

Preliminary Cost Containment Recommendations for Fiscal Year 2025

WORK SESSION

February 20, 2024



DEFINING EXCELLENCE

AGENDA

- Overview of Stakeholder Feedback
- Review of Potential Revenue Generation Sources
 - Fees
 - Technology Levy Funding

FINANCIAL FORECAST SUMMARY

- Prior-Year BRRRG - \$4,000,000 of cost containments addressed locally without using additional state aid
- Additional compensation investments to retain and recruit high-quality staff must be sustainable long-term - \$3,620,000 cost containment
- Not anticipating “historic” funding to be repeated - conservatism
- Unfunded mandates - full impact will not be known for years

SUMMARY OF RECOMMENDATIONS

Option	Category	Amount	
		A	B
Administrative Staff Adjustment	Budget Reducton	\$ 243,450	\$ 243,450
Business Servies Staff Adjustment	Budget Reducton	90,600	90,600
Multilingual and Achievement & Integration Reorganization	Reallocation	7,300	7,300
School Board & Superintendent Office Non-Salary Pause	Budget Reducton	150,000	150,000
Curriculum Capital Deferral	Budget Reducton	100,000	100,000
Buildings & Grounds, Transportation Capital Deferral	Budget Reducton	275,000	245,000
School Site Capital Deferral	Budget Reducton	260,000	260,000
Professional Development Adjustment	Budget Reducton	50,000	50,000
Medical Bill Reconciliation	Revenue Generation	48,615	48,615
Student Support Personnel Aid	Revenue Generation	161,019	161,019
Athletic Event Ticket Fee Adjustment	Revenue Generation	23,000	23,000
Athletics and Activities Participation Fee Adjustment	Revenue Generation	27,000	27,000
High School Parking Fees (+\$150)	Revenue Generation	49,500	49,500
Elementary Specialist Rotation Adjustment	Budget Reducton	-	483,800
Licensed Media Specialists	Budget Reducton	532,637	-
Licensed School Nurse Adjustment	Budget Reducton	451,200	532,637
Counseling Extra Duty Day Adjustment	Budget Reducton	73,975	73,975
Transportation Staff Adjustment	Budget Reducton	77,750	77,750
Student Support and Related Service Adjustment	Budget Reducton	300,000	300,000
Class-Size Midpoint Open Enrollment	Revenue Generation	215,000	215,000
Talent Development Licensed Staff Adjustment	Budget Reducton	177,546	177,546
Elementary School Licensed FTE Efficiency	Budget Reducton	118,364	118,364
Middle School Licensed FTE Efficiency	Budget Reducton	189,382	189,382
Total		\$ 3,621,338	\$ 3,623,938

59.65% of the recommendations are non-programmatic




DEFINING EXCELLENCE

Budget: Revenue Generation Fees Survey

I have children in the following grade bands:



%		Answer <i>(Multi-select)</i>
39%	(939)	PreK-2
40%	(959)	3-5
39%	(938)	6-8
35%	(851)	9-12

School Board Work Session

February 20, 2024

Review Stakeholder
Feedback

Overview of Feedback

Suggestion: charge fees for art, music and field trips

2023 Minnesota Statutes

123B.37 PROHIBITED FEES.

Subdivision 1. **Boards shall not charge certain fees.** (a) A board is not authorized to charge fees in the following areas:

- (1) textbooks, workbooks, art materials, laboratory supplies, towels;
- (2) supplies necessary for participation in any instructional course except as authorized in sections [123B.36](#) and [123B.38](#);
- (3) field trips that are required as a part of a basic education program or course;
- (4) graduation caps, gowns, any specific form of dress necessary for any educational program, and diplomas;
- (5) instructional costs for necessary school personnel employed in any course or educational program required for graduation;
- (6) library books required to be utilized for any educational course or program;
- (7) admission fees, dues, or fees for any activity the pupil is required to attend;
- (8) any admission or examination cost for any required educational course or program;
- (9) locker rentals;
- (10) transportation to and from school of pupils living two miles or more from school.

(b) Notwithstanding paragraph (a), clauses (1) and (6), a board may charge fees for textbooks, workbooks, and library books, lost or destroyed by students. The board must annually notify parents or guardians and students about its policy to charge a fee under this paragraph.

Overview of Feedback

Suggestion: charge transportation fee for students who are open enrolled

- Transportation costs are reimbursed as provided by Minnesota Law

Overview of Feedback

Suggestion: Charge tuition for students who are open enrolled

- We receive the same \$7,281 in general education formula allowance from the state for each student regardless of residence.
- State statute prohibits the ability to charge for tuition unless the student is from outside of Minnesota.

Overview of Feedback

Suggestion: charge for school meals

- Due to the 2023 Free School Meals state law, we must participate in the state funded Free School Meals program.
- Any fees collected for the sale of meals to pupils must, by law, be recorded in the Food Service Fund and cannot be used in the General Fund to pay staff salaries.

Overview of Feedback

Suggestion: increase community education fees to pay for budget shortfall

- Fees collected for Community Education purposes must, by law, be recorded in the Community Education Fund and cannot be used in the General Fund to pay staff salaries.

Overview of Feedback

Suggestion: raise current taxes

- Operating referendum - within ~\$5 per student of the maximum allowed by state law.
 - To hold an election would cost more than the additional revenue of \$5 per student, and funding would not be available until FY 2026.
- Capital projects levy (tech levy) - possible to increase this to pay for safety/security needs (SRO, equipment, etc), thus freeing up general fund for other items
 - Not an option until FY 2026 at the very earliest.

Overview of Feedback

Suggestion: conduct a fundraiser or create a donation fund to the school or through Edina Education Fund

- In order for Edina Public Schools to ensure ongoing and stable educational programming we must rely on stable funding to cover costs every year.
- Donations of \$1M this year would push reductions into next year which would increase donation needs for FY 2026.
 - If the cost containment was only \$2.56M for fiscal year 2025, an additional \$880,000 on top of the remaining \$1M containment needed for FY2026.
 - In general, donations are not a reliable funding source for school districts.

Overview of Feedback

Suggestion: redistrict students who live in Edina, but are assigned to Hopkins school district

- This requires both districts to agree to realignment. As this would impact their overall budget, the Hopkins School District is not incentivized to redistrict.

School Board Work Session

February 20, 2024

Review Potential
Revenue Generation
Sources

Potential Revenue: increased transportation fees

I live less than 2 miles from school and would be willing to pay the following total fee for bussing:

I have children in the following grade bands:

	\$350 per year	\$450 per year	\$500 per year	Not Applicable	Other	Total
PreK-2	4.3% (151)	1.0% (36)	3.5% (124)	10.2% (358)	6.4% (224)	25.5% (893)
3-5	4.6% (161)	0.9% (31)	3.3% (114)	10.8% (377)	6.4% (222)	25.9% (905)
6-8	3.9% (136)	0.8% (28)	2.7% (94)	12.4% (434)	5.5% (194)	25.3% (886)
9-12	2.9% (102)	0.6% (20)	1.7% (60)	12.6% (439)	5.5% (191)	23.2% (812)
Total	15.7% (550)	3.3% (115)	11.2% (392)	46.0% (1608)	23.8% (831)	100.0% (3496)

*Answers with less than 5 responses are hidden to protect anonymity.



Top 5 "other" responses for question 2 suggest:

1. Many respondents are willing to pay increased fees for various school programs and activities, including media, music, PE, art, and tutoring. Some suggested a materials and activities fee of \$50 per child per semester for these classes. Others suggested fees for optional/non-essentials like parking passes, game/event tickets, and school club/activity/athletics.
2. Some respondents suggested creative ways to cut expenses, such as reducing spending on non-essential expenses, reducing administrative positions, and focusing on learning rather than renovations and expansions.
3. There were suggestions for increased fees for after-school care, student fundraising, and participation in band/orchestra. Some respondents also suggested charging for all bussing, especially for those who choose not to attend their neighborhood school.
4. A few respondents suggested charging fees for tech use, such as a \$100 per year tech fee, and fees for borrowing or replacing Chromebooks.
5. Some respondents suggested increased fees for school lunches, with one suggesting a cost based on income so those in need would still eat free. Others suggested a one-time assessment or a yearly fee to support music, physical education, and library programs.

Potential Revenue: Pay-to-Ride Transportation

- The District, by policy, provides free to-and-from school transportation to certain students that live within the state mandated walk-zone of 2.0 miles (MN 123B.88)
- Current pay-to-ride students - Elementary students within 0.7 miles and Secondary students within 1.0 miles
- Current ridership within 2.0 miles - 2,791 students
- \$350 per year, per student would ***potentially*** generate - \$956,900
- 30.2% of ThoughtExchange respondents said they would pay at least \$350 per year.

Potential Revenue: increased athletics adult ticket prices

I am willing to pay the following adult ticket fee to attend home athletic events:

I have children in the following grade bands:	\$8.00	\$10.00	\$12.00	Other	Total	
	PreK-2	4.3% (150)	9.8% (339)	8.9% (310)	2.5% (86)	25.5% (885)
	3-5	4.3% (150)	10.0% (346)	8.7% (302)	3.0% (105)	26.0% (903)
	6-8	4.4% (154)	10.2% (355)	7.8% (270)	2.8% (97)	25.3% (876)
	9-12	5.0% (174)	9.0% (312)	6.6% (230)	2.5% (87)	23.2% (803)
	Total	18.1% (628)	39.0% (1352)	32.1% (1112)	10.8% (375)	100.0% (3467)

*Answers with less than 5 responses are hidden to protect anonymity.



Top 5 "other" responses for question 3 suggest:

1. Many respondents are willing to pay increased fees for various school activities and services, including media, music, PE, art, tutoring, summer classes, and after-school care. Some suggested a materials and activities fee of \$50 per child per semester for these classes.
2. There were suggestions for creative ways to cut expenses, such as volunteer work, student fundraising, and reconsidering spending on non-essential expenses.
3. Some respondents suggested charging for optional/non-essentials like parking passes, game/event tickets, school club/activity/athletics, and even suggested a sliding scale fee system.
4. There were suggestions for increased fees for arts programs, tech fees, school events, band/orchestra participation, uniforms, lunch and breakfast, technology equipment rental, and additional school counselor support.
5. Some respondents suggested a willingness to pay a general school fee to contribute to budget shortfalls, including staff salaries and supplies. Others suggested a willingness to pay increased fees across the board, with some willing to pay up to \$1000 total.

Potential Revenue: increased adult ticket prices

Based on survey parent/guardians are willing to pay \$10.00 per adult ticket.

- Potential increased revenue - \$47,276
- **Increase of approximately \$24,000 from original recommendation**

Unknown impacts:

2024 will be the baseline year to determine whether or not the community opts in and pays the fees. We are wondering about options if revenue for anticipated fees is not realized.

Potential Revenue: increased EHS parking fees

Parking fees at the high school haven't increased in 16 years. The current parking fee at Edina High School is \$300 per school year. I am willing to pay the following parking fee for my child:

I have children in the following grade bands:	\$450	\$550	\$650	Not Applicable	Other	Total	
	PreK-2	4.3% (148)	3.9% (135)	3.9% (133)	11.3% (390)	2.2% (76)	25.6% (882)
	3-5	5.0% (172)	3.7% (129)	4.5% (156)	9.6% (331)	3.2% (111)	26.1% (899)
	6-8	6.3% (218)	4.3% (148)	3.9% (136)	6.2% (215)	4.5% (155)	25.3% (872)
	9-12	6.7% (231)	3.3% (115)	3.0% (103)	2.6% (90)	7.5% (259)	23.1% (798)
	Total	22.3% (769)	15.3% (527)	15.3% (528)	29.7% (1026)	17.4% (601)	100.0% (3451)

*Answers with less than 5 responses are hidden to protect anonymity.



The top 5 “other” responses for question 2 suggest:

1. Many respondents are willing to pay increased fees for arts programs, with one suggesting a fee of \$50 per child per semester for media, music, PE, and art classes.
2. Some respondents suggested implementing a start-of-the-school-year fee for teachers or a general school fee to contribute to budget shortfalls.
3. Several respondents are open to paying more for after-school care and tutoring services, with one suggesting a 20% increase in fees for elementary after-school care.
4. Some respondents are willing to pay increased fees for extracurricular activities such as band, orchestra, and school events. One suggested a fee of \$200 to participate in band/orchestra in elementary school.
5. A few respondents suggested creative ways to cut expenses, such as volunteering, student fundraising, and renting out vacant sports fields/courts.

Potential Revenue: increased EHS parking fees

The current parking fee is \$300 per carpool.

- Based on the survey data most people are willing to pay \$450.
- Responses in the “other” category ranged from \$25-\$1,600.
- If fee was raised to \$550 per carpool- Potential total increased revenue - \$82,500
- **Increase of approximately \$33,000 from original recommendation**

Unknown Impacts:

FY 2024 will be the baseline year to determine whether or not the community opts in and pays the fees. We are wondering about options if revenue for anticipated fees is not realized.

Potential Revenue: increased athletics fees

Athletics and activities fees at the high school have not increased in 4 years. What percent increase are you willing to pay for your student's athletics and activities?

I have children in the following grade bands:

	10%	20%	30%	Other	Total
PreK-2	10.9% (374)	7.4% (253)	3.6% (123)	3.6% (122)	25.5% (872)
3-5	10.9% (374)	7.2% (247)	3.9% (133)	4.0% (138)	26.1% (892)
6-8	11.4% (390)	6.7% (228)	3.5% (121)	3.8% (130)	25.4% (869)
9-12	10.3% (353)	5.8% (197)	3.0% (103)	4.0% (137)	23.1% (790)
Total	43.6% (1491)	27.0% (925)	14.0% (480)	15.4% (527)	100.0% (3423)

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0%  100%

Top 5 "other" responses for question 5 suggest:

1. Many respondents are willing to pay increased fees for arts, music, PE, and media classes, with some suggesting a fee of \$50 per child per semester.
2. Some respondents suggested implementing a start-of-the-school-year fee for teachers or a general school fee to contribute to budget shortfalls.
3. There were suggestions for increased fees for after-school care, tutoring, and summer classes, with some respondents willing to volunteer to help cut expenses.
4. Several respondents are open to paying increased fees for optional/non-essential items such as parking passes, game/event tickets, and school club/activity/athletics.
5. Some respondents suggested implementing fees for band/orchestra participation in elementary school, tech fees, and fees for school events and dances.

Potential Revenue: increased athletics Fees

Based on the survey data most stakeholders are willing to pay an increase of 10% in athletics fees.

- An increase would result in a total of \$40,255 (\$24 per year/per sport/athlete)
- Current average cost per sport - \$238 +10% raises to \$262
- **Increase of approximately \$14,000 from original recommendation**

Unknown Impacts:

FY 2024 will be the baseline year to determine whether or not the community opts in and pays the fees. We are wondering about options if revenue for anticipated fees is not realized.

Potential Revenue: Capital Projects (Tech) Levy

- Capital projects aka Tech Levy revenue use is highly restricted
- Tech levy allows for positions that support the operational side of technology vs. instructional technology
- An adjustment to the Media Specialist job responsibilities (change in job description) may allow for portions of the position to be funded from the Tech Levy

Impacts

Impact on current and future Technology needs must be considered: audio/visual updates, emerging cybersecurity and physical security needs, increasing costs of instructional and non-instructional software, possible curriculum capital expenditures, and future technology staff compensation costs.

NEXT STEPS

- Review school board feedback from 2/20/24 meeting
- Administration will seek formal approval at the March 4, 2024 Regular Meeting
- Upon approval, administration will begin formal budgeting activities

SUMMARY OF RECOMMENDATIONS

Option	Category	Amount	
		A	B
Administrative Staff Adjustment	Budget Reducton	\$ 243,450	\$ 243,450
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Total		\$ 3,621,338	\$ 3,623,938

59.65% of the recommendations are non-programmatic

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- Continued engagement with stakeholders
- Administration will seek formal approval at the March 4, 2024 Regular Meeting
- Upon approval, administration will begin formal budgeting activities