

# Our Community. Our Schools.

Which Path Forward?



# Community Forum Reminders

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- Today's Topic: **Key Points** - 2021 Special Election
- Forum is being live streamed and recorded on YouTube
- Written questions related to today's topic may be submitted from members in the audience



# Always begin with the WHY

## OUR STUDENTS

Providing quality learning experiences so each of our students has the greatest possibility of reaching their individual potential in life.



# Current Situation: Which Path Forward?

**Our District is facing a future with structural budget deficits**

**Increase ongoing  
annual operating revenue**

Only viable option to do this is  
an operating levy

**-OR-**

**Make large budget cuts every  
few years**

For example, the 2023/24  
school year is projecting \$5.082  
million in cuts



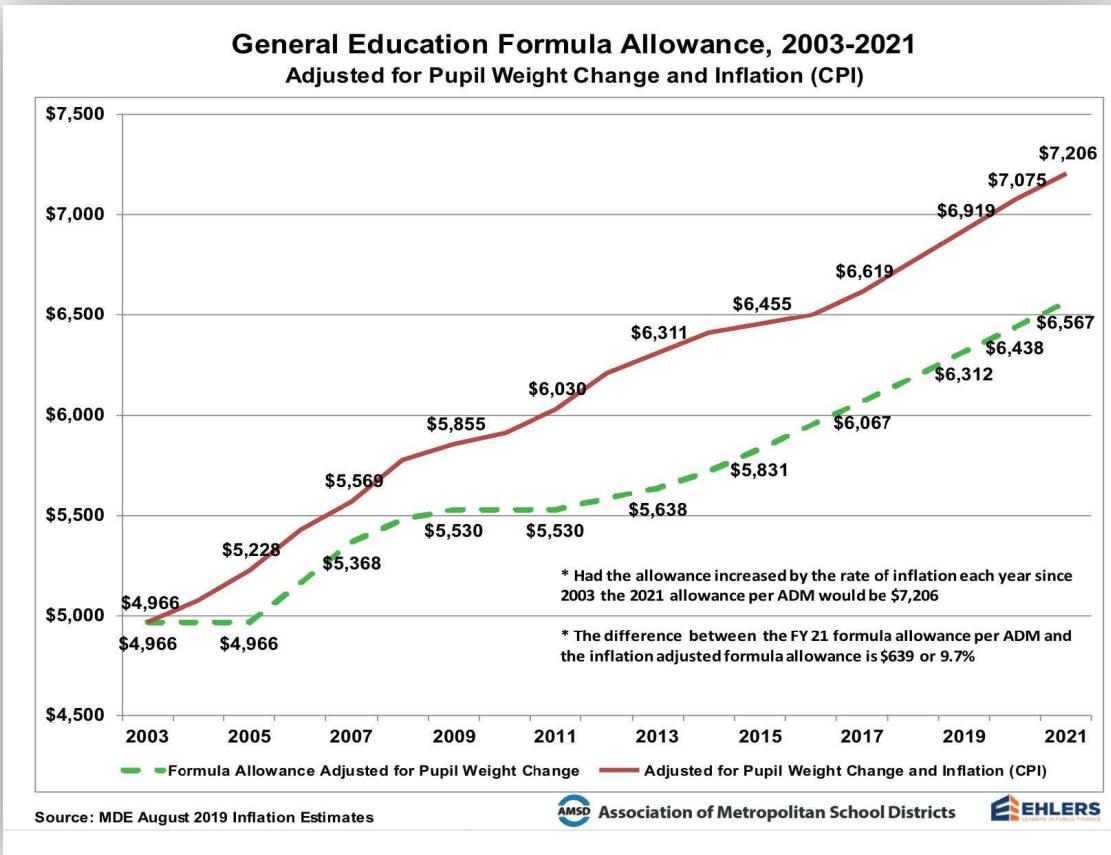
# Current Situation: Financial Projections

	2021-22 PROJECTED	2022-23 PROJECTED	2023-24 PROJECTED	2024-25 PROJECTED	2025-26 PROJECTED
<b>E-12 LEGISLATIVE BUDGET AGREEMENT &amp; NO RESTORATION</b>					
<b>STATE AID ASSUMPTION</b>	<b>2.45%</b>	<b>2.00%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>
GENERAL FUND REVENUES	100,001,312	102,329,510	100,558,039	101,424,894	102,200,350
GENERAL FUND EXPENDITURES	98,595,426	100,980,998	103,428,541	105,940,007	110,061,993
SPENDING VARIANCE	1,405,886	1,348,512	(2,870,502)	(4,515,113)	(7,861,643)

# How did we get here?

State funding has not kept pace with inflation

\$5.7M in additional annual funding not provided



# How did we get here?

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**Special Education & English Learner** cross subsidies -  
\$8.1M per year (SPED) + \$1.4M per year (EL)

**\$9.5M**

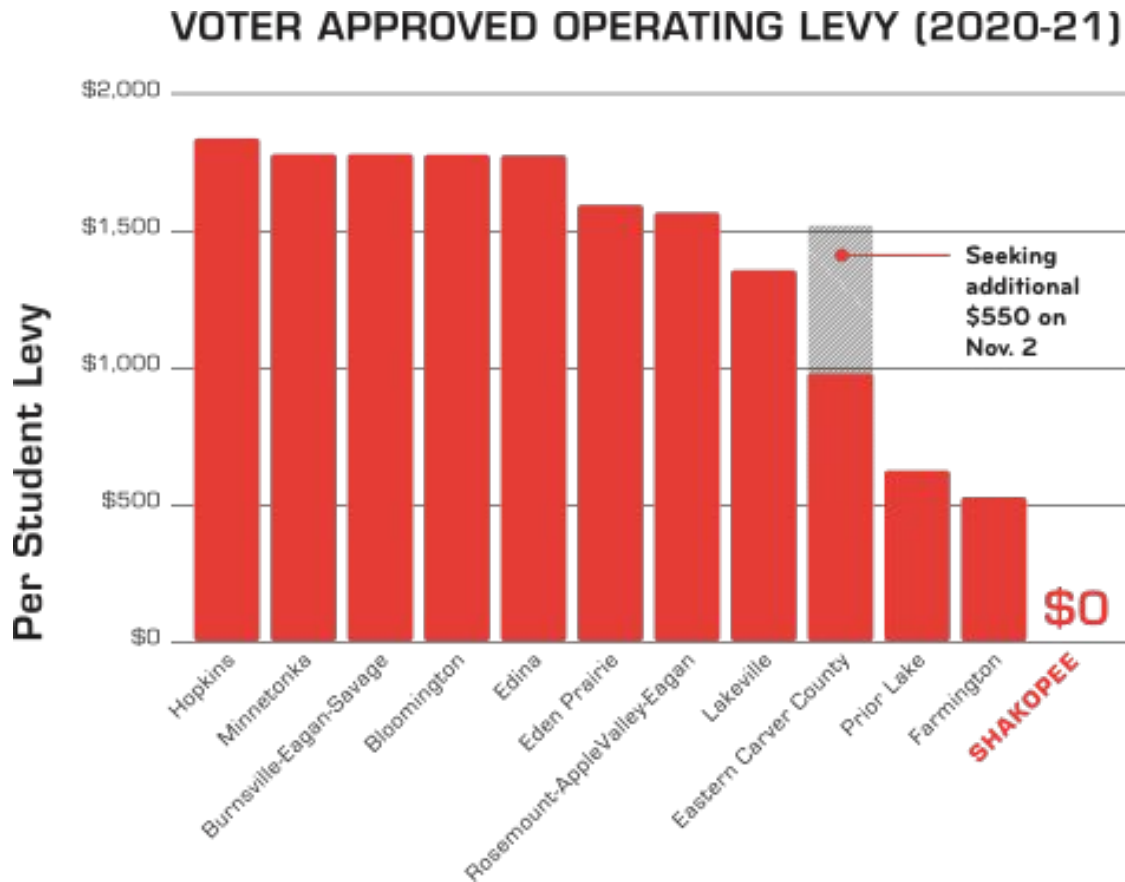
*Shifted from general  
fund each year*

# How did we get here?

## Lack of voter approved operating levy

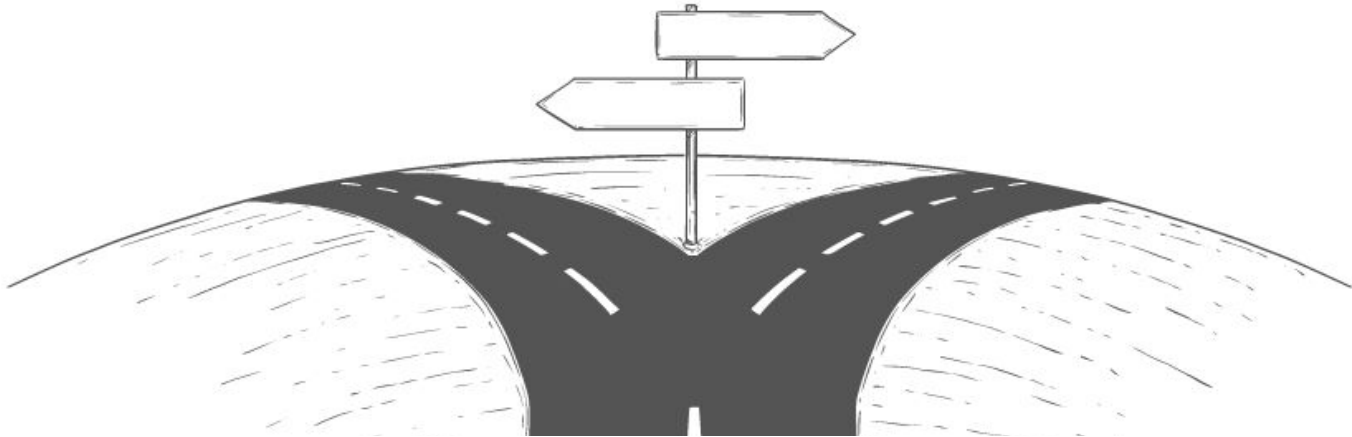
- Shakopee is the only metro school district without a voter approved operating levy
- Metro average = \$1,267 per pupil, per year
- If Shakopee had metro average operating Levy = **\$11.03M revenue per year**

Source: MN Dept. of Education website



Past Community Forum Highlights

# Exploring School Finances



# Changes in District Leadership

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## **The Past**

Rapid depletion  
of fund balance

The vast majority of funds  
were spent on providing  
services to our students

## **May 2017 - May 2020**

6 finance directors  
6 superintendents

## **Now**

All 7 current school board  
members began serving  
*after June 2018*

Superintendent  
Mike Redmond  
*hired November 1, 2018*

Director of Finance &  
Operations Bill Menozzi  
*hired January 1, 2020*

# Finance & Operations Team

The Department is responsible for the fiscal components of our school district such as:

- Accounts payable & receivable
- Payroll
- Purchasing
- Budgeting
- Student accounting
- District transportation
- District facilities
- Food & nutrition services

**Director of  
Finance &  
Operations**



**Fiscal Services  
Supervisor**



Kris Kratz

**Accounting**



Matt Timm

**Payroll**



Mike Greeley

**Payroll**



Steve Haefs

**Accounts  
Payable**



Alissa Ebnetter

**Accounting &  
facilities, District  
Transportation**



Annie Barron

**Buildings & Grounds**



Ed Zeimet

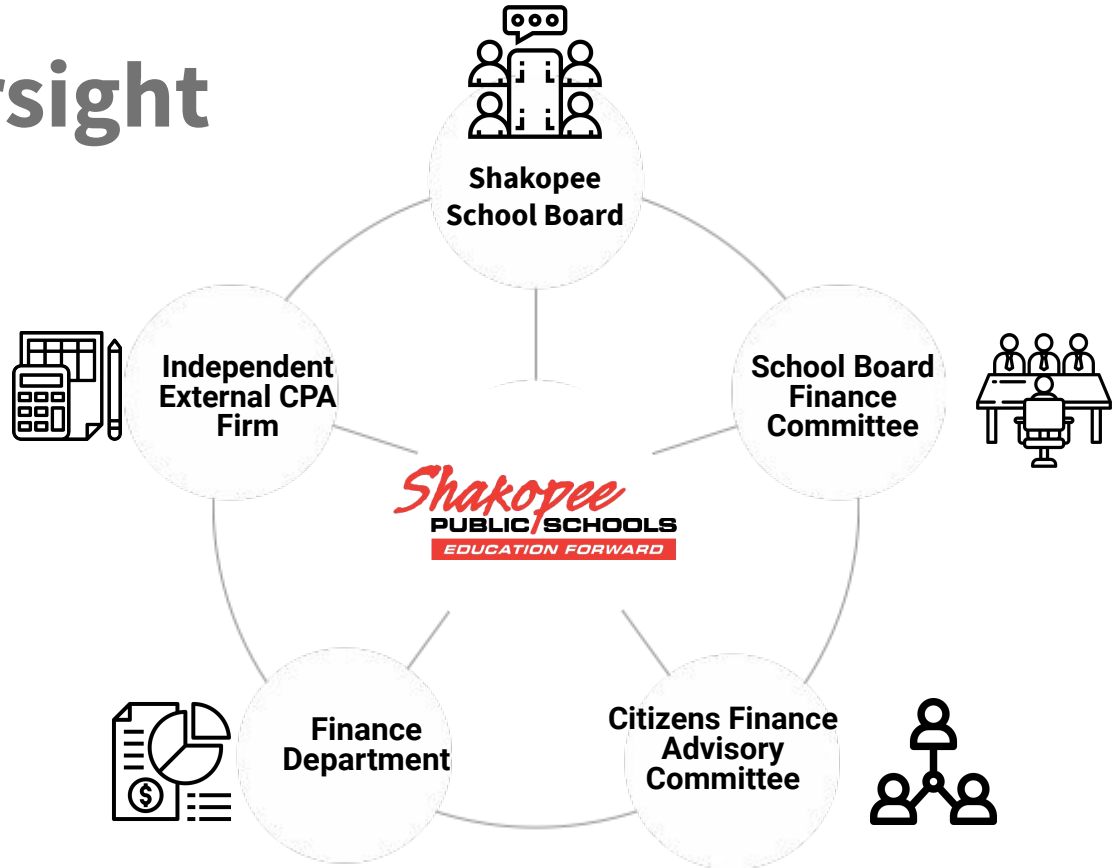
**Food &  
Nutrition**



Deb Ross-Coen

# Financial Oversight in Shakopee

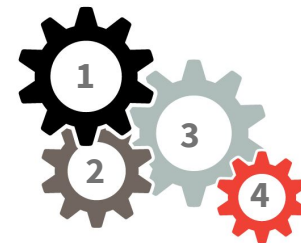
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# Financial Oversight in Shakopee

The budget in Shakopee Public Schools is a continuous **four-step process**.

Each step requires School Board approval and is open for public inspection and comment



SCHOOL YEAR A						SCHOOL YEAR B					
JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
School Board Finance Committee Monthly Meeting											
CFAC		CFAC		CFAC		CFAC		CFAC		CFAC	
			Property Tax Levy and Truth in Taxation Meeting								
Adopted Budget											
					Revised Budget						
			Annual Financial Report & Fiscal Audit								

# Current Situation: Financial Analysis

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**Approximately 60%** of operating budget is spent on teacher salary and benefits. Another **20%** is spent on other **people**, those providing services to our students and community.



# Budget Analysis of Expenditures

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Student Based

Other

000-199	Administration & District Support Services
200-299	Regular Instruction
300-399	Vocational Instruction
400-499	Special Education Instruction
600-699	Instructional Support Services
700-799	Pupil Support Services
800-899	Sites, Buildings, Equipment
900-999	Fiscal & Other

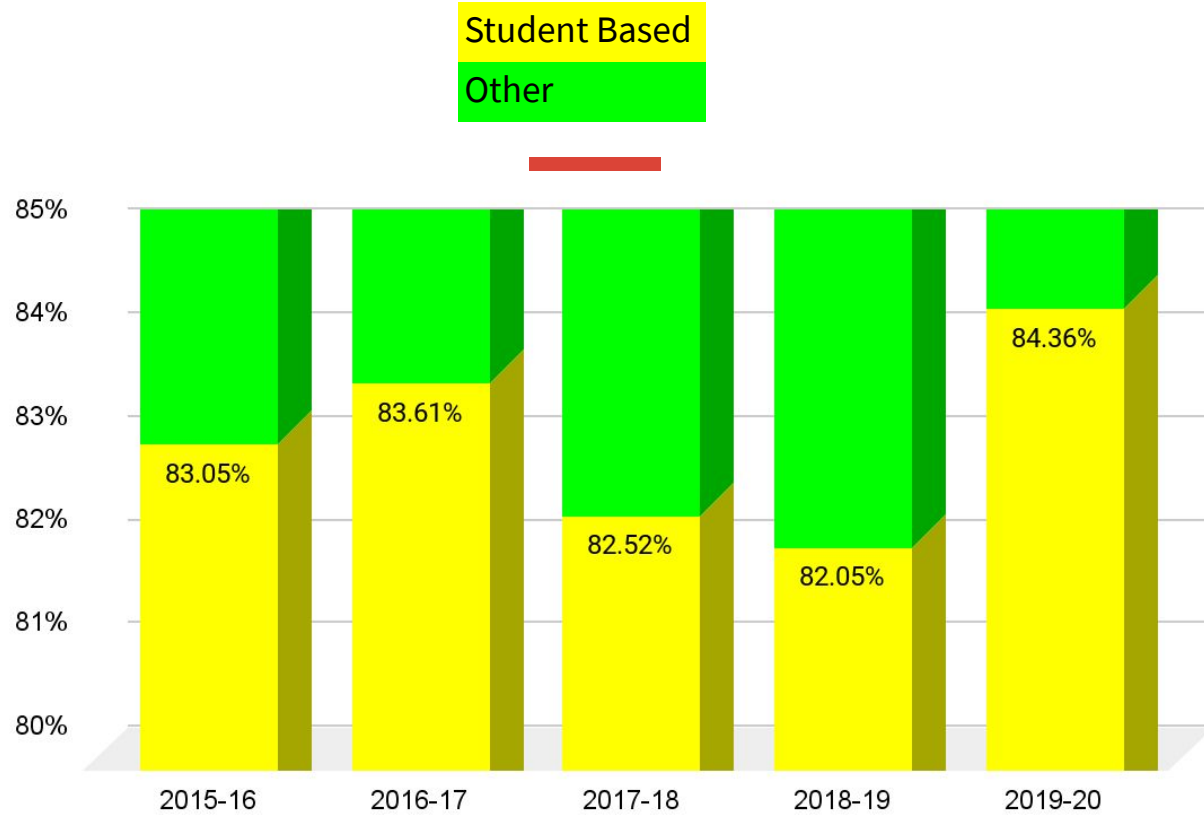
*Source: MFR reports MN Dept. of Education*

# Expenditure History

		ISD 720 2015-16	ISD 720 2016-17	ISD 720 2017-18	ISD 720 2018-19	ISD 720 2019-20
	Student Based	83.05%	83.61%	82.52%	82.05%	84.36%
	Other	16.95%	16.36%	17.68%	17.95%	15.64%
000-199	Administration & District Support Services	8.90%	8.41%	8.18%	7.68%	8.09%
200-299	Regular Instruction	46.14%	44.51%	44.42%	43.68%	43.85%
300-399	Vocational Instruction	0.84%	0.93%	0.68%	0.90%	0.95%
400-499	Special Education Instruction	19.36%	19.66%	19.26%	18.87%	19.54%
600-699	Instructional Support Services	8.53%	10.39%	9.77%	10.00%	11.10%
700-799	Pupil Support Services	8.17%	8.12%	8.39%	8.61%	8.93%
800-899	Sites, Buildings, Equipment	6.68%	6.67%	8.19%	9.01%	6.12%
900-999	Fiscal & Other	1.37%	1.29%	1.31%	1.25%	1.43%
<b>Totals</b>		100%	100%	100%	100%	100%

Source: Minnesota Funding Reports (MFR) MN Dept. of Education

# Expenditure History



Source: Minnesota Funding Reports (MFR) MN Dept. of Education

**Goal: 85%**

# Budget Analysis District Comparison

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	STUDENT BASED	OTHER
BLOOMINGTON	84.55%	15.45%
SHAKOPEE	84.36%	15.64%
ISD 191	82.45%	17.55%
ISD 196	82.02%	17.98%
FARMINGTON	82.00%	18.00%
ECC	81.97%	18.03%
LAKEVILLE	81.97%	18.03%
EDEN PRAIRIE	81.65%	18.35%
MINNETONKA	81.38%	18.62%
HOPKINS	80.49%	19.51%
PRIOR LAKE	80.08%	19.92%
EDINA	79.67%	20.33%

**“Strong public schools are directly linked to strong property values”** (78% of community survey respondents)

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**Business  
Community/Economy**

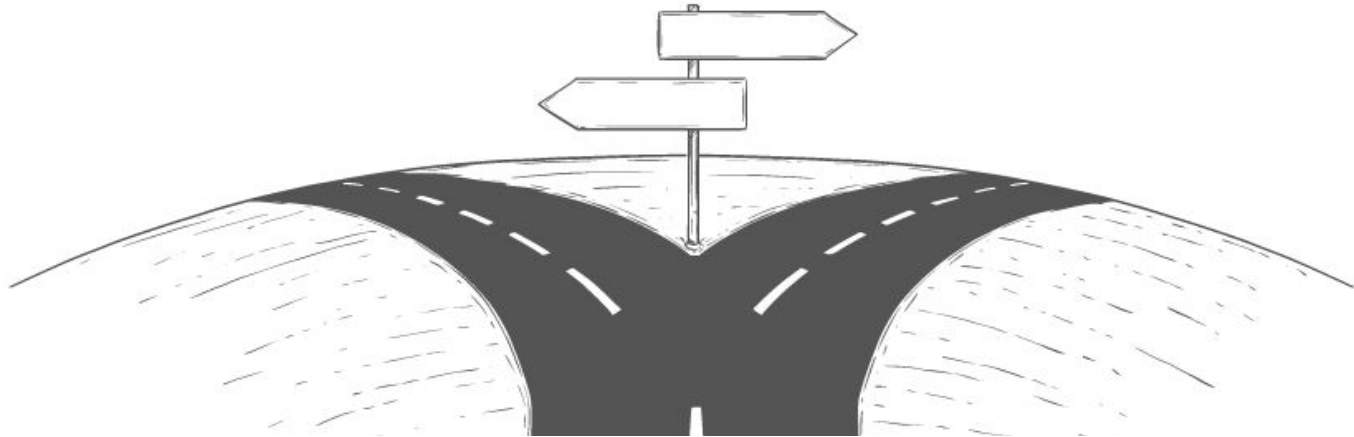


**Local  
Government**

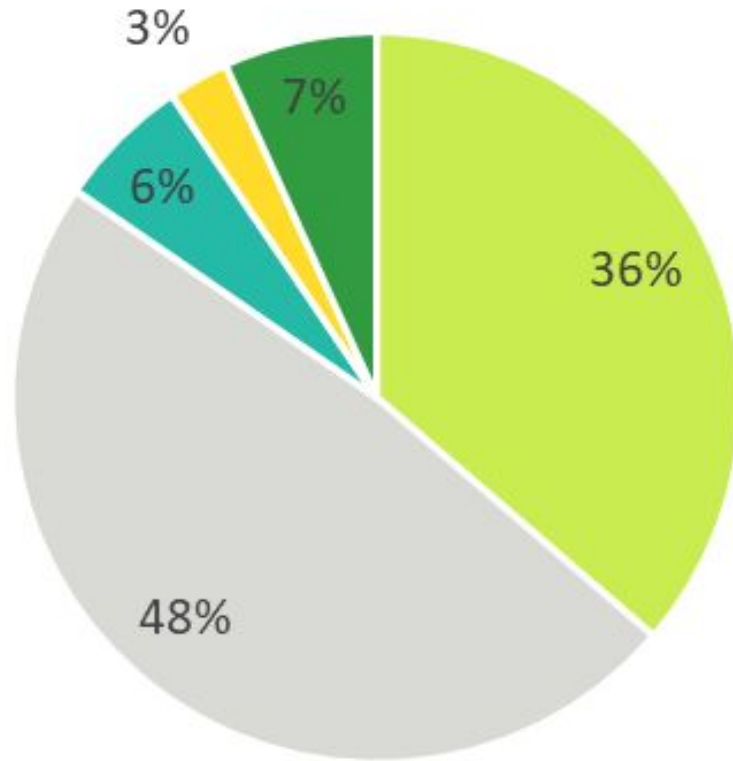
**Schools**

Past Community Forum Highlights

# Inside our Schools



# Trust in Teachers



*“I have trust and confidence in the men & women who are teaching the kids in our public schools.”*

**- 84% agree**

Strongly Agree   Agree   Disagree   Strongly Disagree   No Opinion

# Going to the Source: Teacher Perspective

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## Elementary Teacher

- **Mrs. Virginia Wold**
- **Present school:** Red Oak Elementary
- **Started in the District:** 2005



## Middle School Teacher

- **Mr. Jon Jasken**
- **Present school:** West Middle School
- **Started in the District:** 2001



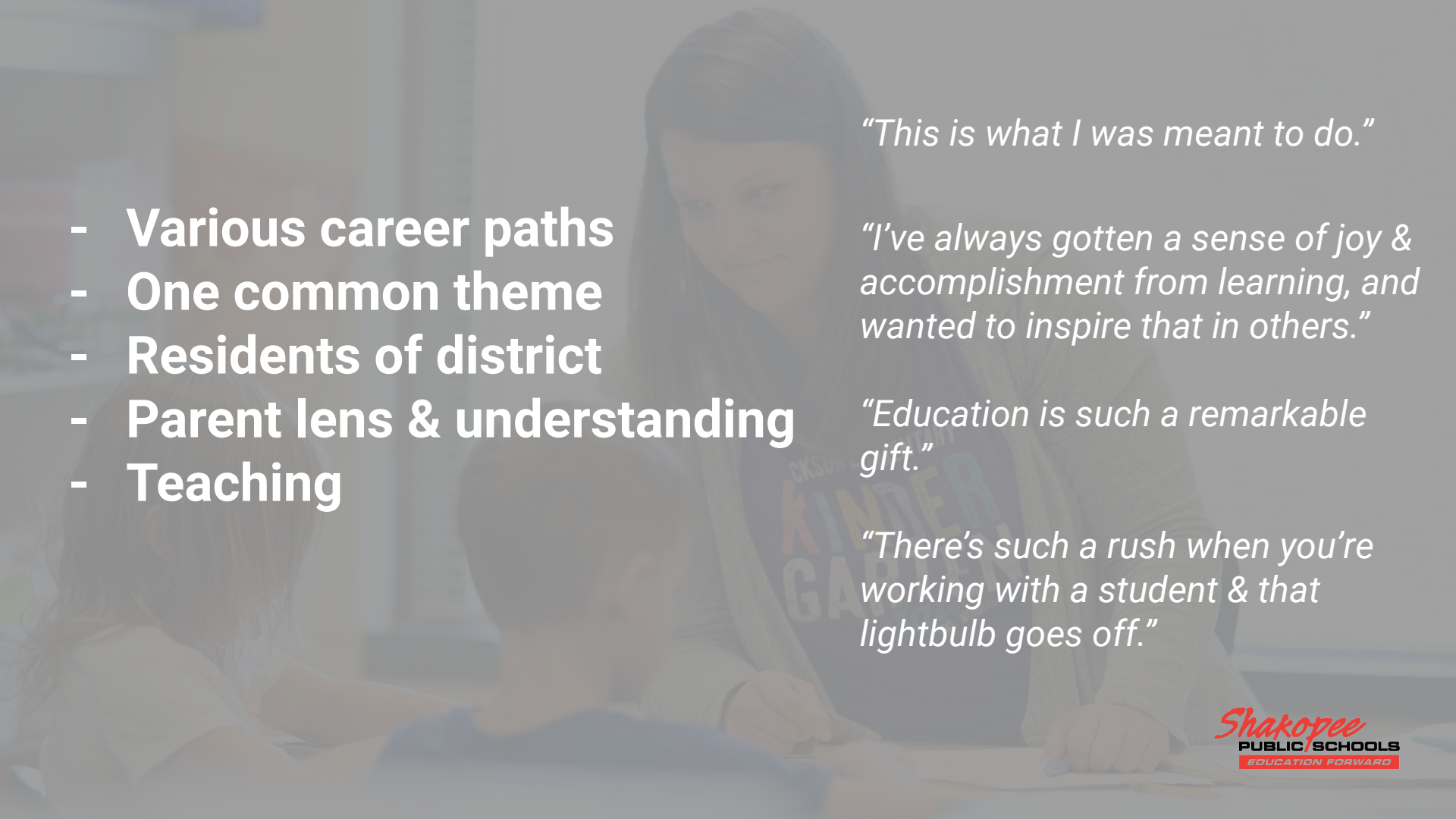
## High School Teacher

- **Mr. Wade Laughlin**
- **Present school:** Shakopee High School
- **Started in the District:** 2005



A woman, likely a teacher, is leaning over a table, looking down at two young children. She is wearing a grey cardigan over a dark blue t-shirt that has "CKSON ELEMENTARY KINDER GARTEN" printed on it. The children are sitting at the table, and the background is a blurred classroom setting. The text "What inspired you to become an educator?" is overlaid in white on the left side of the image.

# What inspired you to become an educator?

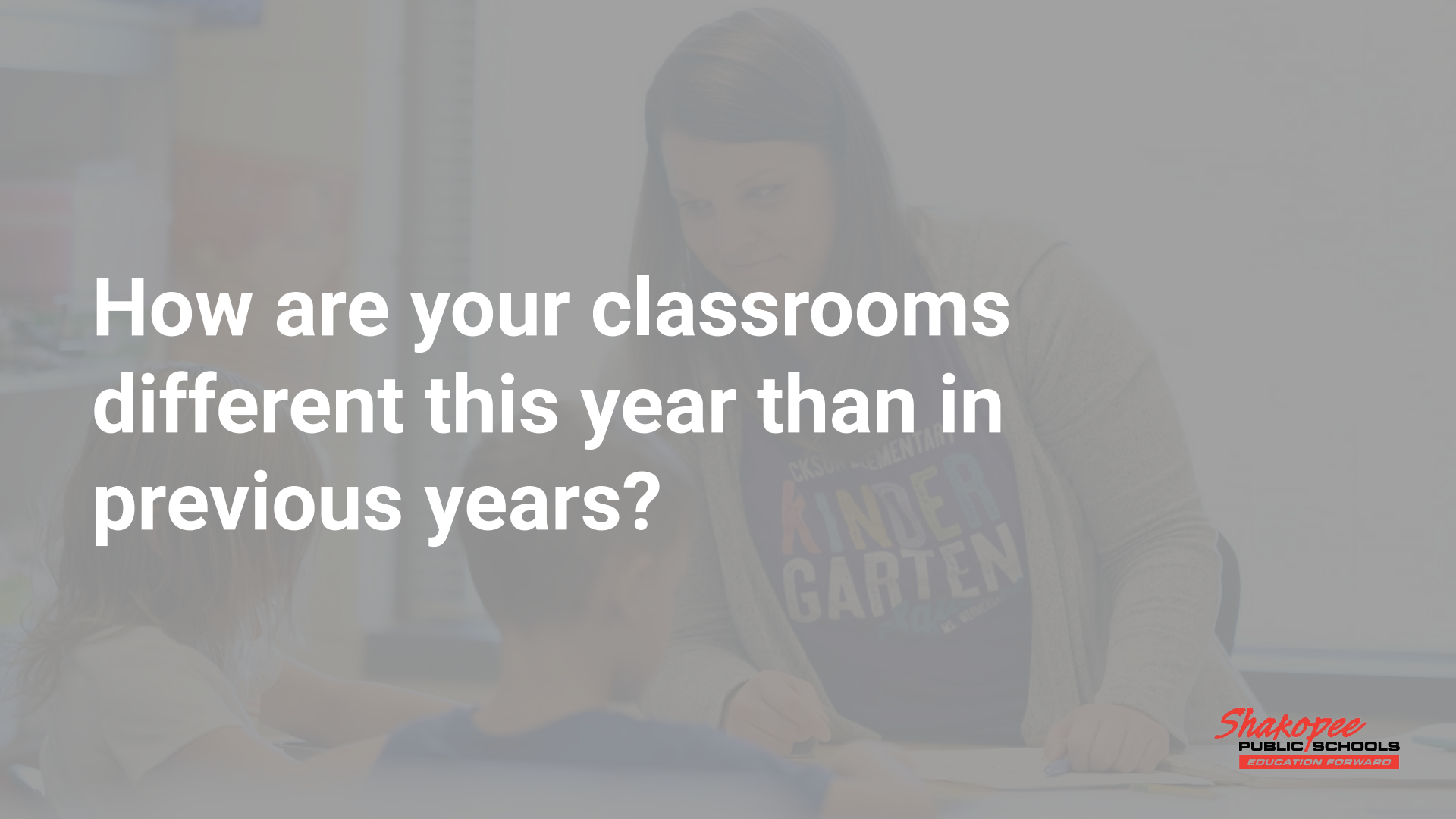
- 
- A background image showing a teacher with long dark hair sitting at a desk, looking down at a book. Two young students, a girl with long brown hair and a boy with short dark hair, are sitting in front of her, also looking at the book. The scene is dimly lit, with the focus on the teacher and students.
- **Various career paths**
  - **One common theme**
  - **Residents of district**
  - **Parent lens & understanding**
  - **Teaching**

*"This is what I was meant to do."*

*"I've always gotten a sense of joy & accomplishment from learning, and wanted to inspire that in others."*

*"Education is such a remarkable gift."*

*"There's such a rush when you're working with a student & that lightbulb goes off."*



**How are your classrooms  
different this year than in  
previous years?**

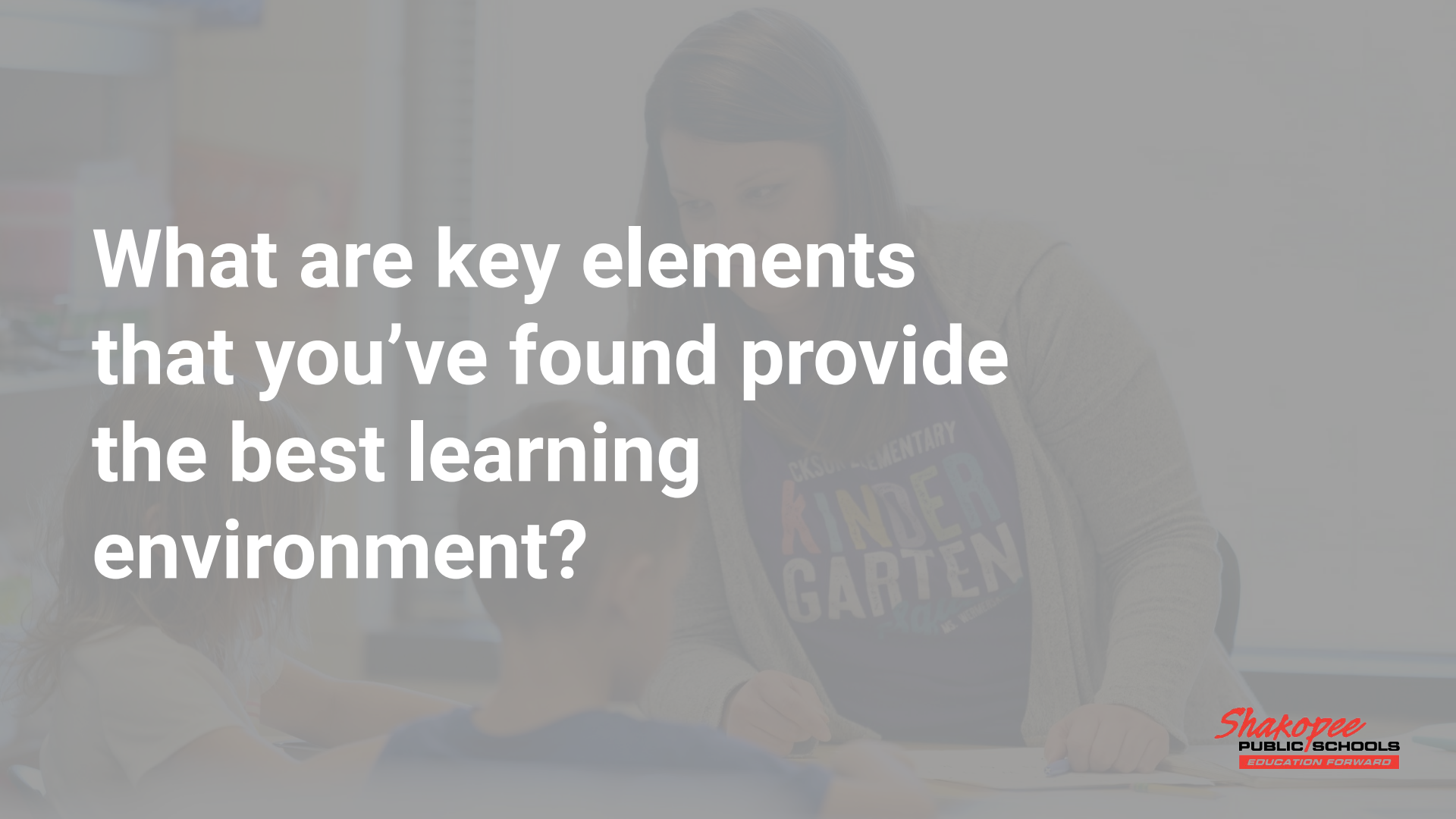
*“One of my larger classes has 38 students (math)...whether it be physical space or figuring out how to get (connect) with these students, it becomes a challenge. We get creative, we problem solve, and try to figure out ways to give our students the quality education they deserve.”*

*“All high potential teachers at elementary were cut to half time, and I am one of those teachers. This cuts the amount of students we are able to serve and impact. ....We are doing everything to maximize our services... these students have a gift, which creates a need, and they deserve service to meet them at their level.”*

*"It's more difficult for them (11th graders) to participate in class due to 38+ students. There's a chilling effect."*

*"I teach a College in the Schools (CIS) writing class that allows students to get four U of M credits during high school before they graduate. They do not have the opportunity to do that this year."*

*"I'm experiencing these changes in the classroom, but also as a parent at my house (children attend SPS)."*



What are key elements  
that you've found provide  
the best learning  
environment?

A background image showing a teacher with long dark hair, wearing a grey cardigan over a blue t-shirt, sitting at a desk. She is looking down at a book or paper. Two young students are sitting in front of her, also looking at the book. The scene is dimly lit, with the text overlaid in white.

*“Building that rapport (with students) is so critical, and that relationship.”*

*“Knowing what’s happening in a student’s life.”*

*“Big lectures and presentations don’t directly inspire all students, it’s really sitting down with them, 1:1...”*

# Other Impacts

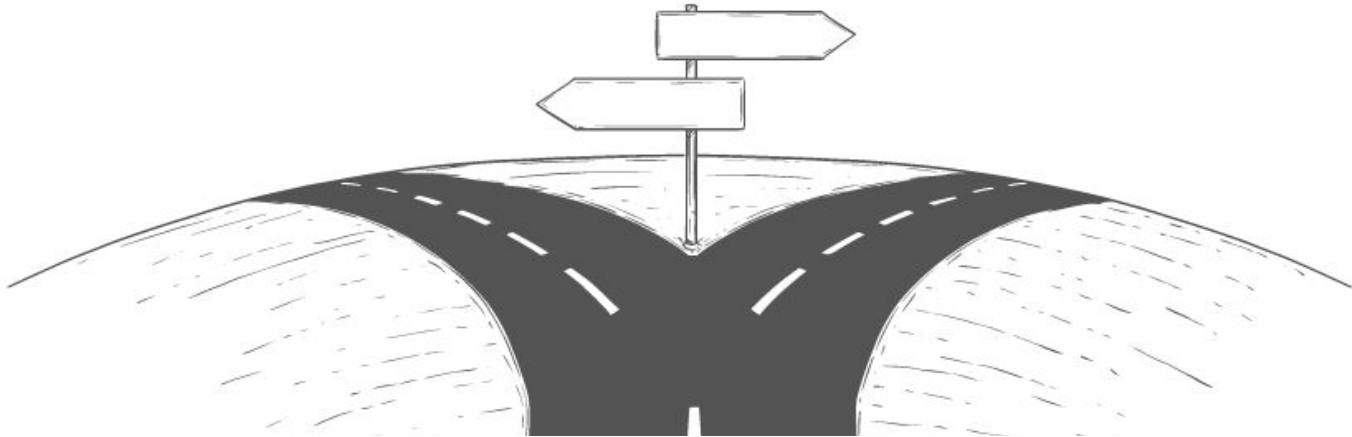
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- ACT testing
- Class sizes
- Transportation awareness
- SHS classes offered
- Frequency of classes & programs
- Activities & athletics



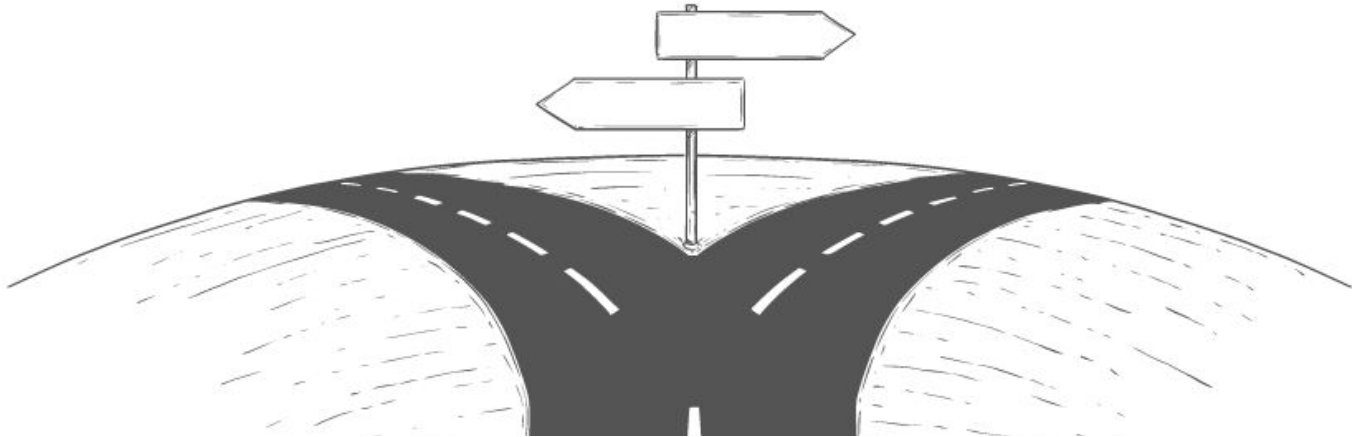
Past Community Forum Highlights

# Understanding the Ballot Questions & Impact



Levy Path

# Voters Approve an Operating Levy



# Levy Path: Voters Approve an Operating Levy Question #1

## YES or NO

Shall the increase in the revenue proposed by the Board be approved?

**\$866 per pupil** generates \$7,537,951 in annual operating revenue

### SCHOOL DISTRICT QUESTION ONE

#### APPROVAL OF SCHOOL DISTRICT REFERENDUM REVENUE AUTHORIZATION

The Board of Independent School District No. 720, Shakopee, has proposed to increase its referendum revenue authorization by \$866.00 per pupil. The amount shall increase annually by the rate of inflation. The proposed referendum revenue authorization would be effective beginning with taxes payable in 2022 and would be applicable for ten (10) years unless otherwise revoked or reduced as provided by law.

Shall the increase in the revenue proposed by the Board of Independent School District No. 720 be approved?

☐ YES ☐ NO

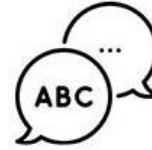
BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE  
VOTING FOR A PROPERTY TAX INCREASE.

# Levy Path:

## Question #1 Detail

- Eliminates projected structural budget deficits (FY24, FY25, and FY26)
- [Restoration of some of the budget cuts](#)
  - Classroom teachers
  - Counselors
  - Services closest to student learning

*NOTE: \$1,949,150 of the \$5.4 million in cuts remain permanent budget cuts*



Restore over 43 Teachers,  
2 Counselors and  
2 Paraprofessionals



Restore class size  
targets to same as  
2020-21 school year



Eliminate projected  
structural budget  
deficits



Restore 5th Grade band, College  
in the Schools/Concurrent  
Enrollment Courses and ACT  
student fee payments

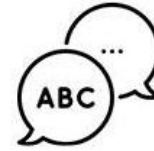
# Levy Path:

## Question #1 Detail

Restoration of some of the \$5.4 million in budget cuts:

- Restore class size targets (same as 20-21 school year) **\$2,533,100 in teacher FTE**
  - 5th grade band-- **1.25 FTE \$91,250**
  - 2.0 FTE EL teachers **\$146,000**
  - 2.5 FTE High Potential Teachers **\$182,500**
  - High School: 2.0 FTE Counselors **\$146,000**
  - Middle Schools: 2.0 FTE Intervention Paraprofessionals **\$66,000**
  - West: Security/Greeter position **\$20,000**
  - Elementary Schools: 3.0 FTE Intervention Teachers **\$201,000**
  - ACT student fee payments **\$25,000**
  - College in the Schools/Concurrent Enrollment Courses **\$40,000**
- TOTAL \$3,450,850**

NOTE: \$1,949,150 of the \$5.4 million in cuts remain permanent budget cuts



Restore over 43 Teachers,  
2 Counselors and  
2 Paraprofessionals



Restore class size  
targets to same as  
2020-21 school year



Eliminate projected  
structural budget  
deficits



Restore 5th Grade band, College  
in the Schools/Concurrent  
Enrollment Courses and ACT  
student fee payments

**Generates...**

**\$409**

of taxes  
on a home

**\$866**

of funding  
per student



On Average Priced Shakopee  
home of \$317,000



# Levy Path: Voters Approve an Operating Levy - Question #2

## YES or NO

Shall the increase in the revenue proposed by the Board be approved?

**\$400 per pupil** generates \$3,481,655 in annual operating revenue

### SCHOOL DISTRICT QUESTION TWO

#### APPROVAL OF ADDITIONAL SCHOOL DISTRICT REFERENDUM REVENUE AUTHORIZATION

The Board of Independent School District No. 720, Shakopee, has proposed to increase its referendum revenue authorization by an additional \$400.00 per pupil. The amount shall increase annually by the rate of inflation. The proposed referendum revenue authorization would be effective beginning with taxes payable in 2022 and would be applicable for ten (10) years unless otherwise revoked or reduced as provided by law.

Provided that Ballot Question No. 1 is approved, shall the increase in the revenue proposed by the Board of Independent School District No. 720 be approved?

☐ YES ☐ NO

BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.

# Levy Path:

## Question #2 Detail

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Improve compensation of teachers and support staff moving towards mid-range of comparable districts

- **ESTIMATED COST:** At least 60% of Question 2 revenue (Minimum = \$2,088,993)

Make additional improvements to class size targets to reach metro average (ECSU)

- **ESTIMATED COST:** \$540,000

Increased fine arts and activities offerings

- **ESTIMATED COST:** \$200,000

Shorten walking distances for grades 9-12 to 1.5 miles

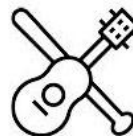
- **ESTIMATED COST:** \$360,000



Make additional improvements to class size targets



Shorten walking distances for grades 9 – 12 to 1.5 miles



Increase fine arts and activities offerings



Improve compensation of teachers and support staff moving towards mid-range of comparable districts

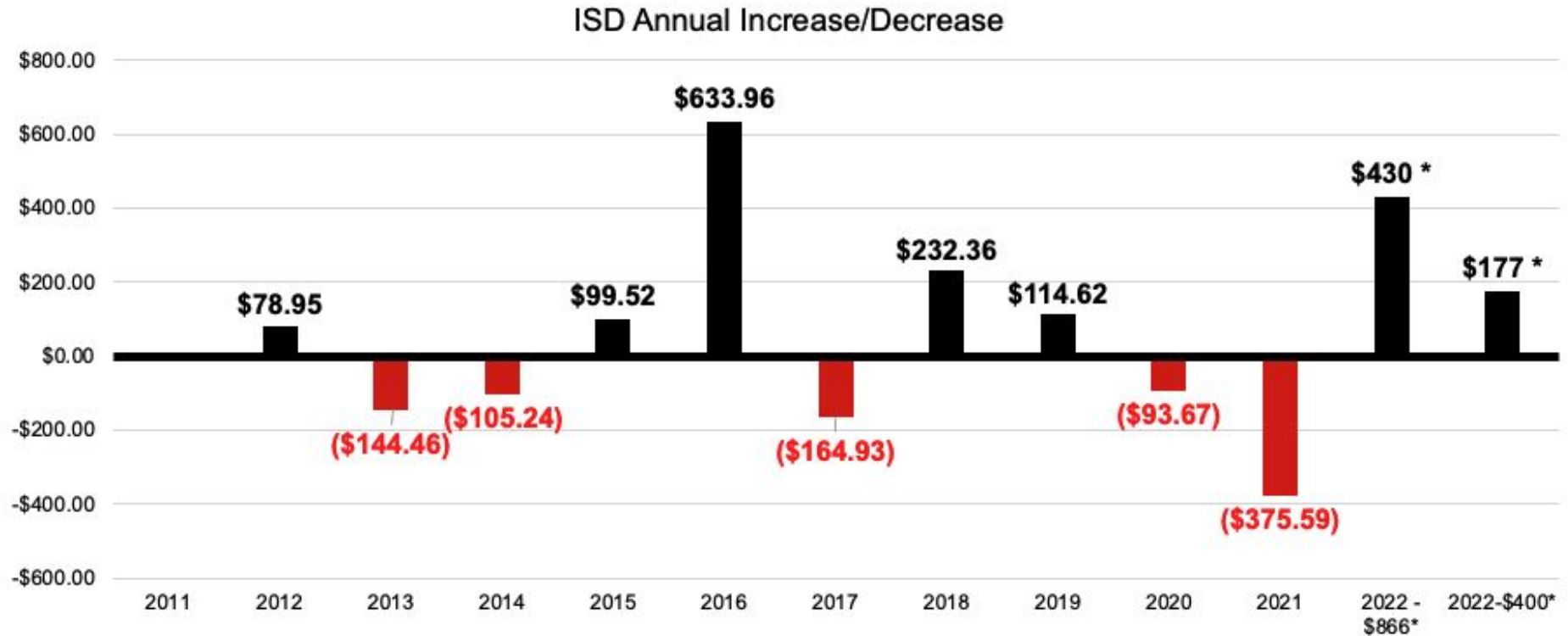
## Levy Path: Question #2 Detail

Question #1 **must pass** for  
Question #2 to pass

Question #1 **can pass**  
**independently** of Question #2

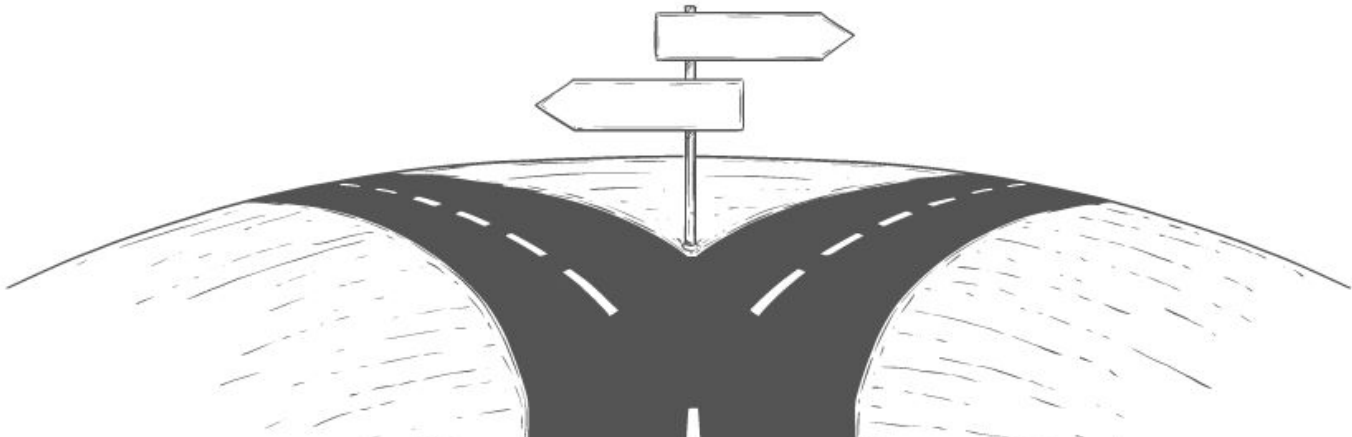


# Personal Tax History



# Taxes

How is the levy funded?  
How are taxes determined for different types of property?



Budget Cut Path:

# Voters Fail to Approve an Operating Levy



# Budget Cuts Path

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- X \$5,082,419 in budget cuts prior to the 2023-24 school year
- X Additional class size target increases
  - X Further teacher cuts
    - 60% of cuts = 40.65 Full Time Employees in 2023-24***
- X A 'double share' of budget cuts for athletics & activities
- X Restructuring & elimination of programs
- X Alterations of school schedules
- X Proportional cuts across the entire district
- X Longer student walking distances at elementary and middle schools (*high school is already at maximum allowed*)

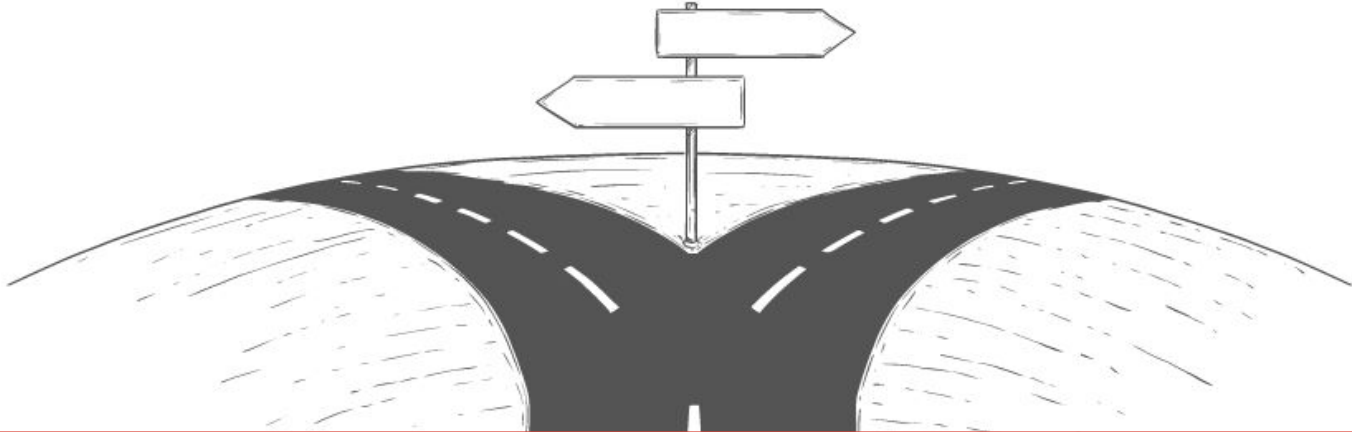
# Which Path Forward?

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**Voter approved  
operating levy**

**-OR-**

**More budget  
cuts**



# Key Dates

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- Absentee/Early Voting through 5pm November 1st at the District Office
- Mail-in ballots accepted until 8pm on November 2nd.
- **November 2: Special Election Day**
  - West Middle School
  - 7am - 8pm
  - Main entrance off 10th & Spencer
- November 3: Unofficial Results of Election Shared

Shakopee Public Schools 2021 Operating Levy  
**VOTE EARLY • NOW – NOV. 1**

Monday - Friday

**8 AM**  
to  
**4 PM**

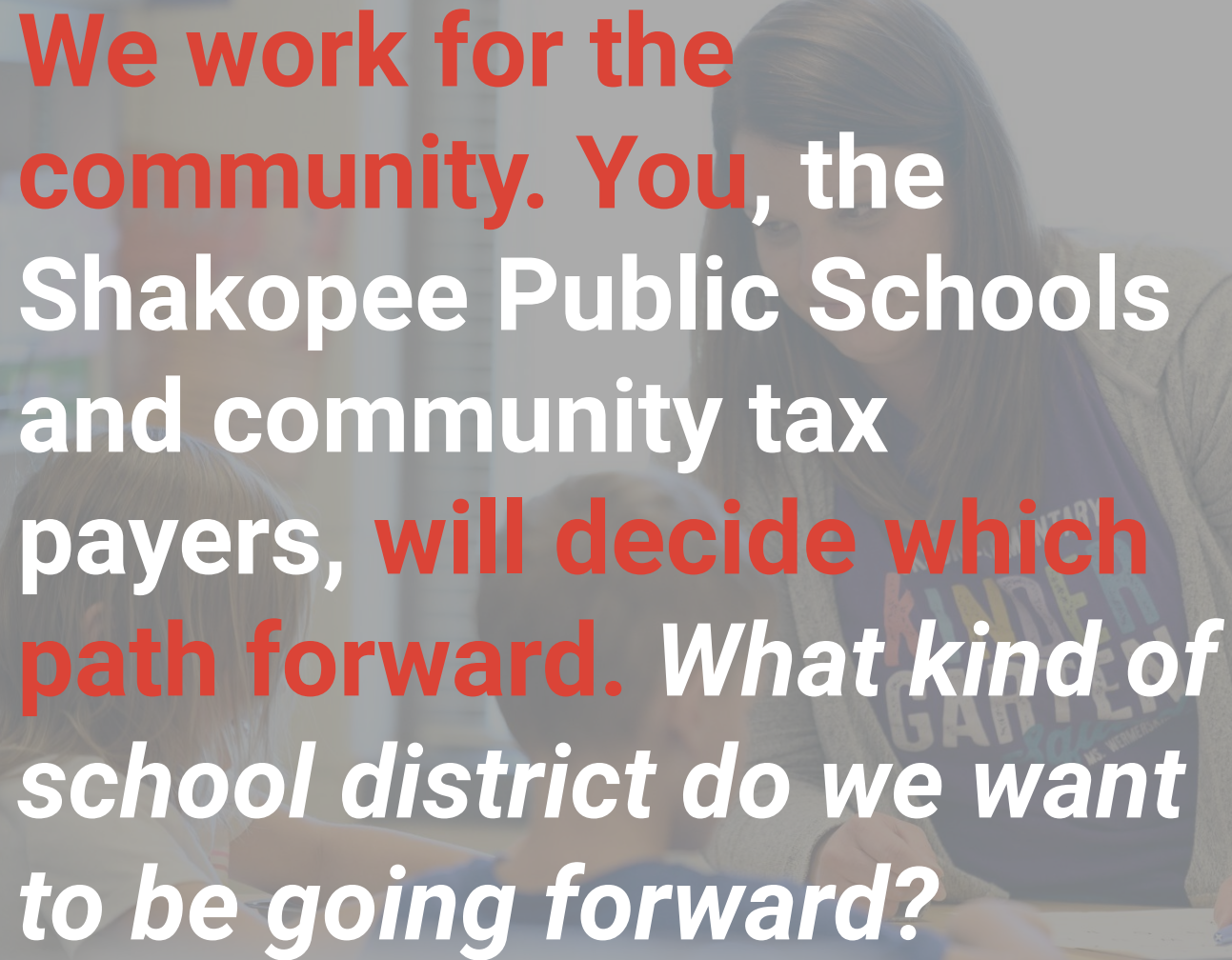
District Office  
or by mail

Saturdays

**9 AM**  
to  
**3 PM**

October 16 & 30

[ShakopeeLevy2021.org](https://ShakopeeLevy2021.org)

A woman with long brown hair, wearing a grey cardigan over a blue t-shirt, is leaning over a desk. She is looking down at a child who is writing on a piece of paper. Another child is visible in the foreground, also writing. The background is a classroom with bookshelves.

**We work for the  
community. You, the  
Shakopee Public Schools  
and community tax  
payers, will decide which  
path forward. What kind of  
school district do we want  
to be going forward?**

# Community Member Questions

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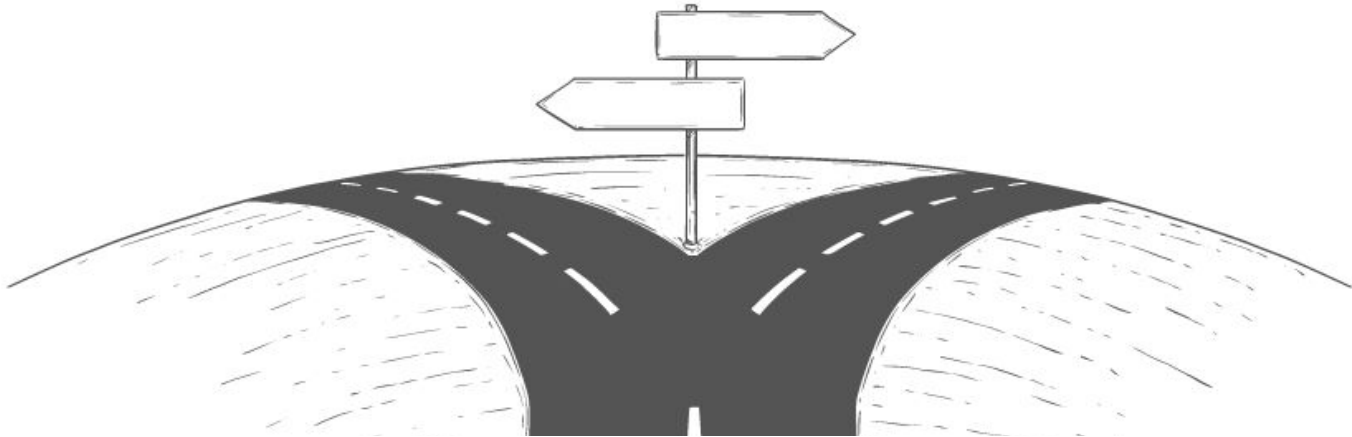
- Written questions may be submitted by members of the audience
- Questions regarding today's topic, the 2021 operating levy and special election, will receive priority in terms of being answered during this Forum





Past Community Forum Highlights

# Paths Not Available



# FAQ: Paths that are NOT Available

## Land Sales

- Cannot sell land or buildings and use the money to pay for operating expenses
  - Against the law.
  - When you sell land or buildings you can only use the proceeds to make additional capital purchases, things like land and buildings.



# FAQ: Paths that are not available

## Use of COVID-19 Relief Funds

- Can only be used on specific expenses
- ‘One-time revenue’
  - It helps ‘one time’, the ongoing structural deficit may be diminished for a brief period of time but it doesn’t go away.



# FAQ: Paths that are not available

## Deferred Maintenance & Facilities Improvements

- Dedicated funds that can only be used for deferred maintenance and facilities improvements.
- Cannot be used for operating costs.



# FAQ: State Funding

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At the conclusion of each legislative session, there are many messages shared about what has transpired. The goal of the next two slides is to share specifics of current state funding for public schools.'

- **This year's funding ended up better than many expected.**
- One message being shared is that public schools will be receiving the largest amount of State funding ever for the 2021-22 school year. This message is true.
  - Technically, the per pupil formula and state funding for this school year would have been the largest ever had it gone up by any amount.
- **Total Operating Revenue in our district increased by 2.1% for the 2021-22 school year.**

School Year	Per Pupil Formula Allowance
2021-22	<b>\$6,728.00</b>
2020-21	\$6,567.00
2019-20	\$6,438.00
2018-19	\$6,312.00
2017-18	\$6,188.00
2016-17	\$6,067.00

# FAQ: State Funding

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- Federal Reserve: Inflation in 2021 at 3.4%
  - (U.S. News and World Report- June 16, 2021)
- Special Education expenses in recent years have been greater than the rate of inflation. This trend is likely to continue.
- If an employee's salary and benefits increase by a lower percentage than the rate of inflation, their 'buying power' is decreased.
- Prices for many resources purchased by a school district are increasing more than 2.1% per year.