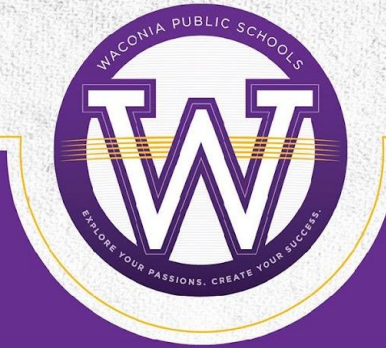


## **Public Comment**

Monday, March 20, 2023 6:00 PM

Waconia Middle School - Auditorium, 1400 Community Dr., Waconia, MN 55387

- |  |   |
|--|---|
| 1. <b>CALL TO ORDER, NOTATION OF MEMBERS IN ATTENDANCE, and PLEDGE OF ALLEGIANCE</b> | <b>Presenter:</b> Chair Geller                  |
| 2. <b>PRESENTATION: Budget Background and How We Got Here</b>                        | <b>Presenter:</b> Brian Gersich, Superintendent |



# Waconia Public Schools Resources in Education Allocation Planning (WREAP)

## 2023-2024

# Agenda

- Background and History: Why do we need to do this?
- Budget and Enrollment Trends
- General Funding Information and Staffing Profile
- Targets and Plan Development
- Timeline
- Feedback Themes and Notes of Interest
- Public Comment for School Board



# Why do we need a WREAP Process?

Most districts need to adjust budgets each year:

**THE WHY**

- Changes in enrollment and state funding
- Necessary for unknown situations
- Irregular payments of state and local revenues, state aid proration
- Inflation, changes to utility costs, contract settlements
- Unanticipated deficits in other operating funds, life happens
- Costs of defending and/or settlement of a lawsuit

ISD 110 has unique circumstances that amplify this process:

- Multiple years of deficit spending
- Per our forensic audit: “Waconia is primarily in Statutory Operating Debt due to year over year increases in expenditures and flat revenues.”

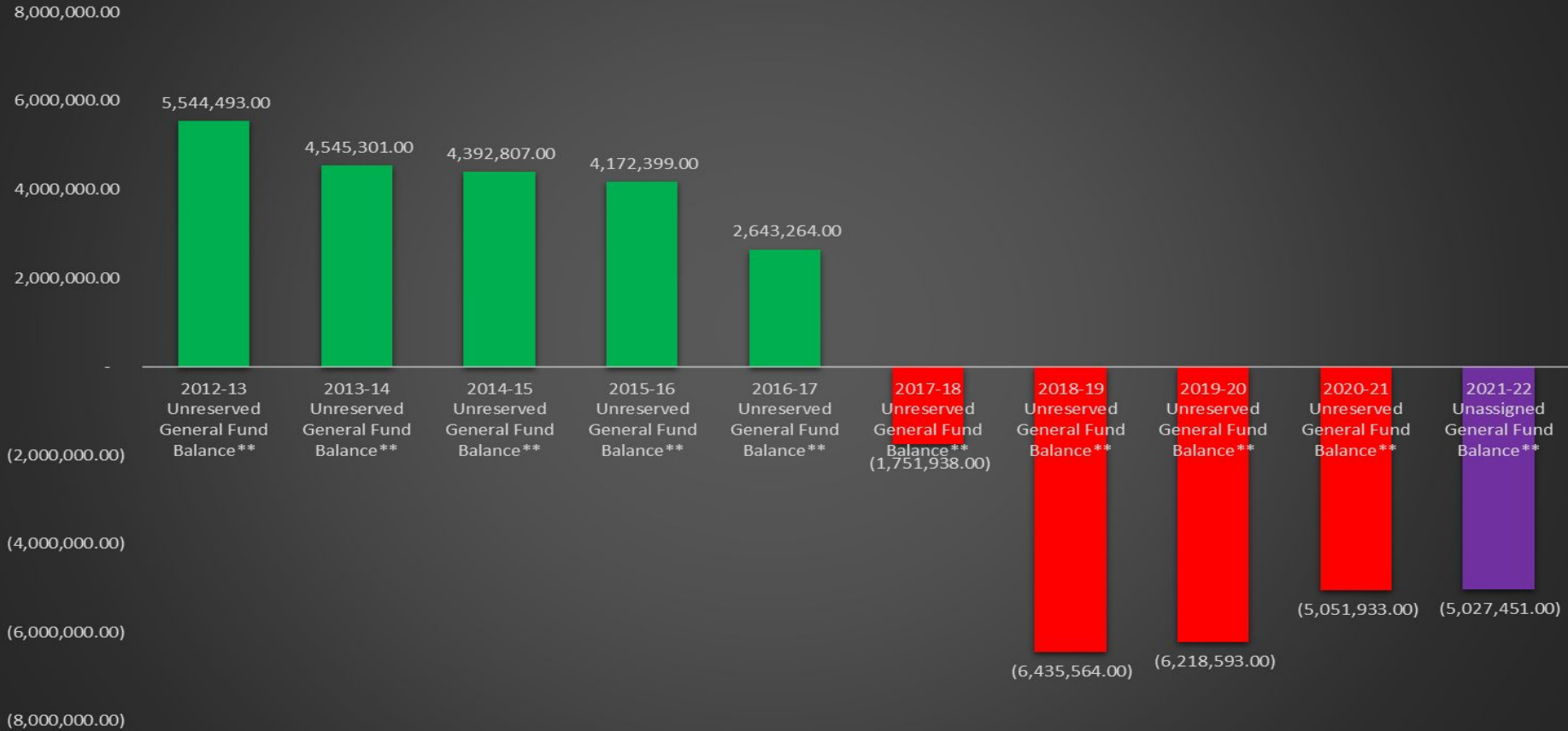


# Why do we need a WREAP Process?

- 2018 ISD 110 enters statutory operating debt (SOD)
  - Unassigned fund balance of -\$1.75 million
  - Negative fund balance that is 2.5% or more of previous year expenses
- 2019
  - Unassigned fund balance reaches -\$6.4 million, largely driven by significant capital expenditures
- 2021
  - Unassigned fund balance improves to -\$5.05 million
- 2021-2022 Budget Cycle
  - Adopted budget (spring 2021) stated unassigned fund balance would improve by \$1.75 million
  - Revised budget tempered expectations to \$1.0 million unassigned fund balance improvement
  - Audited results: unassigned fund balance relatively flat at -\$5.03 million
- 2022-2023 Budget Cycle (current year)
  - Adopted budget (spring 2022) stated unassigned fund balance would improve by \$1.0 million
  - Revised budget instead projects deficit spend of \$1.2 million and therefore projected unassigned fund balance of -\$6.2 million

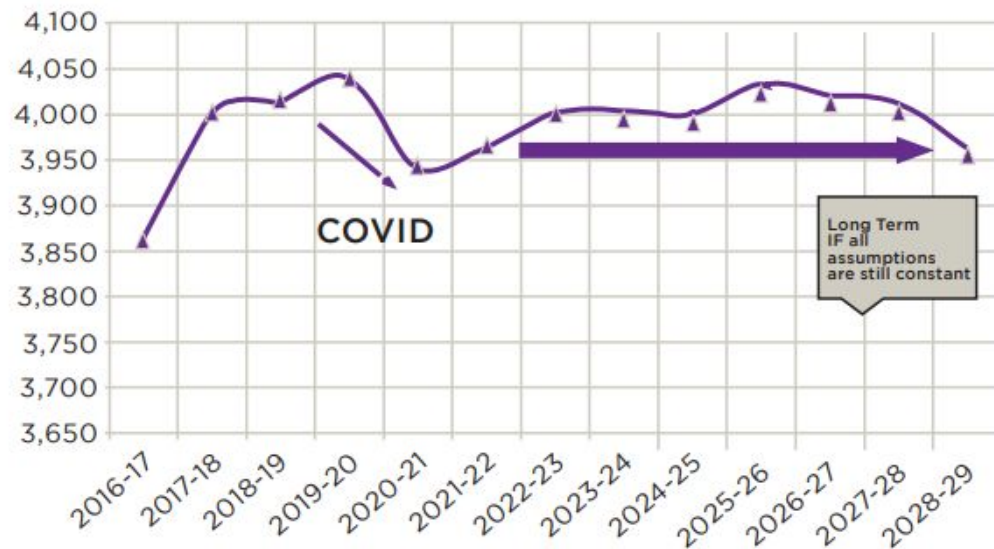


## 10 Year Unreserved General Fund Balance History



# Enrollment Trends

## Enrollment History and Future Enrollment Projections



**E-12 Enrollment Trends if all assumptions are constant:  
Short Term average forecast around just 4,000**



# State of Minnesota School Accounting Laws

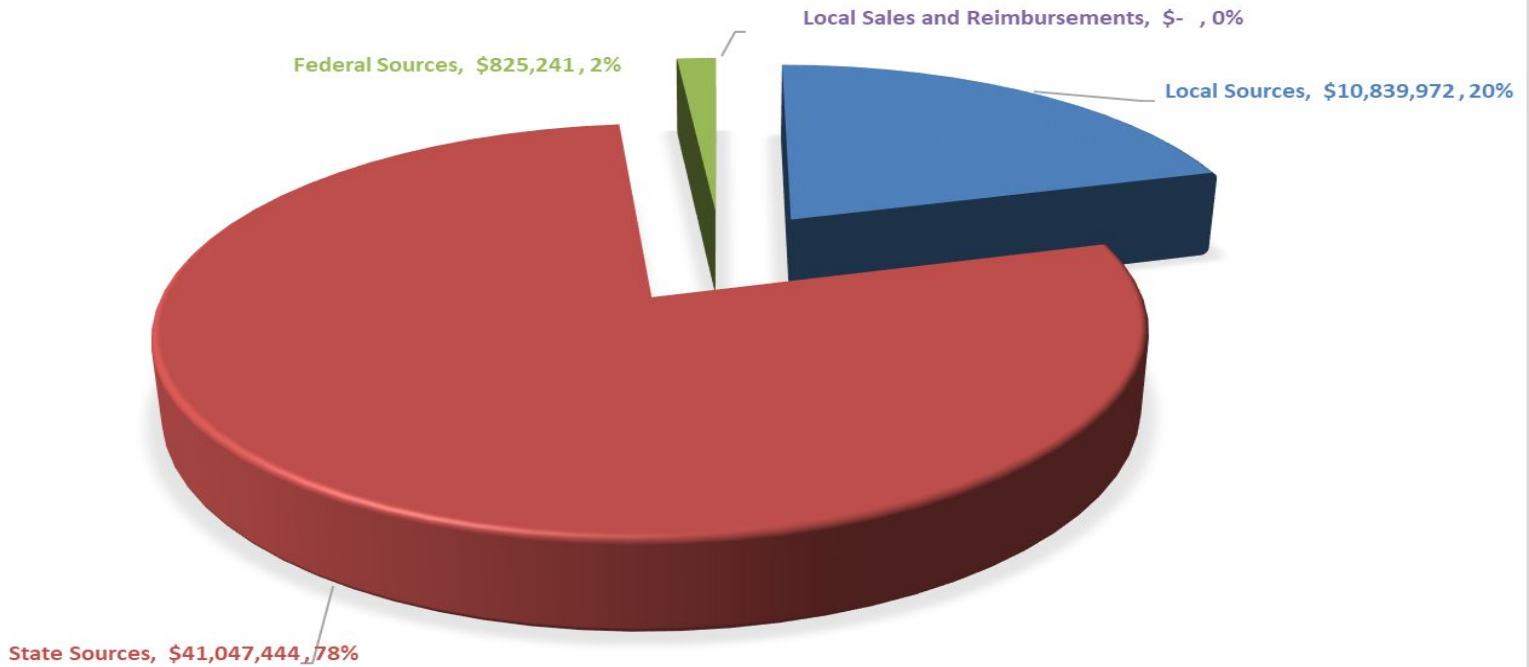
- General Fund
- Food Service Fund
- Community Education
- Capital Fund
- Debt Fund

Minnesota Department of  
Education



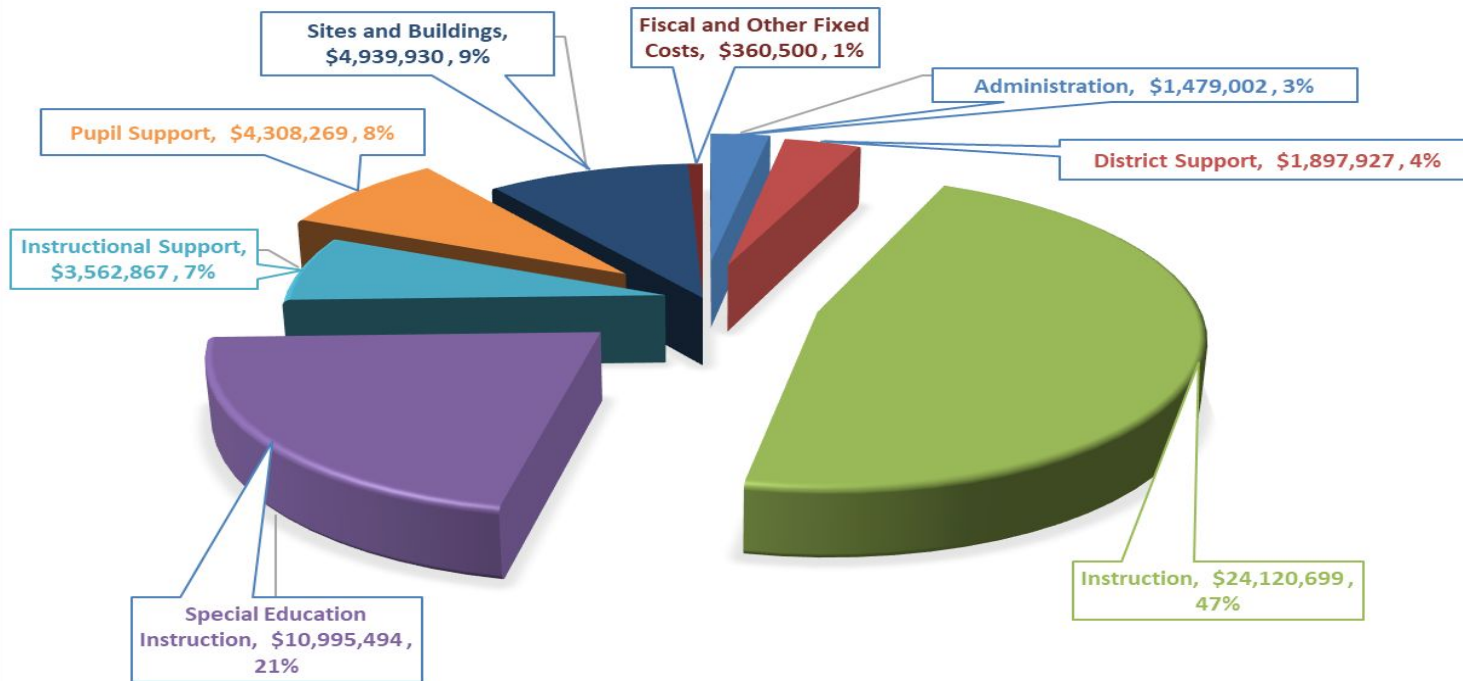
# Sources of General Funds

## WACONIA PUBLIC SCHOOLS, ISD 110 GENERAL FUND REVENUE 2022-2023 BUDGET \$52,712,657



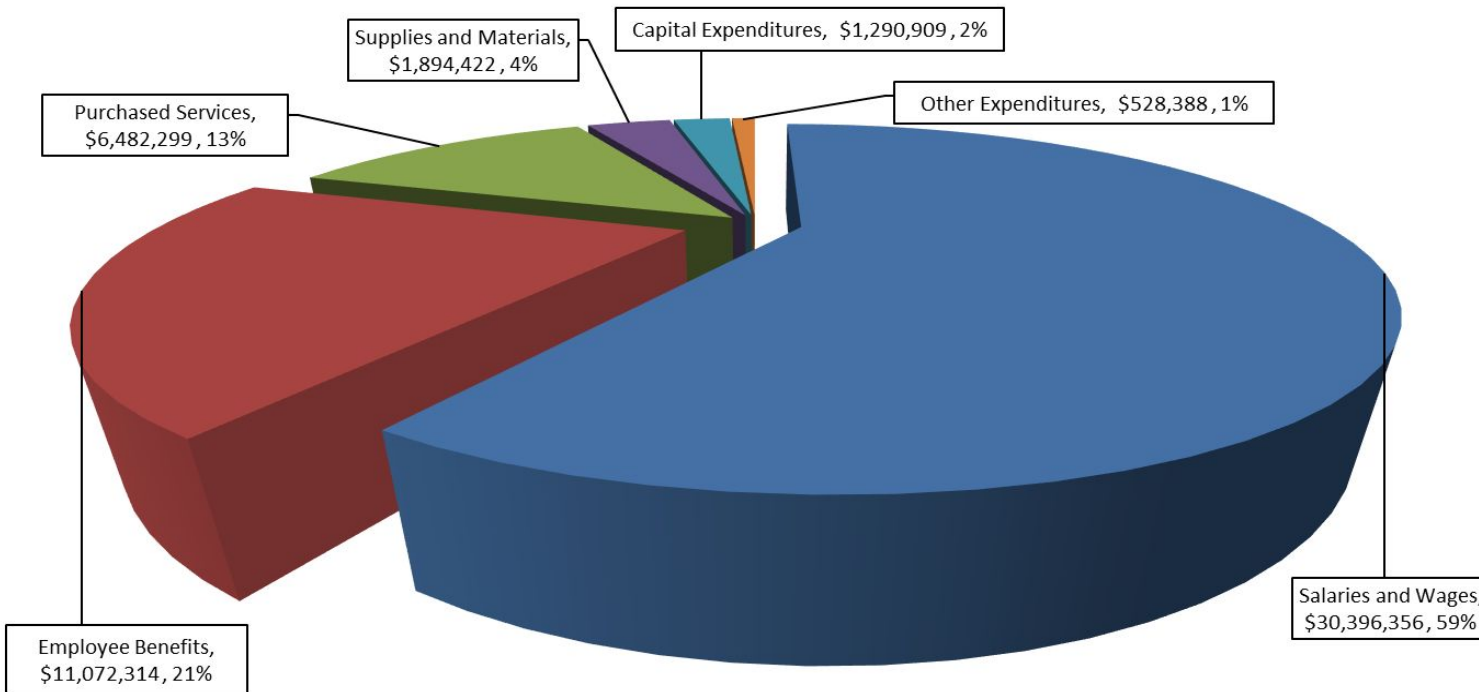
# General Fund Expenditures

## WACONIA PUBLIC SCHOOLS, ISD 110 GENERAL FUND BUDGET - EXPENDITURES BY PROGRAM 2022-2023 BUDGET \$51,664,688



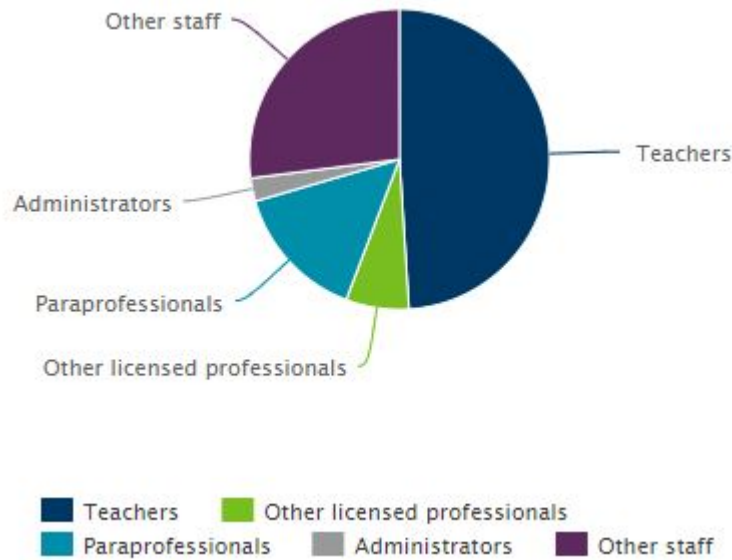
# Expenditure by Object

## Waconia Public Schools, ISD 110 General Fund Budget - Expenditures by Object 2022-2023 Budget \$51,664,688



# 2020 Staffing Profile

Source: Minnesota Department of Education



Unit	Percent	State Average
Teachers	49.0%	46.6%
Administrators	2.5%	2.5%
Other Licensed Professionals	6.8%	7.7%
Paraprofessionals	14.7%	17.0%
Other staff including non-licensed	27.0%	26.2%
Total	100.0%	100.0%



# Establishing Targets (Based on % of budget)

	Level 1	Level 2	Level 3
School and District Level Administration	\$388,152	\$439,906	\$491,659
Elementary Education	\$981,151	\$1,111,971	\$1,242,791
Secondary Education & CTE	\$1,313,983	\$1,489,181	\$1,664,379
Instructional and Pupil Support Services	\$436,205	\$494,365	\$552,526
Student Activities and Athletics	\$149,394	\$169,313	\$189,232
Operation Maintenance	\$481,116	\$545,264	\$609,413
<b>Total</b>	<b>\$3,750,000</b>	<b>\$4,250,000</b>	<b>\$4,750,000</b>
<b>Target Reductions (ONLY INPUTS)</b>	<b>\$3,750,000</b>	<b>\$4,250,000</b>	<b>\$4,750,000</b>
Projected Improvement to GFB	\$1,000,000	\$1,500,000	\$2,000,000



# WREAP Timeline



## *Stakeholder Voice and Options:*

- Week of January 9:
  - Administrative team initiates full review of ISD 110 budget
- Week of January 16:
  - Superintendent and Director of Finance and Operations facilitate optional staff meetings to share plan and timeline, respond to questions
- Week of January 23:
  - Opportunities for staff, parents, and community to share ideas and input about possible budget adjustment items including online community input form
- Week of March 13:
  - Principals and Department Leaders to present budget adjustment plan to staff and community, facilitate gathering questions and feedback
- March 20: Listening Session





# Themes from Feedback (January)

- Minimize reductions to activities including athletics and fine arts (opportunities for students)
- Increase revenues from fees (new or increase existing)
- Work to attract more students to Waconia (increase enrollment)
- Eliminate unnecessary costs and find efficiencies
- Minimize reductions to student-facing staff
- Note: While some mentioned reducing community education programming, this is a separate fund



# WREAP Timeline

- March 23:
  - Board Work Session
- March 27:
  - Superintendent and Director of Finance and Operations seek approval on the proposed Budget Adjustment Plan
- March 28:
  - Administrative team initiates program and/or staffing adjustment implementation
- May:
  - Administrative team makes final preparations for 2023-24 budget
- June 2023
  - School Board adopts the 2023-24 budget
- Fall 2023:
  - Administrative team monitors impact of budget adjustments



# Legislative Session

- Funding proposed
- Potential Impact on ISD 110
  - Funding
  - Options



# Waconia Public Schools ISD 110

**Explore Your Passions. Create Your Success.**



2.A. Link to Details:

3. **PUBLIC COMMENT**

4. **ADJOURNMENT**