CITIZENS FINANCE ADVISORY COMMITTEE (CFAC)

SHAKOPEE PUBLIC SCHOOLS

April 2, 2024

District Financial Update

1. **Tender Refunding**

In January Shakopee Schools successfully completed a tender bond refunding resulting in District taxpayer savings of $796,431 after all costs of issuance.

Through the process $19,385,000 (27%) bonds were tendered including some bonds from each maturity in the old issue. The final deal rejects the bonds tendered in 2/1/2025 as they were causing negative savings for the District. The total number of bonds accepted is $17,870,000 or 25%.  Favorable market conditions allowed the District to produce savings higher than the original projections for the 20% and 30% scenarios that were shared previously with the finance committee and school board.

1. **Moody’s Credit Rating**

As part of the tender bond refunding process the District was required to receive a rating update from Moddy’s Investor Services. The school district bond rating was increased from A3 to A2 because of an improved cash position and available fund balance ratios following the passage of the new operating levy.

1. **Budget Planning**
2. 2023-24 Revised Budget: At the regular School Board meeting on February 26 the Board approved the 2023-24 revised budget. The general fund unassigned fund balance as of June 30, 2024, is projected at $12,479,909 or 10.5%; an increase of $176,905 from the adopted budget fund balance projection.
3. 2024-25 Adopted Budget and Long-Range Financial Planning: The finance department is currently updating assumptions and estimates related to the 24-25 and long-range budget planning. The 24-25 adopted budget will be ready for review sometime in May. The 24-25 adopted budget will be recommended for school board approval at the regular meeting on June 24, 2024.
4. **Student Enrollment Projections**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| GRADE | 23-24 | 24-25 | 25-26 | 26-27 | 27-28 | 28-29 |
| Early Childhood | 65 | 65 | 65 | 65 | 65 | 65 |
| K-5 | 2930 | 2809 | 2742 | 2689 | 2634 | 2600 |
| 6-8 | 1708 | 1655 | 1631 | 1532 | 1474 | 1441 |
| 9-12 | 2930 | 2901 | 2761 | 2673 | 2596 | 2452 |
| Total | 7633 | 7430 | 7199 | 6959 | 6769 | 6558 |
| Increase (Decrease) |  | -203 | -231 | -240 | -190 | -211 |

1. **Pandemic Response Funds**

2023-24 will be the last year to spend remaining one-time federal pandemic response funds. Below is a summary of remaining funds budgeted for the 23-24 school year. At the end of this year the District will have spent 100% of our allocation.

|  |  |  |
| --- | --- | --- |
| FINANCE DIMENSON | DESCRIPTION | 23-24 BUDGET AMOUNT |
| 159 | ARP Homeless Funds | 13,000 |
| 160 | ESSER III 90% Allocation | 1,143,757 |
| 161 | ESSER III 90% Learning Loss | 324,785 |
| 169 | Learning Recovery Lost Instructional Time | 772,000 |