



A – Request decision – closure required
B – Update/status report
C – Discussion and input – final decision at a subsequent meeting

School Board Work Session
Thursday, April 4, 2024
AGENDA

1. **Call to Order (1 minute)**
04-04-24 Important Dates 2
2. **Approve Board Agenda (1 minute) - A**
3. **Outcomes for the Work Session (10 minutes) - B**
Cory McIntyre, Superintendent
4. **Work Session (140 minutes)**
Appendix A 4
Appendix B 16
- 4.A. **Updated FY24 Budget (15 minutes) - C**
Cory McIntyre, Superintendent; Michelle Vargas, Chief Financial Officer
- 4.B. **Preliminary FY25 and FY26 Budget (60 minutes) - C**
Cory McIntyre, Superintendent; Michelle Vargas, Chief Financial Officer
- 4.C. **Budget Reduction and Realignment Process (60 minutes) - C**
Cory McIntyre, Superintendent
 - 4.C.1. Phase 1 Update
 - 4.C.2. Phase 2 Planning
- 4.D. **Next Steps (5 minutes) - B**
Cory McIntyre, Superintendent
5. **Adjourn**

ANOKA-HENNEPIN SCHOOLS

A FUTURE WITHOUT LIMIT

April 4, 2024

Dates to Remember

- 1. April 4** **School Board Work Session, Sandburg Education Center, 5:30 p.m.**
- 2. April 8** **School Board Work Session, Educational Service Center, 5:30 p.m.**
3. April 16 Staff Recognition Dinner, Heritage Center, 5:00 p.m.
- 4. April 22** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**
5. May 1 Hold for Meet & Confer – Teachers, ESC, 5:30 p.m.
6. May 2 Board Policy Committee, ESC, 4:30 p.m.
- 7. May 6** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**
8. May 8 Metro North Adult Basic Ed Graduation, ESC, 7:00 p.m.
9. May 9 CIAC, ESC, 5:30 p.m.
- 10. May 20** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**
11. May 29 Pathways Graduation, Pathways, 6:00 p.m.
12. May 29 Sandburg Regional High School Graduation, Anoka Technical College, 7:00 p.m.
13. May 30 Bridges Graduation, Bridges, Downtown Center, 12:30 p.m.
14. May 30 CIAC, ESC, 5:30 p.m.
15. May 30 A-H Technical High School Graduation, Anoka Technical College, 6:00 p.m.
16. May 31 River Trail Learning Center Program Completion, RTLCL, 12:30 p.m.
17. June 2 Andover High School Graduation, Mariucci Arena, 10:00 a.m.
18. June 2 Champlin Park High School Graduation, Mariucci Arena, 1:00 p.m.
19. June 2 Coon Rapids High School Graduation, Mariucci Arena, 4:00 p.m.
20. June 2 Blaine High School Graduation, Mariucci Arena, 7:00 p.m.
21. June 3 CIAC, ESC, 5:30 p.m.
22. June 3 Anoka High School Graduation, Goodrich Field, 7:00 p.m.
- 23. June 10** **School Board Work Session, ESC, 5:30 p.m.**
- 24. June 24** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**



Zach Arco
CO-CHAIR



Kacy Deschene
CO-CHAIR



Jeff Simon
CLERK



Matt Audette
TREASURER



Linda Hoekman
DIRECTOR



Michelle Langenfeld
DIRECTOR

This agenda will be provided in an alternate format upon request in order to accommodate individuals with disabilities. A minimum of three days notice is needed. Please call Debbie Koffski at 763-506-1002 to request an alternate format.

ANOKA-HENNEPIN SCHOOLS

A FUTURE WITHOUT LIMIT

School Board Work Session

April 4, 2024



ANOKA-HENNEPIN
SCHOOLS
A future without limits

Gathering

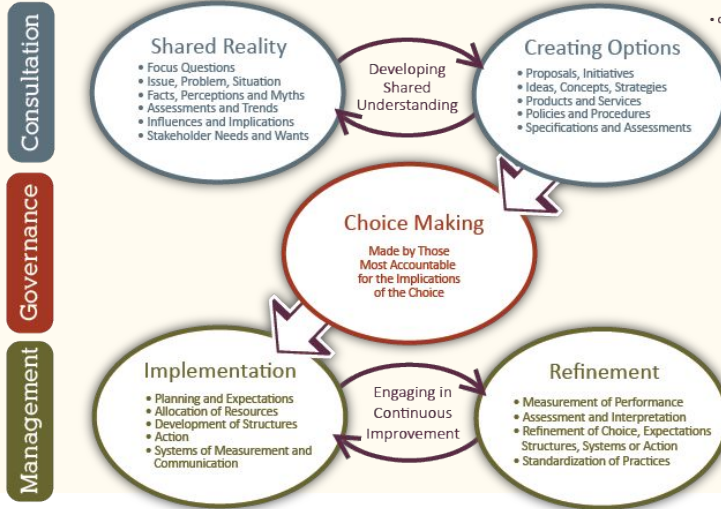
Agenda

- Updated FY24 Budget
- Preliminary FY25 and FY26 Budget
- Budget Reduction and Realignment Process
 - Phase 1 Update
 - Phase 2 Planning

Part of the FrameWorks Series

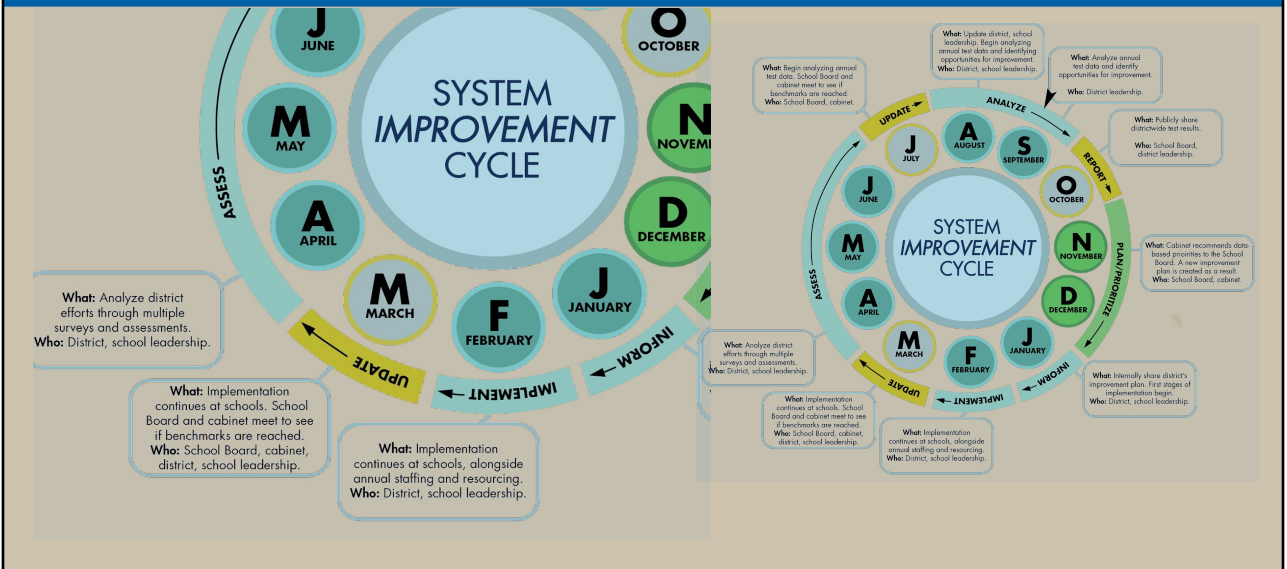
Used For:

- Choice Making
- Managing Participant's Time and Roles
- Clarification of Authority



Continuous improvement process

A system improvement cycle to guide decision making



Updated general fund budget Fiscal year (FY) 2024, 2025 and 2026

Mar. 21, 2024

Michelle Vargas, chief financial officer



Amended FY24 general fund

Amend summary

	Revenue	Expenditures	Operating Balance	
Beginning Fund Balance 7/1/2023				\$148,941,086
Adopted Budget:	\$617,825,830	\$610,962,908	\$6,862,923	
Adjustments :				
FY24 Special Ed Revenue Adj	12,050,000			
FY24 Tax Shift Rev Adj - CTE and Unemployment	119,087			
FY24 Endowment Aid Adj	(10,759)			
FY24 Gen Ed Aid Adj for Pupil Units	(1,277,167)			
FY24 Integration Transportation Rev Adj based on PY	(500,000)			
FY24 Salary and Benefits Adj per settlements		18,604,891		
FY24 Work Comp Ins Adj		1,721,468		
FY24 PSEO Direct Pay rate (+9%) increase and CY credits(+12%)		700,000		
FY24 Special Ed contracted services based on PY and CY trend		1,096,012		
FY24 Special Ed chartered transport F723		2,000,000		
FY24 Care and Treatment chartered transport F728		300,000		
FY24 Hourly Worker Unemployment	1,417,275	1,417,275		
FY24 Gen Ed Basic Skills Restricted Adj	3,590,615			
FY24 Gen Ed Misc Restricted Adj-Cap, LD, SD, TD	(16,619)			
FY24 Achievement and Integration Adj	129,206			
FY24 Q Comp Adj	68,665			
FY24 LTFM Aid Adj	(41,922)			
FY24 Library Aid	670,522			
FY24 Student Support Aid	481,326			
FY24 Capital Fin 302 Facility Projects-		4,000,000		
FY24 Capital Infrastructure C996 strategic investments		5,000,000		
FY24 Textbooks C998 strategic investments		(1,000,000)		
FY24 Fin 795 Timing of wired and wireless project		(4,000,000)		
FY24 Federal Sped Tuition Payment with Fin 419	5,000,000	5,000,000		
Total Adjustments	21,671,229	34,839,646	(\$13,168,417)	
Amended Rev/Exp Budget	\$ 639,497,059	\$ 645,802,554	(\$6,305,495)	(\$6,305,495)
Projected Fund Balance 6/30/2024				\$142,635,592



Amended FY24 general fund

Unrestricted revenue and expenditures

- Unrestricted revenue is increasing by \$10.4 million
 - \$12 million increase in special ed regular and cross subsidy.
 - \$1.3 million reduction in general education aid and endowment aid due to reduced pupil unit estimate from 41,818 to 41,545.
 - \$500K reduction in integration transportation aid based on prior year.
- Unrestricted expenditures are increasing by \$24.4 million
 - \$18.6 million for new compensation agreements.
 - \$1.7 million increase in workers compensation insurance.
 - \$700K increase in PSEO direct pay contracts due to rate and participation increase.
 - \$1.1M increase in special education contracted services
 - \$2.3M increase in special ed, and care and treatment transportation.
- Net operating change of -\$14.1 million
- Adopted unrestricted operating surplus \$10.5 million
- Adjusted operating deficit of -\$3.6 million
- Adjusted for library aid and student support exp shift to -\$2.3 million



Amended FY24 general fund

Restricted revenue and expenditures

- Restricted revenue is increasing by \$11.3 million
 - \$1.4 million increase in hourly unemployment aid.
 - \$3.6 million increase in restricted gen ed revenue - primarily basic skills revenue.
 - \$129K increase in achievement and integration aid.
 - \$69K increase in Q comp aid.
 - \$42K reduction in LTFM aid.
 - \$671K new library aid.
 - \$481K new student support aid.
 - \$5 million increase in federal special ed aid to record tuition.
- Restricted expenditures are increasing by \$10.4 million
 - \$1.4 million increase in hourly unemployment.
 - \$4 million increase in facility projects in capital funding.
 - \$5 million increase in facility and security projects in capital infrastructure strategic investment.
 - \$1 million decrease in textbook strategic investment purchases.
 - \$4 million decrease in tech levy wired/wireless project due to expenses in FY23.
 - \$5 million increase in federal special ed tuition to record payment.
- Net operating change of \$.9 million
- Adopted restricted operating deficit of \$3.7 million
- Adjusted for library aid and student support exp shift to a deficit of \$4.1 million



Amended FY24 general fund

Summary

	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 ACTUAL	Adopted 2023-24 BUDGET	Amended 2023-24 BUDGET	\$ CHG	% CHG
PROPERTY TAX	\$101,208,533	\$103,850,835	\$107,224,740	\$116,492,854	\$116,602,942	\$110,087	0.1%
STATE REVENUE	407,576,523	409,044,856	422,209,385	465,602,820	482,163,964	16,561,144	3.6%
FEDERAL REVENUE	26,623,484	39,317,854	34,864,931	20,416,339	25,416,339	5,000,000	24.5%
LOCAL SALES	244,656	461,724	553,679	286,600	286,600	0	0.0%
OTHER LOCAL REVENUE	6,288,083	11,020,978	17,038,735	15,027,217	15,027,217	0	0.0%
TOTAL REVENUES	\$541,941,280	\$563,696,247	\$581,891,470	\$617,825,830	\$639,497,061	\$21,671,231	3.5%
EXPENDMTURES							
SALARIES	\$320,300,525	\$337,234,779	\$353,375,577	\$371,285,849	\$387,465,092	\$16,179,242	4.4%
BENEFITS	107,235,719	111,027,542	115,233,155	126,838,617	132,403,010	5,564,392	4.4%
PURCHASED SERVICES	48,990,768	57,165,251	66,218,150	57,920,406	67,016,418	9,096,012	15.7%
SUPPLIES	21,143,598	21,563,461	28,720,712	25,741,355	20,741,355	(5,000,000)	-19.4%
CAPITAL & OTHER	30,635,715	41,037,119	37,214,696	29,176,680	38,176,680	9,000,000	30.8%
TOTAL EXPENDMTURES	\$528,306,326	\$568,028,151	\$600,762,291	\$610,962,908	\$645,802,554	\$34,839,647	5.7%
OPERATING SURPLUS(DEFICIT)	\$13,634,954	(\$4,331,904)	(\$18,870,821)	\$6,862,923	(\$6,305,493)		
Strategic Investment Net Spend				\$9,425,000	\$13,425,000		
Adjusted Surplus/(Deficit)	\$13,634,954	(\$4,331,904)	(\$18,870,821)	\$16,287,923	\$7,119,507		
Fund Balance Transfer							
RESTRICTED/RESERVED FUND BALANCE	\$38,748,543	\$40,610,230	\$26,871,630	\$32,596,899	\$36,147,362		
NONSPENDABLE	\$1,723,962	\$2,978,294	\$2,976,925	\$2,976,925	\$2,976,925		
ASSIGNED FUND BALANCE	\$76,695,554	\$64,608,624	\$63,891,335	\$54,466,335	\$50,614,212		
UNASSIGNED FUND BALANCE	\$54,975,752	\$59,614,760	\$55,201,196	\$65,763,850	\$52,897,095		
TOTAL FUND BALANCE	\$172,143,811	\$167,811,907	\$148,941,086	\$155,804,009	\$142,635,593		
PERCENT OF TOTAL EXPENDMTURES	10.4%	10.5%					
PERCENT OF OPERATING EXPENDMTURES			10.5%	12.5%	10.1%		
Adjusted Pupil Units (APU)	40,844	41,211	41,431	41,818	41,585		



Amended FY24 general fund

Fund balances

FUND GENERAL	6/30/2023 ACTUAL FUND BALANCE	Amended FY24 REVENUES	Amended FY24 EXPENDITURES	6/30/2024 PROJECTED FUND BALANCE	OPERATING BALANCE
UNASSIGNED	\$55,201,196	\$521,716,215	\$524,020,317	\$52,897,095	(\$2,304,102)
ASSIGNED - BLDG. CARRYOVER	\$7,862,190			\$7,862,190	\$0
ASSIGNED - SEPARATION/RET. BENEFIT	\$12,376,573			\$12,376,573	\$0
ASSIGNED - Q COMP	\$760,447	10,198,349	10,050,472	\$908,324	\$147,877
ASSIGNED - MATH ACTION PLAN	\$5,404			\$5,404	\$0
ASSIGNED - PROJ LEAD THE WAY	\$1,361,239		225,000	\$1,136,239	(\$225,000)
ASSIGNED - STRATEGIC INVESTMENTS	\$22,207,886		3,200,000	\$19,007,886	(\$3,200,000)
ASSIGNED - MAGNET PROGRAMS EXPANSION	\$718,489			\$718,489	\$0
ASSIGNED - CAP EXP, TECH INFR & SECU IMP	\$18,249,143		10,000,000	\$8,249,143	(\$10,000,000)
ASSIGNED - FOR SUB YR DEFICIT	\$0			\$0	\$0
ASSIGNED - IB	\$349,963			\$349,963	\$0
NON-SPENDABLE	\$2,976,925			\$2,976,925	\$0
RESTRICTED - AREA LEARNING CENTER	\$730,542	7,598,360	7,598,360	\$730,542	\$0
RESTRICTED - ACHIEVEMENT & INTEGRATION	\$0	7,720,754	7,702,366	\$18,388	\$18,388
RESTRICTED - BASIC SKILLS	\$3,759,116	37,280,694	27,964,810	\$13,075,000	\$9,315,884
RESTRICTED - CAPITAL TECH LEVY	(\$5,086,300)	5,017,735	1,017,735	(\$1,086,300)	\$4,000,000
RESTRICTED - GIFTED AND TALENTED	\$480,988	540,605	543,634	\$477,959	-\$3,029
RESTRICTED - LIBRARY AID	\$0	670,522	670,522	\$0	\$0
RESTRICTED - LONG TERM FAC	(\$3,834,227)	15,809,423	15,851,345	(\$3,876,149)	(\$41,922)
RESTRICTED - LEARNING DEVELOPMENT	\$3,403,978	8,210,988	8,129,691	\$3,485,275	\$81,297
RESTRICTED - MA BILLING	\$1,671,281	2,000,000	2,000,000	\$1,671,281	\$0
RESTRICTED - OPERATING CAPITAL	\$19,836,206	14,374,185	18,435,808	\$15,774,583	(\$4,061,623)
RESTRICTED - SAFE SCHOOLS LEVY	\$1,726,266	1,466,229	1,466,229	\$1,726,266	\$0
RESTRICTED - SCHOLARSHIPS	\$712,240	225,000	225,000	\$712,240	\$0
RESTRICTED - STUDENT ACTIVITY FUNDS	\$136,506	250,000	250,000	\$136,506	\$0
RESTRICTED - STUDENT SUPPORT AID	\$0	481,327	481,327	\$0	\$0
RESTRICTED - STAFF DEVELOPMENT	\$3,335,033	5,936,675	5,969,938	\$3,301,770	(\$33,263)
	\$148,941,086	\$639,497,061	\$645,802,554	\$142,635,593	(\$6,305,493)

Questions/discussion



ANOKA-HENNEPIN
SCHOOLS
A future without limits



Budget timeline

FY 2024-25

- **Dec. 2023:** Certified pay 2024 levy.
- **Feb. 12 through May 20:** Legislative policy session
 - February budget forecast as of 2/27 - \$3.7B surplus.
- **Jan. and Feb. 2024:** Finalize enrollment projections.
- **Feb. through May 2024:** Review staffing.
- **Feb. through April 2024:** Develop, distribute and review department and site budgets.
- **April 22, 2024:** Preliminary review of FY25 general fund assumptions with legislative assumptions.
- **May 20, 2024:** Propose FY25 budget all funds.
- **June 24, 2024:** Approve FY25 budget all funds.



Preliminary FY25 general fund

Revenue assumptions

Revenue increase of \$1.8 million, or .3%:

- Property tax increase of \$4 million
 - \$2.1 million increase in referendum, LOR, transition and equity.
 - \$971 thousand increase in tech levy.
 - \$667 thousand increase in operating capital levy.
 - \$250 thousand increase in unemployment levy.
- State increase of \$9.6 million
 - \$4.9 million net basic general education revenue increase primarily from \$5.9 million, 2%, increase on the formula offset by levy shifts in LOR.
 - \$4.1 million increase special ed revenue based on estimated FY24 expenditures.
 - \$580 thousand decrease in operating capital aid shifted to levy.
 - \$955 thousand increase in basic skills revenue (compensatory and english learners)
- Federal decrease of \$11.6 million
 - \$11.8 million decrease in ESSER/ARP expired funding.
 - \$142 thousand increase in miscellaneous federal grants for special ed and career and tech.
- Local revenue net increase of \$12 thousand in miscellaneous categories.



Preliminary FY25 general fund

Expenditure assumptions

Expenditures increase of \$17.5 million, or 2.8%:

- \$14.5 million net increase in salaries.
 - \$18.6 million, or 4.8%, increase based on previously settled contracts and projected settlements.
 - \$2.3 million reduction for Phase I district level reductions and realignment
 - \$1.8 million reduction for expired ESSER funded positions.
- \$5.5 million increase in benefits.
 - \$7.1 million, or 5.4%, increase based on previously settled contracts and projected settlements.
 - \$880 thousand reduction for Phase I district level reductions and realignment.
 - \$700 thousand reduction for expired ESSER funded positions.
- \$480K net increase in purchased services.
 - \$221 thousand net increase in transportation after 2.55% contract increase and \$550K reduction in buses as a part of district level reductions and realignment.
 - \$257 thousand increase in utilities.
- \$3.9 million decrease in supply and capital expenditures.
 - \$1 million increase in textbooks from strategic investments.
 - \$4.5 million increase in tech equipment from tech levy prior year adjustment add back and increase in funding.
 - \$5 million decrease in strategic investment facility projects.
 - \$3.7 million decrease capital facility projects not recurring from prior year.
 - \$650 thousand reduction in supplies and equipment for realignment of staff in Phase I budget reductions.



Proposed FY25 general fund

Summary

	2020-21 ACTUAL	2021-22 ACTUAL	2022-23 ACTUAL	Amended 2023-24 BUDGET	Proposed 2024-25 BUDGET	\$ CHG	% CHG
REVENUES							
PROPERTY TAX	\$101,208,533	\$103,850,835	\$107,224,740	\$116,602,942	\$120,603,465	\$4,000,523	3.4%
STATE REVENUE	407,576,523	409,044,856	422,209,385	482,163,964	491,711,301	9,547,337	2.1%
FEDERAL REVENUE	26,623,484	39,317,854	34,864,931	25,416,339	13,770,242	(11,646,097)	-57.0%
LOCAL SALES	244,656	461,724	553,679	286,600	286,600	0	0.0%
OTHER LOCAL REVENUE	6,288,083	11,020,978	17,038,735	15,027,217	15,039,143	11,926	0.1%
TOTAL REVENUES	\$541,941,280	\$563,696,247	\$581,891,470	\$639,497,061	\$641,410,751	\$1,913,690	0.3%
EXPENDMTURES							
SALARIES	\$320,300,525	\$337,234,779	\$353,375,577	\$387,465,092	\$401,929,160	\$14,464,068	4.1%
BENEFITS	107,235,719	111,027,542	115,233,155	132,403,010	137,922,133	5,519,124	4.6%
PURCHASED SERVICES	48,990,768	57,165,251	66,218,150	67,016,418	67,495,098	4,788,680	0.9%
SUPPLIES	21,143,598	21,563,461	28,720,712	20,741,355	26,212,772	5,471,417	22.3%
CAPITAL & OTHER	30,635,715	41,037,119	37,214,696	38,176,680	28,823,476	(9,353,204)	-32.1%
TOTAL EXPENDMTURES	\$528,306,326	\$568,028,151	\$600,762,291	\$645,802,554	\$662,382,639	\$16,580,084	2.8%
OPERATING SURPLUS/(DEFICIT)	\$13,634,954	(\$4,331,904)	(\$18,870,821)	(\$6,305,493)	(\$20,971,888)	\$557,430	
Strategic Investment Net Spend				\$13,425,000	\$9,425,000		
Adjusted Surplus/(Deficit)	\$13,634,954	(\$4,331,904)	(\$18,870,821)	\$7,119,507	(\$11,546,888)		
Fund Balance Transfer							
RESTRICTED/RESERVED FUND BALANCE	\$38,748,543	\$40,610,230	\$26,871,630	\$36,147,362	\$36,263,246		
NON-SPENDABLE	\$1,723,962	\$2,978,294	\$2,976,925	\$2,976,925	\$2,976,925		
ASSIGNED FUND BALANCE	\$76,695,554	\$64,608,624	\$63,891,335	\$50,614,212	\$41,189,212		
UNASSIGNED FUND BALANCE	\$54,975,752	\$59,614,760	\$55,201,196	\$52,897,095	\$41,234,323		
TOTAL FUND BALANCE	\$172,143,811	\$167,811,907	\$148,941,086	\$142,635,593	\$121,663,706		
PERCENT OF TOTAL EXPENDMTURES	10.4%	10.5%					
PERCENT OF OPERATING EXPENDMTURES			10.4%	10.0%	7.7%		
Adjusted Pupil Units (APU)	40,844	41,211	41,431	41,585	41,585		



Proposed FY25 general fund

Fund balances

FUND GENERAL	6/30/2024 PROJECTED FUND BALANCE	PROPOSED FY25 REVENUES	PROPOSED FY25 EXPENDITURES	6/30/2024 PROJECTED FUND BALANCE	OPERATING BALANCE
UNASSIGNED	\$52,897,095	\$522,406,308	\$534,069,080	\$41,234,323	(\$11,662,772)
ASSIGNED - BLDG. CARRYOVER	\$7,862,190			\$7,862,190	\$0
ASSIGNED - SEPARATION/RET BENEFIT	\$12,376,573			\$12,376,573	\$0
ASSIGNED - Q COMP	\$908,324	10,198,349	10,198,349	\$908,324	\$0
ASSIGNED - MATH ACTION PLAN	\$5,404			\$5,404	\$0
ASSIGNED - PROJ LEAD THE WAY	\$1,136,239		225,000	\$911,239	\$225,000
ASSIGNED - STRATEGIC INVESTMENTS	\$19,007,886		4,200,000	\$14,807,886	\$4,200,000
ASSIGNED - MAGNET PROGRAMS EXPANSION	\$718,489		-	\$718,489	\$0
ASSIGNED - CAP EXP, TECH INFR & SECU IMP	\$8,249,143		5,000,000	\$3,249,143	\$5,000,000
ASSIGNED - FOR SUB YR DEFICIT	\$0			\$0	\$0
ASSIGNED - IB	\$349,963			\$349,963	\$0
NON-SPENDABLE	\$2,976,925			\$2,976,925	\$0
RESTRICTED - AREA LEARNING CENTER	\$730,542	7,598,360	7,598,360	\$730,542	\$0
RESTRICTED - ACHIEVEMENT & INTEGRATION	\$18,388	7,720,754	7,720,754	\$18,388	\$0
RESTRICTED - BASIC SKILLS	\$13,075,000	37,280,694	37,164,810	\$13,190,884	\$115,884
RESTRICTED - CAPITAL TECH LEVY	(\$1,086,300)	5,989,152	5,989,152	(\$1,086,300)	\$0
RESTRICTED - GIFTED AND TALENTED	\$477,959	540,605	540,605	\$477,959	\$0
RESTRICTED - LIBRARY AID	\$0	670,522	670,522	\$0	\$0
RESTRICTED - LONG TERM FAC	(\$3,876,149)	15,858,789	15,858,789	(\$3,876,149)	\$0
RESTRICTED - LEARNING DEVELOPMENT	\$3,485,275	8,210,988	8,210,988	\$3,485,275	\$0
RESTRICTED - MA BILLING	\$1,671,281	2,000,000	2,000,000	\$1,671,281	\$0
RESTRICTED - OPERATING CAPITAL	\$15,774,583	14,577,000	14,577,000	\$15,774,583	\$0
RESTRICTED - SAFE SCHOOLS LEVY	\$1,726,266	1,466,229	1,466,229	\$1,726,266	\$0
RESTRICTED - SCHOLARSHIPS	\$712,240	225,000	225,000	\$712,240	\$0
RESTRICTED - STUDENT ACTIVITY FUNDS	\$136,506	250,000	250,000	\$136,506	\$0
RESTRICTED - STUDENT SUPPORT AID	\$0	481,326	481,326	\$0	\$0
RESTRICTED - STAFF DEVELOPMENT	\$3,301,770	5,936,675	5,936,675	\$3,301,770	\$0
	\$142,635,593	\$641,410,751	\$662,382,639	\$121,663,706	(\$20,971,888)



FY24, FY25, and FY26 projected budgets

	FY24 Amended budget	FY25 Projected budget	FY26 Projected budget
State revenue	\$482,163,964	\$491,711,301	\$501,572,219
Federal, local, other revenue	\$157,333,098	\$149,699,450	\$150,799,056
Total revenue	\$639,497,061	\$641,410,751	\$652,463,275
Expenditures	\$645,802,554	\$662,382,639	\$682,828,675
Operating surplus (deficit)	(\$6,305,493)	(\$21,971,888)	(\$30,365,400)
Less: strategic investments	(\$13,425,000)	(\$9,425,000)	(\$9,425,000)
Adjusted operating surplus (deficit)	\$7,119,507	(\$11,546,888)	(\$20,940,400)
Unassigned fund balance	\$52,897,095	\$41,234,323	\$20,298,306
Fund balance % of expenditures	10.1%	7.7%	3.7%
Operating expenditures	\$524,020,317	\$534,069,080	\$555,399,231
Budget Reduction/Realignment Target			\$21,000,000



FY24, FY25, and FY26 projected budgets

- **FY25 Revenue assumptions:**
 - 2% increase on basic formula (\$143/APU).
 - \$4 million special ed aid growth.
 - \$11.7 million reduction in federal ESSER/ARP one-time funding.
 - FY25 actual tax levy increase of \$4 million.
 - 0% adjusted pupil unit increase.
- **FY25 Expenditure assumptions:**
 - 2.8% net increase on existing expenditures.
 - 4.1% increase on salaries, TRA, PERA and FICA.
 - 7.5% increase on health insurance premiums.
 - 5% increase on dental, life and long-term disability insurance premiums.
 - 3% increase on utilities.
 - 2.55% increase on transportation.
 - \$2.5 million reduction in one-time ESSER/ARP expenditures.
 - \$4.4 million in district reductions and realignment.
 - \$8.7 million reduction for prior year facility projects not recurring.
 - \$5.5 million add back in prior year adjustments for tech levy and textbooks.
- **FY26 Revenue assumptions:**
 - 2% increase on basic formula (\$146/APU).
 - \$4.4 million special ed aid growth.
 - FY25 tax levy adjusted for FY26 referendum inflation.
- **FY26 Expenditure assumptions:**
 - 3.1% increase on existing expenditures.
 - 2.5% increase on salaries, TRA, PERA and FICA.
 - 5% increase on health, dental, life and long-term disability insurance.
 - \$5.5 million increase on services that include utilities and transportation.

	FY24 Amended budget	FY25 Projected budget	FY26 Projected budget
State revenue	\$482,163,964	\$491,711,301	\$501,572,219
Federal, local, other revenue	\$157,333,098	\$149,699,450	\$150,799,056
Total revenue	\$639,497,061	\$641,410,751	\$652,463,275
Expenditures	\$645,802,554	\$662,382,639	\$682,828,675
Operating surplus/(deficit)	(\$6,305,493)	(\$21,971,888)	(\$30,365,400)
Less: strategic investments	(\$13,425,000)	(\$9,425,000)	(\$9,425,000)
Adjusted operating surplus/(deficit)	\$7,119,507	(\$11,546,888)	(\$20,940,400)
Unassigned fund balance	\$52,897,095	\$41,234,323	\$20,298,306
FB % of operating expenditures	10.0%	7.7%	3.7%
Operating expenditures	\$524,020,317	\$534,069,080	\$555,399,231



FY26 Budget reduction target

Budget reduction target and considerations

- FY26 Budget reduction target of \$21 million
 - \$5.2M of district level reductions, realignment, and revenue generation in FY24 and FY25.
 - \$671 thousand of realignment is recognized in FY24 for shifting expenses to the new library.
 - \$4.5 million of reductions, realignment, and revenue generation recognized in FY25.
- Considerations
 - Every 1% increase on salaries is equal to \$4.1 million.
 - Every 1% increase on health benefits is equal to \$570 thousand.
 - Every 1% increase on transportation contracts is equal to \$330 thousand.
 - **Every 1% increase on the basic formula generates approximately \$3 million.**
 - Underfunded/unfunded mandates-
 - \$1.3M - Paid leave .35% tax on total payroll. Assumes .35% passed on to employees to make the .7% needed.
 - \$1.5M hourly workers summer unemployment.

Questions/discussion



ANOKA-HENNEPIN
SCHOOLS
A future without limits



Budget reductions and reallocations

Process and timeline update

- Phase 1 overview
 - \$5.2 million in total: \$671K in FY24 and \$4.5 in FY25 budget
 - 40.5 FTE impacting all ESC departments
 - [Reductions and realignment summary](#)
- Phase 2 initial considerations
 - High School schedule
 - [Potential schedule change](#)
 - Middle School schedule
 - [Potential schedule change](#)
 - Elementary Schools
 - [Potential schedule change](#)
 - Bell Times/Transportation
 - [Potential considerations](#)

Questions/discussion





Next steps

- Monday, April 22, 2024: Preliminary FY25 Budget (General funds)
- Monday, May 20, 2024: Preliminary FY25 Budget (ALL funds)
- Monday, June 24, 2024: Final approval FY25 budget at regular School Board meeting
- Thursday, July 18, 2024: Board/Cabinet work session
 - Begin conversations about process for reductions for FY25 (school year 25-26)
 - Consider scorecard updates for future reporting

Anoka-Hennepin Schools

2024-25 School Board Member Budget Items Request

Spring 2024

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
1	X	X	X	<p><u>Elementary schools, 2022-23</u> Character Strong</p> <ul style="list-style-type: none"> ● \$18,766.00 total <p>Leader in Me</p> <ul style="list-style-type: none"> ● \$30,975.00 total <p><u>Middle School, 2023-24</u> Character Strong</p> <ul style="list-style-type: none"> ● \$51,543.03 total ● \$6,293.70 Annual renewal <p><u>PreK</u> Second STEP</p> <ul style="list-style-type: none"> ● \$499 per classroom ● \$14,471 total expenditures one-time investment 	<p>Mn Stat 121A.031 Explicitly calls for schools to use evidence-based social-emotional learning to prevent and reduce bullying.</p> <p>Mn Stat 124D.15 Requires comprehensive program content focused on social, emotional and other areas of development as part of School Readiness programs.</p> <p>Mn Stat 120B.232 Provides, “character education is the shared responsibility of parents, teachers, and members of the community. . . . [and] encourages districts to integrate or offer instruction on character education including, but not limited to, character qualities such as attentiveness, truthfulness, respect for authority, diligence, gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and resourcefulness. Instruction should be integrated into a district’s existing programs, curriculum, or the general school environment.”</p> <p>Mn Stat 121A.41 et. seq. Social-emotional services included in the definition non-exclusionary practices under the Pupil Fair Dismissal Act which use of non-exclusionary practices.</p> <p>Minn. Stat. 125A.08 (b) Requires a school district to</p>

Item		Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
						<p>develop an IEP that must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children.</p> <p>Minn. Stat. 125A.0942 Subd. 1 School District is required to have a restrictive procedures plan that includes “a range of positive behavior strategies and provide links to mental health services.” (See also, Minn. Stat. 125A.0942 Subd. 2 & 5 (requiring IEP team consolidation of positive behavioral strategies and training for staff in such strategies). Note positive behavior strategies is defined as “means interventions and strategies to improve the school environment and teach children the skills to behave appropriately [and includes Positive Behavioral Intervention Strategies (PBIS)” (See Minn. Stat. 125A.0941(d) and Minn. Stat. 122A.627 (definition of PBIS)</p> <p>School Board Policy 525/413 School Policy requires implementation of character development programs</p>
2	Standards Based Grading at middle school/high school	X			No charge from Synergy for the SB gradebook	School Board Policy 603 Requires a standards based instructional focus with assessment aligned with required standards.
3	2021 Social Studies Standards and curricular materials adoption	X	X	X	Currently budgeted amounts for SS adoption:	Mn Stat 120B.021 MN Required Academic Standards;

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
				24-25 \$1.3 million--US Studies, US History, World History 25-26 \$1.0 million--Global Studies, Human Geography, Civics 9, Senior Social Studies 26-27 \$550,000--Electives 27-28 \$500,000--Electives Total: \$3.35 million	<p>Mn R 3501.1300 et. seq (Social Studies Standards) Mn R 3500.0550 Inclusive Educational Program; The school board in each district shall adopt a written plan to assure that the curriculum developed for use in district schools establishes and maintains an inclusive educational program.</p> <p>Mn Stat 120B.023 Provides, "schools must offer and students must achieve all benchmarks for an academic standard to satisfactorily complete that state standard (Minn. Stat. 120B.232 Subd. 1)</p> <p>Mn Stat 120B.024 Links student graduation to satisfaction of state standards</p> <p>Mn Stat 127A.42 Statute provides that the MDE "may reduce or withhold the district's state aid for any school year whenever the board of the district authorizes or permits violations of law within the district by . . . noncompliance with a mandatory rule of general application promulgated by the commissioner in accordance with statute.</p> <p>School Board Policy 603 Curriculum Development and Materials Selection</p>
4	Policy 102.G (Equal Educational Opportunity Policy Guidance)	X	X	Annual staff training requirements	<p>Policy 102.G provides guidance related to Policy 102 (Equal Educational Opportunity Policy)</p> <p>Policy 102.G is also in alignment with Minnesota Department of Health requirements.</p> <p>Mn Stat 363A.13 (Requires Protection from</p>

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
					<p>discrimination on basis of gender identity)</p> <p>N.H. v. ISD No. 11 (Minn. App. 2020) (Case addressing transgender student rights under MN Human Rights Act and Minnesota Constitution. Note: development of policy and guidance in 102.G required as part of a settlement in N.H. case)</p> <p>Toolkit for Ensuring Safe and Supportive Schools for Transgender and Gender Non-conforming Students (MDE Standards/Guidelines have been applied by MN Court of Appeals and MN Dep't of Human Rights in complaints against public schools)</p>
5	Expulsion waiver process/Student Discipline Issues	X	X		<p>Student expulsions are governed by the PFDA requiring significant due process procedures and substantial commitment of time and resources.</p> <p>Mn Stat 121A.47 When school district proposes an expulsion the PFDA allows student to subpoena witnesses; present separated evidence; cross examine district witnesses; have legal representation; have access to transcript of proceedings and right to appeal to MDE and judicial review in Ct. of Appeals</p> <p>Mn Stat 121A.55 Provision of services and cost for educating a student who is expelled vs. an agreement in lieu of expulsion is identical. Both situations would most likely result in services provided at the Compass program. Educational services must be adequate to allow student to make progress toward meeting the graduation standards and help prepare the pupil for readmission. (Only critical difference is that student on an agreement would not be considered expelled</p>

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
					as a matter of law) Policy 506 Student Discipline
6	Professional Development	X	X	Professional Development is funded through a state-required formula.- FY24 budget 2% of the basic formula reserve is \$5,969,938 in the adopted budget..	<p>Mn Stat 122A.60 Requires Staff Development Committee to have a staff development plan that (among other things) effectively meet[s] the needs of a diverse student population; . . . provide[s] an inclusive curriculum for a racially, ethnically, linguistically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan; [and] . . .effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution;</p> <p>Mn Stat 124D.151 Voluntary PreK PD</p> <p>(11) provide high-quality coordinated professional development, training, and coaching for both school district and community-based early learning providers that is informed by a measure of adult-child interactions and enables teachers to be highly knowledgeable in early childhood curriculum content, assessment, native and English language development programs, and instruction; and</p> <p>(12) implement strategies that support the alignment of professional development, instruction, assessments, and prekindergarten through grade 3 curricula.</p> <p>Policy 425 Staff Development</p>

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
					Policy 425.1 Guidance for Staff Development
7	Equity Achievement Plan <ul style="list-style-type: none"> • modified to focus on achievement • Director, DEI (defund) • Student Achievement Advisors (defund) • Affinity groups / grouping students or staff by race / by sexual orientation / by gender / other (defund and disband) 	X	X	X \$125,000 Diversity, Equity & Inclusion Coordinator \$1,127,000 18.62 FTE FY24 current staffing report for Student Achievement Advisors	<p> Policy 102 Equal educational opportunity Policy 104 Mission & Vision </p> <p>24-25 Strategic Priority (Workforce: Recruitment and Retention)</p> <p>Anoka-Hennepin Schools is required to create and implement a plan in alignment with an Achievement and Integration Requirement (Mn Stat 124D.861 and Mn R 3535.0100-0180).</p> <p>The district's Equity Achievement Plan aims to increase the academic achievement for all students while reducing and eliminating predictable and persistent achievement gaps between student groups.</p> <p><u>Affinity groups</u></p> <p>Staff: In alignment with the Board adopted Strategic Priorities, A-H applied for and has been awarded grants to support recruitment and retention.</p> <p>1. Teacher Mentorship and Retention of Effective Teachers Grant (Mn Stat 122A.70). Grant funds may be used for the following:</p> <ul style="list-style-type: none"> (1) additional stipends as incentives to mentors who are of color or who are American Indian; (2) financial supports for professional learning community affinity groups across schools within and

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
					<p>between districts for educators from underrepresented racial and ethnic groups to come together throughout the school year. For purposes of this section, "affinity groups" means groups of licensed and nonlicensed educators who share a common racial or ethnic identity in society as persons who are of color or who are American Indian;</p> <p>(3) programs for induction aligned with the district or school mentorship program during the first three years of teaching, especially for teachers from underrepresented racial and ethnic groups;</p> <p>(4) professional development focused on ways to close opportunity and achievement gaps for students of color and American Indian students; or</p> <p>(5) for teachers of color and American Indian teachers, graduate courses toward a first master's degree in a field related to their licensure or toward an additional license.</p> <p>(b) A charter school or district that receives a grant must negotiate additional retention strategies or protection from unrequested leaves of absence in the beginning years of employment for teachers who are of color or who are American Indian. Retention strategies may include providing financial incentives for teachers of color and teachers who are American Indian to work in the school or district for at least five years and placing American Indian educators at sites with other American Indian educators and educators of color at sites with other educators of color to reduce isolation and increase opportunity for collegial support.</p>

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
					<p>2. Grow Your Own Program, Pathway for Adults. (Mn Stat 122A.73). At least 80 percent of grant funds must be used to provide tuition scholarships or stipends to enable district employees or community members affiliated with a district, who are of color or American Indian and who seek a teaching license, to participate in the teacher preparation program.</p> <p>Advisory Committees:</p> <ol style="list-style-type: none"> 1. MN Stat 125A.24 Special Education Advisory Committee 2. Mn Stat 124D.78 American Indian Parent Advisory Committee
8	Use or promotion of programs, teaching, intro to concepts with students and staff involving systemic racism, anti-racism, culture, social justice, gender, equity and others.	X			<p>Minn. Stat. 120B.11 World’s Best Workforce</p> <ul style="list-style-type: none"> • Equity, anti-racism, culturally sustaining, cultural competence, etc are explicitly incorporated into World’s Best Workforce requirements. • Where a school district is not making sufficient progress under WBW, MDE “may require the district to use up to two percent of its basic general education revenue per fiscal year.” See Minn. Stat. 120B.11 Subd. 9(b). <p>MN Teaching Standards include: Mn R 8710.2000 Standards of Effective Practice, Subp. 6. Standard 6. Professional responsibilities:</p> <p>C. The teacher understands the historical foundations of education in Minnesota, including laws, policies, and practices, that have and</p>

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
					<p>continue to create inequitable opportunities, experiences, and outcomes for learners, especially for Indigenous students and students historically denied access, underserved, or underrepresented on the basis of race, class, disability, religion, gender, sexual orientation, language, socioeconomic status, or country of origin.</p> <p>D. The teacher understands how prejudice, discrimination, and racism operates at the interpersonal, intergroup, and institutional levels.</p> <p>E. The teacher explores their own intersecting social identities and how they impact daily experience as an educator.</p> <p>F. The teacher assesses how their biases, perceptions, and academic training may affect their teaching practice and perpetuate oppressive systems and utilizes tools to mitigate their own behavior to disrupt oppressive systems.</p> <p><u>Significant Disproportionality in Racial and Ethnic Groups in Special Education:</u></p> <ul style="list-style-type: none"> ● Each year the Individuals with Disabilities in Education Act (IDEA), 34 CFR 300.226 outlines that states are required to establish thresholds and determine which districts have significantly disparate rates of special education identification, placement in restrictive settings, and/or discipline, including suspensions and expulsions of students with disabilities. ● We received a memorandum from the Minnesota Department of Education (MDE)

Item	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
					that notifies us that our District met the numeric threshold for significant disproportionality in the 2022-2023 school year.
9	<p>Learning environment matters</p> <ul style="list-style-type: none"> ● Displaying non-school related groups, ideas, themes, trademarks, symbols, brands, ideologies, emblems, or flags (other than American flag) in school or classrooms ● School-specific statements of mission, purpose, values, beliefs ● Teacher-specific statements of mission, purpose, values, beliefs ● Any statements of mission, purpose, values, or beliefs not approved by the 	X			<p>Prohibitions on particular forms of expression involve First Amendment considerations</p> <p>School Board approved a school-based values development and approval process in 2020. Board Briefing document 9/28/2020 Process overview 12/14/2020</p>

Item	School Board	Board Policy	State/ Fed Law	In the Budget	Budget impact	Legal or Policy Impact/Consequences
10	Data collection and requests for data/information	X	X			<p>Policy 520 (Student Surveys) School Policy already addresses use of surveys and aligns with limitations and protections of state and federal law. (20 U.S.C. § 1232h and Minn. Stat. 121A.065)</p> <p>Policy 515.1 and 515.2 (Student records)</p> <p>Mn Stat 13.03 Statute around request for access to data</p>