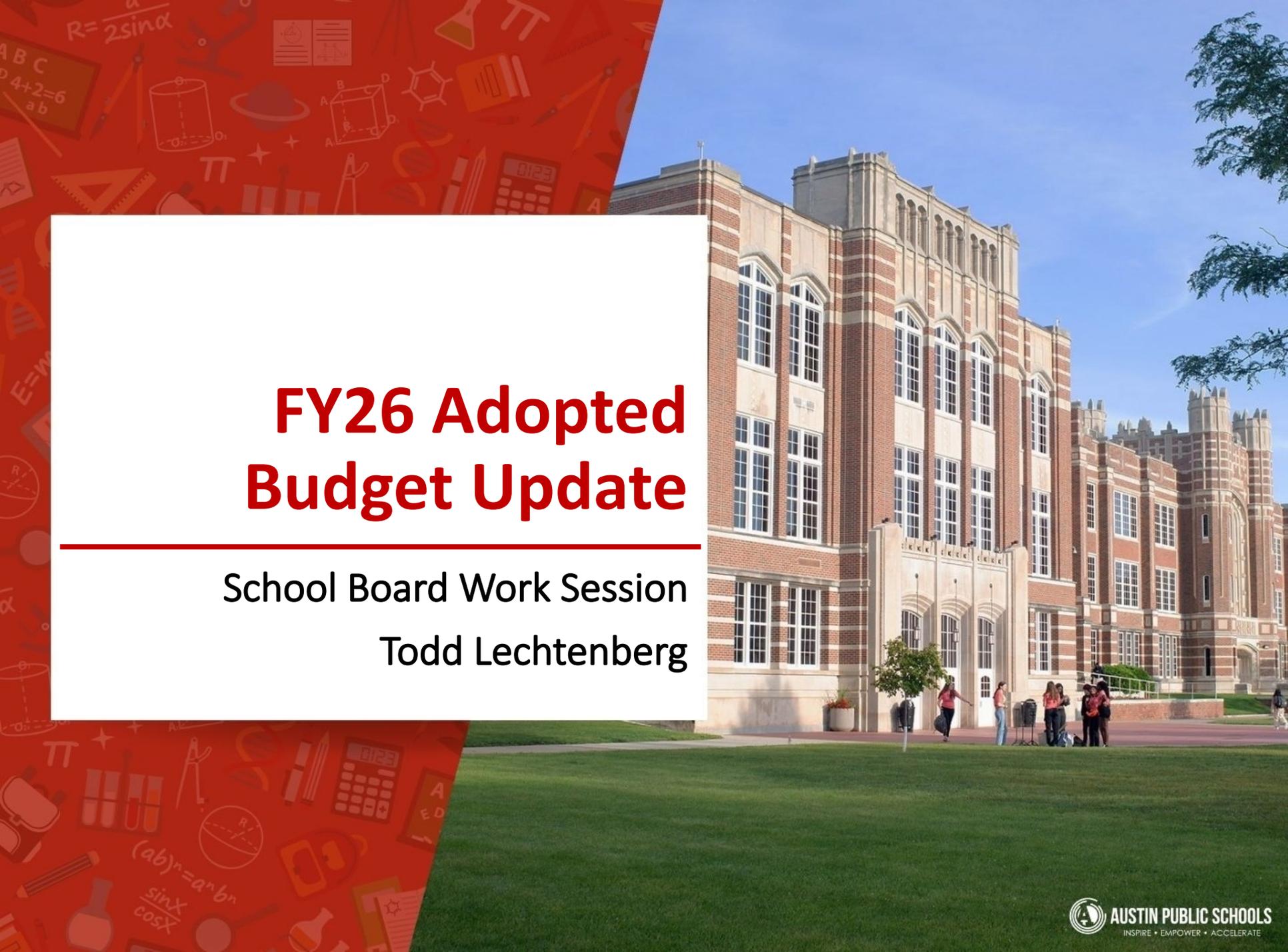


School Board Study Session
Tuesday, May 27, 2025 4:00 PM

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. Approval of agenda (Action)
Speaker(s): Chairperson
3. Discussion on FY26 budget and 2025-26 health and dental insurance rates
Speaker(s): Executive Director of Finance and Operations Todd Lechtenberg
4. District climate discussion
Speaker(s): Chairperson
5. Annual School Board self-evaluation/goal setting in-service
Speaker(s): MSBA Director of Strategic Planning and Board Leadership Gail Gilman
6. Adjournment (Action)
Speaker(s): Chairperson



FY26 Adopted Budget Update

School Board Work Session
Todd Lechtenberg

AUSTIN PUBLIC SCHOOLS STRATEGIC PLAN

OUR MISSION

(Our Core Purpose)

Inspire. Empower. Accelerate.

OUR VISION

(What We Intend to Create)

Preparing all learners to make a difference in the world.

Our Core Values

(Drivers of Our Words and Actions)

- 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

(Drivers of Our Continuous Improvement)

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



STUDENTS

I am supported and challenged in my learning and believe I will be successful

- Teachers and all staff are approachable, listen and respond to my needs
- My teachers have time to talk through and help answer questions or help solve problems I have
- I am trusted to make good choices, be engaged in my learning, and held accountable but not overwhelmed

I feel that school is safe and that school is challenging and fun

- I am heard and respected for who I am by school staff and students
- The school and my interactions with students and staff are safe, positive and inclusive
- I enjoy coming to school every day and have time to be with friends during school
- I understand what is expected from me at school
- I am supported in my mental health needs

I am an engaged learner at school and in our community

- I have a voice and choice in how and what I learn
- My learning is hands-on, meaningful, challenging and helps me prepare for my future
- My teachers like me and believe in me
- I have teachers and staff that work with me in a way that benefits all students
- I am physically comfortable in the school setting
- This school should be about me not the teachers





FAMILIES

I am part of my child's education and feel welcomed, valued, and respected as a family

- My child is physically and emotionally safe at school
- My child feels a sense of belonging at school, is cared for, and valued
- My student can voice their thoughts and ideas without being discriminated against so they continue to learn

My child enjoys coming to school and is safe, included and respected so they are learning every day



- My child is challenged (not overwhelmed) in learning and development, listened to, and provided choice and voice in learning options
- Teachers know my child well and creates a fun, interactive approach to learning which is responsive to my child's and family needs

I am engaged in a partnership with my child's school so I know what to do to help my child continue to grow and learn

- I will feel welcome, informed and encouraged to collaborate with the teachers and staff at the school to help my child grow
- My child's teachers, my child and myself have open communication about their academic progress, social development and well-being
- District and school information is easy to understand and easily accessible
- My child is taught the life skills necessary to be successful in whatever path they choose after high school



STAFF

I am seen, valued, and respected for who I am and the work I do

- I work in a collaborative not competitive environment that honors the unique strengths of each individual
- I am seen as a professional and given the flexibility and support to provide students what they need to be successful
- I am listened to, heard and know that I matter
- I have a level of freedom and innovation within reasonable parameters

I receive the support and resources to do my job well so I am able to create a healthy and safe learning environment

- I am a valued member of a caring, engaged, and collaborative team
- I receive constructive feedback in regards to my position so I can be the best version of myself
- I am treated with respect and fairness with reasonable expectations for work, performance, time, and employment
- I enjoy my job and have flexibility, satisfaction, and recognition

I work in a district that is willing to adapt and change when necessary to best meet the needs of all students

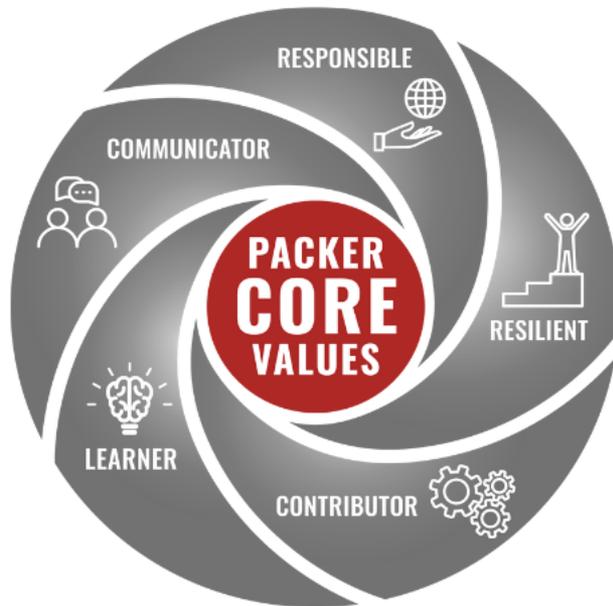
- Diversity, equality, inclusion and equity for everyone
- I have the resources and materials I need in my classroom and for families so they know what they can do to support learning at home
- There is effective communication across the district and community so staff and families have the information they need
- I have adequate training for various aspects of my job





WHAT OUGHT TO BE

The **Desired Daily Experience** sets the foundation of descriptions of the student, family, and staff experiences *if* the strategic plan is successfully implemented in APS.



OUR CORE VALUES

(Drivers of Our Words and Actions)

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

Why the change in timeline?

- Normally May work session is where first draft review of adopted budget
- Legislators are not done with 2025-2027 funding budget
- With so much unknown, we decided to delay budget until June
- New timeline
 - June 2-Finance Committee will review
 - June 9-Draft review
 - June 24-Approval of Budget

What we know currently

- Enrollment K-12
 - FY26 Projected Staffing Enrollment 5,018
 - FY26 Projected Budget Enrollment 4,953
 - FY25 Current Enrollment 5,045
- State aid general formula increased 2.74% to \$7,481
- Staffing model
- Supply plan
 - For families
 - For staff

What we know currently

- Summer projects
- Increase of TRA from 8.75% to 9.50% employer contribution starting on July 1, 2025
- Compensatory Aid is set to decrease by \$1,179,289 for FY26 (2025-2026) school year
- Health and Dental Insurance rate increase
- Final details of State Budget
 - Summer unemployment will be cover by state until 2028

What we know currently

- Unassigned fund balance will decrease in FY26
 - Lower enrollment
 - Unfunded mandates
- Continuing the great work of being good financial stewardship of funding

What is unknown currently

- Final details of State Budget
 - Special Education Transportation aid reduction
 - Student support personal aid reduction
 - Possible Read Act training revenue increase
 - School Library Aid reduction
 - Possible Compensatory revenue modification
 - Nonpublic Pupil Education and Transportation Aid reduction
 - MN Paid Leave starts January 1, 2026, and employers are required to pay 50% of estimated 0.88% tax
- Union Settlements
- Tariffs impact on materials
- Potential Referendum

FY26 Health and Dental Insurance Update

School Board Work Session
Todd Lechtenberg

HITA Bid Results

- Health Insurance Transparency and Accountability Law (HITA) requires districts over 25 employees to request proposals every two years
 - Need to send out to three health insurance companies and Public Employers Insurance Plan (PEIP) must be included
- National Insurance Services (NIS) manages this for us
 - Received 5 bids
- NIS and Insurance Committee recommendation is to stay with BlueLink

2026 Health Insurance Rates

- NIS presented claims data to insurance committee for past 24 months
 - Lost ratio target is 85% and would indicate a trend increase of 5-12%
 - Last 12 months (Apr24-Mar25) was at 112%
 - Prior 12 months (Apr23-Mar24) was at 142%
- NIS blends 24 months of claims experience and trend that forward
- Renewal position is projecting a needed increase of 14%
- Looking at an additional minimum 10-12% increase in 2026-2027 school year
- Important that we continue to build this fund balance, so it does not impact General fund
 - FY25 school year increase 24% (14% District/10% Premiums)
 - FY26 school year increase 14%
 - FY27 school year minimum increase 10-12%

2026 Dental Rates

- NIS performed the same claims review on dental
- Recommendation is to continue to increase dental rates 3% a year

Next Steps

- June 2nd
 - Finance Committee will review draft budget which include insurance impacts and Long-Term Facilities Management 10-year plan (LTFM)
- June 9th
 - Regular board meeting-Approval of health insurance company and rates for health and dental insurance. Review draft budget
- June 24
 - Special board meeting-Approval of FY26 adopted budget which includes LTFM



Any Questions