

Our Community. Our Schools.

Which Path Forward?



Community Forum Reminders

- 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

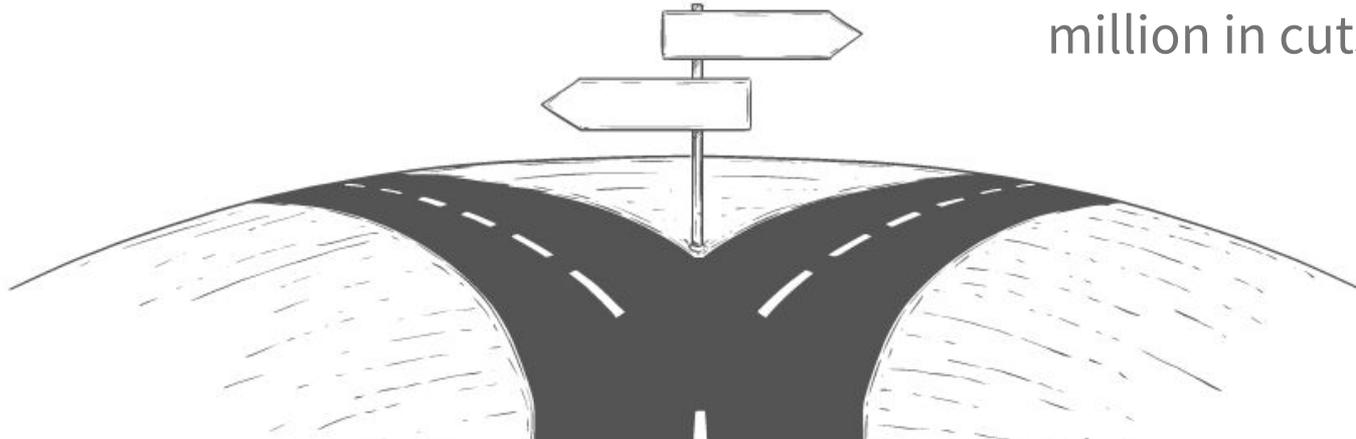
**Increase ongoing
annual operating revenue**

Only viable option to do this is
an operating levy

**Make large budget cuts every
few years**

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

-OR-



Current Situation: Financial Projections

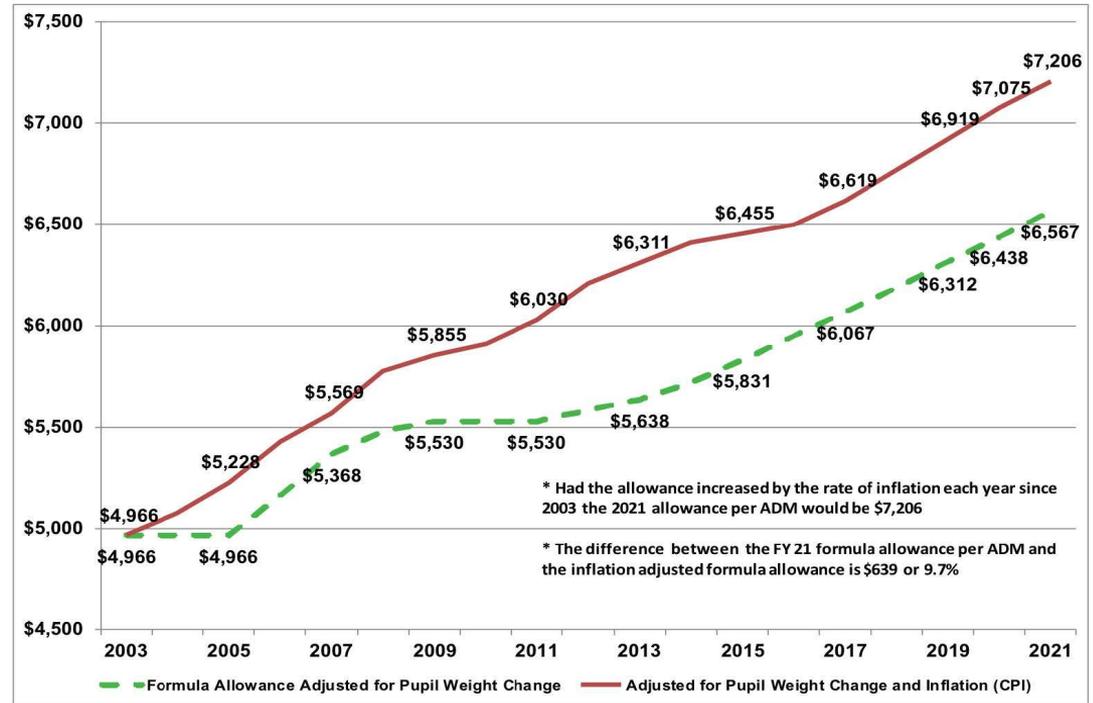
	2021-22 PROJECTED	2022-23 PROJECTED	2023-24 PROJECTED	2024-25 PROJECTED	2025-26 PROJECTED
E-12 LEGISLATIVE BUDGET AGREEMENT & NO RESTORATION					
STATE AID ASSUMPTION	2.45%	2.00%	1.25%	1.25%	1.25%
GENERAL FUND REVENUES	100,001,312	102,329,510	100,558,039	101,424,894	102,200,350
GENERAL FUND EXPENDITURES	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

General Education Formula Allowance, 2003-2021
Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE August 2019 Inflation Estimates



Association of Metropolitan School Districts



How did we get here?

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

\$9.5M

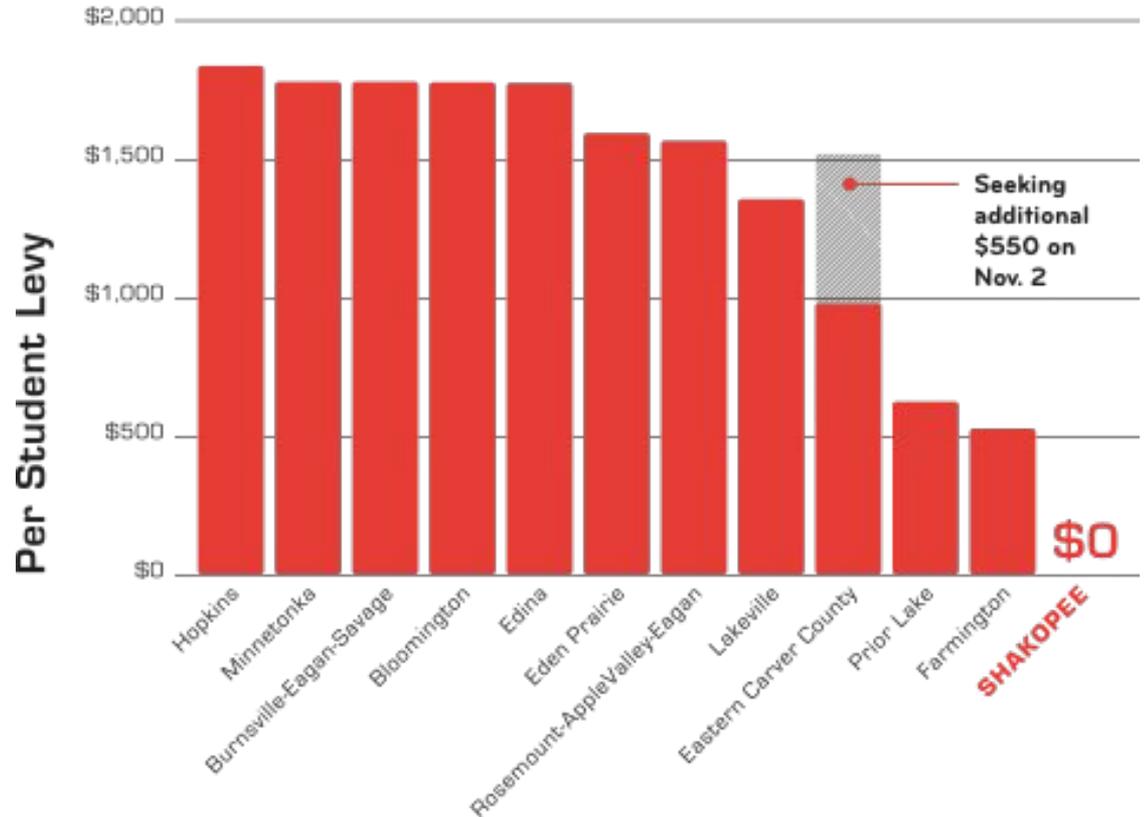
*Shifted from general
fund each year*

How did we get here?

Lack of voter approved operating levy

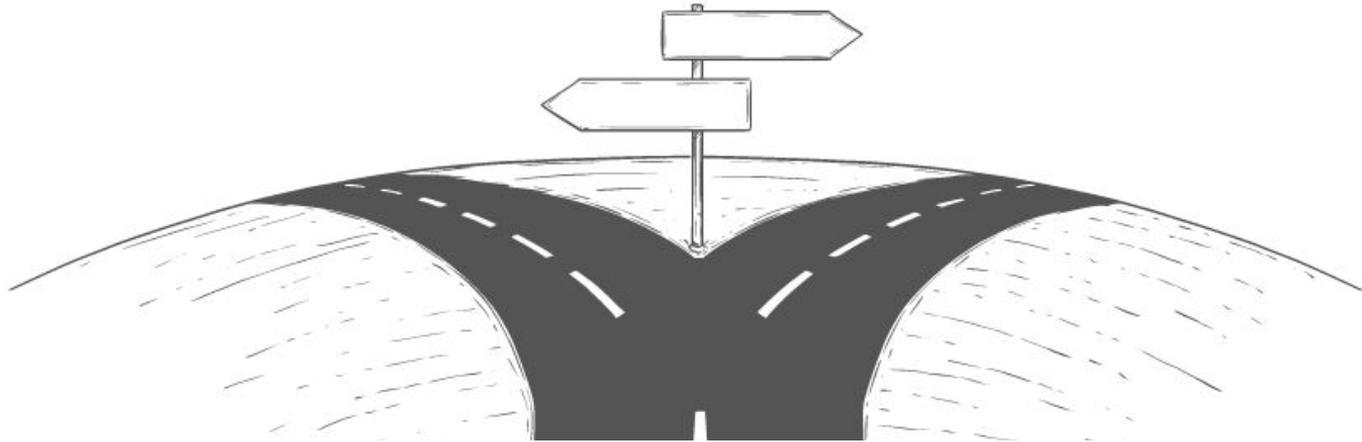
- Shakopee is the only metro school district without a voter approved operating levy
- Metro average = \$1,267 per pupil, per year
- If Shakopee had metro average operating Levy = **\$11.03M revenue per year**

VOTER APPROVED OPERATING LEVY (2020-21)



Past Community Forum Highlights

Exploring School Finances



Changes in District Leadership

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



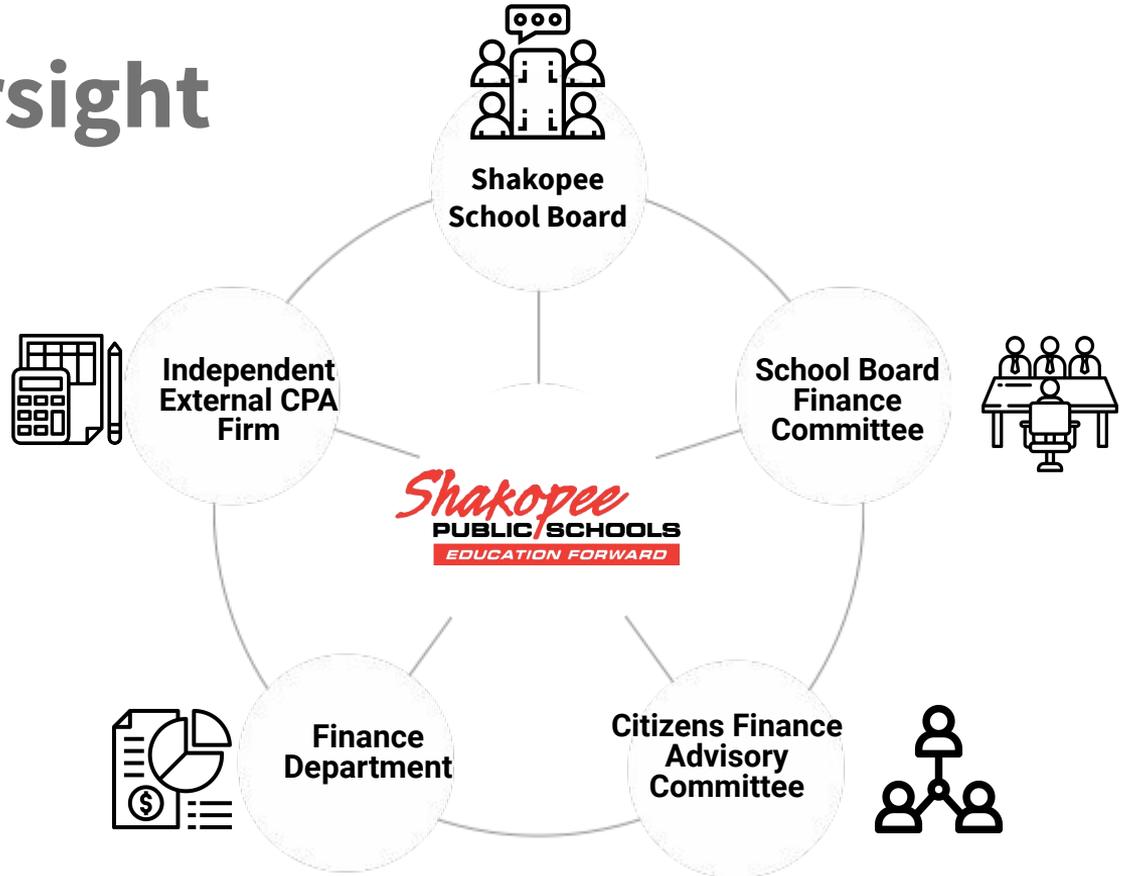
Ed Zeimet

**Food &
Nutrition**



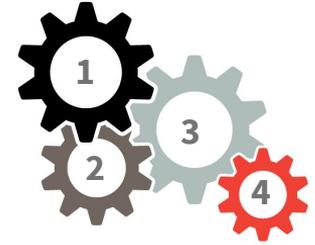
Deb Ross-Coen

Financial Oversight in Shakopee



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

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

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

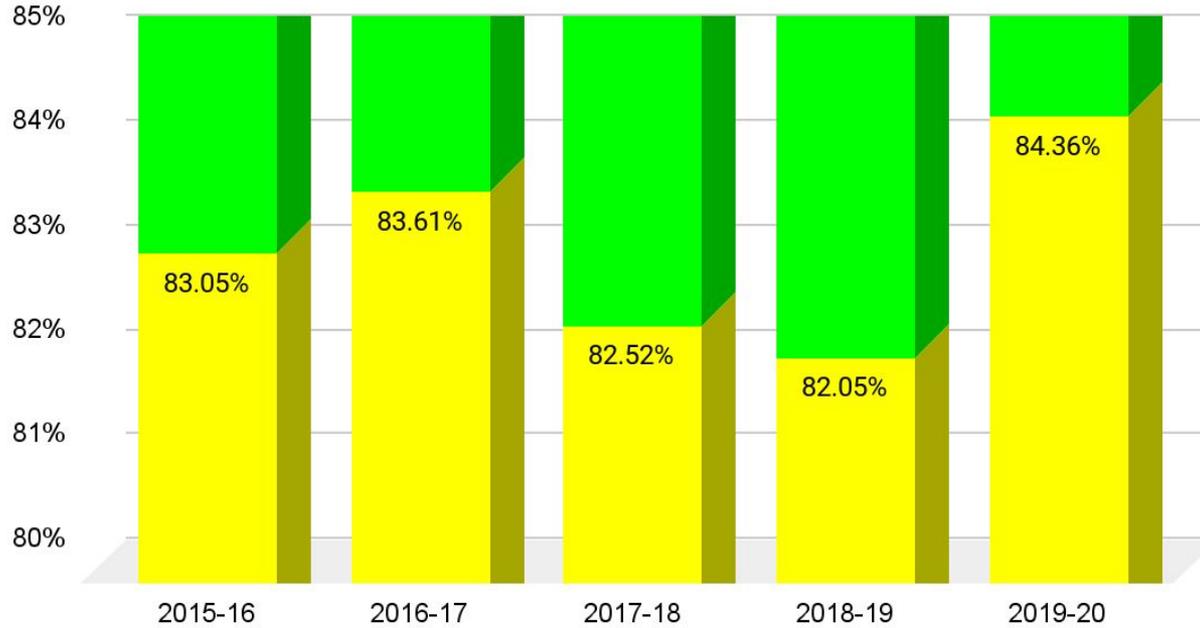
		ISD 720 2015-16	ISD 720 2016-17	ISD 720 2017-18	ISD 720 2018-19	ISD 720 2019-20
	Student Based	83.05%	83.61%	82.52%	82.05%	84.36%
	Other	16.95%	16.36%	17.68%	17.95%	15.64%
000-199	Administration & District Support Services	8.90%	8.41%	8.18%	7.68%	8.09%
200-299	Regular Instruction	46.14%	44.51%	44.42%	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%
Totals		100%	100%	100%	100%	100%

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

Expenditure History

Student Based

Other



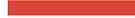
Source: Minnesota Funding Reports (MFR) MN Dept. of Education

Goal: 85%

Budget Analysis District Comparison

	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)



**Business
Community/Economy**

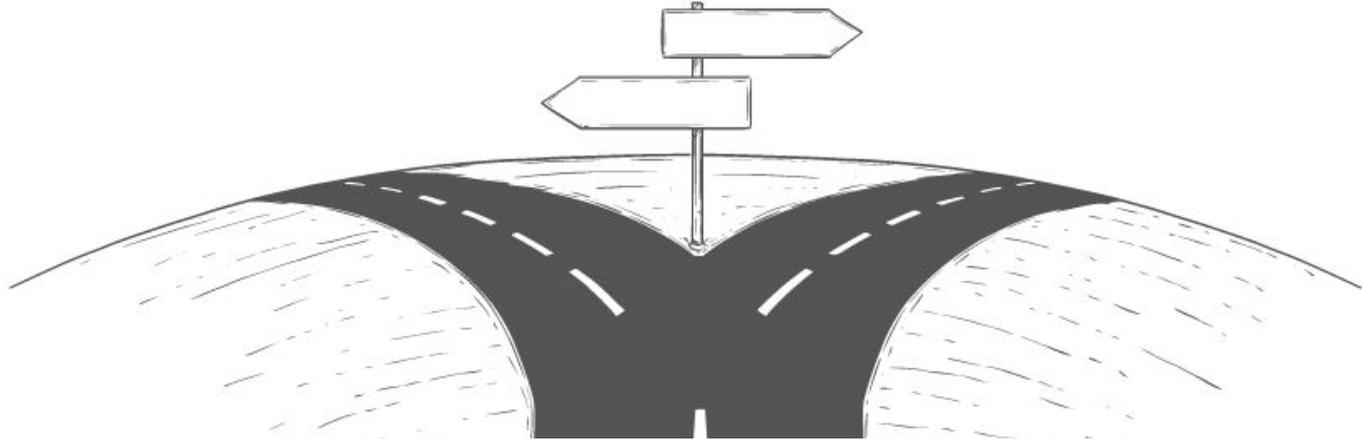
**Local
Government**



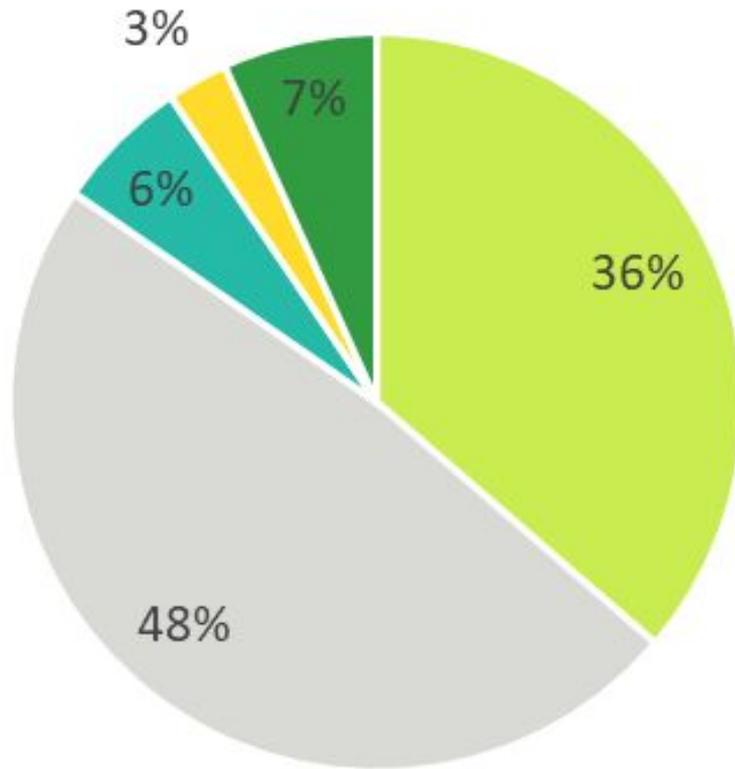
Schools

Past Community Forum Highlights

Inside our Schools



Trust in Teachers



Strongly Agree Agree Disagree Strongly Disagree No Opinion

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

- 84% agree

Going to the Source: Teacher Perspective



Elementary Teacher

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



Middle School Teacher

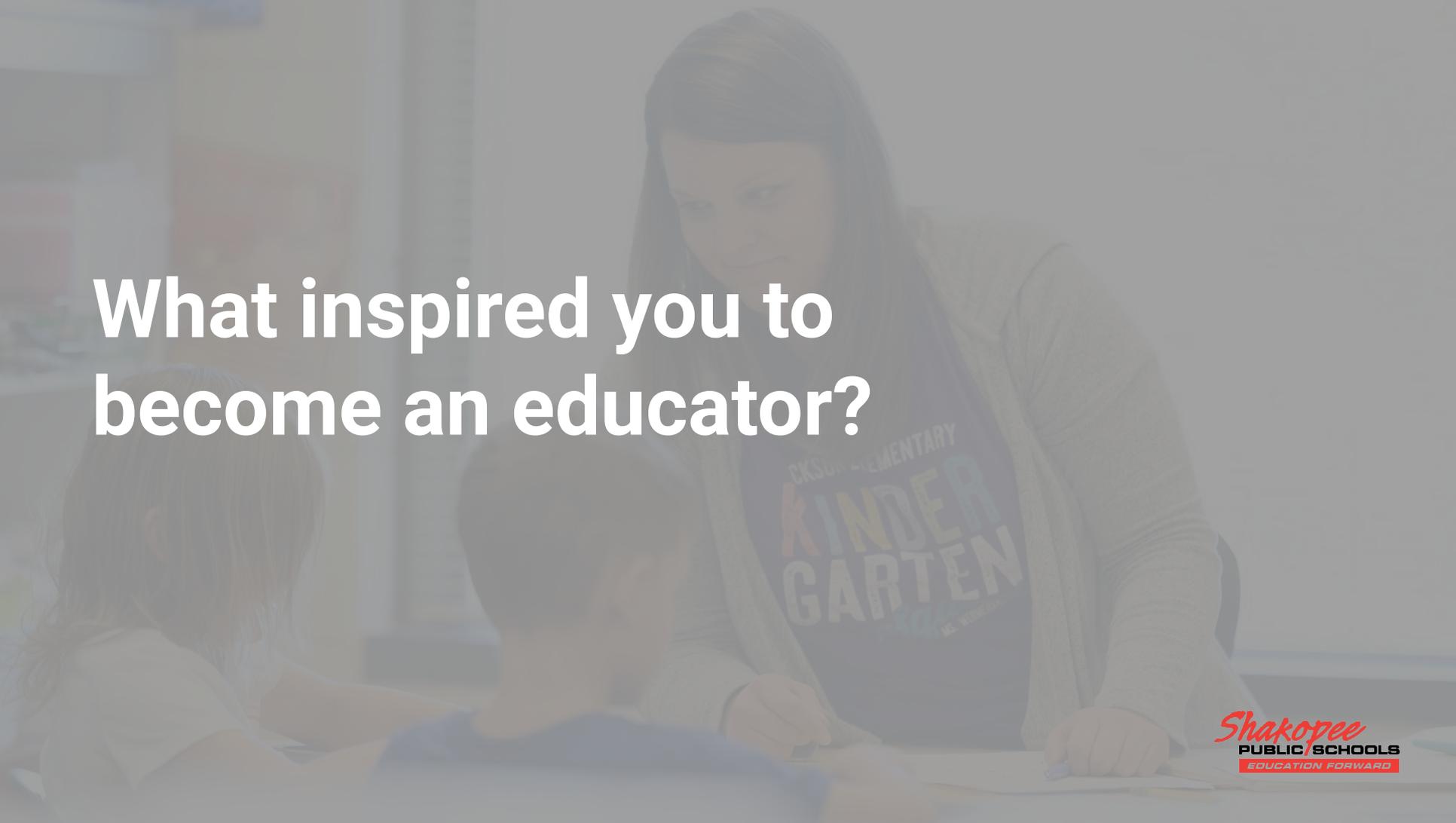
- **Mr. Jon Jasken**
- Present school: West Middle School
- Started in the District: 2001



High School Teacher

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



A teacher with long dark hair, wearing a grey cardigan over a dark t-shirt, is sitting at a table with two young children. The teacher is looking down at a book or paper on the table. The children are also looking at the book. The background is a classroom setting with bookshelves. 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?**

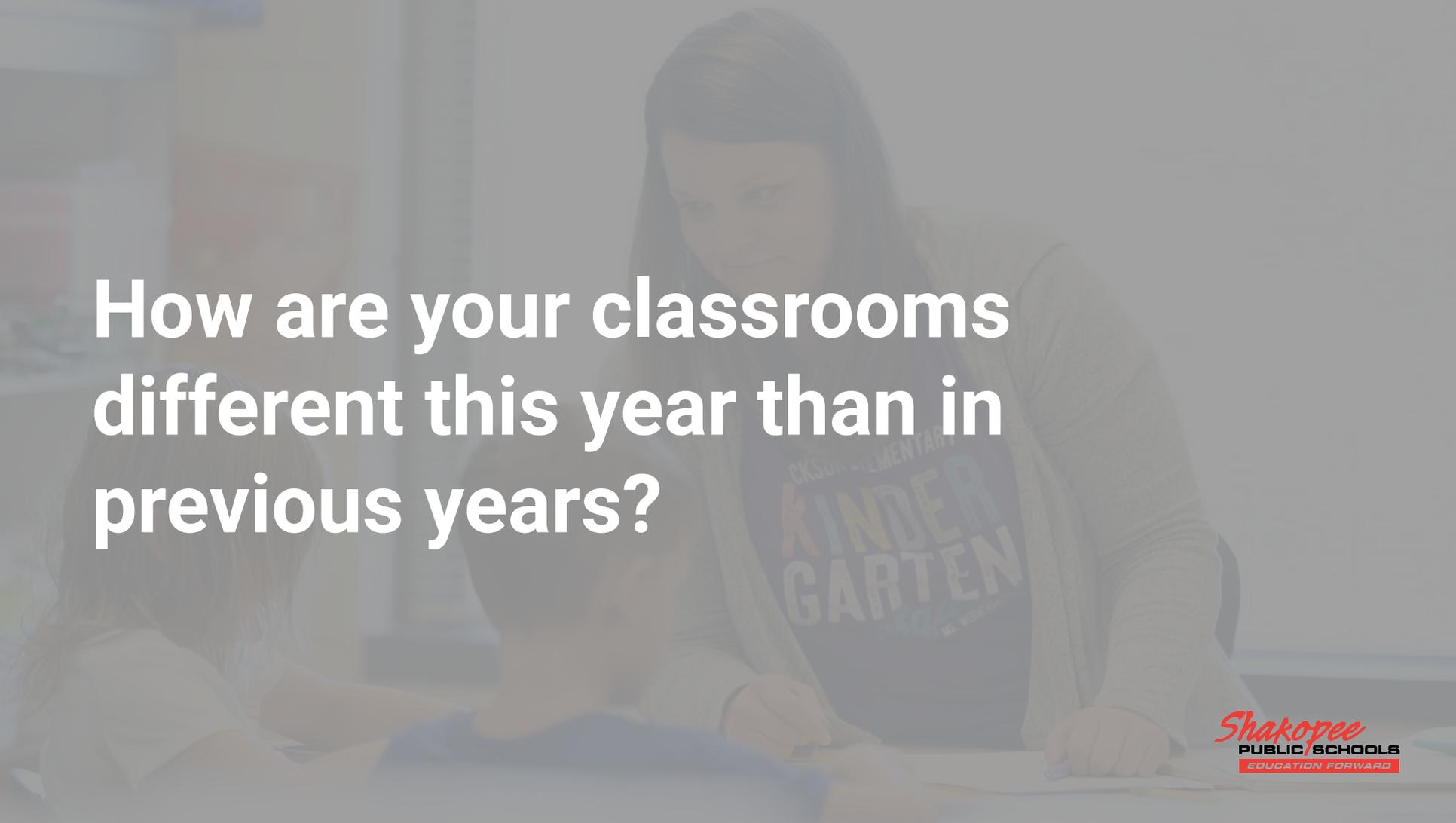
- **Various career paths**
- **One common theme**
- **Residents of district**
- **Parent lens & understanding**
- **Teaching**

"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?**

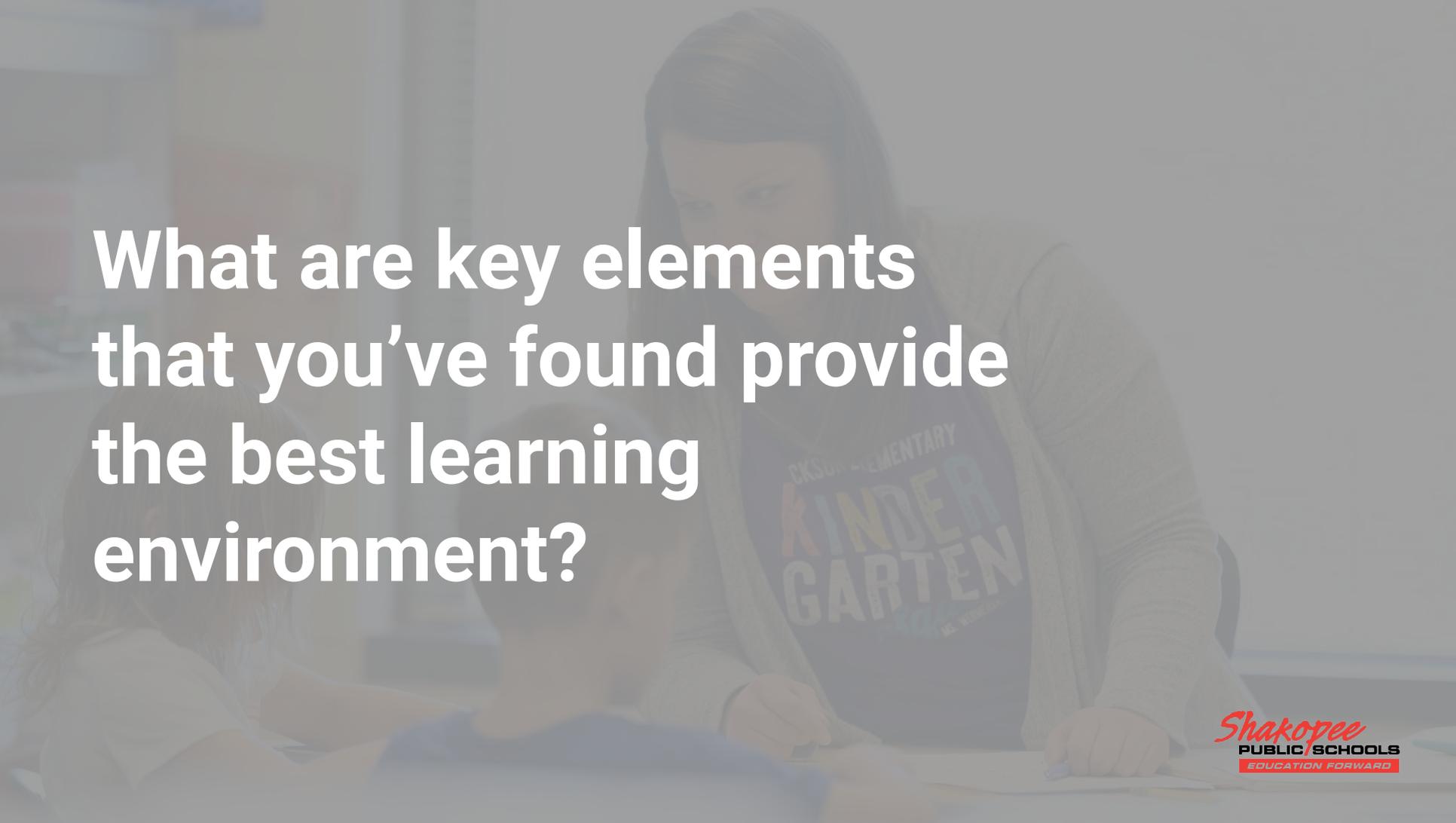
“One of my larger classes has 38 students (math)...whether it be physical space or figuring out how to get (connect) with these students, it becomes a challenge. We get creative, we problem solve, and try to figure out ways to give our students the quality education they deserve.”

“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.”

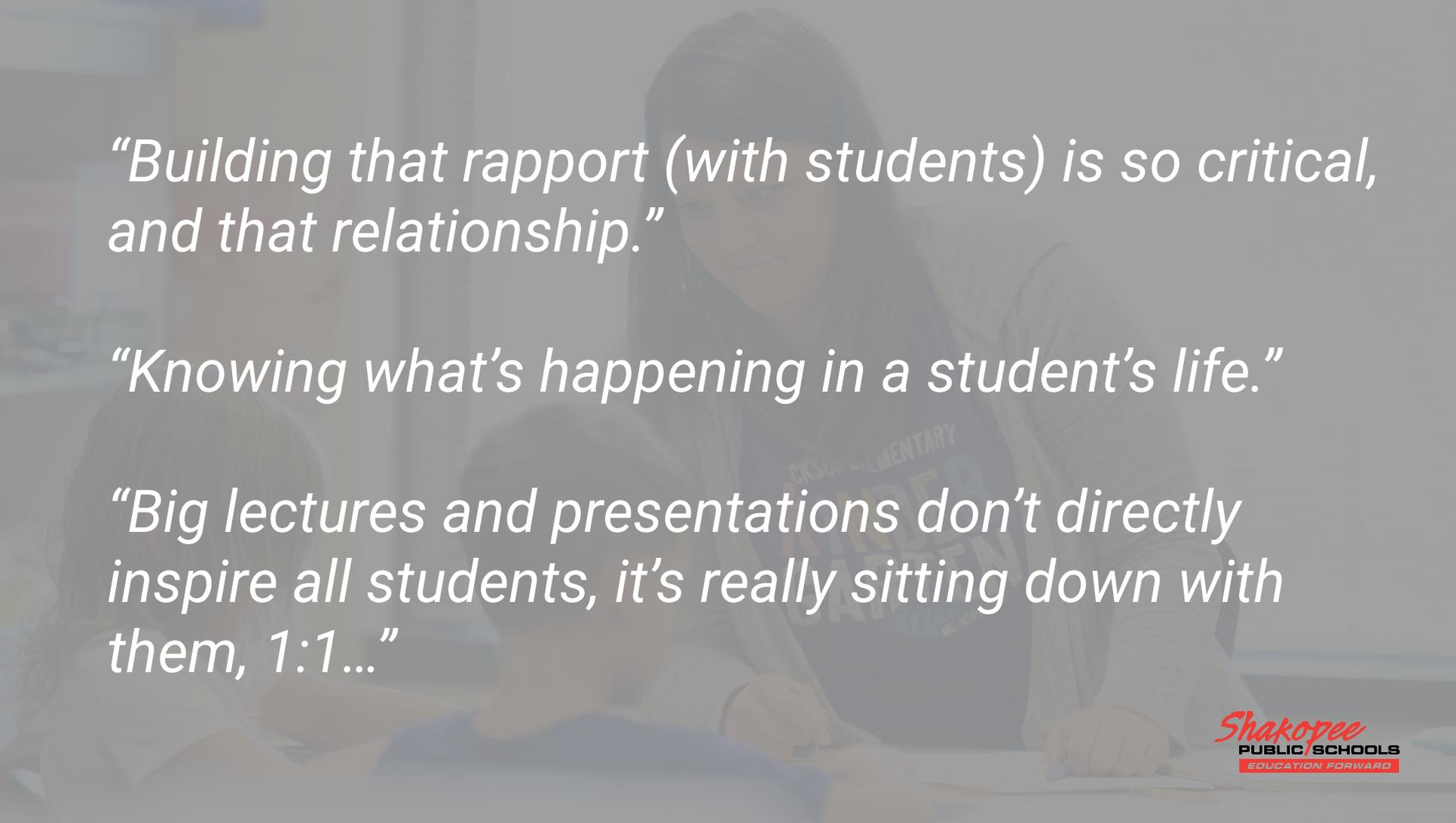
“It’s more difficult for them (11th graders) to participate in class due to 38+ students. There’s a chilling effect.”

“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 teacher with long dark hair is sitting at a desk, looking down at a book. She is wearing a grey cardigan over a dark t-shirt that has "CKSON - ELEMENTARY" and "KINDERGARTEN" printed on it. In front of her, the backs of two students' heads are visible as they sit at the desk. The background is a blurred classroom setting.

“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...”

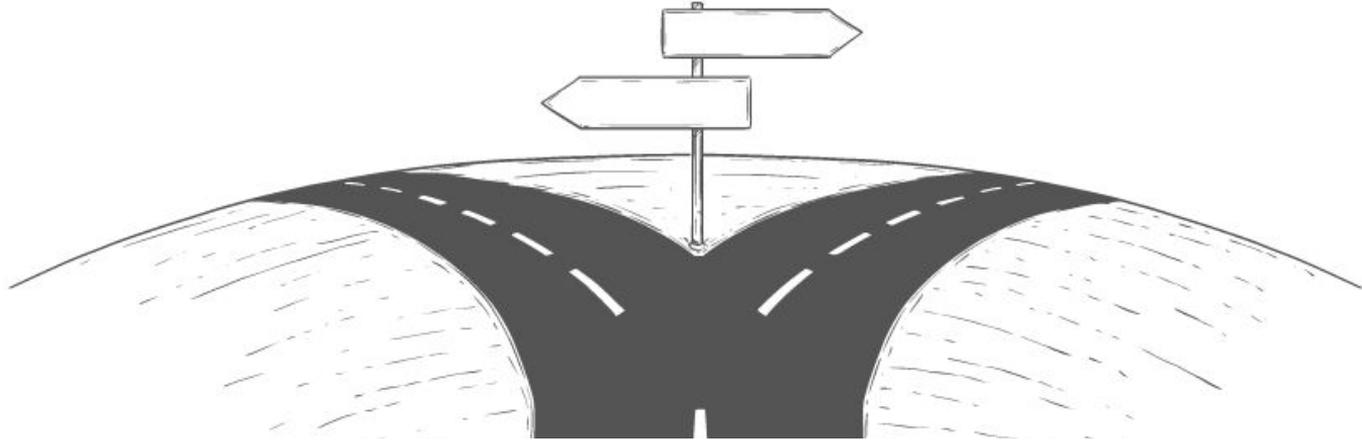
Other Impacts

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



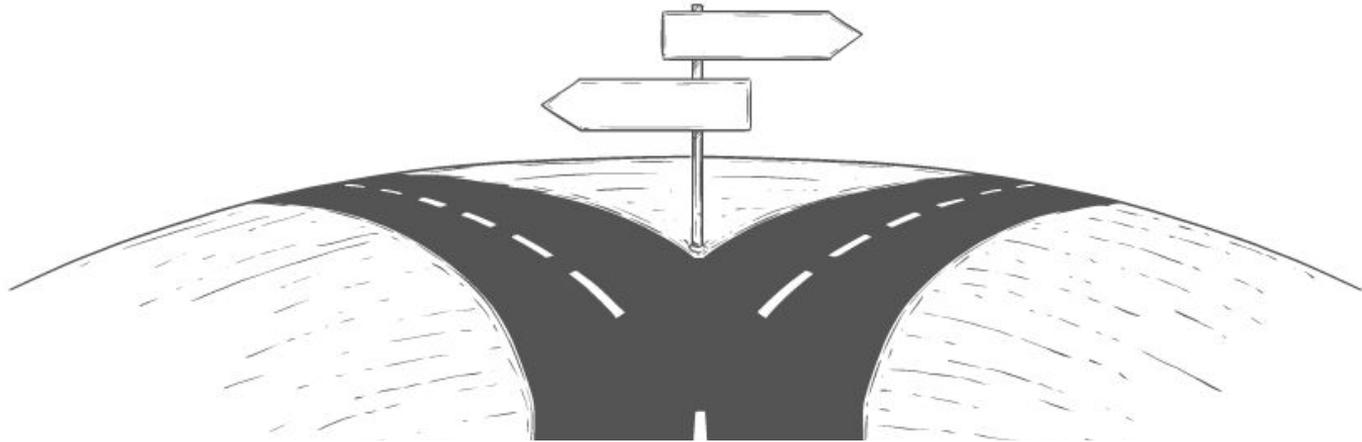
Past Community Forum Highlights

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

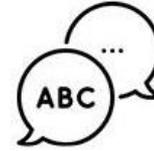
BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING FOR A PROPERTY TAX INCREASE.

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

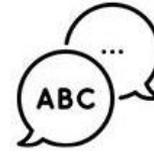
Levy Path:

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

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

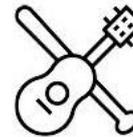
- **ESTIMATED COST: \$360,000**



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

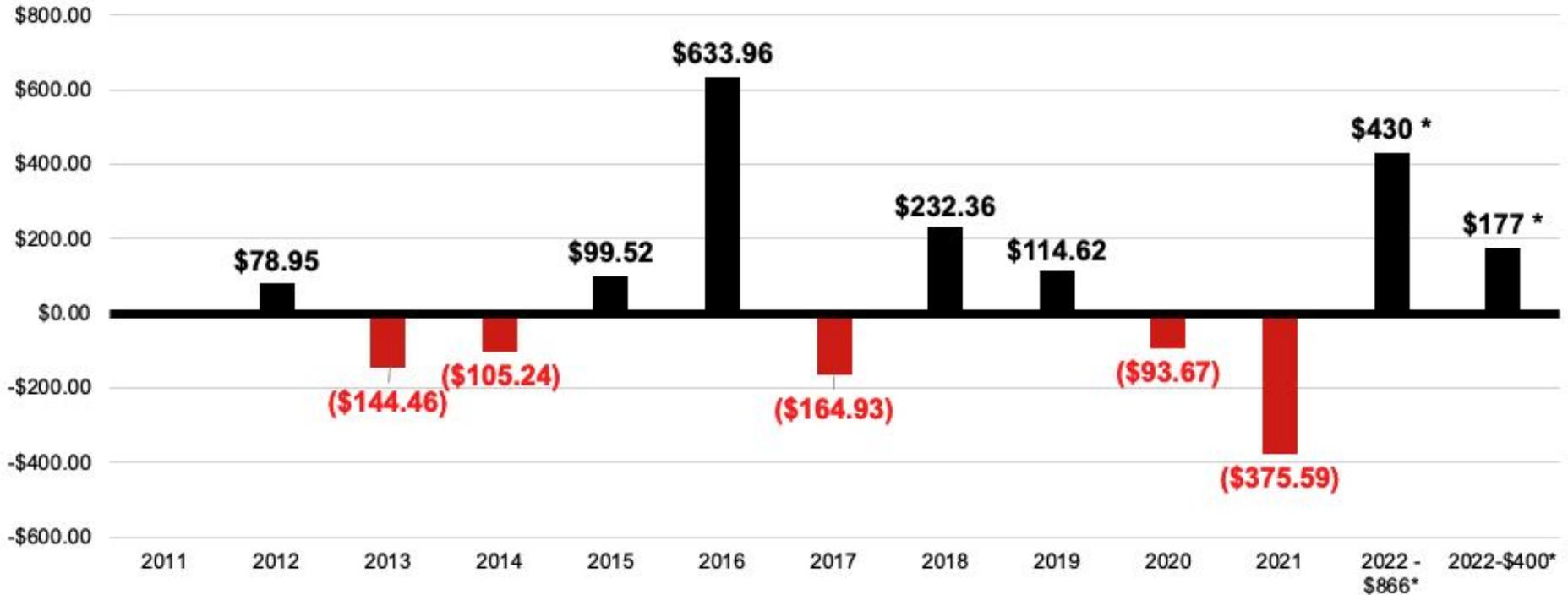
Question #1 **must pass** for
Question #2 to pass

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



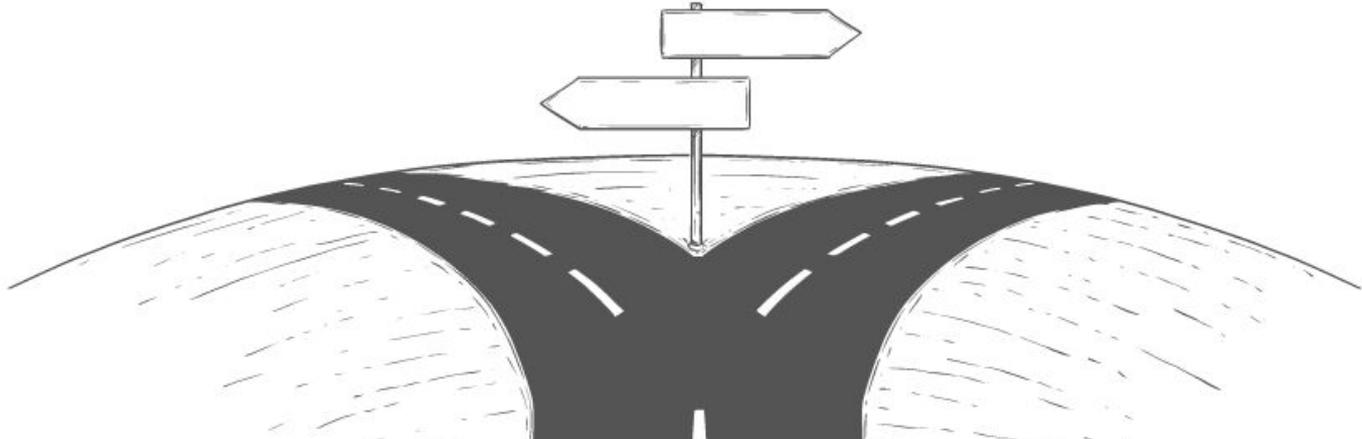
Personal Tax History

ISD Annual Increase/Decrease



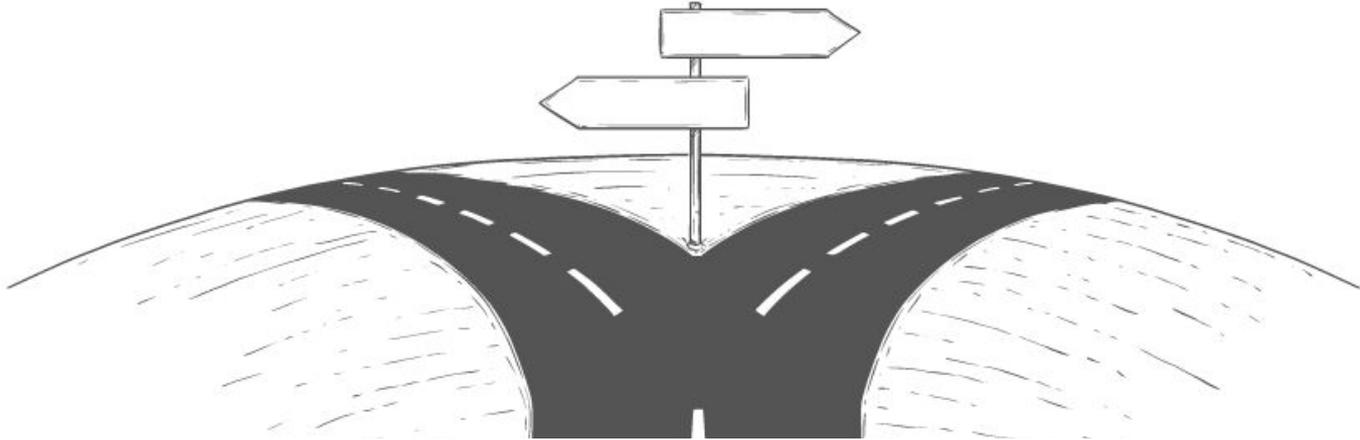
Taxes

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

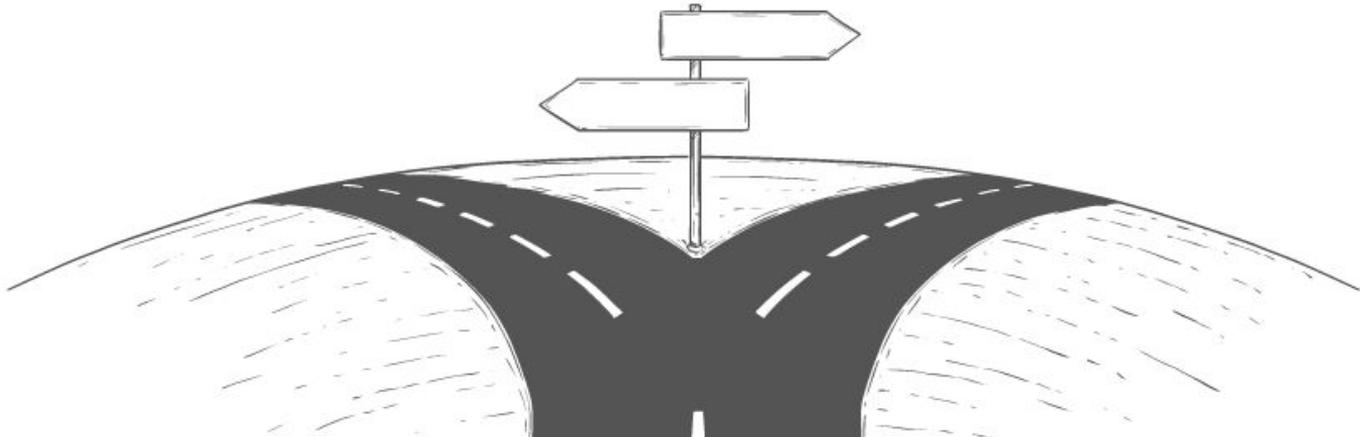
- X \$5,082,419 in budget cuts prior to the 2023-24 school year
- X Additional class size target increases
 - X Further teacher cuts
 - 60% of cuts = 40.65 Full Time Employees in 2023-24***
- X A 'double share' of budget cuts for athletics & activities
- X Restructuring & elimination of programs
- X 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?

**Voter approved
operating levy**

-OR-

**More budget
cuts**



Key Dates

- 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

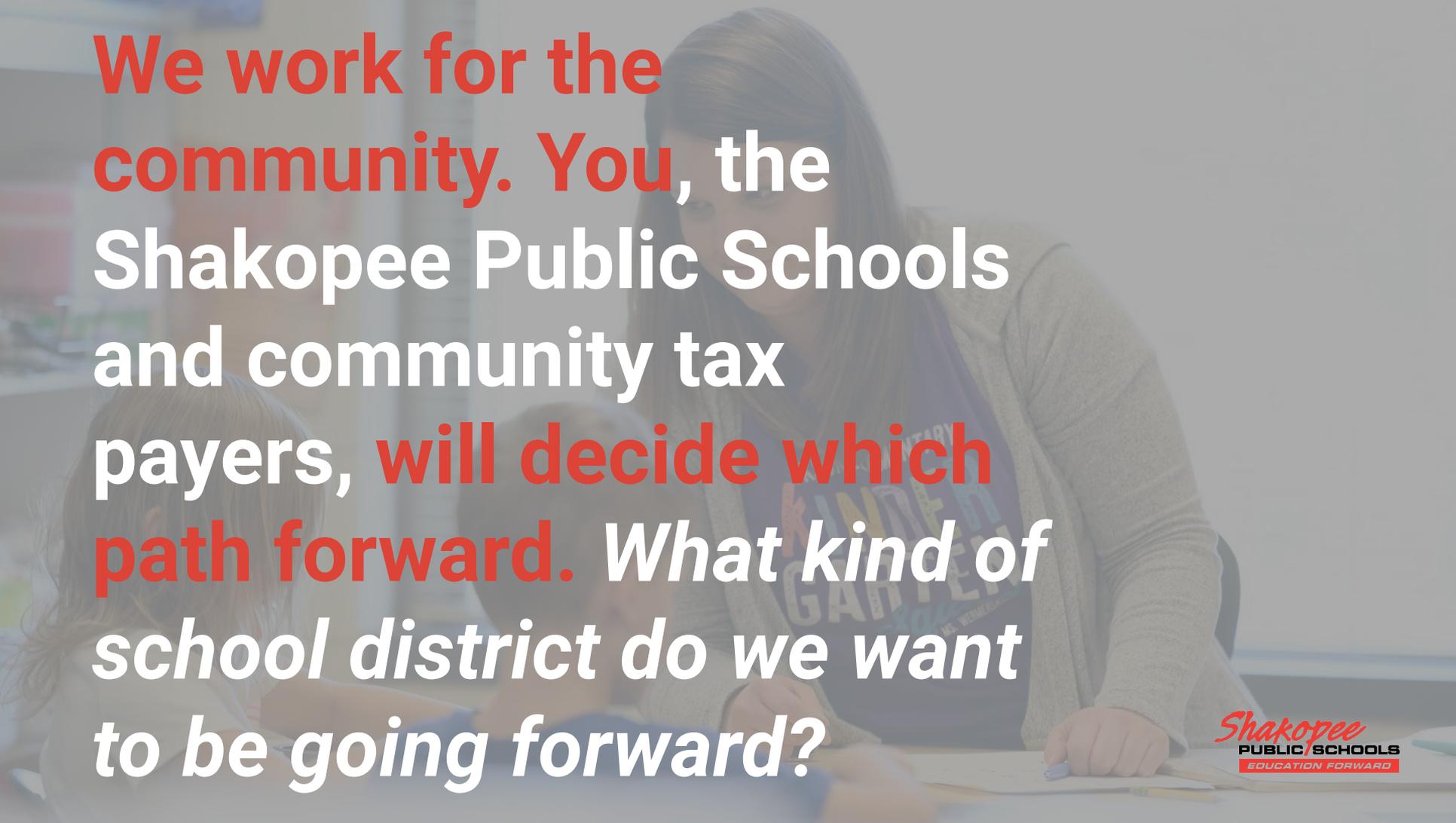
9 AM

to

3 PM

October 16 & 30

ShakopeeLevy2021.org

A teacher with long brown hair, wearing a grey cardigan over a blue t-shirt, is leaning over a desk. She is looking down at a student's work. There are other students at the desk, one with long brown hair and another with short blonde hair. The background is a classroom setting 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?**

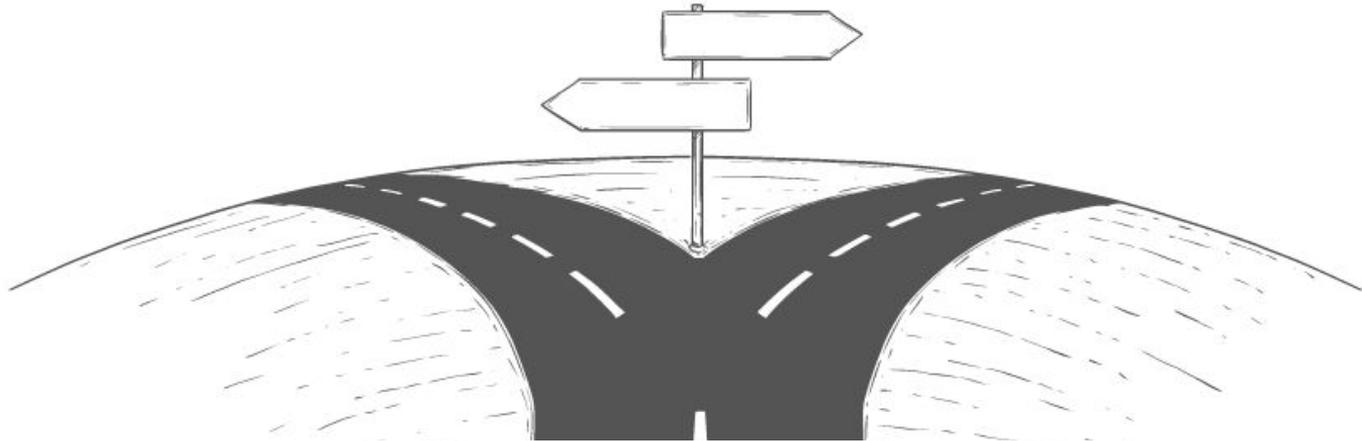
Community Member Questions

- 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

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	\$6,728.00
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

- 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.