leased Premises. TENANT shall comply with all applicable laws and requirements including, but not limited to the City, County, and State of Minnesota as to sanitary, health and safety conditions and as to the use of the Leased Premises by TENANT

8.2 Alterations, additions or changes shall be at TENANT's sole cost and expense to furnish all labor and materials to make all alterations and structural changes necessary for use of the building as permitted by this Lease.

8.3 TENANT shall be responsible for ensuring that building contractors employed by TENANT shall provide and maintain a performance bond and construction insurance as established by Minnesota State Colleges and Universities. TENANT shall provide copies of said performance bond and construction insurance to MINNESOTA STATE prior to any work performed by any contractors on behalf of TENANT.

8.4 Tenant may, at its own expense, remodel, redecorate, make alterations, additions and changes in and to the interior of the premises (except those of a structural nature); provided, however, that no alterations, additions or changes may be made without first procuring the approval in writing of MINNESOTA STATE. All alterations, additions or changes to be made to the Leased Premises which require the approval of MINNESOTA STATE shall be made under the supervision of a competent architect or competent licensed structural engineer and made in accordance with plans and specifications approved in writing by MINNESOTA STATE before commencement of work. All work related to any alterations, additions or changes shall be done in a good and workmanlike manner and diligently completed so that the premises shall be a complete unit at all times except during the period of construction. TENANT will not make or allow to be made any structural changes or additions to the building or the premises, or make or allow to be made any changes, additions or hook ups to any utility services, including electrical, plumbing, heating, HVAC, or any transformers, lines, wires, or equipment associated with same, without the prior written approval of MINNESOTA STATE. TENANT shall be responsible for the cost of any build out of the Leased Premises in preparation for occupancy. TENANT and MINNESOTA STATE shall develop plans and specifications for building out the TENANT space.

8.5 TENANT shall have no right to encumber or subject the interest of MINNESOTA STATE in the Leased Premises to any mechanic's liens, material liens or other liens of any nature whatsoever, and TENANT shall have any such lien discharged within 10 days after the date of recording of the lien. TENANT shall be liable to MINNESOTA STATE for any MINNESOTA STATE's costs and attorney fees incurred in regard to this section.

8.6 Leased Premises Condition at Termination. MINNESOTA STATE shall vacate the Leased Premises in good order and in the same repair as which the Leased Premises existed at the commencement of this Lease Agreement, ordinary wear and tear excepted, and, shall remove all its property and fixtures there from so MINNESOTA STATE can repossess the Leased Premises not later than the day after the expiration of this Lease Agreement or any renewal thereof, whether upon notice or by holdover or otherwise. MINNESOTA STATE may at any time prior to or upon the termination of this Lease Agreement or any renewal or extension thereof, remove from the Leased Premises all materials, equipment and property of every other sort or nature installed by TENANT thereon, provided that such property is removed without substantial injury to the Leased Premises. No injury or damage shall be considered substantial if it is promptly corrected by restoration to the condition prior to the installation of such property or equipment. MINNESOTA STATE may require TENANT to remove same from the Leased Premises, at MINNESOTA STATE's sole discretion, if MINNESOTA STATE provides TENANT with written notice at least 15 days prior to termination of the lease.

## 9. ASSIGNMENT AND SUBLETTING.

TENANT shall not assign nor in any manner transfer this Lease or any interest therein, nor sublet said Leased Premises or any parts thereof.

## 10. MINNESOTA STATE'S ACCESS.

MINNESOTA STATE, acting through its designated agent, employees or officials shall have the right, upon prior notification to TENANT (or without such notice in case of an emergency), to enter the Leased Premises at all reasonable times.

#### 11. **INSURANCE.**

11.1 **General Liability.** TENANT shall acquire and maintain, at its sole expense, all the insurance described on **Exhibit B**, attached hereto and made a part of this Lease Agreement, naming both Minnesota State Colleges and Universities and Riverland Community College as additional insured.

11.2. **Property Damage.** It shall be the duty of MINNESOTA STATE and TENANT to maintain insurance on their own property, both real and personal. MINNESOTA STATE may maintain either insurance or self-insurance. Notwithstanding anything apparently to the contrary of this Lease Agreement, MINNESOTA STATE and TENANT hereby release one another and their respective partners, officers, employees and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage covered by said insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

#### 12. **LIABILITY.**

MINNESOTA STATE and TENANT agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. MINNESOTA STATE'S liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section 3.736, and other applicable law.

#### 13. **MNSCU TO BE HELD HARMLESS.**

MINNESOTA STATE shall not be liable for any suits, actions or claims of any character for injury, death or property damage made by or on behalf of any person or persons, firm or corporation arising out of the conduct, management or use of the Leased Premises by TENANT or arising out of any work or thing whatsoever done in or about the premises or structures or equipment therein when such has been authorized by TENANT, except as such injury, death or property damage is attributable to MINNESOTA STATE'S negligence as determined by a court of law. TENANT shall indemnify MINNESOTA STATE and hold it harmless from any and all such suits, actions or claims. This provision shall survive the termination of this Lease.

#### 14. **PERSONAL PROPERTY RISK.**

All personal property in or about the Leased Premises belonging to or placed therein by TENANT or its occupants or visitors shall be there at the sole risk of TENANT or such other person only, and MINNESOTA STATE shall not be liable for theft or misappropriation thereof, nor for any loss or damage due to the building or any part of the appurtenance thereof becoming out of repair, or arising from the bursting or leaking of water, gas, sewer or steam pipes, or due to the happening of any accident in or about the Leased Premises including destruction by fire.

**15. DAMAGE BY FIRE OR OTHER CASUALTY.**

If all or a substantial part of the Leased Premises is rendered untenable or inaccessible by damage to all or any part of the building from fire, the elements, accident, or other casualty (a "Casualty"), MINNESOTA STATE shall have the option, at its sole and absolute discretion, to either:

- a. Use reasonable efforts to restore the Leased Premises to substantially its former condition to the extent permitted by applicable law; provided, however, that in no event shall MINNESOTA STATE have any obligation: 1) to make repairs or restoration beyond the extent of insurance proceeds received by MINNESOTA STATE for such repairs or restoration or 2) repair or restore any of TENANT's personal property, trade fixtures or alterations. If MINNESOTA STATE elects to repair damage to the Leased Premises, then

1) This Lease Agreement shall remain in full force and effect but Rent from the date of the Casualty though the date of substantial completion of the repair shall be abated with regard to any portion of the Leased Premises that TENANT is prevented from using by reason of such damage or its repair; and

2) In no event shall MINNESOTA STATE be liable to TENANT by reason of any injury to or interference with TENANT's business or property arising from a Casualty or by reason of any repairs to any part of the building necessitated by the Casualty.

OR

- b. Terminate this Lease and end the term hereof, in which case the rent shall be paid to the date of such fire or other casualty, and all further obligations on the part of either party shall cease. If MINNESOTA STATE elects to terminate the Lease Agreement, MINNESOTA STATE shall notify TENANT in writing within 180 days of the date of the Casualty.

**16. HOLDING OVER.**

In the event TENANT remains in possession of the Leased Premises herein leased after the expiration of this Lease and without the execution of a new lease, it shall be deemed occupying said Leased Premises as a tenant, subject to all the conditions, provisions and obligations of this Lease insofar as the same can be applicable to a month-to-month tenancy, except that if TENANT holds over for more than five days, the amount of Rent due each month will be doubled. The increased Rent payment will be due each month, including the first month Tenant holds over, until TENANT vacates the Leased Premises. TENANT will also be liable to MINNESOTA STATE for all costs, losses, claims or liabilities that MINNESOTA STATE may incur as a result of TENANT's failure to surrender possession of the Leased Premises to MINNESOTA STATE upon the expiration or earlier termination of the Lease.

**17. DEFAULT BY TENANT.**

If TENANT defaults in any of its promises or covenants under the Lease and fails to cure the same within thirty (30) days after receipt of written notice of default from MINNESOTA STATE, MINNESOTA STATE may exercise one or more of the following remedies, or any other remedy available at law or in equity:

- a. terminate the Lease and recover from TENANT all damages it has incurred by reason of such breach;
- b. re-enter the Leased Premises and remove all persons and property from the Leased Premises, without terminating the Lease or releasing TENANT from its obligations under the Lease;
- c. re-let the Leased Premises without terminating the Lease. All amounts received from such re-letting shall be applied: first, to the payment of any costs of re-letting, and second, to the payment of Rent due and owing under this Lease Agreement. If the amount received from re-letting in any month is less than the amount of Rent to be paid by TENANT, TENANT will pay any such deficiency to MINNESOTA STATE upon demand.

#### **18. SELF-HELP RIGHT.**

If TENANT defaults in the performance of any term of this Lease Agreement, MINNESOTA STATE, in addition to any other rights and remedies it has under this Lease and without waiving such default, may perform the same for the account of and at the expense of TENANT (but shall not be obligated to do so), without notice in a case of emergency and in any other case if such default continues after five (5) days from the date that MINNESOTA STATE gives written notice to TENANT of its intention to do so. TENANT must pay upon demand bills for all amounts paid by MINNESOTA STATE and all losses, costs and expenses incurred by MINNESOTA STATE, in connection with any such performance by MINNESOTA STATE pursuant to this section, including, without limitation, all amounts paid and costs and expenses incurred by MINNESOTA STATE for any property, material, labor or services provided by MINNESOTA STATE to TENANT.

#### **19. WAIVER OF COVENANTS.**

The failure of MINNESOTA STATE to insist in any one or more instances upon performance of any of the terms, covenants or conditions of this Lease shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition, but TENANT'S obligation with respect to such future performance shall continue in full force and effect.

#### **20. BUILDING ACCESS.**

MINNESOTA STATE shall provide for access to the Leased Premises for authorized employees of TENANT. Building hours are: 6:00 AM- 10:00 PM.

#### **21. NOTICES.**

All notices, requests, and other communications between MINNESOTA STATE and TENANT that are required or that MNSCU or TENANT elect to deliver shall be deemed sufficiently given or rendered if in writing and delivered to either party personally, by a recognized overnight courier service or by United States mail, first-class, certified or registered, postage prepaid, (return receipt required) addressed as follows:

TENANT: Austin Public Schools  
401 3<sup>rd</sup> Avenue NW  
Austin, MN 55912  
ATTN: Dr. Joey Page

MINNESOTA STATE: Riverland Community College  
1900 8<sup>th</sup> Ave NW  
Austin, MN 55912  
ATTN: Brad Doss, Vice President of Finance & Operations

With a copy to: Minnesota State Colleges and Universities  
30 E. 7th Street, Suite 350  
St. Paul, MN 55101  
ATTN: Real Estate Services

**22. NEW LANDLORD.**

In the event the Leased Premised or the building of which the same is a part shall be sold, conveyed, transferred, assigned, leased or sublet, or if MINNESOTA STATE shall sell, convey, transfer, or assign this Lease Agreement or rents due under this Lease Agreement, or if for any reason there shall be a change in the manner in which the rental reserved hereunder shall be paid to MINNESOTA STATE, proper written notice of such change must be delivered to TENANT as promptly as possible.

**23. AUDIT.**

MINNESOTA STATE is a State of Minnesota entity. The books, records, documents and accounting procedures and practices of the TENANT (whether in hard copy or electronic format) regarding this Lease Agreement shall be subject to reasonable examination by the State, MINNESOTA STATE, MINNESOTA STATE's Internal Auditor or Independent Auditor and/or the Legislative Auditor during the term of the Lease and for a minimum of six (6) years after the Lease's expiration or termination.

**24. ENVIRONMENTAL.**

TENANT shall not use in any way, or permit or suffer the use of the Leased Premises or any part thereof, to either directly or indirectly prepare, produce, generate, manufacture, refine, treat, transport, store, maintain, handle, dispose of, transfer, or process any Hazardous Substance as defined below, unless it has received the prior written consent of MINNESOTA STATE, which may be unreasonably withheld. "Hazardous Substance" means any pollutant, contaminant, toxic or hazardous waste, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, PCBs, or any other substance the removal of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling, or ownership of which is restricted, prohibited, regulated, or penalized by any and all federal, state, county, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control

Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. § 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.) as these laws have been amended or supplemented. TENANT agrees to hold harmless and indemnify MINNESOTA STATE from any and all damages, costs, fines and expenses, including all attorney's fees incurred by MINNESOTA STATE that might arise as a result of TENANT's violation of this provision. This provision shall survive the termination of this Lease.

**25. ENTIRE AGREEMENT.**

The Lease Agreement documents, which constitute the entire Lease Agreement between the parties except for agreed upon written amendments issued after execution of this Lease Agreement, are enumerated as follows:

- Lease Agreement
- **EXHIBIT A**, Leased Premises
- **EXHIBIT B**, Insurance Requirements

*Signature Block is on Next Page*

IN WITNESS WHEREOF, the parties have set their hands on the date( s) indicated below intending to be bound thereby.

**TENANT: Austin Public Schools**

TENANT certifies that the appropriate person(s) have executed the contract on behalf of TENANT as required by applicable articles, by-laws, resolutions, or ordinances.

By: \_\_\_\_\_  
Joey Page

Its: \_\_\_\_\_  
Superintendent

Date: \_\_\_\_\_

**MINNESOTA STATE: STATE OF MINNESOTA, BY AND THROUGH THE BOARD OF TRUSTEES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES, ON BEHALF OF Riverland Community College**

By: \_\_\_\_\_  
William D. Maki

Its: \_\_\_\_\_  
Vice Chancellor for Finance and Facilities

Date: \_\_\_\_\_

**RECOMMENDED BY:**

By: \_\_\_\_\_  
Adenuga Atewologun

Title: President

Date: \_\_\_\_\_

**AS TO FORM AND EXECUTION:**

By: \_\_\_\_\_  
Brad Doss

Title: Vice President of Finance and Operations

Date: \_\_\_\_\_

**EXHIBIT A – LEASED PREMISES**

Classrooms S100, C127 ,C128, C129, C130, C133, C134, C137, C138 and  
2 offices in the C121 Office Suite  
Located in the Riverland Community College Austin East Campus located at  
1600 8<sup>th</sup> Avenue NW, Austin, MN 55912

**EXHIBIT B  
GENERAL INSURANCE REQUIREMENTS**

**The TENANT shall not commence work in, or occupy, the Leased Premises under this Lease Agreement until TENANT has obtained all the insurance described below and the State of Minnesota has approved such insurance. All policies shall remain in force and effect throughout the term of the Lease Agreement.**

**POLICY REQUIREMENTS**

**1. Workers' Compensation Insurance**

- A. Statutory Compensation Coverage
- B. Coverage B – Employers Liability with limits of not less than:
  - \$100,000 Bodily Injury by Disease per Employee
  - \$500,000 Bodily Injury by Disease Aggregate
  - \$100,000 Bodily Injury by Accident

**2. General Liability Insurance**

- A. Minimum Limits of Liability:
  - \$2,000,000 – Per Occurrence
  - \$2,000,000 – Annual Aggregate
  - \$2,000,000 – Annual Aggregate applying to Products/Completed Operations
- B. Coverages:
  - Premises and Operations Bodily Injury and Property Damage
  - Personal & Advertising Injury
  - Blanket Contractual
  - Products and Completed Operations
  - Other; if applicable, please list \_\_\_\_\_
  - State of Minnesota or Minnesota State Colleges and Universities named as Additional Insured

**Additional Insurance Conditions**

- TENANT's policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of the TENANT's performance under this Lease Agreement.
- TENANT agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless TENANT's policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota
- TENANT is responsible for payment of Lease Agreement related insurance premiums and deductibles.
- If TENANT is self-insured, a Certification of Self-Insurance must be attached.
- TENANT's policy(ies) shall include legal defense fees in addition to the liability policy limits.
- TENANT shall obtain insurance policy(ies) from insurance company(ies) having an "AM Best" rating of A- (minus), Financial Size Category of VII or better, and authorized to do business in the State of Minnesota.
- An Umbrella or Excess Liability insurance policy may be used to supplement the TENANT's policy limits to satisfy the full policy limits required by the Lease Agreement.



**DATE:** June 26, 2023

**TITLE:** Long-Term Facilities Maintenance Fiscal Year 2025

**TYPE:** Action

**PRESENTER:** Andrew Adams, Executive Director of Finance and Operations

**BACKGROUND:**

Minnesota Statutes 2021, section 123B.595, establishes the Long-Term Facilities Maintenance Revenue program. It replaced three programs: Deferred Maintenance (Minn. Stat. section 23B.591 [2021]), Alternative Facilities (Minn. Stat. section 123B.59 [2021]), and Health and Safety (Minn. Stat. section 123B.57 [2021]). The LTFM program offers a comprehensive program to fund a facility ten-year plan developed by a school district. The uses of revenue, or allowable expenditures, remain the same as under the three previous programs. The plan submission will be used to determine initial LTFM aids and levies for fiscal year (FY) 2025 and to adjust LTFM revenues for FY 2024 and FY 2025.

**RATIONALE:**

School districts are required to annually update their LTFM ten-year plan and submit the board approved plan to the commissioner for approval by July 31.

**RECOMMENDATION:**

It is recommended that the board approve the “Resolution Adopting Independent School District No. 492 FY25 Long-Term Facilities Maintenance Ten-Year Plan” and accompanying forms as presented.

 DEPARTMENT OF EDUCATION	Division of School Finance 400 NE Stinson Blvd Minneapolis, MN 55413	<b>Long-Term Facility Maintenance Ten-Year Expenditure Application (LTFM) - Fund 01 and Fund 06 Projects Only</b>	ED - 02478-09
--------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------	---------------

**Instructions:** Enter estimated, allowable LTFM expenditures (Fund 01 and/or Fund 06 only) under Minnesota Statutes 2021, section 123B.595, subd. 10. Enter by Uniform Financial and Accounting Reporting Standards (UFARS) finance code and by fiscal year in the cells provided.

District Info.		Enter Information		District Info.		Enter Information		Fiscal Year (FY) Ending June 30																
District Name:		Austin Public Schools		Date:		6/26/2023																		
District Number:		#492		Email:		andrew.adams@austin.k12.mn.us																		
District Contact Name:		Andrew Beeneken-Adams																						
Contact Phone #		(507) 460-1900																						
Expenditure Categories		2023 (base year)	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033												
<b>Health and Safety - this section excludes project costs in Category 2 of \$100,000 or more for which additional revenue is requested for Finance Codes 358, 363 and 366.</b>																								
<b>Finance Code</b>	<b>Category (1)</b>																							
347	Physical Hazards	\$48,000	\$43,500	\$43,500	\$43,500	\$43,500	\$43,500	\$43,500	\$52,000	\$43,500	\$43,500	\$43,500												
349	Other Hazardous Materials	\$119,100	\$112,100	\$112,100	\$112,100	\$112,100	\$84,100	\$55,000	\$55,000	\$55,000	\$55,000	\$55,000												
352	Environmental Health and Safety Management	\$141,836	\$141,804	\$150,000	\$150,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000	\$141,000												
358	Asbestos Removal and Encapsulation	\$20,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000												
363	Fire Safety	\$88,450	\$68,500	\$68,500	\$68,500	\$68,500	\$68,500	\$68,500	\$68,500	\$68,500	\$68,500	\$68,500												
366	Indoor Air Quality	\$30,508	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000												
	<b>Total Health and Safety Capital Projects</b>	\$447,894	\$475,904	\$484,100	\$484,100	\$475,100	\$447,100	\$418,000	\$426,500	\$418,000	\$418,000	\$418,000												
<b>Health and Safety - Projects Costing \$100,000 or more per Project/Site/Year</b>																								
<b>Finance Code</b>	<b>Category (2)</b>																							
358	Asbestos Removal and Encapsulation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
363	Fire Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
366	Indoor Air Quality	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
	<b>Total Health and Safety Capital Projects \$100,000 or More</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
<b>Remodeling for Approved Voluntary Pre-K under Minnesota Statutes, section 124D.151</b>																								
<b>Finance Code</b>	<b>Category 3 (a)</b>																							
355	Remodeling for prekindergarten (Pre-K) instruction approved by the commissioner.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
	<b>Total Remodeling for Approved Voluntary Pre-K Projects</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
<b>Remodeling for Gender-Neutral Single-User Restrooms</b>																								
<b>Finance Code</b>	<b>Category 3 (b) LTFM REVENUE EFFECTIVE FY 2025</b>																							
<b>UFARS Coding Pending</b>	Remodeling for gender-neutral single user restroom per site.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
	<b>Total Remodeling for Gender-Neutral Single User Projects</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
<b>Accessibility</b>																								
<b>Finance Code</b>	<b>Category (4)</b>																							
367	Accessibility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
	<b>Total Accessibility Projects</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0												
<b>Deferred Capital Expenditures and Maintenance Projects</b>																								
<b>Finance Code</b>	<b>Category (5)</b>																							
368	Building Envelope	\$149,705	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000	\$262,000	\$162,000	\$162,000												
369	Building Hardware and Equipment	\$85,000	\$90,000	\$90,000	\$180,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000												
370	Electrical	\$23,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000												
379	Interior Surfaces	\$682,640	\$450,000	\$350,000	\$350,000	\$350,000	\$350,000	\$403,842	\$403,842	\$370,000	\$100,000	\$100,000												
380	Mechanical Systems	\$29,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000												
381	Plumbing	\$47,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000	\$62,000												
382	Professional Services and Salary	\$115,109	\$114,905	\$114,905	\$114,905	\$114,905	\$114,905	\$114,905	\$114,905	\$114,905	\$114,905	\$114,905												
383	Roof Systems	\$1,187,160	\$20,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000												
384	Site Projects	\$44,370	\$500,000	\$207,828	\$207,828	\$207,828	\$207,828	\$207,828	\$207,828	\$400,000	\$600,000	\$600,000												
	<b>Total Deferred Capital Expense and Maintenance</b>	\$2,362,984	\$1,543,905	\$1,146,733	\$1,236,733	\$1,131,733	\$1,131,733	\$1,185,575	\$1,185,575	\$1,343,905	\$1,173,905	\$1,173,905												
<b>Total Annual 10-Year Plan Expenditures</b>		<b>\$2,810,878</b>	<b>\$2,019,809</b>	<b>\$1,630,833</b>	<b>\$1,720,833</b>	<b>\$1,606,833</b>	<b>\$1,578,833</b>	<b>\$1,603,575</b>	<b>\$1,612,075</b>	<b>\$1,761,905</b>	<b>\$1,591,905</b>	<b>\$1,591,905</b>												



**EXTRACT OF SCHOOL BOARD MEETING MINUTES**  
**INDEPENDENT SCHOOL DISTRICT NO. \_\_\_\_\_**  
**\_\_\_\_\_ PUBLIC SCHOOLS**  
**STATE OF MINNESOTA**

Pursuant to due call and notice thereof, a School Board meeting of Independent School District No. \_\_\_\_\_, State of Minnesota, was held on \_\_\_\_\_, 2023 at \_\_\_\_\_ p.m., for the purpose in part, of approving the District's Fiscal Year (FY) 25 Long-Term Facility Maintenance Ten-Year Plan as established in Minnesota Statutes 2022, section 123B.595.

School Board Member \_\_\_\_\_ introduced the following resolution and moved its adoption.

**RESOLUTION ADOPTING INDEPENDENT SCHOOL DISTRICT NO. \_\_\_\_\_**  
**FY 25 LONG-TERM FACILITIES MAINTENANCE TEN-YEAR PLAN**

**BE IT RESOLVED** that the School Board of Independent School District No. \_\_\_\_\_, State of Minnesota, approves the attached FY 25 Long-Term Facilities Maintenance Ten-Year Plan.

The motion for the adoption of the foregoing resolution was duly seconded by School Board Member \_\_\_\_\_ and, upon vote being thereon, the following voted in favor of the motion:

---

And the following voted against \_\_\_\_\_.

**WHEREUPON** the resolution was declared duly passed and adopted the \_\_\_\_\_ day of \_\_\_\_\_, 2023.

---

**SCHOOL BOARD CLERK SIGNATURE**



**DATE:** June 26, 2023

**TITLE:** Dairy Contract for 2023-24 School Year

**TYPE:** Action

**PRESENTER:** Executive Director of Finance and Operations Andrew Adams

**BACKGROUND:** Bids for dairy products for the 2023-2024 school year were taken at the District Offices no later than 2:00 p.m., Tuesday, June 20, 2023. One bid was received from Kemps of Rochester, Minnesota.

**RATIONALE:** The bid was reviewed, and I recommend the Board accept the bid for dairy products for 2023-2024 from Kemps of Rochester, Minnesota. The pricing reflects a 10% increase in dairy prices over last year.

**RECOMMENDATION:** It is requested the Board award a contract for dairy products for the 2023-24 school year to Kemps of Rochester, Minnesota.



**DATE:** June 26, 2023

**TITLE:** Bakery Contract for 2023-24 School Year

**TYPE:** Action

**PRESENTER:** Executive Director of Finance and Operations Andrew Adams

**BACKGROUND:** Bids for bakery products for the 2023-2024 school year were taken at the District Offices no later than 2:00 p.m., Tuesday, June 20, 2023. Bids were received from Bimbo Baking Company USA (formerly Sara Lee Baking Group) and Pan O'Gold.

**RATIONALE:** Both bids were reviewed, and I recommend the Board accept the bid for bakery products for 2023-2024 from Pan O'Gold Baking Company of St Cloud, Minnesota. This pricing reflects no increase in bakery prices over last year.

**RECOMMENDATION:** It is requested the Board award a contract for bakery products for the 2023-24 school year to Pan O'Gold Baking Company of St. Cloud, MN.



**DATE:** June 26, 2023  
**TITLE:** 2023-2024 Original Budget  
**TYPE:** Action  
**PRESENTER:** Andrew Adams, Executive Director of Finance and Operations

**BACKGROUND:**

Minnesota Statute 123B.77 Accounting, Budgeting, and Reporting Requirement provides guidance for the adoption of School District budgets each year. Statute 123B.77 subdivision 4 notes budget approval is required prior to July 1 of each year. This statute also provides for the necessity for budget amendments prior to the end of each fiscal year.

**RATIONALE:**

The 2023-2024 Revised Budget was prepared in accordance with school board decisions. The parameters used to develop the budget are detailed in the budget book outlining the significant assumptions.

School board policy 714 requires that the District maintain an unassigned operating fund balance of 8.33% which equates to one month's expenditures or approximately \$6.468 million. The 2023-24 Original Budget as presented estimates an unassigned fund balance of approximately \$6.472 million or 8.33%.

The unassigned fund balance, as shown above, exceeds the goal established in school board policy 714.

**RECOMMENDATION:**

It is recommended the School Board approve 2023-2024 Original Budget as presented.



# **Austin Public Schools**

## 2023-24 Original Budget



# STRATEGIC ROADMAP

## Our Mission

Inspire. Empower. Accelerate.

## Our Vision

Preparing all learners to make a difference in the world.

## Our Core Values

- Responsible: Demonstrates accountability to self and others
- Resilient: Develops perseverance and self-confidence
- Learner: Challenges self to think critically
- Communicator: Listens actively and shares learning and experiences
- Contributor: Engages as a productive member of the community and global society

## Our Strategic Priorities

1. Support and resources to ensure a safe and welcoming learning environment
2. Packer Profile for all learners
3. District-wide multi-tiered systems of support for all learners
4. Excellence in resource management

# School Board Members

Member Name	Position	Term Expiration
Kathy Green	Chairperson	January 4, 2027
Peggy Young	Vice Chairperson	January 4, 2027
Carolyn Dube	Clerk	January 4, 2027
Cece Kroc	Treasurer	January 6, 2025
Carol McAlister	Director	January 4, 2027
Evan Sorenson	Director	January 6, 2025
Don Leathers	Director	January 6, 2025



# District Administration

Dr. Joey Page	Superintendent
Andrew Beenken-Adams	Executive Director of Finance & Operations
Katie Baskin	Executive Director of Academics & Administrative Services
Sheri Willrodt	Executive Director of Special Services
Corey Haugen	Director of Information Services
Jennifer Lawhead	Director of Community Education



# School Administration

Austin High School		Elementary School Principals	
Matt Schmit	Principal	Black Henely	Banfield Elementary
Kim Goblirsch	Assistant Principal	Lynn Hemann	Neveln Elementary
Allison Gunderson	Assistant Principal	Derik Gustafson	Southgate Elementary
Dave Bunn	Assistant Principal	Jill Rollie	Sumner Elementary
		Jennifer Lawhead	Woodson Kindergarten Center
Ellis Middle School			
Dewey Schara	Principal		
Karen Dunbar	Assistant Principal		
IJ Holton Intermediate School			
Dewey Schara	Principal		
Kane Malo	Assistant Principal		





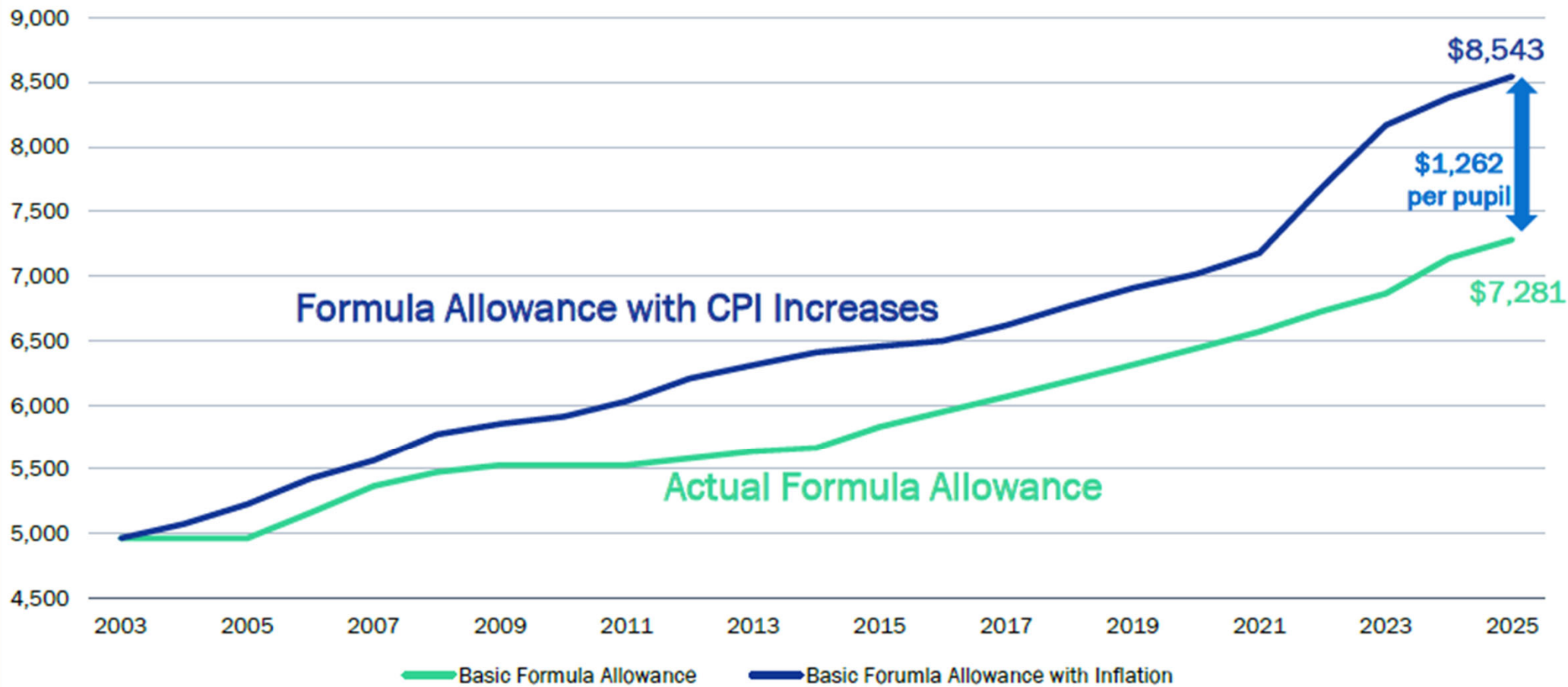
# Legislative Updates

Andrew Beenken-Adams



# General Education Funding

## Basic Formula Allowance per Pupil vs Inflation



The legislature provided substantial funding to make up for years of inadequate funding of MN Schools. The current increase helps reduce the funding gap.

\*\*Graph provided courtesy of PMA Securities

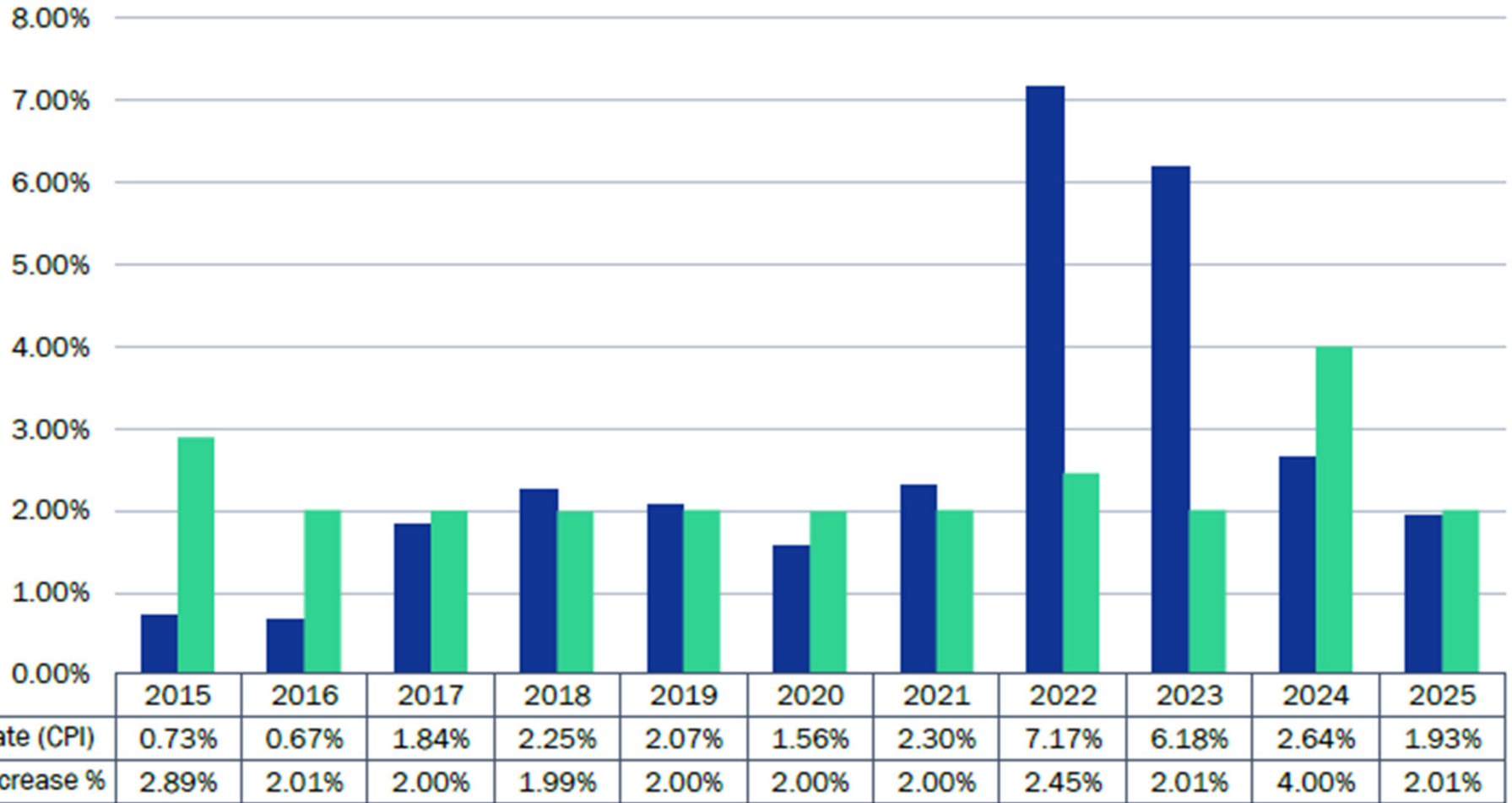


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# General Education Funding Cont'd

## Basic Formula Increase vs Inflation (CPI)



■ Inflation Rate (CPI)   ■ Formula Increase %

\*\*Graph provided courtesy of PMA Securities



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# Legislative Funding Updates



General Education Formula Allowance:

FY24 – 4.00% or \$7,138

FY25 – 2.00% or \$7,281

FY26 – Tied to CPI - 2.00% floor & Cap of 3.00%



Special Education Cross Subsidy  
Reduction Aid:

Currently reduced by 6%

FY24 – raised to 44% reduction

FY27 – raised to 50% reduction



English Learner Aid & Cross Subsidy  
Reduction Aid:

FY24 – \$1,228 per ADM (*up from \$704 per ADM*)

FY27 - \$1,775 per ADM



VPK seats permanently written into  
law

FY24 – 7,160 permanent seats

FY25 – 10,160 permanent seats

FY26 – 12,360 permanent seats



Universal Meals Free School Meals  
program for all students

1 Free Breakfast

1 Free Lunch

All La Carte and Second Meals will still be charged



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AUSTIN PUBLIC SCHOOLS  
INSPIRE • EMPOWER • ACCELERATE

# Legislative Funding Updates Cont'd

- Compensatory Revenue: Statutory Adjustments
  - Increased in proportion to the basic formula adjustment for FY24
  - Requires Districts to spend 80% of the compensatory at the site that generates it
  - Allowable use to eliminate the costs of providing all-day Kindergarten
- Summer Term Unemployment Insurance:
  - Effective May 28, 2023 with one-time aid starting July 1, 2023
  - Unfunded mandate once aid has been exhausted by MN Districts.
- Transportation Sparsity Aid – increased to 35% to help with unfunded transit costs
- American Indian Education Aid – increased minimum aid from \$20k to \$40k
- Student Support Personnel Aid – to support and retain SEL related professionals
- School Library Aid - \$16.11 per ADM or \$40,000 floor offset staffing costs and need
- Menstrual Products and Opiate Antagonists in Schools funded at \$2/ADM in Op Cap

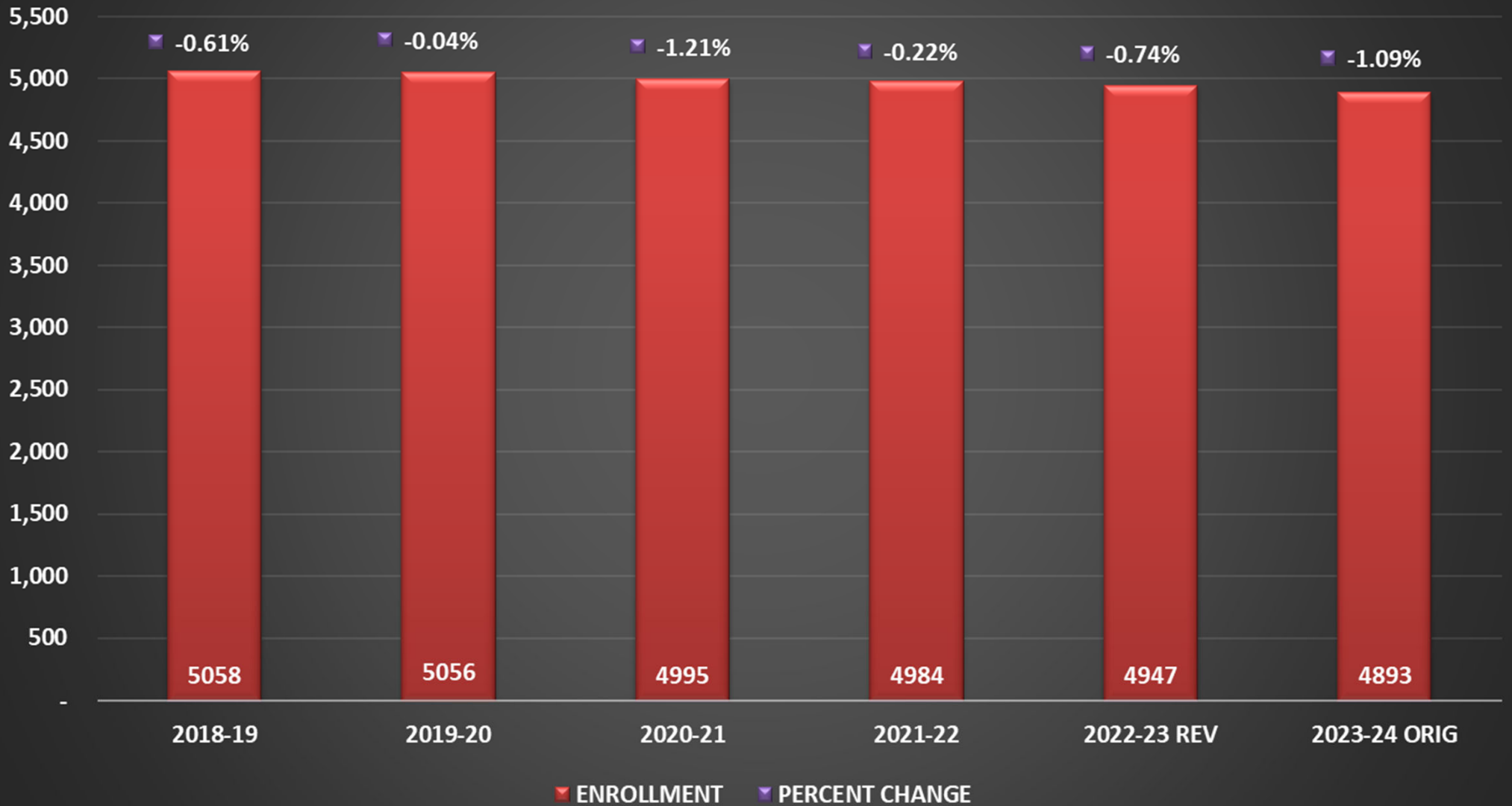


# Legislative Funding Updates Cont'd

- Must report class size ratios to MDE starting 2023-2024
- School Boards can renew operating referendums one time for 10 years
  - APS renewal of November 2013 Operating Referendum for \$42.70 per pupil
- Paid Paraprofessional Training:
  - Minimum of 8 hours paid time for professional development within first 30 days
  - Reimbursement based for schools to obtain funding
- Adult Basic Education Aid (ABE): increased funding for ABE programming
- Community Education Aid: increased allowance for general Community Ed funding



## Pre K-12 ENROLLMENT AND PERCENT CHANGES



\*\*Budgeted enrollment projected based upon March 2022 Hazel Reinhardt enrollment study in combination with statistical analysis of student trend data.



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# 2023-24 Original Budget Highlights

## General Fund Revenue

- General Education formula increase from \$6,863 to \$7,138 or 4.00%
  - Net increase of \$971,000
- Enrollment reduced from 4,947 to 4,893. (1.09% decline)
- Compensatory funding recapture of \$4.0 million
  - *This is not a permanent increase in funding*
- Special Education estimated to generate an additional \$2.1 million
  - *Reduction of the cross-subsidy by an additional 38%*

## General Fund Expenditures

- Contractual settlements estimated total packages at \$3 million or 4.70%
- Medical insurance increase of 7.00%.
- Liability & Work Comp premiums increased \$102,307 or 17.50%
- Adjusted staffing to match enrollments
- Implement BARR at AHS - \$150,000
- Adjusted third party contractual increases for average settlements at 4.00%
- ESSER money used to ensure operational continuity \$1.9 million.



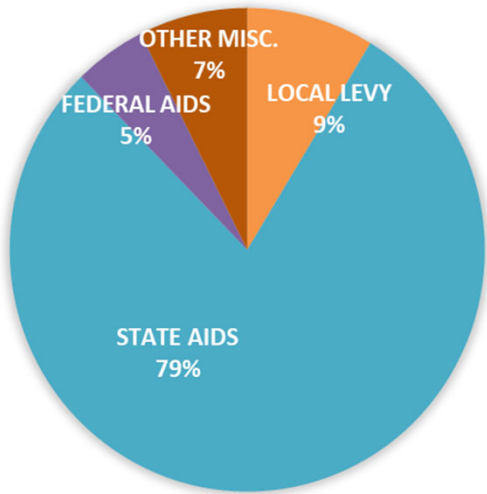
# 2023-24 Original Budget General Fund

	6/30/2023 Budgeted Fund Balance	Budgeted Revenues	Budgeted Expenditures	Gain(Loss)	Fund Transfer	6/30/2024 Budgeted Fund Balance
<b>General Fund:</b>						
Restricted - ALC	280,224.71	1,498,440.53	967,351.43	531,089.10	-	811,313.81
Restricted - Staff Development	-	763,865.93	763,865.93	-	-	-
Restricted - Basic Skills	-	10,615,474.51	7,422,796.97	3,192,677.54	-	3,192,677.54
Restricted - Gifted & Talented	-	69,616.30	69,616.30	-	-	-
Restricted - Learning & Development	-	1,067,342.50	1,155,532.45	(88,189.95)	88,189.95	-
Restricted - Achievement & Integration	42,140.62	1,014,815.96	1,014,815.96	-	-	42,140.62
Restricted - Safe Schools	-	189,681.84	215,531.76	(25,849.92)	25,849.92	-
Restricted - Scholarships	14,048.41	72,521.00	76,000.00	(3,479.00)	-	10,569.41
Restricted - Operating Capital	307,483.95	2,705,881.56	2,716,884.11	(11,002.55)	-	296,481.40
Restricted - LTFM	910,975.75	1,718,893.11	1,718,893.11	-	-	910,975.75
Restricted - Student Activities	198,844.27	80,105.00	80,027.32	77.68	-	198,921.95
Assigned - Student Athletics	58,488.62	64,677.58	67,490.67	(2,813.09)	-	55,675.53
Assigned - Separation Benefits / OPEB	2,124,260.30	-	-	-	-	2,124,260.30
Nonspendable - Prepaid Expenses	299,096.95	-	-	-	-	299,096.95
Unassigned-Site-Co-Curricular Funds	552,279.65	293,270.50	286,343.04	6,927.46	-	559,207.11
Unassigned	5,723,119.86	65,988,236.80	65,684,138.71	304,098.09	(114,039.87)	5,913,178.08
<b>Total General Fund</b>	<b>10,510,963.09</b>	<b>86,142,823.12</b>	<b>82,239,287.76</b>	<b>3,903,535.36</b>	<b>-</b>	<b>14,414,498.45</b>
					<b>Net Change</b>	<b>183,130.76</b>
					<b>Fund Balance %</b>	<b>8.33%</b>

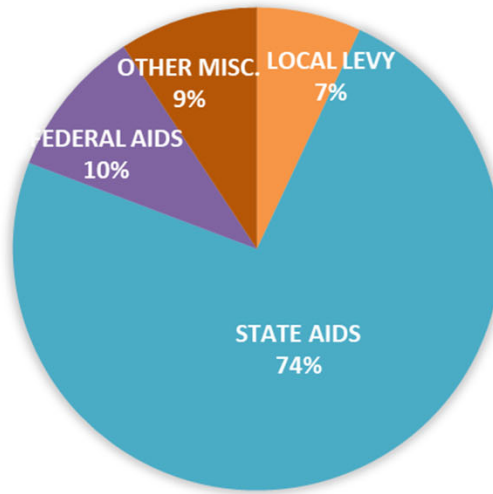


# 2023-24 Original Budget General Fund Revenues By Source

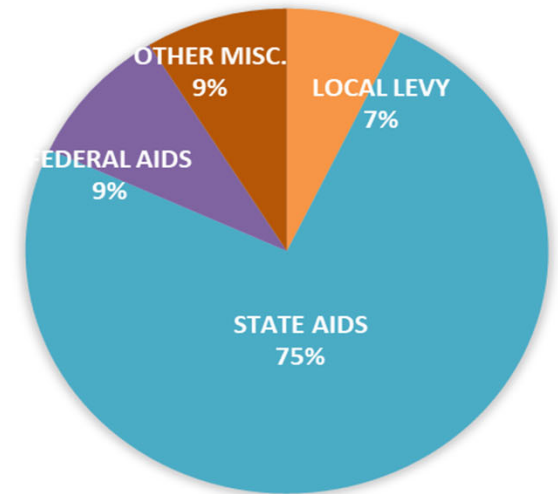
2023-24 ORIGINAL BUDGET  
GENERAL FUND REVENUES BY SOURCE



2022-23 REVISED BUDGET  
GENERAL FUND REVENUES BY SOURCE



2021-22 ACTUALS  
GENERAL FUND REVENUES BY SOURCE

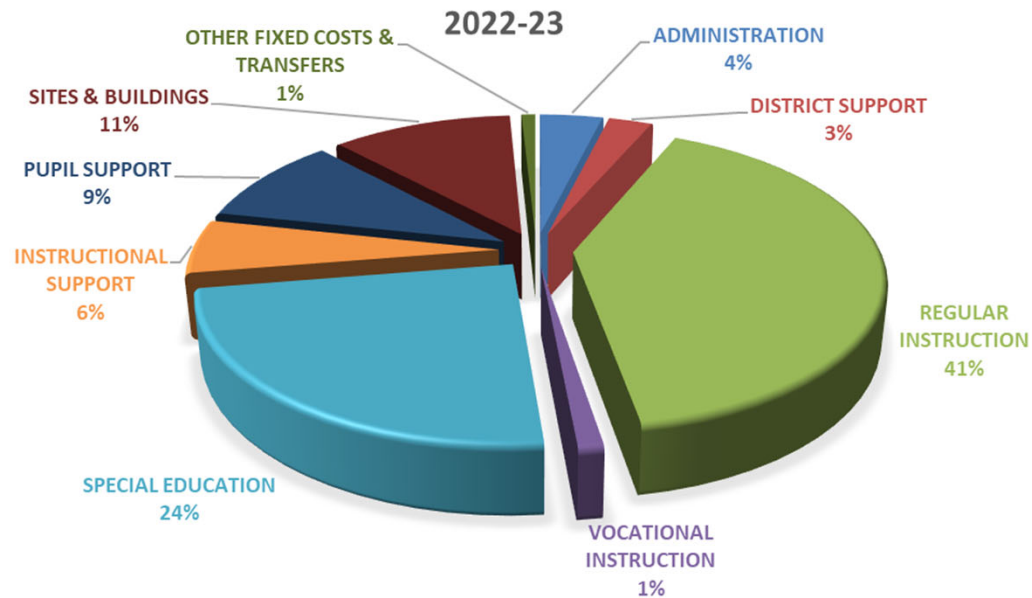
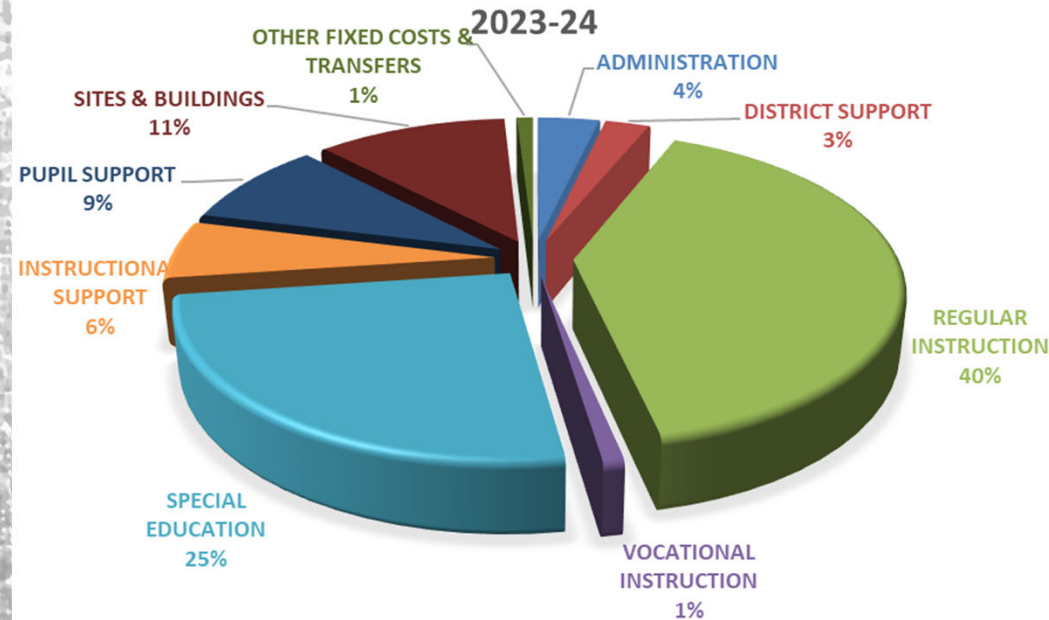


REVENUE SOURCES	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 REVENUE	21-22 PERCENT
LOCAL LEVY	7,476,919	8.68%	5,597,227	6.93%	5,636,926	7.13%
STATE AIDS	68,055,221	79.00%	59,677,798	73.88%	59,061,204	74.72%
FEDERAL AIDS	4,231,703	4.91%	8,079,474	10.00%	7,354,388	9.30%
OTHER MISC.	6,378,979	7.41%	7,425,998	9.19%	6,985,809	8.84%
<b>TOTAL REVENUES</b>	<b>86,142,823</b>	<b>100%</b>	<b>80,780,495</b>	<b>100%</b>	<b>79,038,327</b>	<b>100.00%</b>

# 2023-24 Original Budget

## General Fund Expenditures By Program

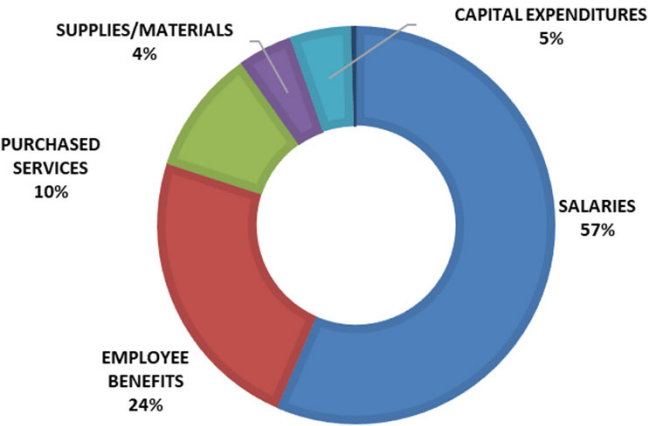
PROGRAM EXPENSES	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 EXPENSES	21-22 PERCENT
ADMINISTRATION	2,974,400	3.62%	3,149,978	3.90%	3,211,946	4.12%
DISTRICT SUPPORT	2,133,186	2.59%	2,186,811	2.71%	2,063,234	2.65%
REGULAR INSTRUCTION	33,287,648	40.48%	32,864,570	40.73%	32,557,392	41.79%
VOCATIONAL INSTRUCTION	729,213	0.89%	909,962	1.13%	738,951	0.95%
SPECIAL EDUCATION	20,786,975	25.28%	19,362,435	24.00%	18,007,940	23.12%
INSTRUCTIONAL SUPPORT	4,996,367	6.08%	4,738,325	5.87%	5,266,467	6.76%
PUPIL SUPPORT	7,356,753	8.95%	7,733,731	9.59%	6,793,210	8.72%
SITES & BUILDINGS	9,191,246	11.18%	9,047,966	11.21%	8,565,948	11.00%
OTHER FIXED COSTS & TRANSFERS	783,500	0.95%	688,537	0.85%	700,666	0.90%
<b>TOTAL PROGRAM EXPENSES</b>	<b>82,239,288</b>		<b>80,682,316</b>		<b>77,905,755</b>	



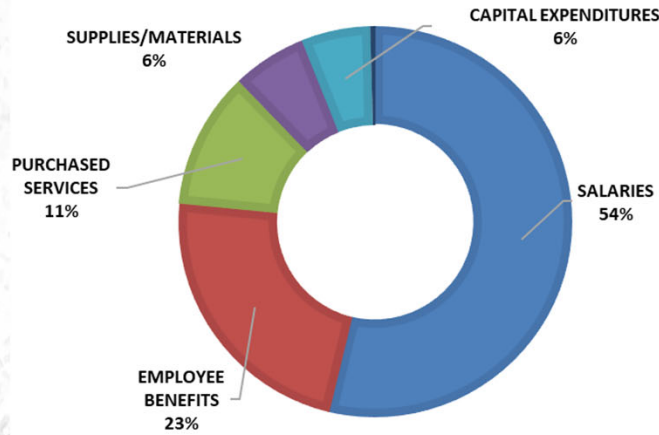
# 2023-24 Original Budget

## General Fund Expenditures By Object

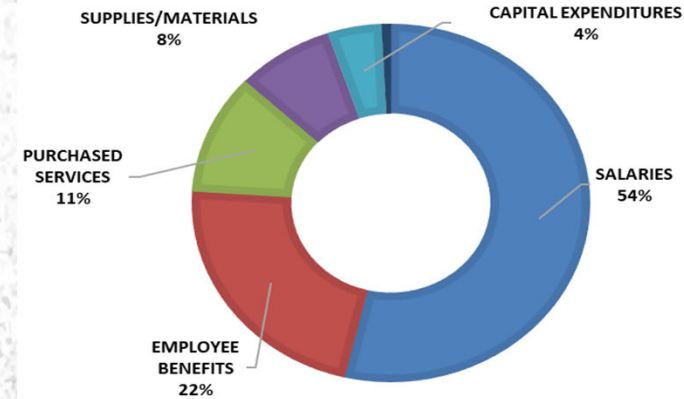
2022-23 AMENDED BUDGET



2022-23 REVISED BUDGET



2021-22 ACTUALS



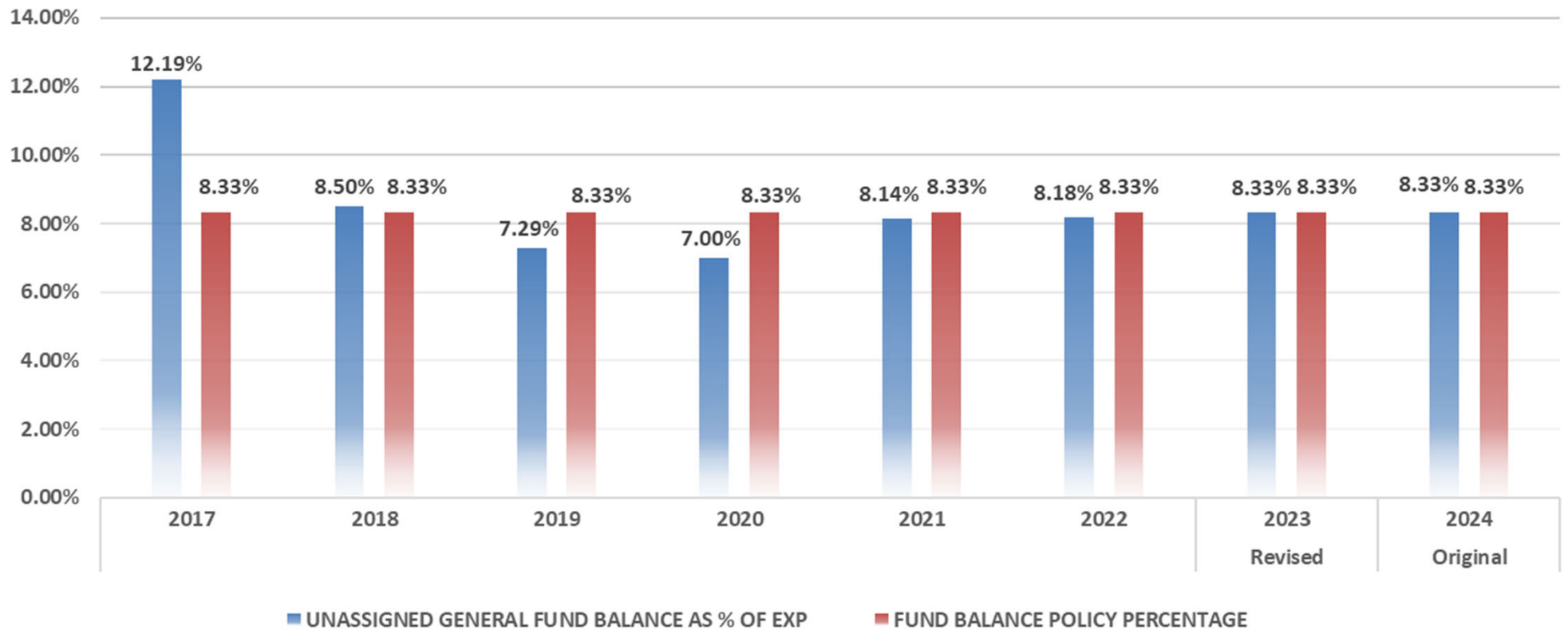
**OBJECT EXPENSES**

SALARIES  
 EMPLOYEE BENEFITS  
 PURCHASED SERVICES  
 SUPPLIES/MATERIALS  
 CAPITAL EXPENDITURES  
 RESALE  
 OTHER EXPENSE

	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 EXPENSES	21-22 PERCENT
SALARIES	46,472,757	56.51%	43,379,089	53.77%	41,859,418	53.73%
EMPLOYEE BENEFITS	19,347,690	23.53%	18,382,421	22.78%	17,384,100	22.31%
PURCHASED SERVICES	8,355,315	10.16%	9,111,511	11.29%	8,494,611	10.90%
SUPPLIES/MATERIALS	3,638,246	4.42%	4,911,382	6.09%	6,169,002	7.92%
CAPITAL EXPENDITURES	4,106,102	4.99%	4,582,469	5.68%	3,424,088	4.40%
RESALE	-	0.00%	16,371	0.02%	14,383	0.02%
OTHER EXPENSE	319,176	0.39%	299,073	0.37%	560,152	0.72%
<b>TOTAL OBJECT EXPENSES</b>	<b>82,239,288</b>		<b>80,682,316</b>		<b>77,905,755</b>	



# Unassigned Fund Balance



\*ISD 492 Fund Balance Policy 714 guides budgeting practice in meeting or exceeding Unassigned Fund Balance targets.

\*\*Auditor recommended fund balance percentage is 15%.



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# 2023-24 Original Budget

## Food Service & Community Ed

	6/30/2023 Budgeted Fund Balance	Budgeted Revenues	Budgeted Expenditures	Gain(Loss)	Fund Transfer	6/30/2024 Budgeted Fund Balance
<b>Food Service Fund</b>						
Nonspendable - Inventory	79,165.30	-	-	-	-	79,165.30
Restricted	788,230.23	3,495,127.64	3,837,152.67	(342,025.03)	-	446,205.20
<b>Total Food Service Fund</b>	867,395.53	3,495,127.64	3,837,152.67	(342,025.03)	-	525,370.50
<b>Community Service Fund:</b>						
Restricted - Community Education	394,095.14	1,133,835.28	1,129,202.54	4,632.74	-	398,727.88
Restricted - ECFE	263,027.42	278,075.46	242,200.69	35,874.77	-	298,902.19
Restricted - School (Learning) Readiness	111,894.17	482,892.79	511,831.60	(28,938.81)	-	82,955.36
Restricted - Adult Basic Ed	127,971.95	591,599.75	586,599.75	5,000.00	-	132,971.95
Unassigned	12,225.65	12,516.00	12,516.00	-	-	12,225.65
<b>Total Community Service Fund</b>	909,214.33	2,498,919.28	2,482,350.58	16,568.70	-	925,783.03

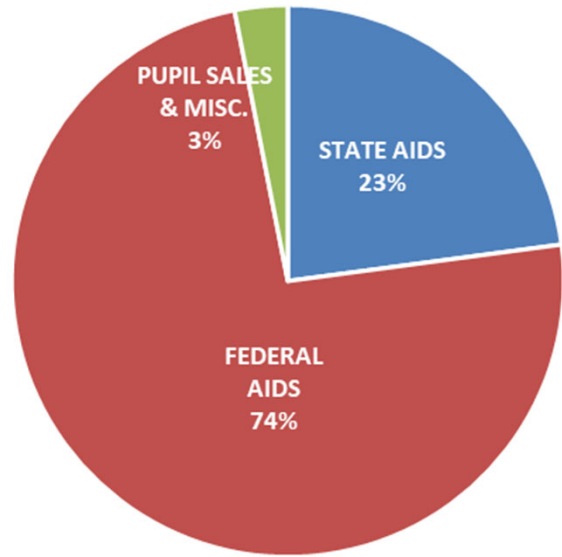


# 2023-24 Original Budget

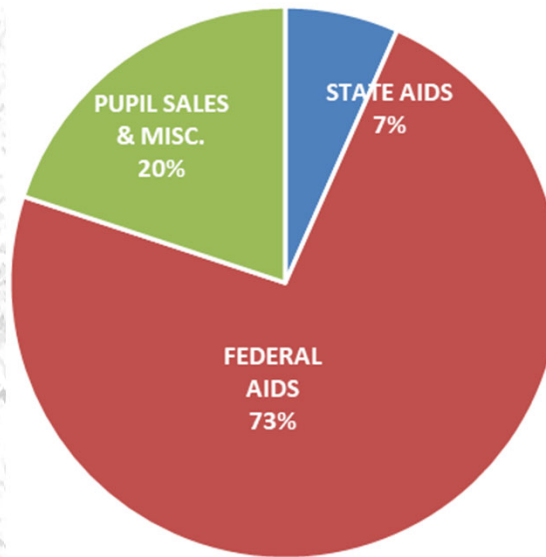
## Food Service Fund Revenues By Source

REVENUE SOURCES	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 EXPENSES	21-22 PERCENT
STATE AIDS	800,000	22.89%	240,000	6.65%	121,302	2.65%
FEDERAL AIDS	2,586,780	74.01%	2,649,129	73.42%	4,393,376	96.10%
PUPIL SALES & MISC.	108,348	3.10%	719,039	19.93%	57,193	1.25%
<b>TOTAL REVENUES</b>	<b>3,495,128</b>	<b>100.00%</b>	<b>3,608,168</b>	<b>100.00%</b>	<b>4,571,872</b>	<b>100.00%</b>

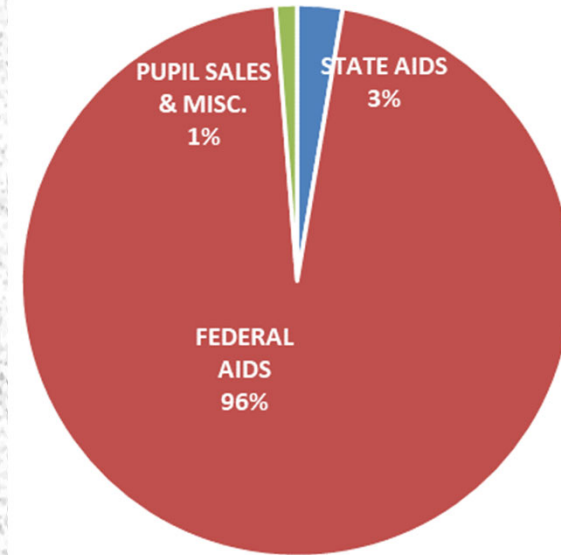
2023-24 ORIGINAL BUDGET



2022-23 REVISED BUDGET



2021-22 ACTUAL



# 2023-24 Original Budget

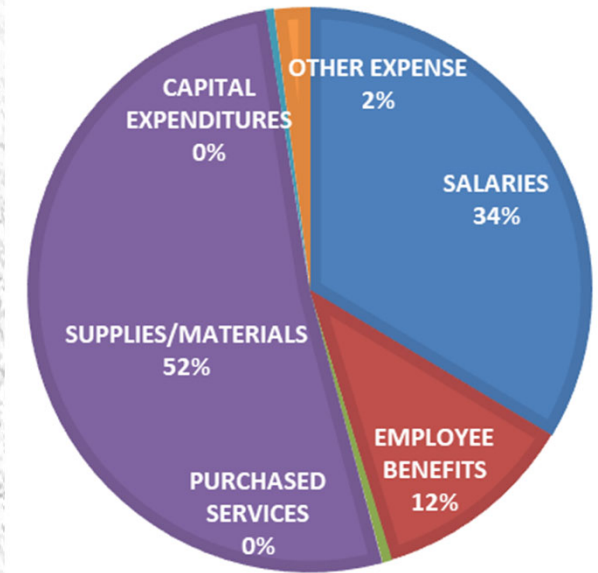
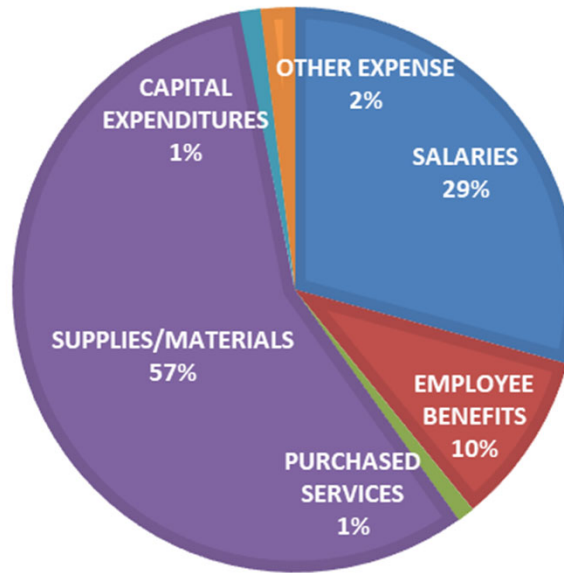
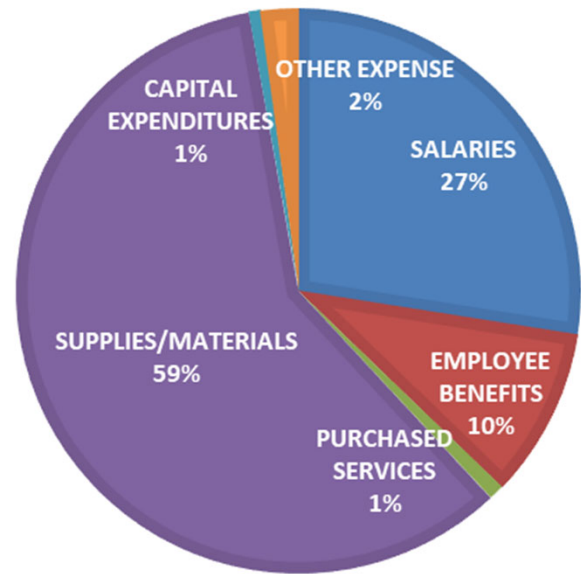
## Food Service Fund Expenditures By Object

OBJECT EXPENSES	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 EXPENSES	21-22 PERCENT
SALARIES	1,054,316	27.48%	1,257,789	29.24%	1,157,951	33.61%
EMPLOYEE BENEFITS	373,319	9.73%	425,825	9.90%	403,134	11.70%
PURCHASED SERVICES	33,550	0.87%	43,000	1.00%	18,934	0.55%
SUPPLIES/MATERIALS	2,268,660	59.12%	2,442,322	56.78%	1,779,966	51.67%
CAPITAL EXPENDITURES	26,500	0.69%	51,500	1.20%	15,683	0.46%
OTHER EXPENSE	80,808	2.11%	80,808	1.88%	69,357	2.01%
<b>TOTAL OBJECT EXPENSES</b>	<b>3,837,153</b>	<b>100.00%</b>	<b>4,301,243</b>	<b>100.00%</b>	<b>3,445,026</b>	<b>100.00%</b>

2023-24 ORIGINAL BUDGET

2022-23 REVISED BUDGET

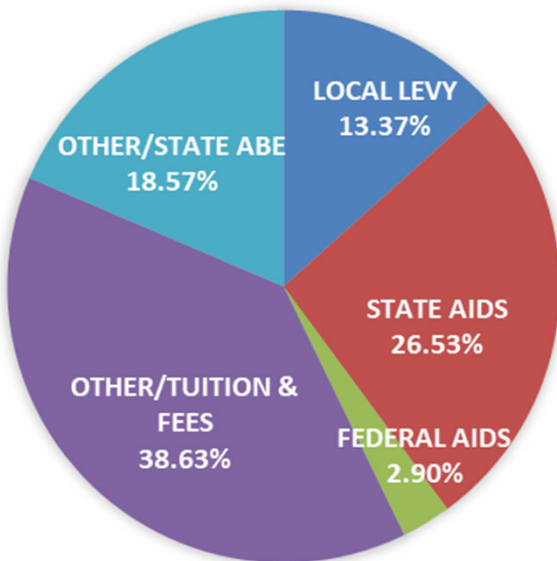
2021-22 ACTUAL



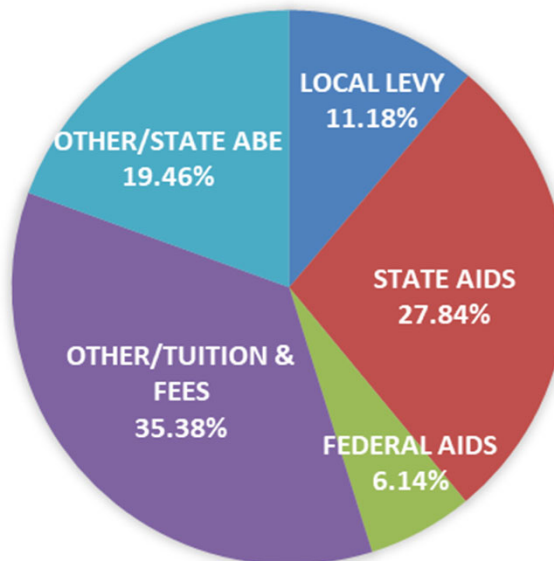
# 2023-24 Original Budget Community Service Fund Revenues By Source

REVENUE SOURCES	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 EXPENSES	21-22 PERCENT
LOCAL LEVY	334,067	13.37%	315,120	11.18%	311,443	10.64%
STATE AIDS	663,002	26.53%	785,035	27.84%	773,466	26.42%
FEDERAL AIDS	72,440	2.90%	173,149	6.14%	587,626	20.07%
OTHER/TUITION & FEES	965,250	38.63%	997,673	35.38%	737,305	25.18%
OTHER/STATE ABE	464,160	18.57%	548,588	19.46%	517,862	17.69%
<b>TOTAL REVENUES</b>	<b>2,498,919</b>	<b>100.00%</b>	<b>2,819,566</b>	<b>100.00%</b>	<b>2,927,702</b>	<b>100.00%</b>

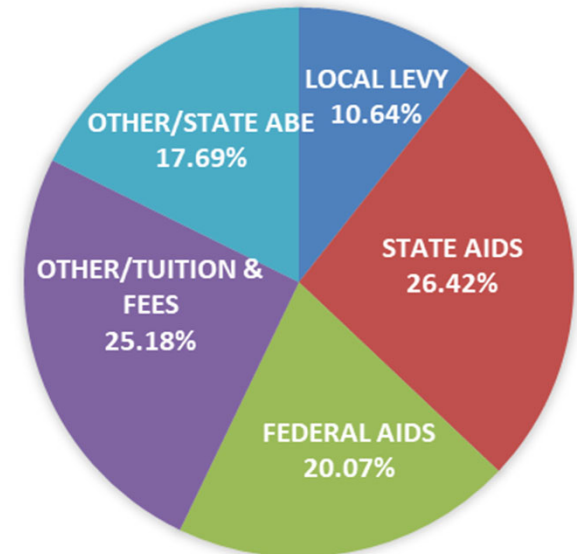
2023-24 ORIGINAL BUDGET



2022-23 AMENDED BUDGET



2021-22 ACTUAL



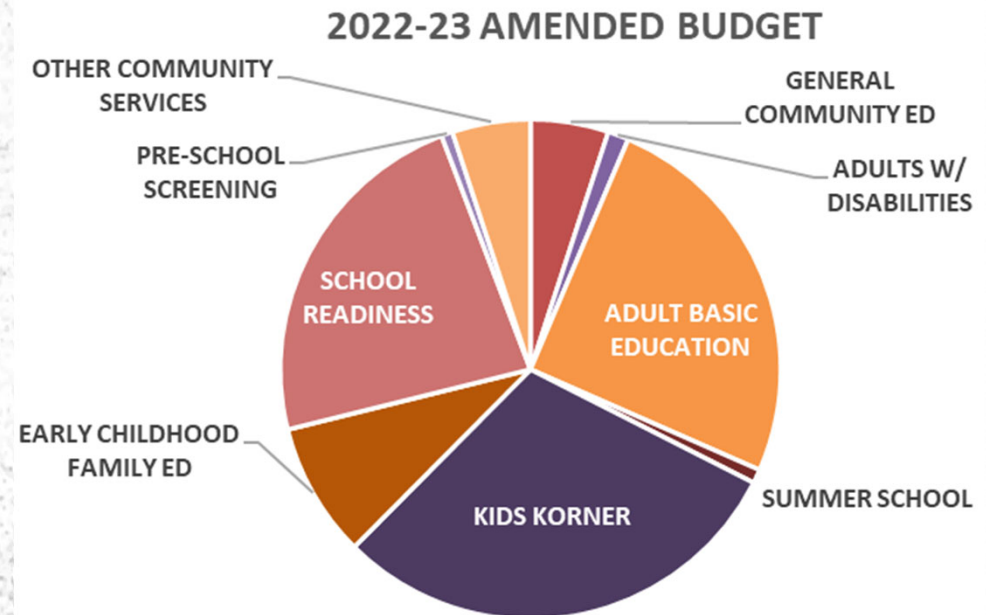
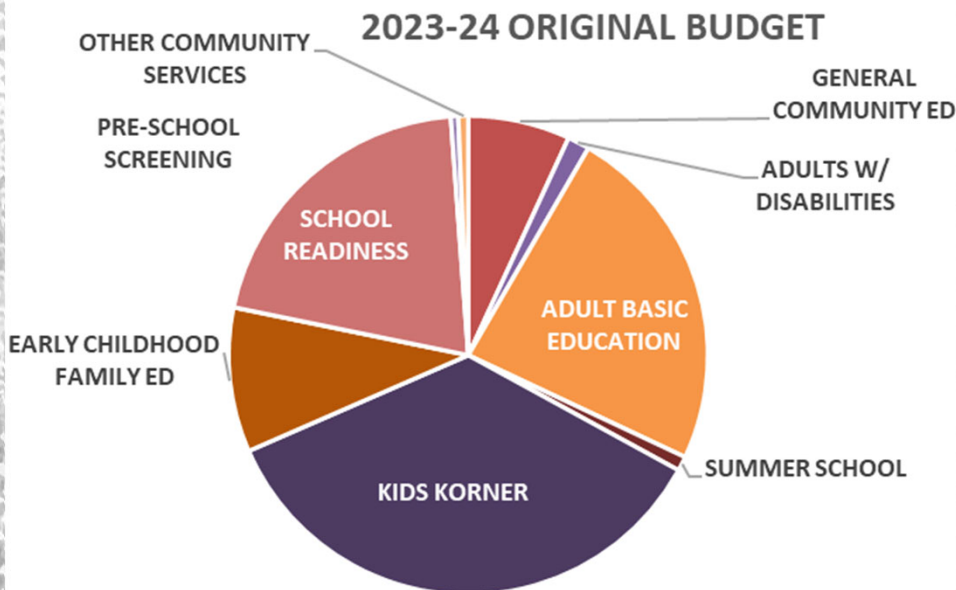
# 2023-24 Original Budget Community Service Fund Expenditures By Program

## PROGRAM EXPENSES

GENERAL COMMUNITY ED  
ADULTS W/ DISABILITIES  
ADULT BASIC EDUCATION  
SUMMER SCHOOL  
KIDS KORNER  
EARLY CHILDHOOD FAMILY ED  
SCHOOL READINESS  
PRE-SCHOOL SCREENING  
OTHER COMMUNITY SERVICES

	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 EXPENSES	21-22 PERCENT
GENERAL COMMUNITY ED	170,674	6.88%	136,664	5.04%	80,814	3.03%
ADULTS W/ DISABILITIES	36,856	1.48%	36,643	1.35%	36,217	1.36%
ADULT BASIC EDUCATION	586,600	23.63%	682,692	25.19%	743,593	27.90%
SUMMER SCHOOL	24,264	0.98%	24,264	0.90%	13,675	0.51%
KIDS KORNER	880,874	35.49%	812,043	29.96%	712,394	26.73%
EARLY CHILDHOOD FAMILY ED	242,201	9.76%	235,702	8.70%	285,123	10.70%
SCHOOL READINESS	511,832	20.62%	625,393	23.07%	650,797	24.42%
PRE-SCHOOL SCREENING	12,516	0.50%	19,830	0.73%	12,727	0.48%
OTHER COMMUNITY SERVICES	16,535	0.67%	137,048	5.06%	129,686	4.87%
<b>TOTAL PROGRAM EXPENSES</b>	<b>2,482,351</b>	<b>100.00%</b>	<b>2,710,279</b>	<b>100.00%</b>	<b>2,665,025</b>	<b>100.00%</b>

## TOTAL PROGRAM EXPENSES

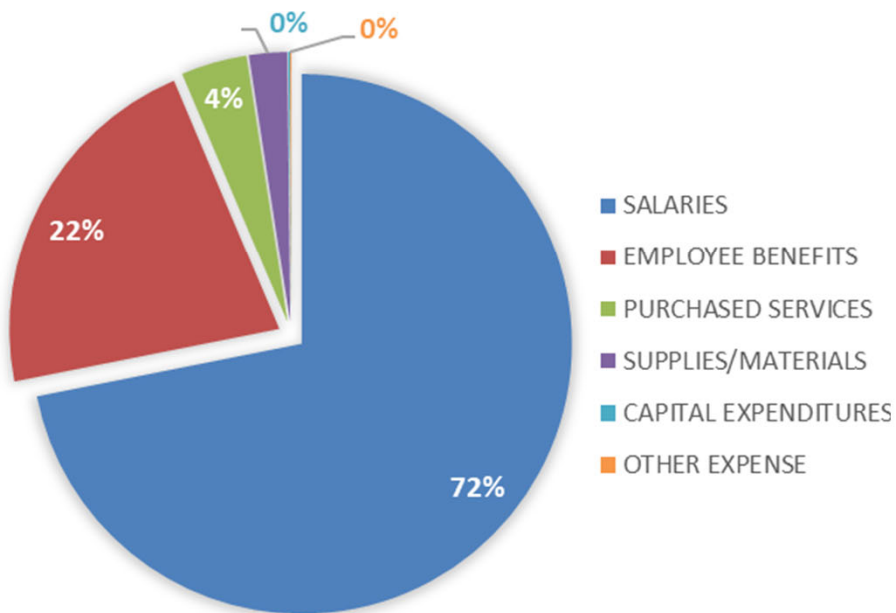


# 2023-24 Original Budget Community Service Fund Expenditures By Object

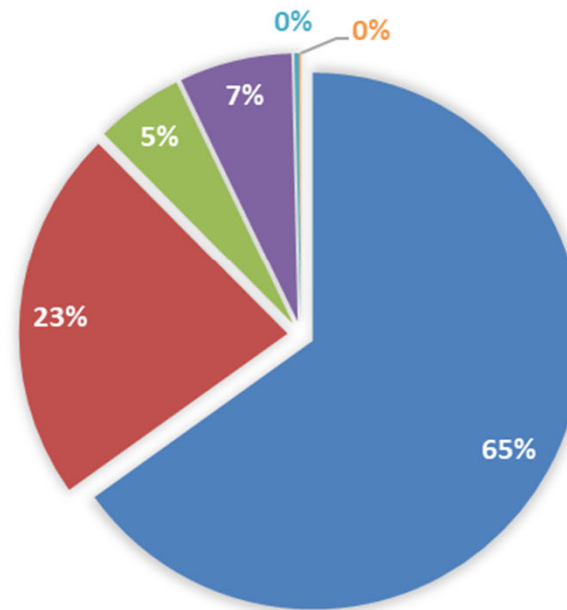
## OBJECT EXPENSES

	ORIGINAL		AMENDED		ACTUAL	
	23-24 BUDGET	23-24 PERCENT	22-23 BUDGET	22-23 PERCENT	21-22 EXPENSES	21-22 PERCENT
SALARIES	1,784,318	71.88%	1,764,777	65.11%	1,676,709	62.92%
EMPLOYEE BENEFITS	539,456	21.73%	608,283	22.44%	519,389	19.49%
PURCHASED SERVICES	97,779	3.94%	143,336	5.29%	87,269	3.27%
SUPPLIES/MATERIALS	56,355	2.27%	183,716	6.78%	318,975	11.97%
CAPITAL EXPENDITURES	2,500	0.10%	7,225	0.27%	61,046	2.29%
OTHER EXPENSE	1,942	0.08%	2,942	0.11%	1,636	0.06%
<b>TOTAL OBJECT EXPENSES</b>	<b>2,482,351</b>	<b>100.00%</b>	<b>2,710,279</b>	<b>100.00%</b>	<b>2,665,025</b>	<b>100.00%</b>

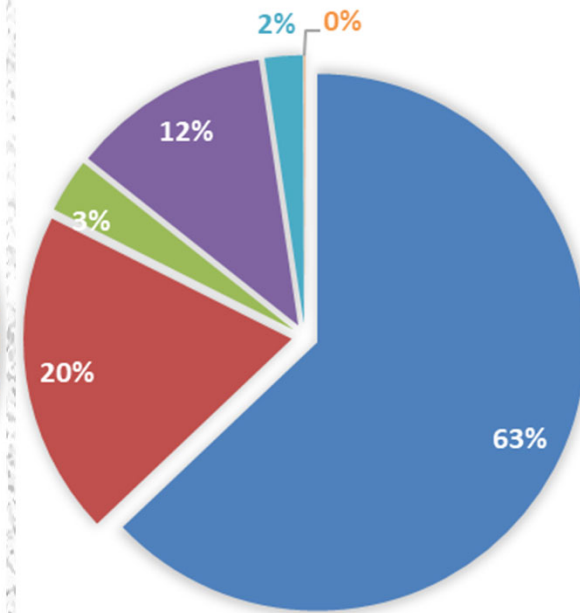
### 2023-24 ORIGINAL BUDGET



### 2022-23 AMENDED BUDGET



### 2021-22 ACTUAL



# 2023-24 Original Budget

## Other Governmental Funds

	6/30/2023 Budgeted Fund Balance	Budgeted Revenues	Budgeted Expenditures	Gain(Loss)	Fund Transfer	6/30/2024 Budgeted Fund Balance
<b>Building Constr. Fund</b>						
Restricted - COP-AHS Atrium	62.19	-	-	-	-	62.19
Restricted - Capital Facilities	740.99	-	-	-	-	740.99
Restricted - Capital Facilities Roofing Project	9,492.52	-	-	-	-	9,492.52
Unassigned - Building Conctrustion	-	-	-	-	-	-
<b>Total Building Constr. Fund</b>	<b>10,295.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,295.70</b>
<b>Debt Service Fund</b>						
Restricted - QZAB Sinking Fund	-	-	-	-	-	-
Restricted	523,951.23	3,789,334.87	3,801,225.53	(11,890.66)	-	512,060.57
<b>Total Debt Service Fund</b>	<b>523,951.23</b>	<b>3,789,334.87</b>	<b>3,801,225.53</b>	<b>(11,890.66)</b>	<b>-</b>	<b>512,060.57</b>
<b>Trust Fund</b>						
Unassigned	105,310.56	3,565.00	500.00	3,065.00	-	108,375.56
<b>Total Trust Fund</b>	<b>105,310.56</b>	<b>3,565.00</b>	<b>500.00</b>	<b>3,065.00</b>	<b>-</b>	<b>108,375.56</b>
<b>Custodial Fund</b>						
Unassigned	-	2,500.00	2,500.00	-	-	-
<b>Total Custodial Fund</b>	<b>-</b>	<b>2,500.00</b>	<b>2,500.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internal Service - Insurance Trust Fund</b>						
Unassigned	6,117,076.93	12,488,494.00	12,549,125.00	(60,631.00)	-	6,056,445.93
<b>Total Internal Service Fund - Insur. Trust</b>	<b>6,117,076.93</b>	<b>12,488,494.00</b>	<b>12,549,125.00</b>	<b>(60,631.00)</b>	<b>-</b>	<b>6,056,445.93</b>
<b>Internal Service - OPEB Trust</b>						
Unassigned	77,300.00	37,100.00	-	37,100.00	-	114,400.00
<b>Total Internal Service Fund - OPEB Trust</b>	<b>77,300.00</b>	<b>37,100.00</b>	<b>-</b>	<b>37,100.00</b>	<b>-</b>	<b>114,400.00</b>

