

Mahtomedi Public Schools
Independent School District #832
1520 Mahtomedi Avenue
Mahtomedi, MN 55115

Regular Meeting - Board of Education

Date: February 8, 2018

Agenda Item #9. E.

TOPIC: 2018-2019 Preliminary Budget -- Update


BACKGROUND: Administration is estimating a significant budget deficit for the 2018-19 school year. At the January 4th School Board meeting administration presented the general fund deficit in total, and a timeline for the 2018-19 budget process. At the January 25th School Board meeting administration presented student enrollment scenarios for next year.

PURPOSE OF PRESENTATION: The purpose of this presentation is to provide the Board and community with a general overview of the School Board action and discussion from the January 25th meeting. Additionally, administration will provide an updated budget analysis with current information, resident enrollment analysis, and an updated timeline for the budget process.

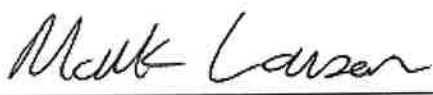
LEARNING OBJECTIVE: As a result of this presentation, the Board will have an understanding of the updated parameters information for the 2018-19 preliminary budget.

ACTION RECOMMENDED: Discussion

Submitted By:


Bill Menozzi
Director of Business Services

Concurrence By:


Dr. Mark Larson
Superintendent of Schools

M A H T O M E D I S C H O O L D I S T R I C T

M E M O R A N D U M

DATE: February 5, 2018
TO: Mahtomedi School Board
FROM: Bill Menozzi, Director of Business Services
RE: 2018-19 Preliminary Budget -- Update

At the January 25, 2018 study session the School Board began discussions on options and scenarios to address the estimated general fund budget deficit for 2018-19. The purpose of this memorandum is to provide a summary of the action and discussion from the January 25th meeting, and to provide updated information related to the budget process.

REVIEW OF THE SCHOOL BOARD STUDY SESSION 1-25-2018

At the School Board study session on January 25th the School Board set the enrollment target for 2018-19 at **3,288** students K-12.

The following student numbers were approved on January 25th open enrollment window #1:

GRADE	17-18 ENROLLMENT	WINDOW #1 ACCEPTED	PROJECTED 18-19 ENROLLMENT
K	182		160
1	187	12	194
2	195	10	197
3	216	1	196
4	224	9	225
5	243	4	228
6	267	35	278
7	284	13	280
8	273	10	294
9	305	23	296
10	294	5	310
11	296	1	295
12	282	1	297
TOTAL	3,248	124	3,250

Kindergarten registration for 2018-19 will take place on March 1, 2018. As such, the School Board will wait to take action on kindergarten open enrollment until window #2 in March.

Projected building enrollment for 2018-19 after window #1 is as follows:

BUILDING	2017-18 ENROLL (ESTIMATED)	2018-19 ENROLL (PROJECTED)	DIFFERENCE
WILDWOOD	564	551	-13
O.H.A	683	649	-34
MIDDLE SCHOOL	824	852	28
HIGH SCHOOL	1,177	1,198	21
TOTAL	3,248	3,250	2

School Board action on open enrollment window #2 will take place in March. It is of critical importance that we meet or exceed our enrollment target either through the remaining open enrollment windows and/or resident move ins/outs.

FOLLOW UP FROM 1-25-18 – GRADE PROGRESSION RATIOS

At the January 25th School Board study session the topic of resident grade progression ratios (survivability analysis) was introduced. In addition to meeting or exceeding our enrollment target, it is important to understand the impact of resident cohort progression ratios in order to more accurately estimate our enrollment.

The following enrollment model attempts to project resident enrollment growth (decline) from kindergarten through 12th grade. Enrollment trends in this model were prepared with traditional cohort survival technique using 1-2-3 weighting in the elementary and secondary grades.

These projections suggest TRENDS and are NOT intended to make exact predictions. The intention of this model is to give reasonable estimates of future resident memberships.

Residents Only – Attending Mahtomedi Schools

	07- 08	08- 09	09- 10	10- 11	11- 12	12- 13	13- 14	14- 15	15- 16	16- 17	17- 18	WTG 1-2-3
K	128	137	130	143	130	128	141	162	149	141	164	
1	137	151	149	136	154	143	149	161	177	159	147	8.8
2	166	144	160	158	142	159	155	153	180	187	161	7.5
3	187	180	153	169	155	147	171	173	167	183	189	4.3
4	167	185	180	156	175	165	158	172	189	181	182	6.8
5	184	183	196	187	159	179	172	183	183	197	188	8.0
6	218	202	197	200	189	164	199	185	195	198	197	7.0
7	226	224	210	208	202	192	172	205	196	196	190	-1.8
8	258	237	230	209	209	206	197	180	213	210	180	-2.0
9	280	274	261	246	214	228	206	201	190	214	211	2.5
10	259	279	269	258	250	214	225	212	206	201	200	-2.5
11	276	257	275	264	252	240	208	228	205	203	181	-12.2
12	254	271	248	247	250	243	234	203	227	212	185	-6.8
TOTAL	2740	2724	2658	2581	2481	2408	2387	2418	2477	2482	2375	19.7

2018-19 UPDATED BUDGET ANALYSIS

There have been many changes and updates to the 2018-19 preliminary budget analysis since first presented to the School Board on January 4, 2018. Many of these significant changes are still in process and/or being negotiated. As such, administration is providing a summary of the changes that are in process for the 2018-19 budget.

A summary of the main changes/updates to the budget projection are as follows:

1. **Enrollment:** K-12 enrollment target increased from 3,248 (V1.0) to 3,288 (V2.0).
2. **Q-Comp:** Decrease in the Q-Comp general fund subsidy from 17-18 to 18-19.
3. **Retirements:** Estimates for teacher retirements (not replaced) for 2018-19.
4. **Early Retirement Incentive:** Includes an estimate for the ERI memorandum of understanding.
5. **Labor Contracts:** Updated estimates for union contracts.

UPDATED TIMELINE

Including tonight, there are five (5) meetings until the School Board will be asked to take action on non-renewed contracts and proposals on ULA's for 2018-19. Kindergarten registration at Wildwood is on March 1, 2018.

As such, we recommend moving action on open enrollment window #2 from the March 22 study session to the March 8 regular meeting. Moving open enrollment window #2 up will give us a more specific enrollment target at an earlier date and allow administration a month to make recommendations on reductions for 2018-19.

A specific timeline of the next five (5) board meetings is as follows:

FEBRUARY 8	FEBRUARY 22	MARCH 8	MARCH 22	APRIL 12
1/25 Mtg. Follow Up	2/8 Mtg. Follow Up	2/22 Mtg. Follow Up	3/8 Mtg. Follow Up	3/22 Mtg. Follow Up
Grade Progression Ratios	Enrollment Analysis	O.E. Window #2 Action	18-19 Budget Reductions for Discussion	18-19 ULA Proposals
Updated Budget Analysis	November 2018 Levy Discussion			18-19 Non-Renewed Contracts - Action