



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

School Board Work Session
Saturday, November 23, 2024
AGENDA

1. **Call to Order (1 minute)**
 - 11-23-24 Important Dates 2
2. **Approve Board Agenda (1 minute)**
3. **Work Session (120 minutes)**
 - 3.A. FY24 Financial Results, Updated FY25, FY26, FY27 Budgets and Budget Reductions & Reallocation Discussion (60 minutes) - **B**
Michelle Vargas, Chief Financial Officer, Cory McIntyre, Superintendent
 - Appendix A 3
 - Appendix B 9
 - 3.B. Facilities Update (30 minutes) - **B**
Greg Cole, Chief Operations Officer
 - Appendix C 10
 - 3.C. 2025-26 Strategic Priority Planning (30 minutes) - **B**
Cory McIntyre, Superintendent, School Board Members
 - Appendix D 19
 - Appendix E 20
4. **Board Correspondence & Communication**
5. **Adjourn**
6. *****Board Professional Development to Follow.*****

ANOKA-HENNEPIN SCHOOLS

A FUTURE WITHOUT LIMIT

November 23, 2024

Dates to Remember

1. November 23 School Board Work/Planning Session, Bunker Hills Event Center, 8:00 a.m.
2. November 25 PLC/Staff Development, No Students
3. **November 25** **Regular School Board Meeting, Sandburg Education Center, 6:30 p.m.**
4. November 26 Staff Planning, Grades, No Students
5. November 27 Conference Conversion Day, No School
6. November 28-29 District Closed, Holiday
7. **December 9** **Regular School Board Meeting/Truth in Taxation, Sandburg Education Center, 6:30 p.m.**
8. December 16 Board Policy Committee, Educational Service Center, 4:30 p.m.
9. December 20 Staff Development/K-8 Para Flex Day, No K-8 Students
10. December 23-31 Winter Break, No School
11. December 24-25 District Closed, Holiday
12. January 1 District Closed, Holiday



Zach Arco
CO-CHAIR



Kacy Deschene
CO-CHAIR



Jeff Simon
CLERK



Matt Audette
TREASURER



Linda Hoekman
DIRECTOR



Michelle Langenfeld
DIRECTOR

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Please call Debbie Koffski at 763-506-1002 to request an alternate format.

Memorandum

To: Cory McIntyre, Superintendent and School Board Members

From: Michelle Vargas, Chief Financial Officer

Date: 11/23/24

Re: FY24 General Fund Financial Results

The fiscal year ended June 30, 2024, has been completed, and the Annual Comprehensive Financial Report (ACFR) is being pulled together for the January 27, 2025, presentation. Attached to this memo are a few documents to illustrate the financial results. Below is a summary of those attachments. Feel free to contact me with any questions.

Enrollment

Enrollment was projected at 41,545 Adjusted Pupil Units (APU). The final APU used from 9/3/24 MDE ADM report was 41,191. This APU was used for the calculation of state aid. This resulted in a negative variance of 354 pupil units, or 0.85% under projection.

Revenue

Revenue was budgeted at \$639.5 million. Actual revenue was \$653.7 million, for a budget to actual variance of \$14.2 million more than budgeted, or 2.2%. \$2.1 million of this variance is in reserved fund balances. The two largest variances are the additional \$1.6 million of insurance settlements in the Operating Capital Reserve. The other large variance is in the English Learners Reserve s due to increased students eligible. The remaining \$12.3 million variance is in the Unassigned fund balance and primarily due to additional investment earnings of \$4.5 million more than budgeted and the accounting for the use of \$6 million of federal special education revenue to pay tuition for Anoka-Hennepin students attending other school districts. Tuition cannot be paid with prior year funds, so a one-time use of \$2.8M to offset expenditures in state special ed were used to avoid loss of revenue. Although pupil units were overbudgeted, the variance of general education aid was offset by additional special education aid. State special education revenue offset the loss in pupil unit revenue. Additional minor revenue variances can be viewed on the attached financial tables.

Expenditures

Expenditures were budgeted at \$645.8 million. Actual expenditures were \$640.1 million, for a budget to actual variance of \$5.9 million, or 0.9%. Assigned and

Restricted fund balance accounts were underspent by \$1.9 million, or 1.7% of these categories. The budget in the Unassigned category was under by \$3.9 million or 0.7%.

Restricted fund balance accounts were \$1.4 million under budget, or 1.5%. Basic Skills was under by \$1.4 million. This was due to additional English Learner revenue alleviating expenses in Basic Skills. Operating Capital was under by \$1.2 million due to timing of projects and purchases. Safe Schools was under by \$802 thousand due primarily to the loss of our largest mental health therapist provider not being able to uphold their contract. These variances were offset by overages in in other restricted accounts. The largest being the English Language overage of \$740 thousand due to additional unbudgeted revenue. There is also an overage in the Capital Project levy of \$627 thousand due to timing of purchases.

Assigned fund balances were underspent by \$550 thousand, or 2.4%. The largest variance of \$2.5 million under budget came in the Assigned for Strategic Investments due to timing of curriculum adoption expenses that spans several fiscal years. This was offset by overages in Q Comp of \$1.2 million, \$478 thousand in Assigned for Capital Infrastructure area, \$103 thousand in Assigned for Project Lead the Way, and \$108 thousand in Assigned for Magnet program expansion. All, with the exception of Q Comp, have balances to cover any overages. Q Comp will recover the negative balance in the current fiscal year.

As noted above, the operating budget or Unassigned fund balance accounts were underspent by \$3.9 million. Of this \$3.9 million variance, \$1.5 million was due to lower utility usage due to mild winter and summer. \$2 million was due to open custodial positions and early departures of positions in the Phase I reductions. \$650 thousand was in severance pay due lower than average amount of retirees.

Additional nominal expenditure budget variances can be reviewed on the attached financial tables.

Fund Balance

Total fund balance increased \$13.6 million from \$148.9 million to \$162.5 million, which is the direct result of revenues exceeding expenditures by \$13.6 million. A few of the individual fund balance accounts with the largest changes, along with the unassigned fund balance, are described below. Additional minor fund balance changes can be reviewed on the attached financial tables.

Assigned fund balances increased by \$2.9 million, which is the net of a transfer in of \$11.7 million for a subsequent year adopted budget deficit less planned spending and change in accrued separation benefits and assigned for building carryovers.

The \$10.7 million increase in Reserved/Restricted for Basic Skills is due to the planned retention of increase in revenue to fund expiring ESSER funds in FY25 and two of the four years of strategic investments at the site levels.

The \$3.4 million increase in Reserved/Restricted for Capital Projects Levy is due to the planned recovery of a negative fund balance created by the timing of the wired and wireless districtwide replacement in FY23. The fund balance is also allowed to go negative by statute and will be made whole in future years.

The \$1.2 million decrease in Reserved/Restricted for Operating Capital is due to planned spenddown of reserves on Franklin/Two Rivers transition, Sandburg remodel, and the remodeled space at the ESC for the relocation of itinerant special ed staff from the second floor. See the financial tables for planned use of the remaining reserve.

The Unassigned fund balance decreased by \$3.4 million to \$51.8 million, or 9.8% of unassigned expenditures. This is the net result of the financial data presented above regarding budgeted variances and the transfer of \$11.7 million to the assigned for subsequent year deficit account. A reconciliation is included in the financial tables provided.

Revenue					
Closing Acct	Closing Acct Desc	FY24 Budget	FY24 Actual	FY24 Budget Balance	Notes:
01 Q 462 03	ASSIGNED FOR Q COMP	10,198,349	10,078,808	119,541	
01 Q 462 09	ASSIGNED FOR IB	100,000	46,427	53,573	
01 Q 401 00	RES/REST STUDENT ACTIVITIES	250,000	103,440	146,560	
01 Q 402 00	RES/REST SCHOLARSHIPS	225,000	305,580	(80,580)	
01 Q 403 00	REST/RES STAFF DEVELOPMENT	5,821,257	5,880,653	(59,396)	
01 Q 407 00	REST/RES CAP PROJ LEVY	5,017,735	5,017,735	0	
01 Q 412 00	REST/RES LITERACY INCENTIVE AID	2,050,817	1,862,687	188,130	
01 Q 420 00	REST/RES AMERICAN INDIAN ED AID	431,700	606,854	(175,154)	
01 Q 424 00	REST/RES OPERATING CAPITAL	14,374,185	16,056,547	(1,682,362)	
01 Q 428 00	REST/RES LEARNING AND DEVELOPMENT	8,210,988	8,149,891	61,097	
01 Q 438 00	REST/RES GIFTED & TALENTED	540,605	535,519	5,086	
01 Q 439 00	REST/RES ENGLISH LEARNER	3,779,570	4,519,373	(739,803)	
01 Q 441 00	REST/RES BASIC SKILLS PROGRAMS	33,501,124	33,588,239	(87,115)	
01 Q 443 00	REST/RES SCHOOL LIBRARY AID	670,522	673,339	(2,817)	
01 Q 448 00	REST/RES ACHIEVEMENT & INTEGRATION	7,720,754	7,717,790	2,964	
01 Q 449 00	REST/RES SAFE SCHOOLS LEVY	1,466,229	1,466,229	0	
01 Q 467 00	REST/RES LONG TERM FAC MAINT	15,809,424	15,805,184	4,240	
01 Q 471 00	REST/RES STUDENT SUPPORT PERSONNEL AID	481,327	499,049	(17,722)	
01 Q 472 00	REST/RES MEDICAL ASSISTANCE	2,000,000	1,662,059	337,941	
01 Q 422 00	UNASSIGNED	526,847,473	539,155,103	(12,307,630)	Other: \$4.5M investment earnings ,State Aid-\$2M higher sped, \$2M lower Gen Ed due to lower ADM/APU, \$700K addl endowment aid and \$770K add'l Integration and NonPub transportation aid, Federal- \$2.8M sped tuition accounting and \$2M other federal carryover
Grand Total		\$ 639,497,059	\$ 653,730,505	\$ (14,233,446)	2.00% Revenue Budget Variance

-2.2%

Expenditures					
Closing Acct	Closing Acct Desc	FY24 Budget	FY24 Actual	FY24 Budget Balance	Notes:
01 Q 462 03	ASSIGNED FOR Q COMP	9,941,518	11,123,064	(1,181,546)	Teacher Salary increases and increased FTE
01 Q 462 04	ASSIGNED FOR STRATEGIC INVESTMENTS	3,200,000	692,293	2,507,707	Timing of secondary curriculum adoption purchases
01 Q 462 07	ASSIGNED FOR CAP EXP,TECH INFR & SEC IMP	10,000,000	10,478,401	(478,401)	Timing of projects
01 Q 462 09	ASSIGNED FOR IB	0	86,751	(86,751)	
01 Q 462 10	ASSIGNED FOR PLTW	225,000	328,281	(103,281)	
01 Q 462 11	ASSIGNED FOR MAGNET PROGRAM EXPANSION	0	107,769	(107,769)	
01 Q 401 00	REST/RES STUDENT ACTIVITIES	250,000	86,426	163,574	
01 Q 402 00	REST/RES SCHOLARSHIPS	225,000	328,768	(103,768)	
01 Q 403 00	REST/RES STAFF DEVELOPMENT	5,854,520	5,993,015	(138,495)	
01 Q 407 00	REST/RES CAP PROJ LEVY	1,017,735	1,644,444	(626,709)	
01 Q 412 00	REST/RES LITERACY INCENTIVE AID	2,050,817	1,862,687	188,130	
01 Q 420 00	REST/RES AMERICAN INDIAN ED AID	431,700	606,854	(175,154)	
01 Q 424 00	REST/RES OPERATING CAPITAL	18,435,808	17,258,642	1,177,166	Timing of projects
01 Q 428 00	REST/RES LEARNING AND DEVELOPMENT	7,947,955	7,953,695	(5,740)	
01 Q 438 00	REST/RES GIFTED & TALENTED	543,634	477,201	66,433	
01 Q 439 00	REST/RES ENGLISH LEARNER	3,779,570	4,519,373	(739,803)	
01 Q 441 00	REST/RES BASIC SKILLS PROGRAMS	24,235,240	22,831,264	1,403,976	
01 Q 443 00	REST/RES SCHOOL LIBRARY AID	0	464,896	(464,896)	
01 Q 448 00	REST/RES ACHIEVEMENT & INTEGRATION	7,591,548	7,717,790	(126,242)	
01 Q 449 00	REST/RES SAFE SCHOOLS LEVY	1,466,229	663,630	802,599	MH programming change due to vendor
01 Q 467 00	REST/RES LONG TERM FAC MAINT	15,851,346	15,808,990	42,356	
01 Q 471 00	REST/RES STUDENT SUPPORT PERSONNEL AID	0	0	0	
01 Q 472 00	REST/RES MEDICAL ASSISTANCE	2,000,000	2,053,440	(53,440)	Add'l staffing and use of FB to fund training
01 Q 422 00	UNASSIGNED FUND BALANCE	530,754,935	527,044,936	3,946,724	.7% underspent -
Grand Total		\$ 645,802,555	\$ 640,132,610	\$ 5,906,671	0.9% Expenditure Budget Variance

0.9%

Rev + Exp Budget	Rev -Exp Actual	Budget Variance
\$ 1,285,299,614	\$ 1,293,863,114	\$ (8,563,500)

-0.67%

Overall budget variance

Assigned	0.1% Exp Budget variance by FB category
Restricted	0.2% Exp Budget variance by FB category
Unassigned	0.6% Exp Budget variance by FB category
	0.9%

Acct Desc	Ending Balance	Ending Balance	Change	Notes:
ASSIGNED FOR BLDG CARRYOVER	7,862,190.00	10,146,988.00	2,284,798.00	Fundraiser carryover increase of \$2M
ASSIGNED FOR SEPARATION/RETIREE BENEFITS	12,376,573.18	14,073,612.02	1,697,038.84	Severance liability - sick leave and vacation balance increase
ASSIGNED FOR Q COMP	760,446.75	(283,809.71)	(1,044,256.46)	Q Comp balance
ASSIGNED FOR STRATEGIC INVESTMENTS	22,207,885.63	21,515,592.88	(692,292.75)	\$10.7M for Secondary Textbooks \$10.5M Assoc Strategic Inv
ASSIGNED FOR MATH ACTION PLAN	5,404.27	0.00	(5,404.27)	Moved to Unassigned
ASSIGNED FOR CAP EXP,TECH INFR & SEC IMP	18,249,143.32	7,770,742.10	(10,478,401.22)	\$4.7M Dayton, \$1.9M security upgrades, \$1.2M aesthetics
ASSIGNED FOR SUBSEQUENT YR DEFICIT	0.00	11,662,772.00	11,662,772.00	FY25 projected unassigned deficit
ASSIGNED FOR IB	349,962.83	309,639.10	(40,323.73)	IB fees used to help fund textbooks and training
ASSIGNED FOR PLTW	1,361,239.46	1,032,958.46	(328,281.00)	\$200K for equip and \$25K annually for training set aside
ASSIGNED FOR MAGNET PROGRAM EXPANSION	718,489.46	610,720.50	(107,768.96)	AHS STEAM, CRHS CEMS and Hoover STEM balance - will be fully spent in FY25
NONSPENDABLE	2,976,924.78	2,603,449.13	(373,475.65)	Inventory and prepaid expenses adjusted annually to equal asset accounts XX A 130 XX/XX A 131 XX
REST/RES STUDENT ACTIVITIES	136,505.87	153,519.83	17,013.96	
REST/RES SCHOLARSHIPS	712,239.80	689,051.46	(23,188.34)	
REST/RES STAFF DEVELOPMENT	3,335,033.00	3,222,671.07	(112,361.93)	Balance of 2% of Gen Ed Basic set aside req'd by statute - includes DW and site carryover
REST/RES CAP PROJ LEVY	(5,086,299.82)	(1,713,009.11)	3,373,290.71	Renewed 11/2/21 for 10 years - projected positive balance YE FY27
REST/RES LITERACY INCENTIVE AID	0.00	0.00	0.00	
REST/RES AMERICAN INDIAN AID	0.00	0.00	0.00	
REST/RES OPERATING CAPITAL	19,836,205.94	18,634,111.28	(1,202,094.66)	\$6.6M carryover, \$1M Elem Textbooks, \$1M Security, \$2M Franklin, BECC Parking lot, \$3.5 FB threshold
REST/RES LEARNING AND DEVELOPMENT	3,403,978.32	3,600,173.76	196,195.44	K-3 class size reduction reserve
REST/RES AREA LEARNING CENTER	730,542.48	966,124.01	235,581.53	
REST/RES GIFTED & TALENTED	480,987.58	539,305.67	58,318.09	
REST/RES ENGLISH LEARNER	0.00	0.00	0.00	
REST/RES BASIC SKILLS PROGRAMS	3,759,116.41	14,516,091.21	10,756,974.80	YR 2 of Strategic Inv \$5.2M
REST/RES SCHOOL LIBRARY AID	0.00	208,443.44	208,443.44	
REST/RES SCHOOLS LEVY	1,726,266.41	2,528,865.02	802,598.61	FB increased due to MH provider(s) not filling positions
REST/RES LONG TERM FAC MAINT	(3,834,227.03)	(3,838,033.03)	(3,806.00)	Timing of projects - will be recovered with future years revenue
REST/RES STUDENT SUPPORT PERSONNEL AID	0.00	499,048.54	499,048.54	Will use with FY25 alloc to offset \$1M in FY25 and \$2M in FY26 when alloc increases again
REST/RES MEDICAL ASSISTANCE	1,671,281.48	1,279,900.93	(391,380.55)	Medical assistance reserve to be used for add'l staffing and equipment purchases
UNASSIGNED FUND BALANCE	55,201,196.23	51,810,052.75	(3,391,143.48)	*\$12.1M rev>exp offset by \$11.6M transfer to assigned for subsequent year deficit
TOTALS	148,941,086.35	162,538,981.31	13,597,894.96	

Assigned Fund Balance Total	63,891,334.90	66,839,215.35	2,947,880.45	Rev - Exp \$ 12,110,167
Nonspendable Fund Balance Total	2,976,924.78	2,603,449.13	(373,475.65)	Assigned for Building Carryover Chg \$ (2,284,798) Inc in carryovers
Restricted/Reserved Fund Balance Total	26,871,630.44	41,286,264.08	14,414,633.64	ALC FB Chg \$ (235,582)
Unassigned Fund Balance Total	55,201,196.23	51,810,052.75	(3,391,143.48)	Inc in leave accruals and
Total Fund Balance	148,941,086.35	162,538,981.31	13,597,894.96	Sev/Vac Pay chg \$ (1,697,039) acct of sick leave
				Non-spend(Inventory/Prepays) chg \$ 373,476 Less pre-pd and inventory
				Move Math Action Plan Balance \$ 5,404
				Assigned for Subsequent YR Deficit chg \$ (11,662,772)
				Unassigned Decrease* \$ (3,391,143)
				(0.00)

	Budgeted	Actual
Total Unassigned Expenditures	530,754,935.00	527,044,936.05
Unassigned Fund Balance as a % of Unassigned Exp	10.4%	9.8%
Adjusted Pupil Units(APU)	41,545	41,191
(Under)/Over budgeted APU		(354.04)
FY25 Budgeted Unassigned Exp		534,069,080.00
		9.7%

	A	B	C	P	Q	R	S	T	U	V	W	X
1	CRS	Acct	DESCRIPTION	Bal 6/30/23	FY24	Bal 6/30/24	FY25	Bal 6/30/25	FY26	Bal 6/30/26	FY27	Bal 6/30/27
2	999	01-462-04	ASSIGNED FOR STRATEGIC INVESTMENTS	\$ 22,207,886		\$ 21,515,593		\$ 17,665,593		\$ 8,490,153		\$ 71,695
6			MS Literacy Coaches(3 FTE)]		\$ 248,285							
11			Secondary Textbooks		\$ 444,007							
15			Elementary Add'l support strategic priorities				\$ 3,850,000		\$ 3,850,000		\$ 3,000,000	
16			Middle School Add'l support strategic priorities						\$ 1,853,638.31		\$ 1,876,892.71	
17			High School Add'l support strategic priorities						\$ 1,745,166.00		\$ 1,787,024.00	
24									\$ 1,726,636.00		\$ 1,754,541.00	
25	CRS	Acct	DESCRIPTION	Bal 6/30/23	FY24	Bal 6/30/24	FY25	Bal 6/30/25	FY26	Bal 6/30/25	FY27	Bal 6/30/25
26	996	01-462-07	ASSIGNED FOR CAPITAL INFRAS/TECH IMP	\$ 18,249,143		\$ 7,770,742		\$ 954,624		\$ 454,624		\$ (45,376)
35			Space Needs		\$ 1,000,215							
36			Aesthetics		\$ 2,091,275		\$ 1,225,561					
37			Security		\$ 108,157		\$ 891,843		\$ 500,000		\$ 500,000	
38			Franklin Addition		\$ 5,977,469							
39			Dayton Elem remodel		\$ 1,301,286		\$ 4,698,714					
46												
47	CRS	Acct	DESCRIPTION	Bal 6/30/23	FY24	Bal 6/30/24	FY25	Bal 6/30/25	FY25	Bal 6/30/25	FY25	Bal 6/30/25
48	995	01-462-10	ASSIGNED FOR PLTW	\$ 1,361,239		\$ 1,032,958		\$ 807,958		\$ 582,958		\$ 357,958
49			\$200K annual tech replacement		\$ 328,281		\$ 200,000		\$ 200,000		\$ 200,000	
50			\$25K annual training		\$ -		\$ 25,000		\$ 25,000		\$ 25,000	
51												
57												
58	CRS	Acct	DESCRIPTION	Bal 6/30/23	FY24	Bal 6/30/24	FY25	Bal 6/30/25	FY25	Bal 6/30/25	FY25	Bal 6/30/25
59	992	01-462-11	ASSIGNED FOR MAGNET PROGRAM EXPANSION	\$ 718,489		\$ 610,721		\$ 0		\$ 0		\$ 0
60			AHS STEAM \$1M		\$ 5,117		\$ 364,565					
61			CRHS CEMS \$600K		\$ 70,164		\$ 56,958					
62			Hoover Elem Magnet \$400K		\$ 32,488		\$ 189,197					

			After \$8.75M reduction				
	FY24 Actual	FY25 Adopted budget	FY25 Amended budget	FY26 Projected budget	FY27 Projected budget	FY25 Change	11-23-24 B
State revenue	\$484,384,050	\$491,711,301	\$493,854,274	\$508,276,877	\$521,008,241	\$ 2,142,973.00	Net of ADM reduction and these increases, Sped, Endowment Inc, Integration Trans, Student Supp
Federal, local, other revenue	\$169,346,455	\$149,699,450	\$150,447,799	\$147,621,910	\$148,862,442	\$ 748,349.00	Tax shift unemployment from Dec 2024 tax levy
Total revenue	\$653,730,505	\$641,410,751	\$644,302,073	\$655,898,787	\$669,870,683	\$ 2,891,322.00	Total Revenue Change
Expenditures	\$640,132,610	\$662,382,639	\$663,949,830	\$686,637,671	\$694,790,224	\$ 1,567,191.00	Total Exp Change - Para and Office Prof contract sett
Operating surplus (deficit)	\$13,597,895	(\$20,971,888)	(\$19,647,757)	(\$30,738,884)	(\$24,919,541)	\$ 1,324,131.00	Operating Deficit change
Less: strategic investments		(\$9,425,000)	(\$9,425,000)	(\$9,425,000)	(\$9,425,000)		
Adjusted operating surplus (deficit)	\$13,597,895	(\$11,545,889)	(\$10,222,757)	(\$21,313,884)	(\$15,494,541)		
Unassigned fund balance	\$51,810,053	\$40,147,281	\$41,509,913	\$20,234,530	\$16,402,761	\$ 1,362,632.25	
Assigned for subsequent yr deficit		\$11,662,772	\$11,662,772	\$11,662,772		\$ -	
Fund balance % of expenditures		7.7%	7.7%	3.6%	2.9%		
Operating expenditures	\$527,044,936	\$534,069,080	\$535,636,271	\$558,208,228	\$566,399,282	\$ 1,567,191.00	add contract sett to operating exp total used for FB calc
Budget Reduction/Realignment Target				\$8,750,000	\$12,250,000		
Adjusted operating surplus (deficit)				(\$12,563,884)	(\$3,244,541)		
Adjusted fund balance		\$51,810,053	\$53,172,685	\$40,608,801	\$37,364,260		
Adjusted fund balance % of expenditures	9.8%	9.7%	9.9%	7.27%	6.60%		
CPI in estimate				2.33%	2.61%		
Gen Ed Formula per APU	\$7,138.00	\$7,281.00	\$7,281.00	\$7,450.00	\$7,644.00		
Gen Ed Formula \$ Increase			\$5,891,600	\$6,962,800	\$7,992,800		
Adjusted Pupil Unit estimate		41,585	41,200	41,200	41,200		
Adj to Original Projection			-385.00				
Loss of Gen Ed Aid			(\$2,803,185)				
Spec Ed Rev Increase		\$4,113,000	\$4,247,000	\$5,101,200	\$4,738,448		Spec Ed revenue increase assumption
One Year Stratgic Inv add back				\$5,000,000			
\$5M is about 0.9% of operating exp				\$45,608,801	\$42,364,260		w/\$12.25M reduction
Adj FB after \$8.75M reduction and 1YR strategic inv add back				8.2%	7.5%		
FY26 Concerns					\$45,614,260		w/\$15.5M reduction
Bus Contracts					8.1%		
Paid Family Leave Act							
Unemployment							
Health Insurance							
FY26 Comp Ed - \$5.5M potential loss							
10% of exp Fund Balance Target				\$55,820,823	\$56,639,928		
Shortage				(\$15,212,022)	(\$19,275,668)		



Anoka-Hennepin School Board

Briefing Notes

DATE: 11/23/2024 **CLASSIFICATION:** Facilities Update (School Board Retreat)

AUTHOR: Greg Cole, Chief Operations Officer

SUBJECT: Fall 2024 Facilities Updates

PURPOSE:

This is a review of the Summer of 2024 projects as well as an update on Anoka-Hennepin's facilities projects that have been initiated or are planned for the remainder of the 2024-2025 school year. It also provides a glance at 2025-2026 projects, an update on the district's pools, roof systems and HVAC systems looking forward..

BACKGROUND:

In the fall of 2017, the communities that Anoka Hennepin School District serves supported a \$250 million bonding bill intended to address facility concerns across the district. The final projects funded by this bond were media centers and science classrooms across the district, which have been completed as of November 2024.

The school board also approved strategic investments to address a repurposing of Franklin Elementary School to accommodate a merger of the Bridges and Pathways programs. In addition, funds have been designated by the school board to address district wide security as well as improvements to Dayton Elementary School. The project at Franklin has been completed and the merged programs opened in the Fall of 2024 as Two Rivers Transition Program at Franklin.

CONSIDERATIONS:

Collaboration with stakeholders is central to Administrative Services and the Buildings and Grounds Departments' approach to prioritizing projects and making recommendations to the school board regarding facilities planning. Community feedback, professional analysis, collaboration with local municipalities and agencies, and continuous communications with school administration, staff, students, and parents all play a role in forming the vision of the future of Anoka-Hennepin's sites and grounds development. In addition, fiscal management is key to strategizing and maximizing dollars and realizing efficiencies of projects and day-to-day operations. Searching for efficiencies and cost savings are also central to the future vision of sites and grounds development in Anoka-Hennepin.

OPTIONS/CONCLUSIONS:

The bulk of this board briefing is intended to review recently completed projects and to update the school board on the progress of projects that have already been approved or initiated. Part of it also to look into the future and provide the school board with information in order to guide direction on future facilities decisions.

Review of 2024 Projects (32 Facilities)

Funding Sources Key:

LTFM = Long Term Facilities Maintenance dollars, which are included in the annual 10-year LTFM plan approved by the school board.

Bond = Remaining Fit for the Future Bond funds allocated for media centers, science rooms, special education, and security. These dollars will expire by the end of the Fall 2024

SBSI = School Board-approved Strategic Investments

CAP = Capital reserve, district capital, and/or site capital funds

CNP = Child Nutrition Program funds

- **Dayton Elementary Classroom Space (Phase 2): \$1.2 million (SBSI)**
- **Sand Creek Elementary Dehumidification System (Phase 3, 8-classroom remodel): \$1.4 million (LTFM)**
- **Hamilton Elementary Dehumidification System (Phase 4, 8-classroom remodel): \$1.4 million (LTFM)**
- **McKinley Elementary Dehumidification System (Phase 2, 8-classroom remodel): \$1.4 million (LTFM)**
- **Champlin Park High Hydronics Systems Replacement Phase 2 (3-Summer Project): \$1.8 million (LTFM)**
- **Educational Service Center Back-up Generator Replacement and IT Room Generator Cooling System Replacement: \$500K (LTFM)**
- **Two Rivers Transition Program at Franklin (The Bridges Program transitioned from the Andover Downtown Mall facility and the Pathways Program transitioned from the Coon Rapids Family Mall facility) \$10 million (SBSI, LTFM, CAP)**
- **Champlin Park Media Center remodel and Main Office move: \$3 million (Bond, LTFM, CAP)**

- **Sandburg Education Center (Final renovations to accommodate the TEAM program at the Andover Downtown Center and a new Technology Education space for TEAM and Sandburg Regional High School): \$250K (LTFM, CAP)**
- **2024 Media Center (Library) Upgrades (Final Phase): Andover High, Anoka Middle – Fred Moore Campus, Anoka High, Champlin Park High, Coon Rapids Middle, Coon Rapids High (Bond, LTFM, CAP): \$2.5 million (Bond, CAP)**
- **2024 Exterior and Grounds Upgrades (Final Phase): Andover Elementary, Champlin Brooklyn Park Academy, Jefferson Elementary, Johnsville Elementary, Lincoln Elementary, Monroe Elementary, Morris Bye Elementary, Oxbow Creek Elementary, Rum River Elementary, Anoka Middle – Fred Moore, Anoka Middle – Washington, Coon Rapids Middle, Jackson Middle, Oak View Middle, Andover High, Anoka High, Blaine High, Champlin Park High, Compass Programs at Bell Center, River Trail Learning Center at L.O. Jacob: \$2 to 2.5 million (SBSI, LTFM, CAP)**
- **2024 Special Education-Driven Projects: Lincoln Elementary (sensory spaces upgrade), Hamilton Elementary (center-based program remodel), Sand Creek Elementary (DCD center-based bathroom addition), District-wide removal of all LQR (Locked Quiet Room) doors due to state statute changes: \$350K (LTFM, CAP)**
- **Kitchen Renovations at Adams Elementary and Lincoln Elementary: \$850K (CNP)**
- **Cooler/Freezer Upgrades and Replacement at Crooked Lake Elementary and Ramsey Elementary: \$300K (CNP)**
- **2024 Special Education-Driven Projects: Johnsville Elementary (consolidate and reconfigure special education spaces), Wilson Elementary (increase access between center-based classrooms), Roosevelt Middle (remodel space), Anoka Middle – Fred Moore (increase access between center-based program spaces), Andover High (increase access between center-based program spaces): \$350K (LTFM, CAP)**
- **Secondary Science Rooms: four science rooms at Anoka High, four science rooms at Blaine High: \$1.5 million (Bond)**
- **District-Wide Security Control Panel, Door Security System, Exterior Door Breach Notification System, Lockdown and Communication App Implementation, and Staff ID Badge/Door Access System Phase 1 of 5 @ Andover Elementary, Johnsville, Coon Rapids Middle, Coon Rapids High, Blaine Early Childhood Center: \$450K (SBSI); Phase 2 of 5 @ Andover High, Anoka High, Blaine High, Champlin Park High, Sandburg Regional High; Phase 3 of 5 @ Anoka Middle – FM, Anoka Middle – W, Jackson Middle, Northdale Middle, Oak View Middle, Compass at Bell, ESC; Phase 4 of 5 @ Adams, CBPA, Eisenhower, Evergreen, Hamilton, Hoover, Monroe, Morris Bye, Oxbow Creek,**

Riverview, Sorteberg, University, STEP, RTLCL @ L.O. Jacob; Phase 5 of 5 @ Brookside, Crooked Lake, Dayton, Jefferson, Lincoln, Madison, McKinley, Mississippi, Ramsey, Rum River, Sand Creek, Sunrise, Wilson, CR Family Mall, Two Rivers, AH Tech., HM Facility. Est. \$2.5 million (SBSI, CAP)

Spring/Summer/Fall of 2025 Planned Projects (20 Facilities)

- **Eisenhower Elementary School: Phase II of a 3-summer dehumidification project = (14 classrooms) \$1.8 million: (LTFM)**
- **Sand Creek Elementary School: Phase IV of a 4-summer dehumidification project = (8 classrooms) \$1 million: (LTFM)**
- **Champlin Park High School hydronics piping: Phase III of a 3-summer project = \$1 million: (LTFM)**
- **Dayton Elementary School: Phase III of a 4-summer classroom remodel and replacement project: LTFM portion = \$1.5 million (SBSI, LTFM, CAP)**
- **Monroe Office security remodel = \$650,000 (LTFM, CAP)**
- **Boiler stacks @ RTLCL @ L.O. Jacob, Riverview, Morris Bye, Johnsville, and Anoka Middle School - FM. Demo portions of stacks at to mitigate fail points and potential damage = \$175,000 (LTFM)**
- **SpEd bathrooms. Add district standard DCD bathrooms to center based sites to accommodate need and ADA compliance @ Wilson Elementary, Monroe Elementary (part of office project) = TBD (LTFM)**
- **Kitchen renovations @ Anoka HS, Champlin Park HS, Morris Bye Elementary, Monroe Elementary = TBD (CNP)**

Highlighted 2024 Projects

Anoka High and Blaine High 2024 Fit for the Future Bond Science Rooms Upgrades -

Secondary science leadership identified a list of priorities by school and follow-up meetings occurred to prioritize projects and define schedules using the same process created for media centers and indoor, outdoor and grounds upgrades. As a result of recommendations from district and site-based science leaders, the two major projects to address science room upgrades occurred at Blaine High School and Anoka High School. Four were renovated at Anoka High and four at Blaine High.

Hamilton Elementary, McKinley Elementary, and Sand Creek Elementary Heating, Ventilation, Air Conditioning (HVAC), Dehumidification, and Classroom Upgrades – As part of the 10-year LTFM plan to replace old HVAC systems with new ones that have the effect of cooling and dehumidifying spaces, the following schools had replacements that improved functionality this past summer. Sand Creek Elementary and Hamilton Elementary completed the final phase of a three-summer HVAC project and McKinley completed the second of a three-phase HVAC project. All three projects saw refurbishment of eight classrooms per school as part of the work done this summer.

2024 Champlin Park High School Hydronics Systems Replacement (Phase 2 of a 3-Summer installation) – This is a major three-summer project to replace hydronic piping and systems associated with failing systems that were damaged in the mid 1990's at Champlin Park High School. Phase 2 was successfully completed.

Fit for the Future Media Center Final Phase and Champlin Park High School Media Center Remodel and Main Office Move – As a part of Fit for the Future Media Center upgrade, the district's final six schools saw media center upgrades to complete this part of the Bond project. Champlin Park High School underwent significant changes because the media center project and aesthetics initiative were combined to improve service and security to the entire school. The result is a more welcoming and collaborative space for the staff and visitors as well as an improved safety and security configuration.

Dayton Elementary (Phase 2 of a 4 year plan) - This was phase two of a four-year school board strategic investment to build walls and implement classroom upgrades and space reconfiguration for safety, security and improved space utilization. In this phase we addressed classrooms 201-219 along with 226 located in the northwest corner of the building.

District-Wide Security Control Panel, Door Security System, Exterior Door Breach Notification System, Lockdown and Communication App Implementation, and Staff ID Badge/Door Access System – The Buildings and Grounds Department in collaboration with the Technology Department and Purchasing Department have teamed up with a security design company to begin the process of installing centralized security control panels, upgraded door security systems, improved locking mechanisms, expanded lockdown capabilities for more

identified staff, better communications in a crisis, and improved identification badge and door access systems for Anoka-Hennepin's facilities. This will bolster communication, notification, and decrease response time to crisis situations. The goal is to have all district sites online by the Fall of 2025.

\$300,000 Security Grant Award – Thanks to the hard work of Tim Fournier, Manager of Security and Emergency Operations and Jess Borglund, Finance Compliance Manager, the school district was awarded a \$300,000 Federal COPS security grant to improve security across the district by bolstering access points around buildings to prevent unwanted intrusion. The conditions of the grant require the district to contribute 25 percent or \$100,000 of the total project cost. A planning team has met to begin the process of building the project, which is slated to be completed by August of 2025.

Two Rivers Transition Program at Franklin (Bridges and Pathways Programs Merger and Franklin Elementary School Repurposing Project) – Construction for the repurposing of Franklin Elementary School to accommodate the Bridges Program and Pathways Program merger at the facility was completed on time and the facility opened successfully in September. This transition resulted in the termination of the \$400K annual lease agreement at the Andover Downtown Center space on the corner of Bunker Lake Boulevard and Round Lake Boulevard in Andover. This space became increasingly untenable and unsafe because of the rising number of students and student needs at the facility. This also provided an opportunity to consolidate the Bridges and Pathways programs to improve service and efficiencies for both special education programs.

Ash Tree Removal – We have completed a multi-year project to remove ash trees across the school district as part of a required Emerald Ash Borer mitigation plan across the metro area. We have removed 798 trees, which completes the removal part of the project. At the same time we have been replanting trees in strategic areas in order to maintain tree cover at our schools. This Spring we will plant the final 80 trees scheduled to complete the entire project.

Full List of 2024-2026 LTMF Projects – In addition to all the projects listed above, a number of additional projects are listed in Anoka-Hennepin's annual 10-year Long Term Facilities Maintenance plan. Please see [FY 24 LTFM 10-Year Plan](#); [2025 LTFM 10-Year Plan](#); [2026 LTFM 10-Year Plan](#) for more information.

Future Challenges

Tennis Courts – Andover High School's and Coon Rapids High School's tennis courts continue to crack, which is normal given Minnesota's freeze and thaw cycles. Depending on how long patches hold, we will soon need to resurface both of these court areas. The estimated cost will be \$750,000 to \$800,000 at Andover HS and \$1.2 to \$1.3 million at Coon Rapids High School. In addition, the tennis courts at Northdale Middle School, Oak View Middle School, and Jackson Middle School are all in need of resurfacing. The cost for each is estimated at \$500,000 for a total of \$1.5 million. These

projects will undergo an assessment prior to potential approval. Because tennis is not consistently offered to middle school students at all seven middle school sites, further review needs to occur before the projects would move forward.

Pools – The two largest competition pool sites at Northdale Middle School and Anoka Middle School – Fred Moore Campus, which serve AndHS, AHS, BHS, and CRHS as competition and practice facilities are in need of HVAC and structural repairs within 1 to 3 years. The total cost for these repairs are estimated at \$4.5 million at AMSA – FM and \$2 million at NMS. The other pools require upgrades as well for a total cost of \$1 to \$2 million. The total cost for the school district’s pool HVAC replacement and facility improvements is estimated at \$7.5 to \$8.5 million.

Roof Systems – In the next ten years, the school district’s roof systems will require significant repair and replacement projects because of aging infrastructure. A minimum estimated cost of these projects is at least \$100 million. This will require long-term planning and strategy from the district’s Buildings and Grounds Department in order to meet the needs of aging infrastructure.

HVAC Systems – As we near the end of a complete installation of Dehumidification HVAC systems for all school buildings, schools built in the late 1980’s, 1990’s and early 2000’s are experiencing the need for HVAC replacements including boilers, air handling units, system controls, piping, and chillers to name a few. Over the next ten years, the estimated costs of these replacements is more than \$300 million. Strategy, prioritization and planning will need to occur in order to ensure appropriate heating and cooling for aging systems given limited funding to address these concerns.

Other Projects to Monitor: HS Stadium and Gym Bleachers, Hard Surfaces, Parking Lots and Drive Lanes, School Site Outdoor Athletic Fields & Facilities, Security Technology, Interior Fixtures, Exterior Brick and Windows, Plumbing, Electrical, and Lighting.

In-House Project Management – The Anoka-Hennepin Buildings and Grounds Department performs construction management for all district projects. This is not typical in most school districts across the state of Minnesota. Because of the expertise of Anoka-Hennepin’s Buildings and Grounds Department staff who can perform this service, the district saves two to three percent of costs on all projects. Over the last five years, this has resulted in an approximate savings of \$10 million or \$2 million annually. These savings go toward increasing and maximizing the district’s capacity to build, repair, replace, and maintain its facilities.

Anoka-Hennepin Sites = 50
Total Building Area = 6.2 million square feet
Total Property Area = 1207 acres

<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>	<u>Programs and Sites</u>
Adams Elementary	Anoka Middle – FM	Andover High	Compass at Bell Center
Andover Elementary	Anoka Middle – W	Anoka High	Blaine Early Childhood Center
Brookside Elementary	Coon Rapids Middle	Blaine High	RTL@ L.O Jacob
CBPA Elementary	Jackson Middle	Champlin Park High	Verndale
Crooked Lake Elementary	Northdale Middle	Coon Rapids High	Riverview Early Childhood Center
Dayton Elementary	Oak View Middle	Sandburg Regional High School	Sandburg Education Center
Eisenhower Elementary	Roosevelt Middle	AH Tech. High	Sorteberg Early Childhood Center
Evergreen Park Elementary		Secondary Technical Education Program (STEP)	Andover Early Childhood Center
Hamilton Elementary			Pathways Program at Coon Rapids Family Center
Hoover Elementary			Charles Holden Facility
Jefferson Elementary			Educational Services Center
Johnsville Elementary			Two Rivers at Franklin
Lincoln Elementary			
Madison Elementary			
McKinley Elementary			
Mississippi Elementary			

Monroe Elementary			
Morris Bye Elementary			
Oxbow Creek Elementary			
Ramsey Elementary			
Rum River Elementary			
Sand Creek Elementary			
Sunrise Elementary			
University Elementary			
Wilson Elementary			



2024-25 STRATEGIC PRIORITIES

MISSION: To effectively educate each of our students for success.

VISION: To be a public school system of excellence, with high quality staff and programs and successful graduates.

EQUITY COMMITMENT: Anoka-Hennepin School District is committed to creating equitable learning environments which provide access, representation, meaningful participation, and highly positive outcomes for each student.

IMPLEMENTING: Changes that are happening during this school year. Changes may take multiple years to complete.

REVIEWING AND PLANNING FOR POTENTIAL IMPLEMENTATION: Studying our current program for possible improvements and making plans for potential implementation. Some of these items may move to implementation immediately while others may not lead to action.

MONITORING AND CONSIDERING: Items in this area fall into one of two categories. Some initiatives were recently implemented and are continuing to be monitored to ensure they are meeting intended outcomes (M). Others are potential areas of need that haven't risen to the level of review yet (C).

SAFE AND WELCOMING ENVIRONMENT

BEHAVIOR

- 1.1 Improve student engagement, connection and behavior

INCREASED STUDENT ACHIEVEMENT

LITERACY

- 2.1 Improve literacy at all grades
- 2.2 Prepare students to enter the workforce of the future: Portrait of a Graduate
- 2.3 Provide academic programming to support K-12 students impacted by the effects of the COVID-19 pandemic
- 2.4 Improve instruction and comprehension at the secondary level

EFFECTIVE ORGANIZATIONAL SUPPORT

WORKFORCE

- 3.1 Improve employee recruitment and retention
- 3.2 Analyze district student enrollment trends
- 3.3 Continue construction and facilities improvements

2025-26 Strategic Priorities Recommendation

Strategic Priority	Rationale for Maintaining Priority	2025-26 Anticipated Action Steps
<p>Safe and welcoming environment: 1.1 Improve student engagement, connection and behavior</p>	<p>Discipline data trends, as well as reports from staff, indicate that there is still a significant need to increase engagement, connection and positive behavior for students. Addressing dysregulation and disruption still occupies staff work time, detracting from a primary focus on instructional support. In addition to discipline, attendance data demonstrates discrepancies between student groups, as well.</p>	<p>Early Learning: We will continue using the pyramid model for engagement, connection and behavior support across all early learning classrooms.</p> <p>Elementary Schools: Development and implementation of “School-wide behavior plans”. Plans will be reviewed with all staff at the start of the school year as well as at the end of each trimester. Implementation of Tier I, Tier II and Tier III strategies and supports.. Tier I includes Social Emotional Learning curriculum, the S.E.R.V.E. model, calming corners, and Catalyst implementation. Tier II and Tier III strategies integrate resource rooms, 2+ rooms, and potential additional support from the SSW with skill building for students. Ongoing support for schools, from the district SSW and district principal of discipline and conduct.</p> <p>Middle Schools: The implementation of the MTSS intervention plan platform in Synergy provides schools with a streamlined intervention process to support students’ social, emotional, and behavioral needs will continue to be refined and supported. Student support staff will continue to focus on evidence-based interventions that are matched to student needs to teach lagging skills to improve attendance, behavior, and achievement.</p> <p>High schools: will focus on the fidelity to campus-wide instructional rounds, monthly instructional walkthroughs, ongoing instructional coaching cycles, and student engagement and professional development (McREL 6-phase model of learning). In addition, our schools will enhance the Academic Intervention Teacher (AIT) push-in and pull-out instructional student support model (real-time intervention support in the core subject areas), refine the current alternative programming design, and hold high-fidelity implementation of OL&LA training to support literacy across all contents.</p>

<p>Increased student achievement: 2.1 Improve literacy at all grades</p>	<p>Overall district reading achievement continues to decline, with decreasing trends beginning prior to the pandemic. In addition, literacy across all grade levels is a focus of recent legislation. The READ Act outlines multiple mandates related to professional development, curricular impacts, assessment changes, and structural implications that districts must implement following defined timelines.</p>	<p>Early Learning: We have 29 teachers who are completing EC LETRS in phase 1 in the 2024-25 school year and 2 teachers who completed EC LETRS last year. Heggerty supplemental phonemic awareness curriculum will continue to be implemented as part of our core instruction in all classrooms.</p> <p>Elementary schools: Potential implementation of a new ELA curriculum. The new ELA curriculum will have all variables of S.O.R. (Science of Reading). Ongoing integration of all components of the READ Act implementation. This is inclusive of professional development, as well as implementation of progress monitoring and screening assessments. Professional development focuses on LETRS and OL&LA. LETRS includes 4 cohorts, and OL&LA has one cohort. (Currently 508 elementary teachers have completed LETRS).</p> <p>Middle Schools: Reading achievement, as measured by MCAs, at middle schools has seen slight increases each year since 2021 through focusing on literacy coaching across content areas with special emphasis on English Language Arts (ELA), Science, and Social Studies. The implementation of Online Language and Literacy (OL&LA) professional development, screening tools, and targeted interventions in alignment with the READ Act will continue.</p> <p>High schools: will focus on leveraging the ongoing behavior intervention model and enhancing school-specific MTSS tier I-III plans (ABC's analysis). In addition, the high school unit is committed to maintaining school culture & climate pulse checks with campus leadership data analysis, enhancing school-wide safety protocols and practices, reinforcing restorative discipline practices, catalysts professional development, and maintaining 1-minute counselor connect meetings.</p>
<p>Effective organizational support: 3.1 Improve employee recruitment and retention</p>	<p>Even with extensive budget cuts, there is a need to hire for ongoing and open positions in the organization. In addition, organizations in the midst of cuts often experience employee separations as people perceive instability in their roles or the</p>	<p>Employee Development and Evaluation: support employees by reviewing and updating the Performance Appraisal System with effective evaluation forms and process updates.</p> <p>High Schools: will focus on targeted mentorship and onboarding for new teachers, conducting monthly new teacher and veteran</p>

	<p>institution as a whole. Also, legislative mandates around employee leaves, for instance, also have recruitment and retention implications.</p>	<p>teacher check-ins, engaging in specific school culture and climate celebrations/initiatives, leveraging Q-comp support and coaching, and examining high school culture and climate using a P-D-S-A data analysis cycle to support retention rates.</p> <p>Buildings and Grounds Department: This year will include the launch of leadership academy training sessions for building supervisors and custodians who wish to improve their skills. The intention is to provide greater support to existing employees who wish to improve their leadership capacity in their current role as well as qualify them for growth within Anoka-Hennepin in the future.</p> <p>Child Nutrition Department: CNP will continue to provide leadership training and support to its supervisors and staff through on-site support as well as through scheduled district training sessions.</p> <p>Community Education: Work will continue with the Community Education Staffing Specialist to utilize creative ideas to recruit for hard to fill positions, particularly in school age child care. We are also developing a formal on-boarding process for CE employees as well as an on-going check-in process to ensure we are retaining employees and maintaining a positive work environment.</p> <p>Research, Evaluation and Testing: Continued implementation of data collection and quarterly reporting related to employee onboarding, employee position/location changes within the organization, and employee exit perceptions. Ongoing annual monitoring of employee engagement and building culture and climate from staff perspectives.</p> <p>Technology and Information Services: Across the different departments, each is working on a version of retention strategies that involve one or more of the following: Professional development to keep people current on skill sets, significant cross-training and back-up, better aligning work with people's unique interests / talents (where applicable), and reducing compartmentalized work.</p>
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