

SHAKOPEE PUBLIC SCHOOLS



SCHOOL BOARD AGENDA



Independent School District 720 – Shakopee Public Schools
Shakopee West Jr. High School Auditorium, 200 10th Avenue East, Shakopee, MN 55379

March 20, 2017
6:00 PM

Board of Education

1. CALL TO ORDER AND ROLL CALL - CHAIR SWANSON
2. Consideration of Agenda as presented. 3
 2. 1. Budget Presentation
 2. 2. Public Question & Answer
3. Other
4. UPCOMING MEETINGS AND IMPORTANT DATES
 - April 10, 2017 School Board Business Meeting 6:00PM
 - April 17, 2017 School Board Retreat 6:00PM
 - April 24, 2017 School Board Learning Session 6:00PM
5. ADJOURNMENT





When it was Discovered

- March 14, 2016
 - Finance projects FY 16 budget as ~\$22k surplus to General Fund
- June 13, 2016
 - Finance projects FY 17 budget as no change to small decrease in General Fund
- October 10, 2016
 - Finance notifies district leadership of budgeting issue
 - Supt notifies ExComm (Chair/Vice Chair)
 - Sought advice/opinion from contacts in school finance
- November 2016
 - Topline external analysis confirms series of budgeting errors in FY 16, carried into FY 17
 - Board made aware of budgeting issue
- December 12, 2016
 - Budget issue addressed as part of annual audit review
 - FY 16 impact (-\$5M) covered by General Fund balance
 - FY 17 impact still being assessed

How it was Defined

- Oct 2016 to Jan 2017
 - SPS Finance initial and ongoing self identification of errors
 - External topline analysis
 - School Mgmt Services hired for detailed examination and budget oversight
 - Final conclusion is FY 17 projected shortfall of ~\$4.5M
- Budgeting errors or omissions (examples)
 - Special ed revenues and expenses
 - Athletic/activities expenses
 - Summer school expenses
 - Employee salary/benefit expenses
 - Miscellaneous aggregated smaller budgetary line items
 - Prior year budget errors not corrected, carried forward into FY 17



How we are Fixing it

- December 2016 – Ongoing
 - Discretionary spending halted and/or scrutinized
 - District leadership creates menu of options and levers
 - Nothing off the table, everything is to be considered
 - Board reviews mid-January, gives guidance to admin
 - Reduce spending while avoiding/minimizing impact on classroom
- Examples
 - Spending cuts: T&L operations and capital; supplies/materials; professional development; non-licensed overtime
 - District Office personnel attrition, reassignment or release
 - Budget adjustments to Food Service, Community Ed, Achievement & Integration
 - Reallocation of federal funding
 - Use OPEB acct for retiree expenses
 - Tapping into General Fund balance



How we are Preventing it in future

- Increased checks/balances on budget creation and tracking
 - Still Finance Dept responsibility; more planned, purposeful oversight
- Monthly Finance Committee meetings and budget review
- Creation of Budget Dashboard for regular status tracking
- Improved finance software integration
- Hired new Director of Finance
 - School finance and auditing background
- Retaining School Mgmt Services for FY 18 oversight
- Exploring creation of Citizen Financial Advisory Group





SHAKOPEE PUBLIC SCHOOLS

REVENUE SUMMARY - BY MAJOR CATEGORY

February 28, 2017

THIS REPORT SUMMARIZES REVENUE BY MAJOR CATEGORY AND SOURCE CODE

REVISSED ← ACTIVE BUDGET



Source Code	Description	June 30, 2015	June 30, 2016	Adopted Budget	Revised Budget	Adopted Budget vs. PY Final	Revised vs. Adopted Budget	February 28, 2017	Budget Remaining	% Budget Received	% Actual Received	% Actual Received	February 28, 2016	February 28, 2015
211	# BASIC FORMULA	46,467,021	48,947,210	50,479,267	50,847,514	1,532,056	368,247	32,075,820	18,771,694	63.08%	62.79%	63.19%	30,732,892	29,362,063
360	# STATE SPECIAL ED	8,120,328	7,688,156	9,001,621	8,131,000	1,313,465	(870,621)	5,387,864	2,743,136	66.26%	62.90%	50.67%	4,835,571	4,114,201



SHAKOPEE PUBLIC SCHOOLS

EXPENDITURES BY OBJECT CODE

February 28, 2017

THIS REPORT SHOWS EXPENDITURE HISTORY AND CURRENT YEAR ACTIVITY BY OBJECT CODE

OBJECT CODE	DESCRIPTION	June 30, 2015	June 30, 2016	Adopted Budget	Revised Budget	Adopted Budget vs. PY Final	Revised vs. Adopted Budget	Expenses YTD	Encumb YTD	Budget Remaining	REVISED	ACTIVE BUDGET		Active Budget \$ Change from Prior Yr Actual	Current YTD vs. Prior YTD	February 28, 2016	February 28, 2015
											February 28, 2017	February 28, 2016	February 28, 2015				
390	Pymts for Ed Purp to Oth MN Sch Dist	606,694	429,710	100,000	353,698	(329,710)	253,698	189,163	-	164,535	53.48%	30.46%	53.02%	(76,012)	58,260	130,902	321,669
394	Pymts for Ed Purposes to Oth Agencies - Non Sch D	108,190	191,654	126,000	202,903	(65,654)	76,903	155,317	-	47,586	76.55%	50.35%	128.52%	11,249	58,812	96,505	139,050
396	Salary Purch from Anoth Sch Dist	113,240	122,374	-	126,046	(122,374)	126,046	45,447	-	80,599	36.06%	49.11%	14.76%	3,672	(14,649)	60,096	16,719
397	Benefits Purch from Anoth Sch Dist	37,067	37,528	-	38,654	(37,528)	38,654	16,299	-	22,355	42.17%	42.95%	13.51%	1,126	180	16,119	5,006





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											February 28, 2017	February 28, 2016					February 28, 2015
186	Athletics	677,534	662,383	475,097	681,452	(187,286)	206,355	502,206	-	179,246	73.70%	65.47%	66.72%	19,069	68,519	433,687	452,063





SHAKOPEE PUBLIC SCHOOLS

REVENUE & EXPENDITURE SUMMARY BY SOURCE,
OBJECT SERIES & PROGRAM SERIES

February 28, 2017



REVENUE											February 28, 2017	February 28, 2016	February 28, 2015		
REVENUE CATEGORIES	June 30, 2015	June 30, 2016	Adopted Budget	Revised Budget	Adopted Budget vs. PY Final	Revised vs. Adopted Budget	Received YTD	Encumb YTD	Budget Remaining	% of Budget Received	% of Actuals Received	% of Actuals Received	February 28, 2016	February 28, 2015	
STATE	67,134,751	69,754,755	73,190,336	72,812,671	3,435,581	(377,665)	38,027,746	-	34,784,925	52.2%	53.5%	51.5%	37,299,658	34,545,817	
FEDERAL	1,838,975	2,033,546	2,134,888	2,688,517	101,342	553,629	996,067	-	1,692,450	37.0%	43.7%	22.2%	888,296	408,501	
PROPERTY TAXES	9,285,837	9,136,671	13,341,826	13,098,788	4,205,155	(243,038)	5,117,872	-	7,980,916	39.1%	47.6%	48.0%	4,345,134	4,460,143	
TUITION	2,375	1,250	-	1,275	(1,250)	1,275	-	-	1,275	0.0%	80.0%	0.0%	1,000	-	
LOCAL (FEES, INTEREST, ETC.)	1,614,715	1,660,696	1,682,950	2,232,976	22,254	550,026	1,261,839	-	971,137	56.5%	69.5%	62.9%	1,154,796	1,015,590	
TOTALS	79,876,653	82,586,918	90,350,000	90,834,227	7,763,082	484,227	45,403,523	-	45,430,704	50.0%	52.9%	50.6%	43,688,884	40,430,051	

EXPENDITURES											February 28, 2017	February 28, 2016	February 28, 2015		
OBJECT SERIES	June 30, 2015	June 30, 2016	Adopted Budget	Revised Budget	Adopted Budget vs. PY Final	Revised vs. Adopted Budget	Expended YTD	Encumb YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended	February 28, 2016	February 28, 2015	
SALARIES & WAGES	50,431,518	54,395,343	56,263,165	56,829,977	1,867,822	566,812	32,969,991	-	23,859,986	58.0%	57.6%	57.5%	31,345,758	28,993,902	
EMPLOYEE BENEFITS	14,544,376	15,083,195	15,772,861	15,287,675	689,666	(485,186)	8,940,748	-	6,346,927	58.5%	58.0%	61.5%	8,752,880	8,938,930	
PURCHASED SERVICES	10,475,334	11,396,889	9,096,191	10,971,783	(2,300,698)	1,875,592	7,077,571	-	3,894,212	64.5%	57.6%	57.0%	6,566,896	5,966,474	
SUPPLIES	2,752,751	2,657,733	3,925,860	2,744,518	1,268,127	(1,181,342)	2,016,373	-	728,145	73.5%	62.9%	64.3%	1,671,487	1,769,673	
EQUIPMENT	3,668,435	3,682,046	4,818,273	5,719,207	1,136,227	900,934	4,086,152	-	1,633,055	71.4%	69.5%	43.8%	2,558,807	1,607,297	
DEBT SERVICE	-	-	-	-	-	-	-	-	-	0.0%	0.0%	0.0%	-	-	
OTHER EXPENDITURES	666,642	625,227	458,650	504,394	(166,577)	45,744	284,601	-	219,793	56.4%	82.8%	100.3%	517,750	668,466	
TOTALS	82,539,054	87,840,434	90,335,000	92,057,554	2,494,566	1,722,554	55,375,436	-	36,682,118	60.2%	58.5%	58.1%	51,413,578	47,944,741	

PROGRAM SERIES											February 28, 2017	February 28, 2016	February 28, 2015		
PROGRAM SERIES	June 30, 2015	June 30, 2016	Adopted Budget	Revised Budget	Adopted Budget vs. PY Final	Revised vs. Adopted Budget	Expended YTD	Encumb YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended	February 28, 2016	February 28, 2015	
SITE ADMINISTRATION	5,751,914	5,798,242	5,726,209	5,967,740	(72,033)	241,531	4,102,437	-	1,865,303	68.7%	67.6%	68.1%	3,918,842	3,915,550	
DISTRICT ADMINISTRATION	618,259	628,001	517,480	587,070	(110,521)	69,590	431,343	-	155,727	73.5%	75.4%	76.6%	473,540	473,308	
SUPPORT SERVICES	1,052,174	1,502,414	1,571,922	1,379,269	69,508	(192,653)	954,923	-	424,346	69.2%	67.0%	62.8%	1,006,290	660,504	
REGULAR INSTRUCTION	36,670,286	38,222,419	37,820,136	37,976,382	(402,283)	156,246	21,301,351	-	16,675,031	56.1%	54.4%	54.4%	20,798,617	19,954,280	
EXTRA-CURRICULAR ACTIVITES	2,003,849	2,137,843	1,563,813	2,205,017	(574,030)	641,204	1,455,112	-	749,905	66.0%	61.4%	64.8%	1,312,797	1,298,441	
VOCATIONAL INSTRUCTION	794,119	878,379	374,922	535,576	(503,457)	160,654	212,987	-	322,589	39.8%	31.6%	24.9%	277,211	198,031	
SPECIAL EDUCATION	15,275,443	16,845,686	17,683,329	18,086,431	837,643	403,102	9,985,463	-	8,100,968	55.2%	56.1%	55.9%	9,442,724	8,534,207	
INSTRUCTIONAL SUPPORT	6,351,628	7,432,931	10,708,838	10,438,850	3,275,907	(269,988)	6,653,009	-	3,785,841	63.7%	66.2%	66.1%	4,918,112	4,199,589	
PUPIL SUPPORT SERVICES	6,771,903	7,238,306	6,542,719	7,149,808	(695,587)	607,089	4,164,711	-	2,985,097	58.2%	52.1%	58.9%	3,770,738	3,989,476	
FACILITIES	5,847,498	5,937,614	6,598,713	6,212,492	661,099	(386,221)	4,604,314	-	1,608,178	74.1%	65.7%	64.0%	3,901,633	3,741,834	
OTHER FINANCING USES	1,401,981	1,218,599	1,226,919	1,518,919	8,321	292,000	1,509,786	-	9,133	99.4%	130.7%	69.9%	1,593,074	979,522	
TOTALS	82,539,054	87,840,434	90,335,000	92,057,554	2,494,566	1,722,554	55,375,436	-	36,682,118	60.2%	58.5%	58.1%	51,413,578	47,944,741	



What adjustments have been made so far?

Administration/District Offices Adjustments

2016-17 District Office Adjustments

- Teaching & Learning expenses reduced by 20%
- Reduced communications department by one member
- Reduced an equity team by one member
- Special education contributed carry-over fund balance of 13% to off-set special education expenditures
- Reduced supply budget

Districtwide Adjustments

- Eliminated non-licensed overtime
- Reduced building level professional development

2017-18 Projected District Office Adjustments (budget finalized in June)

- Continuing to reduce all district level staffing costs
- Reviewing administrative structure districtwide
- Continuing to reduce district department operational budgets

Attrition history which includes primarily retirements and resignations:

2016-17	TBD
2015-16	54
2014-15	38
2013-14	40
2012-13	35

2016-17 Metro ECSU Study (February 2017) Average Class Size by Grade Group (Including Special Education)

Elementary		Jr Secondary		Sr Secondary		Jr & Sr Secondary		K-12	
Dist.	Avg.	Dist.	Avg.	Dist.	Avg.	Dist.	Avg.	Dist.	Avg.
271	20.64	717	21.13	278	20.13	717	20.97	717	21.07
277	21.21	625	22.29	717	20.79	278	21.81	278	21.97
13	21.97	277	23.08	716	21.13	625	22.87	277	22.77
14	22	15	23.14	138	22.35	277	22.9	625	23.02
721	22.16	270	23.18	277	22.71	716	22.97	716	23.07
276	22.28	276	23.66	110	23.19	138	23.25	138	23.29
200	22.4	281	23.68	276	23.21	276	23.43	276	23.3
717	22.61	278	23.71	625	23.3	110	23.51	281	23.45
624	22.63	197	23.72	281	23.39	281	23.54	110	23.56
719	22.72	110	23.85	14	23.96	15	24.11	15	24.06
720	22.74	622	24.19	280	24.01	280	24.41	280	24.31
		271	24.33	282	24.52	197	24.57	270	24.34
11/35		283	24.42	720	24.67	270	24.57	197	24.53
		138	24.81			283	24.77	720	24.55
270	23.13	280	24.94	13/35		282	24.8		
832	23.48	720	25.01			720	24.85	14/35	
138	23.55			111	25.44				
831	23.68	16/35		832	25.49	16/35		272	24.84
15	23.71			15	25.66			271	25.01
280	23.8	272	25.83	197	25.84	831	25.54	111	25.04
278	23.82	831	25.85	194	26.1	622	25.62	831	25.36
716	23.84	14	26.01	721	26.73	271	25.69	622	25.43
110	23.86	832	26.21	13	26.97	832	25.82	832	25.59
194	23.96	194	26.29	624	26.97	194	26.19	194	25.93
622	23.99	13	26.29	622	27.03	13	26.67	13	26.01
111	24	624	26.41	273	27.19	624	26.69	624	26.07
625	24	273	26.95	271	27.39	273	27.03	273	26.82
197	24.11	719	27.83	719	27.44	719	27.61	719	26.88
282	24.21	11	28.26	200	27.52	721	27.65	721	26.91
623	24.27	200	28.38	270	27.79	200	27.97	200	27.44
834	24.4	721	28.83	11	28.6	11	28.41	11	27.92
11	24.57	192	29.11	12	28.96	192	29.73	623	28.62
192	24.63	623	30.02	623	29.83	623	29.91	192	28.88
273	24.97	834	31.87	192	30.53	12	30.66	12	30.04
12	26.36	12	32.91	834	30.86	834	31.43	834	30.25
Average	23.56	Average	25.63	Average	25.66	Average	25.64	Average	25.38

Metro ECSU 2016-17 Class Size Report

- Boxes show Shakopee’s rank among the 35 metro school districts.
- Based on October 1, 2016 student counts
- Includes General & Special Education students

Staffing specific example

Red Oak 2016-17 (3-17-17)		Red Oak 2017-18 (projected)	
K	91 students	K	91 students (assumption)
1st	100	1st	91
2nd	88	2nd	100
3rd	116	3rd	88
4th	112	4th	116
5th	142	5th	112
Total	649 students	Total	598 students

Impact of changing enrollment

- 51 fewer students
- ~ 2 fewer teachers needed based on projections
- Enrollment driven; not budget driven

Class size projections as of 3-17-17

Red Oak 2017-18 (projected)		Class Size (projected 3-17-17)	Class Size Targets
K	91 students (assumption)	22.8	20
1st	91	22.8	23
2nd	100	25.0	23
3rd	88	22.0	25
4th	116	23.2	25
5th	112	28.0	27
Total	598 students	23.9	

- “Hot Spots” are K and 2nd grade – watch closely



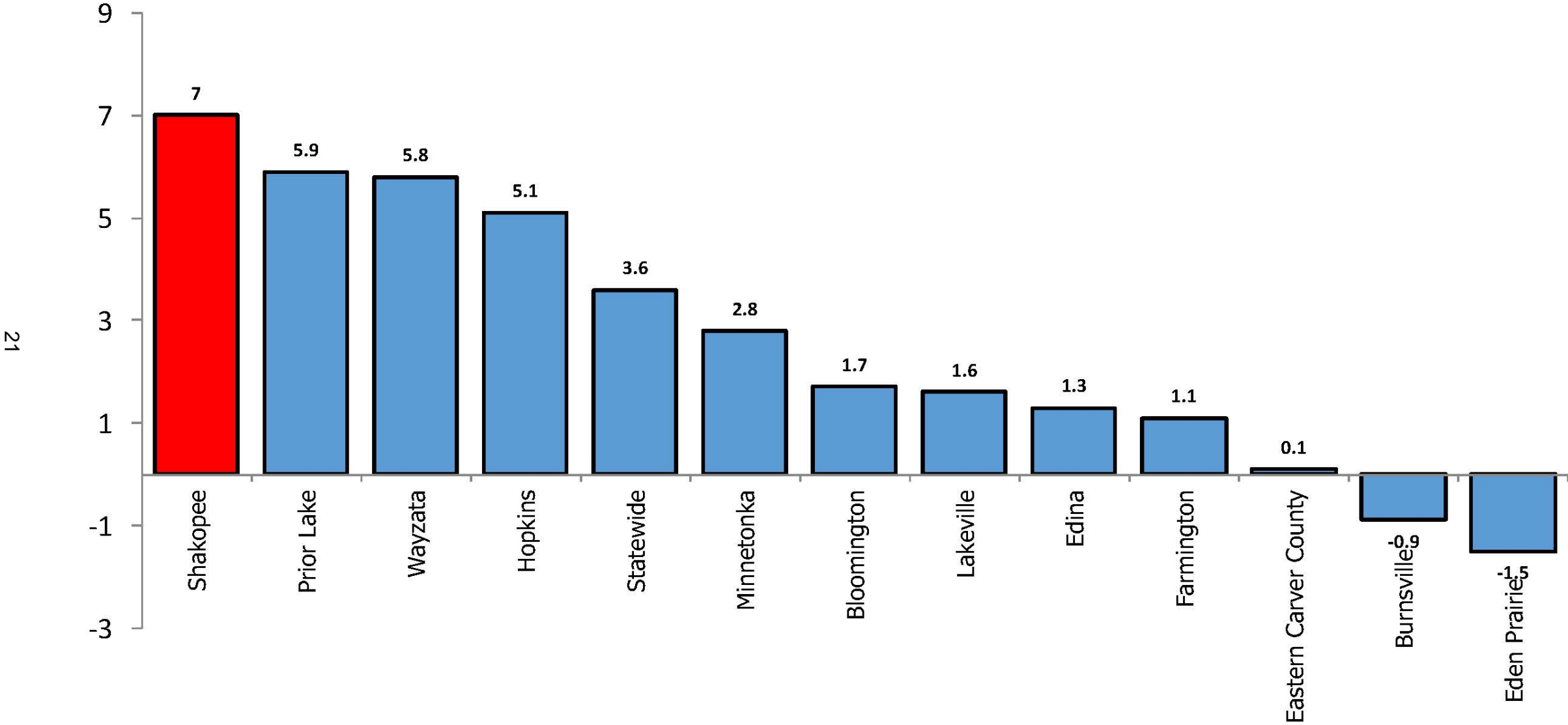
Budget Variance

		School Year 2013-14		School Year 2014-15		School Year 2015-16
Impact on Fund Balance		-\$2.0M		-\$2.7M		-\$5.2M
Revenue		-\$1.0M		-\$0.7M		-\$0.5M
	Lower student enrollment		Lower student enrollment		New special ed formula	
Expenditures		-\$1.0M		-\$2.0M		-\$4.7M
	Data & Testing Administrator		5 Elementary APs		Budgeting errors	
	8 FTE (growth)		All Day, Every Day K (19 FTE)		10 FTE (growth)	
	2 Deans to APs		14 FTE (growth)		Contract settlements	
	Technology support		Technology support		Technology support	
	Increased professional development		Increased professional development		Increased professional development	
	Increased special services support		Increased special services support		Increased special services support	

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Shakopee Public Schools

6 year MCA3 Math Proficiency Growth (2011 to 2016)



Shakopee Public Schools

3 year MCA3 Reading Proficiency Growth (2013 to 2016)

