

## **Special Committee of the Whole Meeting**

Tuesday, December 17, 2024 5:00 PM

Board Assembly Room, 1250 West Broadway Avenue, Minneapolis, Minnesota 55411

- 1) **Call to Order and Roll Call**
- 2) **Presentations and Discussions**
- a. Fiscal Year 26 Budget Priorities
- 3) **Adjournment**



# Committee of the Whole

12/17/2024

# Agenda

- Superintendent Update [5 minutes]
- Budget Context and Current Reality [10 minutes]
- Review Current Priorities [10 minutes]
- FY26 Budget Priorities Discussion [60–90 minutes]
- Timeline and Next Steps [5 minutes]

# Superintendent Update

# Budget Context and Current Reality

# A Shared Challenge

LOCAL NEWS

## Anoka-Hennepin school board votes to cut hundreds of admin jobs, but saves teachers for now

The board is facing a \$26 million shortfall and will first make \$9 million in reductions at the central office.

LOCAL

## Budget cuts eminent: Seattle Public Schools looks to renew levies, get more money from the state

COVID STIMULUS NATIONAL BUDGET & FINANCE

## What's at the heart of the turmoil at Chicago Public Schools? Money.

By Reema Amin and Erica Meltzer | October 29, 2024, 3:23pm CDT

MINNETONKA, Minn — In a letter to district families and staff addressing "significant financial challenges," Minnetonka Public Schools Superintendent David Law acknowledges he's received questions on what "caused this."

"Dozens of metro school districts and districts across the state that are in the same spot that we're in," Law said. "All of us are in the same financial straits. If we're not there this year, they'll be there next year."

## SF Schools Won't Close Yet, But the City Still Has Questions About Huge Budget Cuts

# Key Drivers to a School District Budget

<b>Enrollment</b>	<b>State funding</b>	<b>Local property tax funding</b>	<b>Federal funding</b>	<b>Grants</b>
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Any differences in projected **revenue** and **expenditures** = **projected shortfall**

<b>Employment contracts</b>	<b>Impact of inflation</b>	<b>Academic programs and student supports</b>	<b>Operational services</b>	<b>Funding use restrictions</b>
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# MPS Approach to Addressing Fiscal Challenges

**Delivering on MPS' vision, mission, commitment, and goals, now and sustainably into the future**



Nov. 2024 tech levy ballot question



## ONGOING

Expense reductions and operational efficiencies to reduce gap from loss of ESSER funds

Transforming how we educate and serve students

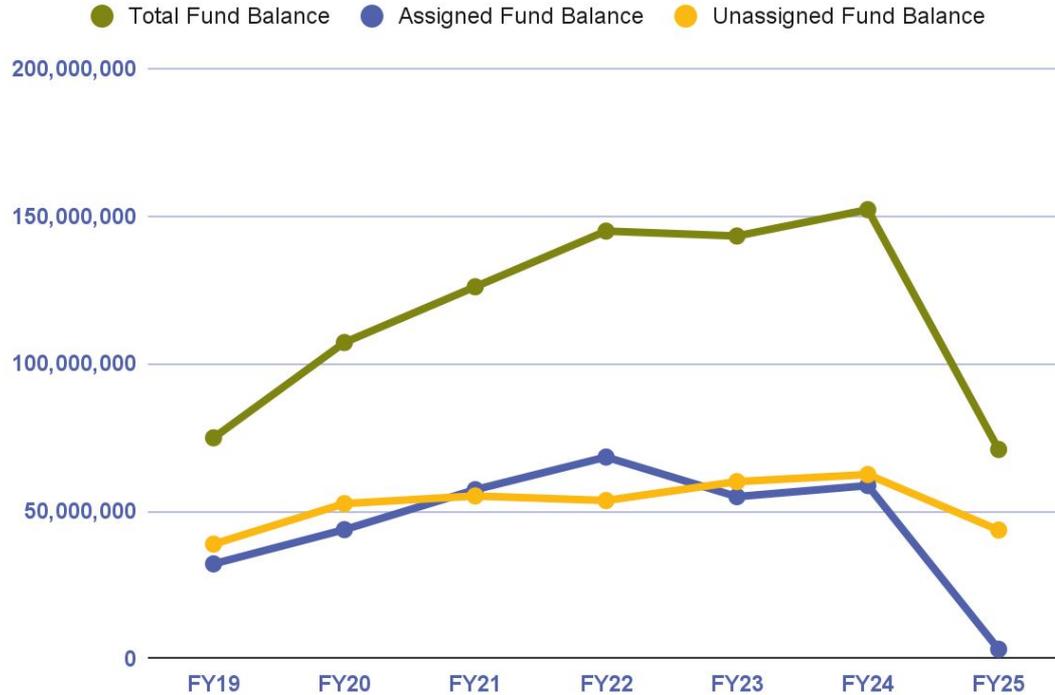
Increasing student enrollment

Continued advocacy with state and federal government

# Adopted FY25 Budget

	Fund 01 General	Fund 02 Food Svc	Fund 04 Comm. Ed	Total Operating	Fund 06 Capital	Fund 07 Debt Svc	Grand Total
<b>Total Revenue</b>	<b>\$630.0M</b>	<b>\$21.9M</b>	<b>\$32.5M</b>	<b>\$684.4M</b>	<b>\$86.4M</b>	<b>\$99.4M</b>	<b>\$870.2M</b>
Direct Allocations to Schools	\$366.9M	\$0.0M	\$0.9M	\$367.8M	\$0.0M	\$0.0M	\$367.8M
Departments & District Services	\$343.6M	\$26.7M	\$34.6M	\$404.9M	\$156.2M	\$99.4M	\$660.5M
<b>Total Expenditures</b>	<b>\$710.5M</b>	<b>\$26.7M</b>	<b>\$35.5M</b>	<b>\$772.7M</b>	<b>\$156.2M</b>	<b>\$99.4M</b>	<b>\$1,028.3M</b>
<b>Operating Surplus/(Deficit)</b>	<b>(\$80.5M)</b>	<b>(\$4.8M)</b>	<b>(\$3.0M)</b>	<b>(\$88.3M)</b>	<b>(\$69.8M)</b>	<b>\$0.0M</b>	<b>(\$158.1M)</b>
<b>Other Sources/(Uses) of Funds</b>							
Fund Transfers	(\$4.8M)	\$4.8M		\$0.0M			\$0.0M
Planned use of Assigned Fund Balance	\$55.0M			\$55.0M			\$55.0M
Allowance for Vacant Positions	\$23.8M			\$23.8M			\$23.8M
Special Education Carryover	\$6.6M			\$6.6M			\$6.6M
<b>Other Sources/(Uses) of Funds</b>	<b>\$80.6M</b>	<b>\$4.8M</b>	<b>\$0.0M</b>	<b>\$85.4M</b>	<b>\$0.0M</b>	<b>\$0.0M</b>	<b>\$85.4M</b>
<b>Net Change in Fund Balance</b>	<b>\$0.1M</b>	<b>\$0.0M</b>	<b>(\$3.0M)</b>	<b>(\$2.9M)</b>	<b>(\$69.8M)</b>	<b>\$0.0M</b>	<b>(\$72.7M)</b>

# Fund Balance over 5 years



Fiscal Year	Total Fund Balance	Assigned Fund Balance	Unassigned Fund Balance
FY20	107,173,682	43,737,399	52,573,025
FY21	126,073,756	57,295,506	55,149,040
FY22	144,954,221	68,347,003	53,613,743
FY23	143,285,449	54,915,232	60,025,539
FY24	152,225,438	58,679,416	62,418,131
FY25*	70,920,596	3,179,416	43,593,289

\*The total fund balance is made up of restricted and reserved items not depicted in the graph. FY25 amounts shown are projected.

# Review Current Priorities

# Reminder: Board Prioritized FY25 Strategies



## Goal 1 – Academic Achievement

1.1 Provide standards-based core instruction with a focus on literacy and mathematics

1.2 Ensure all curriculum and instructional practices are anti-racist and sustain the culture, languages and experiences of our students



## Goal 2 – Student Well-being

2.1 Provide equitable student access to culturally responsive counseling and mental health services



## Goal 3 – Effective Staff

3.1 Strengthen pathways and reduce barriers for talented and diverse MPS employees and potential employees to become teachers



## Goal 4 – Building and School Climate

4.1 Fully implement the climate framework to ensure all district staff, parents, and students feel heard, valued and respected

# Reminder: FY25 Budget Approach Principles



# Reminder: Prioritized Investments in the FY25 Budget\*

<b>Increased</b>	<ul style="list-style-type: none"><li>• English Learner (EL) teachers to support EL service needs</li></ul>
<b>Continued</b>	<ul style="list-style-type: none"><li>• Funding Library Media Specialists at FY24 levels</li><li>• Comprehensive services HHM students</li><li>• 5th grade band</li></ul>
<b>Retained</b>	<ul style="list-style-type: none"><li>• Emergency Management Safety and Security team</li><li>• Assistant principals at certain sites</li></ul>
<b>Funded</b>	<ul style="list-style-type: none"><li>• READ Act Investments</li><li>• Intervention triad supporting Title I sites</li></ul>

\*This is not an exhaustive list, but rather select examples to highlight investment areas in the FY 25 budget.

# FY26 Budget Priorities Discussion

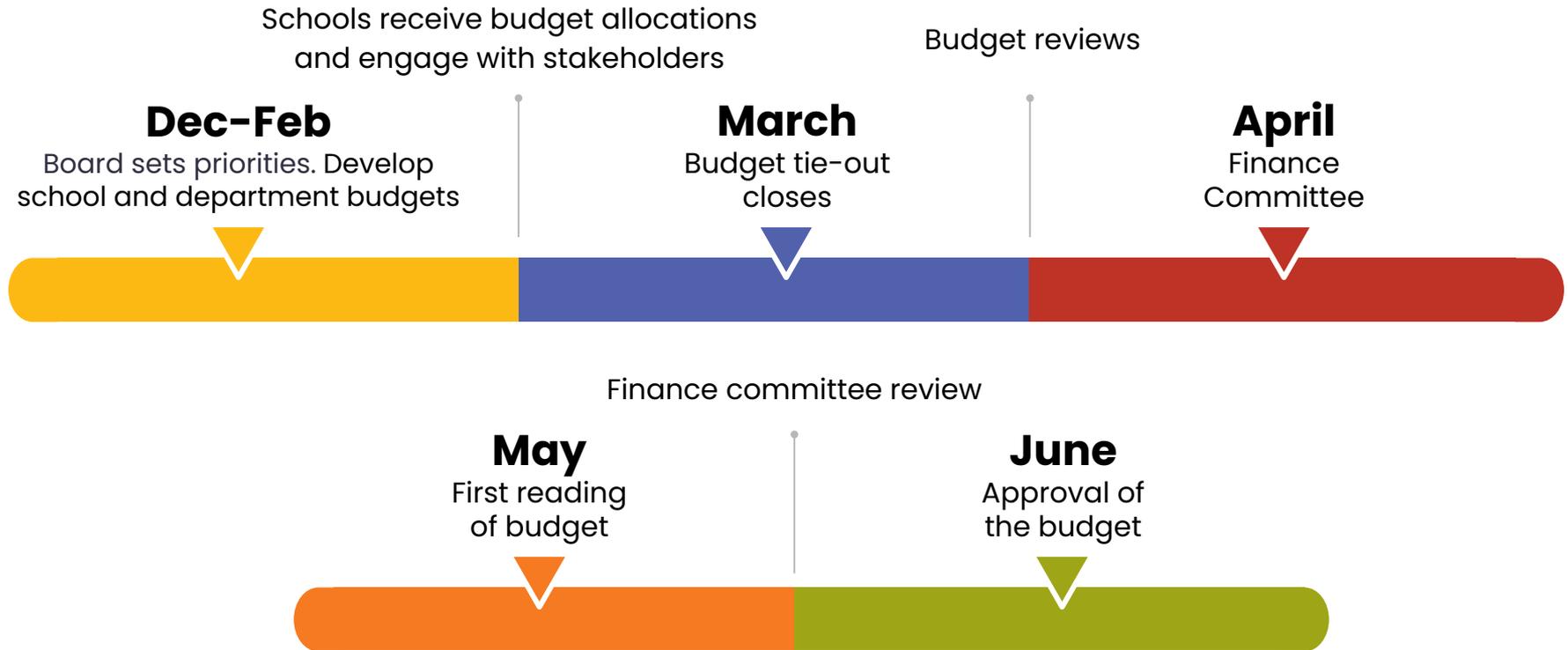
# Budget Values and Priorities Discussion

## Review discussion protocols and goals for the activity

Round 1	Round 2	Round 3
<b>Identifying collective values</b>	<b>Prioritizing areas of investment</b>	<b>What matters most to us</b>
<ul style="list-style-type: none"><li>• What values should drive our budget decisions?</li><li>• What principles are most important to our district's mission and goals?</li></ul>	<ul style="list-style-type: none"><li>• Based on the values identified in round 1, what are the highest priorities for investment in the FY26 budget?</li></ul>	<ul style="list-style-type: none"><li>• Given the district's financial constraints, what are our non-negotiables?</li></ul>
<b>Closing</b>		

# Timeline and Next Steps

# FY26 Budget Timeline – What’s Next



# Appendix

# Budget Development Process Overview

# Budget Development Process Overview

Task	Timeline	Administration Role	School Board Role
Initial property tax levy determined	Sept	Provide data to MDE for calculation	Finance committee reviews and recommends; full board sets preliminary levy
Budget pro-forma	Oct–Nov	Develop projections	Review
Ballot questions (if applicable)	Nov	Prepare for and ensure administrative tasks are completed	Approve ballot question language and call election
Budget priorities set	Dec–Jan	Provide requested data and information	Determine priorities for upcoming budget year
Finalize revenue and expenditure projections (including enrollment) to determine gap shortfall	Dec	Develop projections	Review and monitor

# Budget Development Process Overview

Task	Timeline	Administration Role	School Board Role
Truth-in-taxation meeting held; final property tax levy set	Dec	Prepare for and ensure administrative tasks are completed	Hold meeting, receive comments, approve final levy
Division leaders work with departments to do preliminary reduction modeling	Dec	Conduct modeling	N/A
Develop school budget parameters and costing	Oct-Feb	Develop recommendations	Review and direct any desired changes
Develop central office budget parameters and costing	Jan-Feb	Develop recommendations	Review and direct any desired changes

# Budget Development Process Overview

<b>Task</b>	<b>Timeline</b>	<b>Administration Role</b>	<b>School Board Role</b>
Provide school budget allocations; school leaders complete BTO process	Feb-Mar	Develop and send allocations	Finance committee and full board review
Provide department budget allocations; department leaders complete BTO process	Feb-Mar	Develop and send allocations	Finance committee and full board review
School and department budgets are "tied out" and verified by Finance and HR	Mar-April	Verify compliance with requirements and priorities	N/A

# Budget Development Process Overview

Task	Timeline	Administration Role	School Board Role
Capital plan budget proposed	Mar-April		Review and direct any desired changes
Interview and select process	Spring	Facilitate I&S process pursuant to CBA with MFT, teacher chapter	N/A
Proposed budget first reading	May	Prepare and present comprehensive budget proposal	Receive comprehensive budget proposal
Budget approval	By June 15	Prepare and present comprehensive budget proposal	Approve final budget

# Prior Year Board Budget Priority Resolutions

[2024-2025](#)

[2023-2024](#)

[2022-2023](#)

[2021-2022](#)