

Pursuant to due call and notice thereof, a regular meeting of the Board of Education, Kenyon, Minnesota, was held on the 26th day of January, 2026 at 6 pm. The following board members were present:

and the following board members were absent:

Board member _____ introduced the following resolution and moved its adoption:

RESOLUTION FOR RECOVERY FROM STATUTORY OPERATING DEBT (SOD)

WHEREAS, School District 2172 has moved into Statutory Operating Debt as of June 30, 2025 as defined by Minnesota Statutes, section 123B.81, Subdivision 2; and,

WHEREAS, Minnesota Statutes, section 123B.83, Subdivision 4, requires a school district in SOD to submit to the commissioner a special operating plan to reduce deficit expenditures; and, to receive aids contingent on the school district's continued compliance with the plan;

WHEREAS, School District 2172 has prepared a Special Operating Plan which has been presented, reviewed and understood by the school board;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Education of School District 2172:

1. Approves the attached Special Operating Plan and accompanying SOD Recovery Spreadsheets and transmits same to MDE;
2. Agrees to reduce current year expenditures by all legal means possible, without negatively impacting current programs or contractual obligations;
3. Agrees to immediately discontinue the practice of approving deficit budgets;
4. Creates an unreserved fund balance target of 5 percent within 5 years after the removal of SOD;
5. Agrees to a 'dollar for dollar' cut in current and future budgets to respond to a negative variance in revenues and expenditures as displayed in the SOD plan;
6. Agrees to use any aid formula improvement from the legislature to reduce debt;
7. Agrees to remove the condition of SOD by the end of FY 29 and achieve a positive fund balance by FY 30;
8. Requests specialized training as appropriate; and,
9. Agrees to submit preliminary budgets to MDE showing the discontinuance of deficit spending, prior to their formal board approval, each subsequent year until the removal of negative fund balances.

The motion for adoption of the foregoing resolution was duly seconded by Board Member _____ and upon vote being taken thereon, the following members voted in favor thereof:

and the following members voted against the same:

whereupon said resolution was declared duly passed and adopted.

Clerk Signature

Date