

Special Meeting

Thursday, June 1, 2023 5:00 PM

ECC 350, 5701 Normandale Road, Edina, MN 55424

I. Determination of Quorum and Call to Order



**School Board Special Meeting
Thursday, June 1, 2023; 5:00 PM
ECC Room 350**

- I. Determination of Quorum and Call to Order**
- II. Report**
 - A. 2023-2024 Proposed General Fund Budget
 - Description:** The proposed fiscal year 2024 general fund budget will be presented for School Board discussion.
 - Presenter(s):** Mert Woodard, Director of Business Services
- III. Leadership and Committee Updates**
- IV. Superintendent Updates**
- V. Adjournment**

II. Report

II.A. 2023-2024 Proposed General Fund Budget

**Independent School District No. 273 - Edina Public Schools
State Appropriations Analysis - Fiscal Year 2024
District Assumptions vs. Omnibus Education Bill**

Revenue Category	District Assumption	Omnibus Education Bill	Difference
Basic Education Revenue	\$ 65,515,800	\$ 66,807,397	\$ 1,291,597
Special Education Cross-Subsidy Reduction Aid	527,260	3,527,260	3,000,000
English Learner (EL) Revenue	333,351	573,291	239,940
Operating Capital	759,520	766,117	6,597
School Library Aid	-	150,780	150,780
Student Support Personnel Aid	-	111,751	111,751
Total	\$ 67,135,931	\$ 71,936,596	\$ 4,800,665

Notes:

- 1** - Adjusted pupil units (APU) used for analysis: 9,359
- 2** - Fiscal Year (FY) 2024 basic education revenue per APU:
 - District Assumption - \$7,000 (+2.0%)
 - Omnibus Education Bill - \$7,138 (+4.0%)
- 3** - FY2024 special education cross-subsidy aid percentage:
 - District Assumption - 6.43%
 - Omnibus Education Bill - 44.0%
- 4** - FY2024 EL revenue per APU:
 - District Assumption - \$704
 - Omnibus Education Bill - \$1,228
- 5** - FY2024 EL concentration revenue per EL concentration pupils:
 - District Assumption - \$250
 - Omnibus Education Bill - \$436
- 6** - An additional \$2 per APU was added to Operating Capital revenue to fund the purchase of menstrual products and opiate antagonists.
- 7** - The school library aid and student support personnel aids categories did not exist prior to July 1, 2023.
- 8** - The District's initial revenue assumptions were developed in November 2022; the Omnibus Education Bill was signed into law on May 24, 2022.

	FY2022 Beginning Fund Balances	FY2023 Final Budgeted Revenues	FY2023 Final Budgeted Expenditures	FY2023 Final Budgeted Transfers In/(Out)	FY2023 Ending Fund Balances	FY2024 Proposed Budgeted Revenues	FY2024 Proposed Budgeted Expenditures	FY2024 Final Budgeted Transfers In/(Out)	FY2024 Ending Fund Balances
General Fund:									
Nonspendable - Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable - Prepaid Items	2,925	-	2,925	-	-	-	-	-	-
Total Nonspendable	2,925	-	2,925	-	-	-	-	-	-
Restricted - Achievement & Integration	-	1,236,170	1,260,357	24,187	-	1,202,504	1,307,664	105,160	-
Restricted - Alternative Program	-	303,037	413,979	110,942	-	260,905	403,697	142,792	-
Restricted - Area Learning Center	-	213,634	224,003	10,369	-	218,000	414,360	196,360	-
Restricted - Basic Skills	-	832,375	1,809,767	977,391	-	1,857,849	2,322,102	464,253	-
Restricted - Capital Projects Levy	-	6,997,669	6,997,669	-	-	7,431,835	7,431,835	-	-
Restricted - Gifted & Talented	-	121,865	1,360,214	1,238,349	-	121,672	1,318,627	1,196,955	-
Restricted - Learning & Development	-	1,918,433	1,918,433	-	-	1,959,035	1,959,035	-	-
Restricted - Long-Term Facilities Maintenance	378,883	9,522,450	8,567,333	(1,334,000)	-	11,215,006	9,215,006	(2,000,000)	-
Restricted - Medical Assistance	-	50,000	50,000	-	-	50,000	50,000	-	-
Restricted - Operating Capital	2,308,787	4,248,069	3,970,018	-	2,586,838	4,370,116	3,981,118	-	2,975,836
Restricted - Safe Schools	-	471,748	728,240	256,492	-	468,518	826,859	358,341	-
Restricted - Staff Development	119,566	1,287,273	1,269,465	-	137,374	1,336,148	1,107,056	-	366,466
Restricted - Student Activities	26,404	-	-	-	26,404	-	-	-	26,404
Total Restricted	2,833,640	27,202,724	28,569,479	1,283,731	2,750,616	30,491,588	30,337,359	463,861	3,368,706
Committed Fund Balance	1,098,955	-	-	1,132,726	2,231,681	-	-	90,293	2,321,974
Assigned - Donations Carryover	588,432	707,470	545,058	-	750,844	515,700	931,756	-	334,788
Assigned - OPEB & Severance	3,818,111	-	-	-	3,818,111	-	-	500,000	4,318,111
Assigned - Unemployment Insurance	-	-	-	-	-	-	-	900,000	900,000
Assigned - Paid Family Medical Leave	-	-	-	-	-	-	-	300,000	300,000
Assigned - Class Size Reduction	-	-	-	-	-	-	-	534,469	534,469
Assigned - Literacy and Virtual Programming	1,044,193	-	1,044,193	-	-	-	-	-	-
Assigned - Subsequent Years' Budget	544,625	-	544,625	-	-	-	-	-	-
Total Assigned	5,995,361	707,470	2,133,876	-	4,568,955	515,700	931,756	2,234,469	6,387,368
Unassigned Fund Balance	8,191,141	114,800,759	111,584,035	(3,750,457)	7,657,408	123,383,382	116,098,692	(4,788,623)	10,153,475
Total General Fund	\$ 18,122,022	\$ 142,710,953	\$ 142,290,315	\$ (1,334,000)	\$ 17,208,660	\$ 154,390,670	\$ 147,367,807	\$ (2,000,000)	\$ 22,231,523
Food Service Fund:									
Nonspendable - Inventory	21,658	-	21,658	-	-	-	-	-	-
Restricted - Food Service	1,277,651	3,551,199	3,629,063	-	1,199,787	3,749,153	3,749,153	-	1,199,787
Total Food Service Fund	1,299,309	3,551,199	3,650,721	-	1,199,787	3,749,153	3,749,153	-	1,199,787
Community Service Fund:									
Restricted - Community Education	1,217,494	9,633,354	9,566,955	-	1,283,893	11,033,071	10,904,910	-	1,412,054
Restricted - Early Childhood Family Education	299,864	683,496	713,321	-	270,039	749,316	698,841	-	320,514
Restricted - School Readiness	46,105	254,467	284,747	-	15,825	258,779	257,658	-	16,946
Restricted - Community Service	48,867	-	-	-	48,867	40,196	31,439	-	57,624
Total Community Service Fund	1,612,330	10,571,317	10,565,023	-	1,618,624	12,081,362	11,892,848	-	1,807,138
Building Construction Fund:									
Restricted - Building Construction	4,583,781	12,500	3,267,511	-	1,328,770	-	1,328,770	-	-
Restricted - Long-Term Facilities Maintenance	6,830,125	6,548,837	6,606,500	1,334,000	8,106,462	205,570	4,063,545	2,000,000	6,248,487
Restricted - Building Projects Funded by COPs	-	15,144,162	7,602,674	-	7,541,488	100,000	7,641,488	-	-
Total Building Construction Fund	11,413,906	21,705,499	17,476,685	1,334,000	16,976,720	305,570	13,033,803	2,000,000	6,248,487
Debt Service Fund:									
Restricted - Debt Service	3,451,305	15,300,530	15,227,578	-	3,524,257	14,299,501	14,587,840	-	3,235,918
Total Debt Service Fund	3,451,305	15,300,530	15,227,578	-	3,524,257	14,299,501	14,587,840	-	3,235,918
Total Governmental Funds	\$ 35,898,872	\$ 193,839,498	\$ 189,210,322	\$ -	\$ 40,528,048	\$ 184,826,256	\$ 190,631,451	\$ -	\$ 34,722,853

	FY2022	FY2023	FY2024
Statutory Operating Debt Calculation (SOD):	14.14%	10.96%	14.25%
Unassigned Fund Balance Percentage:	7.45%	6.86%	8.75%
Committed Fund Balance Percentage:	1.00%	2.00%	2.00%

Comparable school district average SOD calculation for fiscal year 2022: 20.31%

III. Leadership and Committee Updates

Extended Time Revenue

- Expands extended time revenue to include summer services to students who are attending a day treatment program or who are placed at a children’s residential facility.

Special Education Separate Sites and Programs Aid

- Appropriates \$4.3 million in FY24 and \$5.1 million in FY25 and later to Special Education Settings 4 and higher sites for intermediate school districts and other cooperative school districts.

ALC Transportation

- Appropriates \$1 million per year in FY24-25 and later for ALC transportation costs.

Career and Technical Education:

- Appropriates \$5 million per year, an additional \$2 million per year from current law, for career and technical education consortium grants and expands statewide.
- Appropriates \$500,000 per year for CTE EMS course grants.
- Appropriates \$450,000 for a transportation pilot program.
- Allows a student in grade 11 or 12 who is employed by an institutional long-term care or licensed assisted living facility, a home and community-based services and supports provider, a hospital or health system clinic, or a child care center to earn up to two elective credits each year toward graduation.

Mental Health Grant

- The Health and Human Services Finance bill includes an additional \$14.08 million over the next biennium for school-linked behavioral health grants but is silent on how the funding is allocated.
- In conversations with Department of Human Services staff will be discussing how to allocate this funding so we will need to do additional outreach with DHS on the funding for Intermediates.

Teacher and Staff shortages, Increasing Diversity, and Retention

- \$37 million in FY24-25 and \$50.9 million in FY26-27 for Grow Your Own grants.
- \$30 million in FY24-25 and \$10 million in FY26-27 for licensure shortage areas/special education teacher pipeline initiatives.
- \$8.8 million per year for Collaborative Urban and Greater Minnesota Educators of Color grants.
- \$6 million in FY24-25 and later for teacher residency programs.
- \$5 million annually for a student support personnel workforce pipeline.
- \$2.5 million annually for early childhood Grow Your Own grants.
- \$1 million in FY24-25 and later for Black Men Teach.
- \$500,000 annually for student scholarships to address school-based early childhood and family education licensure shortage areas.

Student Support Personnel

- Creates a separate category of aid for intermediate school districts and other cooperative units. Aid equals the greater of the cooperative student support allowance times the adjusted pupil units at

the district for the current fiscal year or \$40,000. The cooperative student support allowance equals \$0.60 for fiscal year 2024, \$0.85 for fiscal year 2025, and \$2.44 for fiscal year 2026 and later.

- Defines student support services personnel as an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.
- Allows a school district to contract for services if a district cannot hire a new full-time employee with the student support personnel aid.
- Districts must use the funding to hire student support personnel, increase a less than 1.0 FTE, or make permanent a position hired using CARES Act funding.

Paid Paraprofessional Training

- Requires a paraprofessional to be provided at least 8 hours of paid orientation or professional development annually.
- Reimburses school districts, charter schools, intermediate school districts and other cooperative districts for expenses incurred.

School Unemployment Insurance

- Extends unemployment insurance to hourly, unlicensed school employees, effective May 28, 2023.
- Establishes a school unemployment insurance aid account in a special revenue for school district unemployment insurance aid to reimburse school districts, charter schools, intermediate school districts and cooperative units for costs associated with providing unemployment benefits to hourly school employees.
- Directs MDE to reimburse school districts, charter schools, intermediate school districts and cooperative units in a form and manner as specified by the commissioner.
- Allows \$135 million, appropriated in FY24, to be expended through June 30, 2027.
- Appropriates \$64 million per year, starting in FY26, for special education unemployment insurance costs.
- Excludes any summer term hourly worker unemployment insurance cost from a school district's annual levy for its unemployment insurance costs (allowing a school board to continue to levy for the employee costs for those employees currently eligible for benefits).
- Requires the MDE and DEED to annually report to the relevant legislative committees on the annual reimbursable costs and the numbers of school workers receiving unemployment during the summer term.

Special Education Cross-Subsidy

- Increases the cross-subsidy aid factor to 44% in FY24-26 and 50% in FY27 and later.

Third Party Billing – School Social Work Services

- Authorizes a special education evaluation, individualized education program, or individual family service plan to be used to determine medical necessity and eligibility for school social work services instead of a diagnostic assessment, if the alternative evaluation or plan includes specified

information. Lists covered social work services. Makes effective January 1, 2024, or upon federal approval, whichever is later.

Compensatory Revenue

- Requires at least 80% of a school district’s compensatory revenue to remain at the site where the revenue was generated.
- Restructures eligible uses of compensatory. Starting in FY24 revenue must be used for:
 - 1) remedial instruction and necessary materials in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;
 - 2) additional teachers and teacher aides to provide more individualized instruction, individual tutoring, lower instructor-to-learner ratios, or team teaching;
 - 3) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;
 - 4) programs to reduce truancy; provide counseling services, guidance services, social work services; and provide coordination for pupils receiving services from other governmental agencies;
 - 5) bilingual programs, bicultural programs, and programs for English learners;
 - 6) early education programs, parent-training programs, early childhood special education, school readiness programs, kindergarten programs for four-year-olds, voluntary home visits, and other outreach efforts designed to prepare children for kindergarten;
 - 7) transition programs operated by school districts for special education students until the age of 22;
 - 8) substantial parent involvement in developing and implementing remedial education or intervention plans; and
 - 9) professional development for teachers on meeting the needs of English learners, using assessment tools and data to monitor student progress, and reducing the use of exclusionary discipline, and training for tutors and staff in extended day programs to enhance staff’s knowledge in content areas.
- Requires a school district to report whether programs funded with compensatory revenue are consistent with best practices demonstrated to raise student achievement.
- Holds compensatory funding harmless through FY27, in the same manner the Governor recently proposed in his revised budget.
- Requires MDE to report to the education committees of the legislature about whether paper school meals eligibility forms may be eliminated without any consequences to school formulas or other data collection processes.

Non-exclusionary Discipline Grants

- Appropriates \$1.75 million per year for grants to schools to train staff on non-exclusionary disciplinary practices.

Special Instruction and Services Extended to Age 22

- Extends special instruction and services for children with a disability until age 22.

Safe Schools/Cybersecurity

- Makes cyber security expenditures, including costs for updating computer hardware and software and cyber security insurance, an eligible use of safe schools revenue.
- Appropriates \$24.3 million FY24 for grants to school districts to improve building security and cyber security.

Restrictive Procedures Standards

- Establishes additional requirements related to a school's use of restrictive procedures, including a review of the use of the procedures and the role of school resource officers in the use of restrictive procedures.
- Requires documentation to describe the post-use debriefing that occurred because of the use of the physical hold or seclusion.
- Modifies requirements to report the use of restrictive procedures to the Department of Education
- Prohibits the use of seclusion on children from birth through grade 3 by September 1, 2024.
- Directs MDE, in cooperation with stakeholders, to make recommendations to the Legislature during the 2024 session to end seclusion in Minnesota schools, including specific dates by grade or facility.

Solar in Schools

- Adds Intermediate School Districts and other cooperative school districts to the list of eligible applicants for the Solar in Schools program.

IV. **Superintendent Updates**

V. **Adjournment**