



Finance Advisory Committee Minutes

June 1, 2023 | 8:00 to 9:30 am

Community Members Roster: Cheryl Coombs, Brian Fleming, William Markert, Stephanie Williamson,
(not in attendance: Gabriel Benson, Sara Shower and Mackenzie Meyer)

PLSAS Administration Roster: Tammy Fredrickson, Executive Director of Business Services; Jim Dellwo, Executive Director of Operations; Transportation, and Health & Safety; Maureen Mullen, Asst Director of Operations; Transportation, and Health & Safety; Andrea Bradford, Controller; Joe Kuboushek, Principal of Twin Oaks Middle School; Julie Bernick, School Board Treasurer; Amy Bullyan, School Board Director; Dr. Michael Thomas, Superintendent

MEETING MINUTES
Tammy Fredrickson welcomed all in attendance
Jim Dellwo and Maureen Mullen presented Long Term Facilities Maintenance (LTFM): <ul style="list-style-type: none">• Basics of LTFM• 10- year expense/revenue plan• FY24 anticipated projects
Andrea Bradford presented Qualtrics: <ul style="list-style-type: none">• Reviewed dashboard• Timeline• Suggestions from the Committee<ul style="list-style-type: none">○ Add Staffing Numbers, Fund Balance, Class Sizes, Enrollments
Tammy Fredrickson presented FY24 Preliminary Budget
Tammy Fredrickson presented updates on State Legislation
9:30 Meeting Adjourned
Action Items: Establish FY24 Finance Advisory Committee meeting schedule Review the Purpose State for the Finance Advisory Committee

Long-Term Facilities Maintenance (LTFM) Revenue Program Overview

December 15, 2022

Overview

The Long-Term Facilities Maintenance (LTFM) Revenue program is a per pupil, formula-driven revenue source that replaces health and safety revenue, alternative facilities revenue, and deferred maintenance revenue beginning with the 2016-17 school years.

LTFM is categorical funding in that it has restrictions on its uses and can only be used for those uses.

The restrictions on use are deferred maintenance, health and safety projects or increased accessibility to school facilities

History

The 2015 Legislature created this program to support facilities maintenance needs for school districts, charter schools, and cooperatives, including intermediate school districts.

LTFM Revenue

- LTFM revenue is primarily provided through a per pupil allowance.
- The per pupil allowance for school districts is \$380 for FY 2022.
- The allowance is multiplied by the district's pupil units and building age index.

LTFM is an equalized levy, meaning it is part property tax and part state aid.

For equalization, a district's adjusted net tax capacity is reduced by 50% of the value of agricultural land so districts with large amounts of agricultural land get more equalization aid and reduces the local property tax impact.

The calculation of the equalized levy is made in such a way that no district will receive less aid under the LTFMR program than it formerly received under the alternative facilities program.

Qualifying for LTFM Revenue

School districts must have a ten-year facilities plan adopted by the School Board and approved by the MDE Commissioner.

The plan must be updated annually.

The updated plan must be submitted to the MDE annually.

Allowable Expenditures

LTFM revenue may be used for

Deferred maintenance projects

Increasing facility accessibility

Health and safety compliance

LTFM revenue may not be used for

- Construction of new facilities
- Financing lease agreements

- Emergency communication devices
- Energy efficiency projects

- Violence prevention and facility security
- Ergonomics

General Obligation Bonds

A district may sell and issue general obligation bonds without voter approval to fund qualifying LFTM projects

The district may use the annual revenue received under the program to repay the bonds.

Prior Lake-Savage Area Schools FY-2023 LTFM Projects List

Planning Worksheet		Inflation Planning:											
Bin #	Building Improvement Measure (BIM) Description	UFARS	Total Project Cost of Improvements (w/o Inflation)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Pav-as-10	Boiler Replacement	380	\$350,000			X							
Pav-as-10	Art Room Window System Repairs	368	\$20,000					X					
Pav-as-10	Inside Exit Finishes & Steel Interior Paints	379	\$50,000	X									
Grainwood Elementary LTFM Projects													
Pav-as-10	Seal Coat West Parking Lot	384	\$5,000				X						
Pav-as-10	Seal Coat East Parking Lot	384	\$5,000				X						
Pav-as-10	Seal Coat South Parking Lot	384	\$20,000				X						
Pav-as-10	Seal Coat Northeast Drive	384	\$4,000				X						
Pav-as-10	Seal Coat Northeast Playground	384	\$5,000				X						
Pav-as-10	Repair and Overlay West Parking Lot	384	\$20,000									X	
Pav-as-10	Repair and Overlay East Parking Lot	384	\$30,000									X	
Pav-as-10	Repair and Overlay South Parking Lot	384	\$60,000									X	
Pav-as-10	Repair and Overlay Northeast Drive	384	\$40,000									X	
Pav-as-10	Repair and Overlay Northeast Playground	384	\$15,000									X	
Pav-as-10	Casework Repairs	379	\$5,000	X									X
Pav-as-10	Shir's Ladder for Roof Access	369	\$8,000										
Pav-as-10	Steel I-Beam Reinforcement for Snow Load	368	\$200,000	X									
Pav-as-10	HVAC Units: Replace unit ventilators (Pav-as-10 portion)	380	\$997,593										
Pav-as-10	HVAC Units: Replace unit ventilators (Pav-as-10 portion)	382	\$291,300										
Pav-as-10	Partial Fire Sprinkler Piping Replacement	380	\$30,000										
Pav-as-10	Update Media Center Finishes	379	\$70,000										
Pav-as-10	Replace Student Lockers	379	\$50,000										
Pav-as-10	Asphalt Repairs	384	\$15,000	X									
Pav-as-10	NE Drive Reconstruction	384	\$30,000										
Pav-as-10	West Lot Reconstruction	384	\$40,000										
Pav-as-10	South Lot Reconstruction	384	\$165,000										
Pav-as-10	Misc. Concrete Repairs	384	\$15,000		X								
Pav-as-10	Masonry Repairs	368	\$40,000										
Pav-as-10	Interior Door and Hardware Replacement	369	\$125,000	X									
Pav-as-10	Replace Sprinkler Piping	380	\$300,000										
Pav-as-10	Kitchen & Server Floorline & Ceiling Replacement	379	\$27,200										
Pav-as-10	Kitchen & Server HVAC & Plumbing Replacement	380	\$119,000										
Pav-as-10	Kitchen & Server Electrical Distribution Repairs	379	\$27,200										
Pav-as-10	Caterina Flooring & Ceiling Replacement	379	\$31,400										
Pav-as-10	Halfway Remanite	379	\$10,000										
Pav-as-10	New Ceilings for Classrooms & Hallways	379	\$168,600										
Pav-as-10	Art Room Flooring Replacement	379	\$20,100										
Pav-as-10	Roofing Repairs	383	\$15,100										
Pav-as-10	Media Center Floors & Ceilings	379	\$276,000										
Pav-as-10	Media Center Electrical Distribution	370	\$0										
Pav-as-10	Community Ed. Area Ceiling and Flooring Replacement	370	\$17,925										
Pav-as-10	Community Ed. Area HVAC Replacement	380	\$0										
Hidden Oaks MS LTFM Projects													
Pav-as-10	Seal Coat South Parking Lot	384	\$40,000			X							
Pav-as-10	Seal Coat West Parking Lot	384	\$20,000			X							
Pav-as-10	Seal Coat North Parking Lot	384	\$8,000			X							
Pav-as-10	Seal Coat East Drive	384	\$9,000			X							
Pav-as-10	Repair and Overlay Front Sidewalk at Street	384	\$50,000		X								
Pav-as-10	Repair and Overlay South Parking Lot	384	\$125,000									X	
Pav-as-10	Repair and Overlay West Parking Lot	384	\$65,000									X	
Pav-as-10	Repair and Overlay North Parking Lot	384	\$30,000									X	
Pav-as-10	Concrete Repairs	384	\$40,000									X	
Pav-as-10	Concrete Repairs	384	\$10,000	X									
Pav-as-10	Replace 2 Interior Doors & Hardware	369	\$3,000										
Pav-as-10	Replace Restroom Partitions	369	\$20,000										

Prior Lake-Savage Area Schools FY-2023 LTFM Projects List

Planning Worksheet		Inflation Planning:											
BIM #	Building Improvement Measure (BIM) Description	UFARS	Total Project Cost of Improvements (w/o Inflation)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Pay-as-go	General Plumber Replacements	379	\$80,000	X									
Pay-as-go	Replace Pool Filtration System	381	\$100,000	X									
Pay-as-go	Walk-off Matting	379	\$7,900										
Pay-as-go	A & B Gym Wood Floor Replacement	379	\$150,000										
Pay-as-go	Replace Media Center Cas-fine/DX RTU & Connect to CHW	380	\$120,000	X									
Pay-as-go	Replace Intention Pump Drive & Controller	384	\$8,000										
High School LTFM Projects													
Pay-as-go	Interior Painting	379	\$225,000										
Pay-as-go	Enoxy Floors	379	\$26,000					X					
Pay-as-go	Replace Gas Shut-off to Science Rooms	381	\$5,000						X				
Pay-as-go	Door Hardware Replacement	369	\$900,000						X				
Pay-as-go	Carnet Replacement in South Gym Stairwell G118B	379	\$12,000		X								
Pay-as-go	Carnet Replacement	379	\$225,000										
Pay-as-go	Carnet Replacement	379	\$225,000			X							
Pay-as-go	Carnet Replacement	379	\$225,000					X					
Pay-as-go	Recoat Fluorom in Varsity Lockers	379	\$15,000										
Pay-as-go	Replace Restroom Partitions	369	\$60,000						X				
Pay-as-go	Rebuild Tennis Courts	384	\$350,000							X			
Pay-as-go	Install LED Lights for East Parking Lots	370	\$25,000		X								
Pay-as-go	Repair and Overlay South Parking Lot	384	\$100,000										
Pay-as-go	Repair and Overlay Northwest Drive	384	\$40,000					X					
Pay-as-go	Repair and Overlay Southeast Drive	384	\$70,000					X					
Pay-as-go	Repair and Overlay North Parking Lot	384	\$350,000										X
Pay-as-go	Seal Coat North Parking Lot	384	\$90,000										
Pay-as-go	Seal Coat South Parking Lot	384	\$30,000										
Pay-as-go	Seal Coat East Parking Lots	384	\$80,000										
Pay-as-go	Seal Coat For East Parking Lot	384	\$40,000										
Pay-as-go	Seal Coat West Drive	384	\$10,000										
Pay-as-go	Seal Coat Northwest Entrance Drive	384	\$12,000										
Pay-as-go	Seal Coat Northeast Entrance Drive	384	\$12,000										
Pay-as-go	Seal Coat Southeast Entrance Drive	384	\$24,000										
Pay-as-go	Seal Coat Tennis Courts	384	\$60,000										
Pay-as-go	East Student Lot Mill & Overlay	384	\$200,000							X			
Pay-as-go	Par East Student Lot Mill & Overlay	384	\$175,000										
Pay-as-go	Reset Storm Water Catchment Basins	384	\$10,000										
Jeffers Pond Elementary LTFM Projects													
Pay-as-go	Repair and Overlay South Parking Lot	384	\$40,000										
Pay-as-go	Repair and Overlay Southeast Parking Lot and Drive	384	\$100,000										
Pay-as-go	Repair and Overlay North Drive	384	\$50,000										
Pay-as-go	Repair and Overlay North Playground	384	\$25,000										
Pay-as-go	Control Joint Sealant, Cavity Wenis, Cracked Brck, Window Repair	368	\$50,000								X		
Pay-as-go	Crackfill/Sealcoat South Parking Lot	384	\$11,000	X									
Pay-as-go	Crackfill/Sealcoat East Parking Lot	384	\$20,000	X									
Pay-as-go	Crackfill/Sealcoat North Lot	384	\$6,000	X									
Pay-as-go	Crackfill/Sealcoat Entrance Drive	384	\$7,500	X									
Pay-as-go	Hardscpe Playground Repair	384	\$3,000	X									
Pay-as-go	Storm Water Drainage Repair	384	\$25,000	X									
Pay-as-go	Seal West Parks	384	\$3,000	X									
Pay-as-go	Concrete Repairs	379	\$20,000										
Pay-as-go	Walk-off Matting	380	\$6,235										
Pay-as-go	Perimeter Office Heating Improvements	380	\$12,500					X					
Pay-as-go	Perimeter Classroom Heating Improvements	380	\$165,000					X					
Pay-as-go	Interior Door Hardware Replacements	369	\$150,000		X								
Recall Ridge Elementary LTFM Projects													

Prior Lake-Savage Area Schools FY-2023 LTFM Projects List

Planning Worksheet		Inflation Planning:												
BIM #	Building Improvement Measure (BIM) Description	UFARS	Total Project Cost of Improvements (w/o Inflation)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	
Pav-as-10	Efflorescence Sealant Sills Window Repairs	368	\$15,000	X										
Pav-as-10	Repair and Overlay South Parking Lot	384	\$80,000						X					
Pav-as-10	Repair and Overlay Southwest Parking Lot and Entrance Drive	384	\$40,000						X					
Pav-as-10	Crackfill/Sealcoat South Parking Lot	384	\$40,000	X					X					
Pav-as-10	Crackfill/Sealcoat East Parking Lot	384	\$15,000	X										
Pav-as-10	Crackfill/Sealcoat East Parking Lot	384	\$7,000	X										
Pav-as-10	Crackfill/Sealcoat Entrance Drive	384	\$7,000	X										
Pav-as-10	Crackfill/Sealcoat Handicapped Playground	384	\$7,000	X										
Pav-as-10	Seal Walkway Paths	384	\$7,000	X										
Pav-as-10	Perimeter Office Heating Improvements	380	\$20,000	X										
Pav-as-10	Perimeter Classroom Heating Improvements	380	\$13,000						X					
Pav-as-10	Walk-off Matting	379	\$3,400											
Pav-as-10	Interior Door Hardware Replacement	369	\$150,000		X									
Pav-as-10	Replace Gym Lighting with LED	370	\$12,000	X										
Pav-as-10	Fire Panel Updates	370	\$3,500											
Item OMS LTFM Projects														
Pav-as-10	Pool Chemical Room Repairs	368	\$15,000	X										
Pav-as-10	Toilet Partitions	369	\$20,000		X									
Pav-as-10	Siding Replacement on Concession Stand/Garages	368	\$23,000											
Pav-as-10	Gum Divider Curtain	369	\$40,000		X									
Pav-as-10	Replace Pool Filtration System	381	\$100,000	X										
Pav-as-10	Refresh Pool Locker Rooms	379	\$135,000	X										
Pav-as-10	Replace Stacked Lockers	369	\$50,000	X										
Pav-as-10	Refresh Stadium Press Box	379	\$26,000	X										
Pav-as-10	Seal Coat Tennis Courts	384	\$40,000			X								
Pav-as-10	Seal Coat Athletic Track	384	\$23,000				X							
Pav-as-10	Seal Coat South Parking Lot	384	\$60,000					X						
Pav-as-10	Seal Coat East Drive	384	\$15,000											
Pav-as-10	Seal Coat Tennis Courts	384	\$50,000								X			
Pav-as-10	Seal Coat Athletic Track	384	\$30,000									X		
Pav-as-10	Repair and Overlay Northeast Parking Lot	384	\$60,000										X	
Pav-as-10	Repair and Overlay East Parking Lot	384	\$30,000											
Pav-as-10	Repair and Overlay West Drives	384	\$70,000											
Pav-as-10	Repair and Overlay North Drive	384	\$55,000											
Pav-as-10	South Parking Lot Repair/Partial Reconstruction	384	\$175,000											
Pav-as-10	Southeast Parking Lot & Drive Crack Fill & Sealcoating	384	\$20,000		X									
Pav-as-10	Crackfill/Sealcoat East Parking Lot & Drive	384	\$20,000		X									
Pav-as-10	South Parking Lot Repair/Reconstruction	384	\$550,000		X									
Pav-as-10	Crackfill/Sealcoat Northeast Bus Loop	384	\$12,000	X										
Pav-as-10	North Parking Lot & Drive Reconstruction	384	\$45,000	X										
Pav-as-10	Crackfill/Sealcoat Athletic Track	384	\$5,000	X										
Pav-as-10	Crackfill/Sealcoat Athletic Track	384	\$6,000	X										
Pav-as-10	Walk-off Matting & Carpet Replacement	379	\$35,300											
Pav-as-10	West Drive Reconstruction	384	\$100,000		X									
Pav-as-10	Concrete Repairs	384	\$50,000											
Pav-as-10	Replace II Room Cooling	380	\$16,000		X									
Total - All Selected 1-month Term Facilities Maintenance Projects				\$13,833,187	\$2,018,816	\$2,475,826	\$1,593,347	\$1,430,300	\$1,367,177	\$736,972	\$1,090,750	\$569,125	\$1,119,621	\$0

Prior Lake-Savage Area Schools FY-2023 LTFM Projects List

Planning Worksheet		Inflation Planning:											
BIM #	Building Improvement Measure (BIM) Description	UFARS	Total Project Cost of Improvements (w/o Inflation)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Long-Term Facilities Maintenance Projects													
District/Service Center LTFM Projects													
Pav-as-00	Parking Lot Chipseal	384	\$20,000		X								
Pav-as-00	Concrete Repairs	384	\$20,000		X								
Pav-as-00	Underlayment Finishes	379	\$50,000					X					
Pav-as-00	Replace Gas-fired RTU with Hotwater Unit	380	\$60,000		X								
Pav-as-00	Underlayment Automation System	380	\$20,000		X								
Pav-as-00	Parking Lot Repair and Overlay	384	\$75,000							X			
Edenwood/Westwood Elementary LTFM Projects													
Pav-as-00	Concrete Repairs	384	\$5,000										
Pav-as-00	Walk-off Matting	379	\$1,134		X								
Pav-as-00	Seal Coat West Parking Lot	384	\$15,000				X						
Pav-as-00	Seal Coat East Parking Lot	384	\$18,000				X						
Pav-as-00	Seal Coat Southeast Parking Lot	384	\$5,000				X						
Pav-as-00	Seal Coat Southwest Parking Lot	384	\$10,000				X						
Pav-as-00	Seal Coat West Bus Area	384	\$15,000				X						
Pav-as-00	Seal Coat South Drive	384	\$20,000				X						
Pav-as-00	Repair and Overlay North Playground	384	\$35,000						X				
Pav-as-00	Repair and Overlay West Parking Lot	384	\$55,000							X			
Pav-as-00	Repair and Overlay East Parking Lot	384	\$75,000								X		
Pav-as-00	Repair and Overlay Southeast Parking Lot	384	\$20,000									X	
Pav-as-00	Repair and Overlay Southwest Parking Lot	384	\$40,000									X	
Pav-as-00	Repair and Overlay West Bus Area	384	\$65,000									X	
Pav-as-00	Repair and Overlay South Drive	384	\$105,000									X	
Pav-as-00	Underlayment Finishes	379	\$100,000		X								
Pav-as-00	Hard Surface Play Area Sealcoat	384	\$7,500		X								
Pav-as-00	Replace Clock System	370	\$25,000										
Pav-as-00	Replace Restroom Plumbing Fixtures	369	\$20,000		X								
Pav-as-00	Edenwood North Drainage Repair	384	\$25,000		X								
Pav-as-00	Edenwood North Retaining Wall	384	\$110,000										
Five Hawks Elementary LTFM Projects													
Pav-as-00	Canwalk Removal, Storefront Installation West Side Liner Level	368	\$110,000		X								
Pav-as-00	Walk-off Matting	379	\$6,800										
Pav-as-00	Reconstruct Hard Surface Play Area & Bus Turnaround	384	\$110,000		X								
Pav-as-00	Site Drainage Improvements	384	\$200,000		X								
Pav-as-00	Repair Loading Dock Concrete	384	\$15,000			X							
Pav-as-00	Crackfill & Sealcoat Path	384	\$5,000		X								
Pav-as-00	Polish Terrace Floors	379	\$50,000					X					
Pav-as-00	Underlayment Finishes	379	\$25,000		X								
Pav-as-00	Underlayment Finishes	379	\$75,000		X								
Pav-as-00	Repair and Overlay Northeast Parking Lot	384	\$40,000							X			
Pav-as-00	Repair and Overlay East Parking Lot	384	\$30,000							X			
Pav-as-00	Repair and Overlay West Drive Trail	384	\$20,000							X			
Pav-as-00	Repair and Overlay East Drive	384	\$45,000							X			
Pav-as-00	Seal Coat South Playground	384	\$12,000							X			
Glendale Elementary LTFM Projects													
Pav-as-00	Seal Coat West Parking Lot	384	\$30,000								X		
Pav-as-00	Seal Coat East Drive	384	\$5,000								X		
Pav-as-00	Seal Coat South Playground	384	\$7,000								X		
Pav-as-00	Repair and Overlay West Parking Lot	384	\$120,000			X							
Pav-as-00	Repair and Overlay East Drive	384	\$25,000			X							
Pav-as-00	Repair and Overlay South Playground	384	\$25,000			X							
Pav-as-00	Current Updates	379	\$110,000		X								
Pav-as-00	Plastic Laminare Sill	379	\$110,000		X								
Pav-as-00		379	\$5,000										

PRIOR LAKE-SAVAGE AREA SCHOOLS

ESTIMATED FUND BALANCES THROUGH JUNE 30, 2024

FUND DESCRIPTION	6/30/23 ESTIMATED AUDIT BALANCE	2023-24 ESTIMATED REVENUES	TRANSFERS INTO FUNDS	2023-24 ESTIMATED EXPENDITURES	TRANSFERS OUT OF FUNDS	6/30/24 ESTIMATED BALANCE
GENERAL FUND						
A. UNASSIGNED - OPERATING	\$13,597,485	\$101,127,181	\$0	\$98,924,405	\$663,010	\$15,137,251
NONSPENDABLE	\$337,873	\$0	\$0	\$0	\$0	\$337,873
ASSIGNED-CASH FLOW	\$1,722,500	\$0	\$0	\$0	\$0	\$1,722,500
ASSIGNED - CLASS SIZE REDUCTION	\$500,000	\$0	\$0	\$0	\$0	\$500,000
ASSIGNED - BUDGET DEFICIT	\$1,453,586	\$0	\$0	\$1,453,586	\$0	\$0
ASSIGNED-INNOVATIVE PROGRAMS	\$370,000	\$0	\$0	\$0	\$0	\$370,000
ASSIGNED - COVID RELIEF FUNDS	\$0	\$383,478	\$0	\$383,478	\$0	\$0
ASSIGNED-ALT TEACHER COMP	\$0	\$2,350,501	\$0	\$2,324,314	\$0	\$26,187
ASSIGNED-SITE CARRYOVER	\$538,887	\$0	\$0	\$0	\$0	\$538,887
TOTAL	\$18,520,331	\$103,861,160	\$0	\$103,085,783	\$663,010	\$18,632,698
B. RESTRICTED FUNDS:						
(1) STUDENT ACTIVITIES	\$198,165	\$130,000	\$0	\$130,000	\$0	\$198,165
(2) AREA LEARNING CENTER/TARGETED SVC	\$0	\$823,983	\$360,714	\$1,184,697	\$0	\$0
(3) STAFF DEVELOPMENT	\$147,976	\$1,316,708	\$0	\$1,316,708	\$0	\$147,976
(4) MEDICAL ASSISTANCE	\$320,564	\$300,000	\$0	\$220,000	\$0	\$400,564
(5) LEARNING AND DEVELOPMENT	\$0	\$1,876,916	\$93,323	\$1,970,239	\$0	\$0
(6) GIFTED & TALENTED	\$0	\$124,706	\$208,973	\$333,679	\$0	\$0
(7) BASIC SKILLS	\$0	\$1,633,654	\$0	\$1,633,654	\$0	\$0
(8) ACHIEVEMENT AND INTEGRATION	\$0	\$918,605	\$0	\$918,605	\$0	\$0
(9) SAFE SCHOOLS	\$0	\$345,341	\$0	\$345,341	\$0	\$0
(10) LONG TERM FACILITY MAINTENANCE	\$995,563	\$1,705,437	\$0	\$2,701,000	\$0	\$0
(11) OPERATING CAPITAL	\$1,500,801	\$2,052,143	\$0	\$2,702,533	\$0	\$850,411
TOTAL RESTRICTED	\$3,163,069	\$11,227,493	\$663,010	\$13,456,456	\$0	\$1,597,116
TOTAL GENERAL FUND (01)	\$21,683,400	\$115,088,653	\$663,010	\$116,542,239	\$663,010	\$20,229,814
TOTAL FOOD SERVICE (02)	\$2,060,674	\$6,208,412	\$0	\$6,430,712	\$0	\$1,838,374
COMMUNITY EDUCATION						
NONSPENDABLE	\$40,044	\$128,417	\$0	\$119,573	\$0	\$48,888
REGULAR COMMUNITY ED	\$1,302,630	\$5,574,001	\$0	\$4,515,243	\$0	\$2,361,388
EARLY CHILDHOOD FAMILY ED	\$272,487	\$1,013,825	\$0	\$915,576	\$0	\$370,736
ADULT BASIC ED	\$0	\$0	\$0	\$0	\$0	\$0
SCHOOL READINESS	\$693,266	\$970,227	\$0	\$995,619	\$0	\$667,874
TOTAL COMMUNITY EDUCATION (04)	\$2,308,427	\$7,686,470	\$0	\$6,546,011	\$0	\$3,448,886
TOTAL DEBT SERVICE FUND (07)	\$2,494,642	\$16,325,149	\$0	\$16,095,398	\$0	\$2,724,393
TOTAL TRUST FUND (08)	\$4,041,837	\$600,000	\$0	\$11,000	\$0	\$4,630,837
TOTAL CUSTODIAL FUND (18)	\$0	\$10,000	\$0	\$10,000	\$0	\$0
TOTAL INTERNAL SERVICE FUND (20)	\$6,058,292	\$16,399,760	\$0	\$16,308,780	\$0	\$6,149,272
TOTAL REVOCABLE TRUST* (OPEB 25)	(\$6,202,261)	\$140,000	\$0	\$1,100,000	\$0	(\$7,162,261)

16.0%

*Revocable Trust estimated assets as of 6/30/2022: \$8,450,142.01

FY 24 Total Fund Balance	Amount
Estimated Fund Balance - End of FY 23	\$21,683,400
FY 24 Estimated Revenue over Expenditures	-\$1,453,586
Subtotal	\$20,229,814
FY 24 Estimated Non Spendable	\$337,873
FY 24 Estimated Restricted Fund Balance	\$1,597,116
FY 24 Estimated Assigned Fund Balance	\$3,157,574
FY 24 Estimated Unassigned Fund Balance	\$15,137,251
Total FY 24 Estimated Fund Balance	\$20,229,814
FY 24 Estimated General Fund Expenditures	\$116,542,239
Total Unassigned Fund Balance % - End of FY 24	12.99%
Total Assigned Fund Balance % - End of FY 24	2.71%
Total Unassigned/Assigned Fund Balance - End of FY 24	15.70%

Fund Balance Comparison	FY22 Audit Actuals	FY23 Estimated	FY24 Estimated
Non Spendable	\$337,873	\$337,873	\$337,873
Restricted Fund Balance			
Student Activities	\$178,165	\$198,165	\$198,165
Staff Development	\$595,065	\$147,976	\$147,976
3rd Party Billing	\$240,564	\$320,564	\$400,564
Basic Skills	\$9,082	\$0	\$0
Achievement & Integration	\$35,670	\$0	\$0
Safe Schools	\$20,614	\$0	\$0
Long Term Facility Maintenance	\$801,997	\$995,563	\$0
Operating Capital	\$1,132,522	\$1,500,801	\$850,411
Assigned			
Cash Flow	\$1,722,500	\$1,722,500	\$1,722,500
Class Size Reduction	\$500,000	\$500,000	\$500,000
Innovative Programs	\$370,000	\$370,000	\$370,000
Q Comp	\$0		\$26,187
Site Carryover	\$538,887	\$538,887	\$538,887
Unassigned	\$15,532,107	\$15,051,071	\$15,137,251
Total Fund Balance	\$22,015,046	\$21,683,400	\$20,229,814
Unassigned Fund Balance Percentage	14.41%	13.44%	12.99%
Assigned Fund Balance Percentage	2.91%	2.80%	2.71%
Total Unassigned/Assigned Fund Balance Percentage	17.32%	16.24%	15.70%

A.	FY24 ESTIMATED REVENUES	FY24 ESTIMATED EXPENDITURES
UNASSIGNED - OPERATING		
State Special Education		
District Wide	\$ 14,090,800	\$ 1,803,516
Schools	\$ -	\$ 17,681,075
Total	\$ 14,090,800	\$ 19,484,591
Federal Special Education		
District Wide	\$ 1,460,765	\$ 1,044,792
Schools	\$ -	\$ 415,973
Total	\$ 1,460,765	\$ 1,460,765
Title Programs		
District Wide	\$ 345,741	\$ -
Teaching & Learning (LAI)	\$ -	\$ 122,001
Equity	\$ -	\$ 52,923
Schools	\$ -	\$ 170,817
Total	\$ 345,741	\$ 345,741
Other Grants		
District Wide	\$ 366,558	\$ -
Teaching & Learning (LAI)	\$ -	\$ 8,500
Special Education	\$ -	\$ 3,860
Schools	\$ -	\$ 781,720
Equity	\$ -	\$ 141,276
Total	\$ 366,558	\$ 935,356
GENERAL FUND:		
District Wide	\$ 82,527,038	\$ -
Board of Education & Elections	\$ -	\$ 205,120
Superintendent	\$ 13,000	\$ 485,476
Technology	\$ 10,000	\$ 2,839,964
Printing	\$ 140,000	\$ 140,000
Communications	\$ -	\$ 333,388
Operations	\$ 15,000	\$ 1,526,550
Transportation	\$ 126,029	\$ 5,999,209
Utilities	\$ -	\$ 2,078,003
Teaching & Learning (LAI)	\$ 71,000	\$ 713,688
Assessment & Testing	\$ -	\$ 278,566
Business	\$ 2,500	\$ 929,125
MARRS	\$ -	\$ 193,570
Human Resources	\$ 7,500	\$ 1,086,227
Legal	\$ -	\$ 118,500
Wolf Ridge	\$ 250,000	\$ 250,000
Insurance	\$ -	\$ 1,000,000
Wellness	\$ 21,250	\$ 21,250
Tuition Billing	\$ -	\$ 300,000
Health Services	\$ -	\$ 361,369
Special Education (Non reimbursable)	\$ 75,000	\$ 83,550
District Mail	\$ -	\$ 5,000
District Total	\$ 83,258,317	\$ 18,948,555
Schools:		
Elementary	\$ 252,000	\$ 25,680,882
Secondary	\$ 1,353,000	\$ 33,522,101
School Total	\$ 1,605,000	\$ 59,202,983
TOTAL UNASSIGNED:	\$ 101,127,181	\$ 100,377,991
ASSIGNED - COVID RELIEF FUNDS		
District Wide	\$ 383,478	\$ -
Operation	\$ -	\$ 30,000
Teaching & Learning (LAI)	\$ -	\$ 302,000
Schools	\$ -	\$ 51,478
Total	\$ 383,478	\$ 383,478
ASSIGNED-ALT TEACHER COMP		
District Wide	\$ 2,350,501	\$ -
Teaching & Learning (LAI)	\$ -	\$ 114,914
Schools	\$ -	\$ 2,209,400
Total	\$ 2,350,501	\$ 2,324,314

B. RESTRICTED FUNDS:	FY24 ESTIMATED REVENUES	FY24 ESTIMATED EXPENDITURES
(1) STUDENT ACTIVITIES		
Schools	\$ 130,000	\$ 130,000
Total	\$ 130,000	\$ 130,000
(2) AREA LEARNING CENTER/TARGETED SVC		
District Wide	\$ 823,983	\$ -
Schools	\$ -	\$ 1,184,697
Transfer of General Funds	\$ 360,714	\$ -
Total	\$ 1,184,697	\$ 1,184,697
(3) STAFF DEVELOPMENT		
District Wide	\$ 1,316,708	\$ -
Teaching & Learning (LAI)	\$ -	\$ 895,203
Schools	\$ -	\$ 421,505
Total	\$ 1,316,708	\$ 1,316,708
(4) MEDICAL ASSISTANCE		
District Wide	\$ 300,000	\$ -
Special Education	\$ -	\$ 220,000
Total	\$ 300,000	\$ 220,000
(5) LEARNING AND DEVELOPMENT		
District Wide	\$ 1,876,916	\$ -
Schools	\$ -	\$ 1,970,239
Transfer of General Funds	\$ 93,323	\$ -
Total	\$ 1,970,239	\$ 1,970,239
(6) GIFTED & TALENTED		
District Wide	\$ 124,706	\$ -
Teaching & Learning (LAI)	\$ -	\$ 3,796
Schools	\$ -	\$ 329,883
Transfer of General Funds	\$ 208,973	\$ -
Total	\$ 333,679	\$ 333,679
(7) BASIC SKILLS		
District Wide	\$ 1,633,654	\$ -
Schools	\$ -	\$ 1,633,654
Total	\$ 1,633,654	\$ 1,633,654
(8) ACHIEVEMENT AND INTEGRATION		
District Wide	\$ 918,605	\$ -
Equity	\$ -	\$ 500,220
Schools	\$ -	\$ 418,385
Total	\$ 918,605	\$ 918,605
(9) SAFE SCHOOLS		
District Wide	\$ 345,341	\$ -
Operations	\$ -	\$ 138,616
Schools	\$ -	\$ 206,725
Total	\$ 345,341	\$ 345,341
(10) LONG TERM FACILITY MAINTENANCE		
District Wide	\$ 1,705,437	\$ -
Operations	\$ -	\$ 620,000
Schools	\$ -	\$ 2,081,000
LTFM Fund Balance	\$ 995,563	\$ -
Total	\$ 2,701,000	\$ 2,701,000
(11) OPERATING CAPITAL		
District Wide	\$ 2,052,143	\$ -
Operations	\$ -	\$ 1,833,619
Technology	\$ -	\$ 699,195
Schools	\$ -	\$ 169,719
Operating Capital Fund Balance	\$ 650,390	\$ -
Total	\$ 2,702,533	\$ 2,702,533
GRAND TOTALS - GENERAL FUND		
	FY24 ESTIMATED REVENUES	FY24 ESTIMATED EXPENDITURES
Schools	\$ 1,735,000	\$ 89,059,253
District Wide (Other)	\$ 113,353,653	\$ 27,482,986
FY24 Preliminary Budget Total	\$ 115,088,653.00	\$ 116,542,239.00

GENERAL FUND REVENUES
FY 23-24

Pupil Unit Data Used in Calculations		
Adjusted Pupil Unit	9,592.8	57
Extended Time Adjusted Pupil Unit	70.8	88
English Learner Eligible	248.0	118
Year Round Pupil Units	103.77	167
Adjusted Pupil Units of charter school transported	669.40	315

line on levy
report

Highlighted items are new legislation in the Final Omnibus Finance Bill

State Aid Description	Rate	Calculation Basis	Estimated \$ Amt	line on levy report	Notes:
Basic Revenue	\$7,138	per ADJ PU ASSUMES 4% INCREASE	\$68,468,802	102	Assumes 4% increase of formula allowance
Declining Enrollment	\$1,922	per # fewer ADJ PU from FY 22-23	\$26,134	105	
Pension Adjustment	\$19.30	per ADJ PU + FY23 retire salary * pension adj rate	\$823,664	111	
Gifted & Talented	\$13	per ADJ PU	\$124,706	112	
Extended Time	\$5,117	per EXT ADJ PU	\$362,284	113	
Compensatory	-	per comp ed report	\$1,307,871		Based on Comp Ed revenue report 1/11/23
English Learner	\$1,228	per eligible EL	\$304,544	120	
English Learner	\$250	concentration of EL students = (% eligible /ADM) x 0.24063243	\$14,920	125	
American Indian Education Aid			\$45,276		
Transportation Sparsity	\$0.80	per APU based on attendance square miles/resident PU	\$7,674	162	
Operating Capital	\$213.59	per APU x \$31 x year round PU - levy	\$1,272,161	168/231	Avg bldg age = 23.48 age index = 1 + (0.01 x 23.48) = 1.2348
Local Optional Tier 1 Aid	0.158689	RMV / RPU /\$880,000 equalization factor	\$456,681	309	
Alternative Attend Adj	\$321	transportation sparsity allowance x APU of charter school transports	\$214,623	320	
Q Comp (65% aid 35% levy)	\$260	Est Oct 1 2022 enrollment at participating sites(8,788)	\$1,509,172	329	Aid prorated to .98779065
Special Education	(reimbursed - tuition + excess cost aid)		\$13,828,597	340	
Sp Ed Cross Subsidy Reduction Aid		44% of Cross Subsidy	\$2,958,654		
EL Cross Subsidy Reduction Aid		Cross Subsidy	\$6,319	342	
Integration (60% aid 40% levy)	\$350	per ADJ PU x % protected enr (24.6%)	\$642,281	358	
Non Public Transportation			\$126,069	341	Reg transportation excess cost + bus depreciation / Reg + excess This is an estimate as the tests were not done due to COVID and MDE is using a 3 year average of scores.
Literacy Aid		MC Statue 124D.98	\$458,500		
Student Support Personnel	\$11.94	per ADJ PU	\$114,538		
School Library Aid	\$16.11	per ADJ PU	\$154,540		
Menstrual Products & Naloxone	\$2	per ADJ PU	\$19,186		
Total Aids			\$93,247,196		

Levy Description	Rate	Calculation Basis	Estimated \$ Amt	line on levy report	Notes:
Equity	\$50	per ADJ PU + equity index + metro ratio	\$1,329,921	240	
Transition	\$187.12	per ADJ PU	\$26,859	242	
Operating Capital	0.380082	Adjusted Net Tax Capacity / Adj Pupil Unit / \$22,912 equalizaation	\$779,981.84	231	ANTC = \$83,538,272
Local Optional Tier 1	\$300	per ADJ PU	\$2,421,159.34	307	
Local Optional Tier 2	\$424	per ADJ PU	\$4,067,347.20	237	
Referendum Tier 1	\$460	per ADJ PU	\$4,412,688.00	310	
Referendum Tier 2	\$163.97	per ADJ PU	\$1,572,931.42	311	
Q Comp (65% aid 33% levy)	\$260	Est Oct 1 2022 enrollment at participating sites(9,040.39)	\$841,329	333	
Integration (60% aid 40% levy)	\$350	per ADJ PU x % protected enr (64.65%)	\$276,324	356	
Reemployment		100% of estimated expenditures	\$71,176	360	
Safe Schools	\$36	per ADJ PU	\$345,341	362	
Judgments		100% of judgements	\$0	368	
Career & Tech Ed		35% of estimated budget	\$162,922	382	
Long Term Facilities Maint		hold harmless - new debt	\$1,705,437	446	
Disabled Access		FY 1992-2021 approved districts	\$300,000	454	
Lease Levy		based on actual leases	\$1,281,327	499	
Prior year levy adjustments			-\$1,443,037		
Total Levy			\$18,151,707		

Total revenue	\$111,398,903
Other funds including Grants estimate	\$3,689,750
Total general fund revenue	\$115,088,653

EDUCATION FINANCE APPROPRIATIONS – 2023 SESSION

Below is a summary of the key provisions included in [HF2497](#) , the K12 Education Finance bill and [HF2292](#), the Early Education Finance bill. Here is a [link](#) to the appropriations spreadsheet for HF2497 and a [link](#) to the appropriations spreadsheet for HF2292

Note: To the extent possible, I have attempted to include effective dates. However, often the legislation may not specify an effective date. Unless an effective date is in the bill language, Minnesota statute specifies that for provisions related to policy, the effective date is August 1 and for provisions related to appropriations, the effect date is July 1.

KEY FINANCE PROVISIONS

Proposal	Final agreement
Increase above current law	\$2.26 billion - FY24-25 \$3.2 billion - FY26-27
Formula increase - FY24	4%, \$275 per pupil
Formula increase - FY25	2%, \$143 per pupil
Inflation	Tied to inflation starting FY26 (based on CPI, not to be less than 2%, not to exceed 3%)
Special education cross-subsidy	\$662.8 million - FY24-25 \$821 million - FY26-27
EL cross-subsidy	\$86.9 million - FY24-25 \$171.8 million - FY26-27
Unemployment insurance aid	\$135 million - FY24 Funds can be expended through June 30, 2027
Special education unemployment insurance costs	\$64 million per year, starting in FY26
VPK/SR	\$31.7 million in FY24-25 \$149.3 million in FY26-27 \$50 million set aside for 3000 slots to be appropriated in 2024 session
Student support personnel	\$64.4 million - FY24-25 \$117.7 million - FY26-27
Paraprofessional orientation training	\$7.2 million - FY25 \$16.6 million - FY26-27

Formula Increase

Increases the formula allowance to \$7,138 per pupil for FY24 and to \$7,281 per pupil for FY25. Increases the general formula allowance for FY26 and later by inflation as measured by the Consumer Price Index, not to be less than 2% and not to exceed 3% per year.

School Unemployment Insurance

- Extends unemployment insurance to hourly, unlicensed school employees, effective May 28, 2023.
- Establishes a school unemployment insurance aid account in a special revenue for school district unemployment insurance aid to reimburse school districts, charter schools, intermediate school districts and cooperative units for costs associated with providing unemployment benefits to hourly school employees.
- Directs MDE to reimburse school districts, charter schools, intermediate school districts and cooperative units in a form and manner as specified by the commissioner.
- Allows \$135 million, appropriated in FY24, to be expended through June 30, 2027.
- Appropriates \$64 million per year, starting in FY26, for special education unemployment insurance costs.
- Excludes any summer term hourly worker unemployment insurance cost from a school district's annual levy for its unemployment insurance costs (allowing a school board to continue to levy for the employee costs for those employees currently eligible for benefits).
- Requires the MDE and DEED to annually report to the relevant legislative committees on the annual reimbursable costs and the numbers of school workers receiving unemployment during the summer term.

Special Education Cross-Subsidy

- Increases the cross-subsidy aid factor to 44% in FY24-26 and 50% in FY27 and later.

English Learner Cross-Subsidy

- Increases the per pupil allowance from \$704 to \$1,228 for FY24-26.
- Increases the per pupil allowance to \$1,775 for FY27 and later
- Increases EL concentration revenue from \$250 to \$436 per EL student for FY24-26 and to \$630 per EL student for FY27 and later.
- Creates a new component of EL revenue that funds an increasing percentage of difference between a school's EL spending and EL revenue. Sets the percentage at 25 percent of the difference in FY27 and later.

District Renewal of Current Voter-Approved Operating Referendums

- Authorizes a one-time renewal by the school of an operating referendum previously approved by the voters.
- Requires a school board to vote and pass a written resolution to authorize the referendum after holding a meeting and allowing public testimony.
 - The resolution must be adopted by the school board by June 15 of any calendar year.
 - A district must submit a copy of the adopted resolution to the commissioner and the county auditor no later than Sept. 1 of the calendar year in which the resolution is adopted.

Teacher and Staff shortages, Increasing Diversity, and Retention

- \$37 million in FY24-25 and \$50.9 million in FY26-27 for Grow Your Own grants.
- \$30 million in FY24-25 and \$10 million in FY26-27 for licensure shortage areas/special education teacher pipeline initiatives.
- \$8.8 million per year for Collaborative Urban and Greater Minnesota Educators of Color grants.
- \$6 million in FY24-25 and later for teacher residency programs.
- \$5 million annually for a student support personnel workforce pipeline.
- \$2.5 million annually for early childhood Grow Your Own grants.
- \$1 million in FY24-25 and later for Black Men Teach.
- \$500,000 annually for student scholarships to address school-based early childhood and family education licensure shortage areas.

Student Support Personnel – add eligible uses

- Sets the initial aid amount in FY24 at \$11.94 per adjusted pupil unit and \$17.08 for FY25, and \$48.73 in FY26 and later.
- Includes a minimum aid guarantee of \$40,000.
- Defines student support services personnel as an individual licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota.
- Creates a separate category of aid for intermediate school districts and other cooperative units.
- Allows a school district to contract for services if a district cannot hire a new full-time employee with the student support personnel aid.
- Districts must use the funding to hire student support personnel, increase a less than 1.0 FTE, or make permanent a position hired using CARES Act funding.

Paid Paraprofessional Training

- Requires a paraprofessional to be provided at least 8 hours of paid orientation or professional development annually.
- Reimburses school districts, charter schools, intermediate school districts and other cooperative districts for expenses incurred.

Compensatory Revenue

- Requires at least 80% of a school district’s compensatory revenue to remain at the site where the revenue was generated.
- Restructures eligible uses of compensatory. Starting in FY24 revenue must be used for:
 - 1) remedial instruction and necessary materials in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;
 - 2) additional teachers and teacher aides to provide more individualized instruction, individual tutoring, lower instructor-to-learner ratios, or team teaching;
 - 3) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

- 4) programs to reduce truancy; provide counseling services, guidance services, social work services; and provide coordination for pupils receiving services from other governmental agencies;
 - 5) bilingual programs, bicultural programs, and programs for English learners;
 - 6) early education programs, parent-training programs, early childhood special education, school readiness programs, kindergarten programs for four-year-olds, voluntary home visits, and other outreach efforts designed to prepare children for kindergarten;
 - 7) transition programs operated by school districts for special education students until the age of 22;
 - 8) substantial parent involvement in developing and implementing remedial education or intervention plans; and
 - 9) professional development for teachers on meeting the needs of English learners, using assessment tools and data to monitor student progress, and reducing the use of exclusionary discipline, and training for tutors and staff in extended day programs to enhance staff's knowledge in content areas.
- Requires a school district to report whether programs funded with compensatory revenue are consistent with best practices demonstrated to raise student achievement.
 - Holds compensatory funding harmless through FY27, in the same manner the Governor recently proposed in his revised budget.
 - Requires MDE to report to the education committees of the legislature about whether paper school meals eligibility forms may be eliminated without any consequences to school formulas or other data collection processes.

Non-exclusionary Discipline Grants

- Appropriates \$1.75 million per year for grants to schools to train staff on non-exclusionary disciplinary practices.

Special Instruction and Services Extended to Age 22

- Extends special instruction and services for children with a disability until age 22.

READ Act (see policy section for program requirements)

- Appropriates \$35 million in FY24 only to reimburse school districts, charter schools, and cooperatives for approved evidence-based structured literacy curriculum and supporting materials, and intervention materials purchased after July 1, 2021.
- Appropriates \$34.9 million in FY24 only for professional development on evidence-based literacy supports based on structured literacy - \$18 million for regional literacy networks; \$16.7 million for statewide training, \$250,000 for administration.

Minnesota Multi-Tiered System of Support (MnMTSS) and Collaborative Minnesota Partnerships to Advance Student Success (COMPASS)

- Requires MDE to offer districts and charter schools training and support in implementing MTSS through the department COMPASS team and the service cooperatives.

School Library Aid:

- Appropriates \$45 million in FY24-25 and \$47.5 million in FY26-27 for a new funding formula for school library aid.
- Aid equals the greater of \$16.11 times the district's adjusted pupil units for the school year or \$40,000.
- Aid must be used for (1) the salaries and benefits of a school library media specialist; (2) electronic, computer, and audiovisual equipment; (3) information technology infrastructure and digital tools; (4) electronic and material resources; or (5) furniture, equipment, or supplies.

Special Education Separate Sites and Programs Aid

- Appropriates \$4.3 million in FY24 and \$5.1 million in FY25 and later to Special Education Settings 4 and higher sites, including special education cooperatives and intermediate school districts.

Pupil Transportation

- Increases the portion of a school district's unfunded pupil transportation expenses funded through state aid to 35% of the unfunded amount.
- Appropriates \$2.4 million in FY24-25 and later for homeless student transportation costs.
- Appropriates \$519,000 in FY24 and later for foster student transportation costs.
- Allows the board of a school district and a nonpublic school to mutually agree to a written plan for the transportation of nonpublic students.

American Indian Education Aid

- Appropriates \$12.9 million in FY24 and \$14.7 million in FY25 to increase American Indian education aid and extends it to districts formed as joint powers.
- Appropriates \$7.5 million per year for native language revitalization grants.

Safe Schools/Cybersecurity

- Makes cyber security expenditures, including costs for updating computer hardware and software and cyber security insurance, an eligible use of safe schools revenue.
- Appropriates \$24.3 million FY24 for grants to school districts to improve building security and cyber security.

Career and Technical Education:

- Appropriates an \$5 million per year, an additional \$2 million per year from current law, for career and technical education consortium grants.
- Appropriates \$500,000 per year for CTE EMS course grants.
- Appropriates \$450,000 for a transportation pilot program.
- Allows a student in grade 11 or 12 who is employed by an institutional long-term care or licensed assisted living facility, a home and community-based services and supports provider, a hospital or health system clinic, or a child care center to earn up to two elective credits each year toward graduation.

Menstrual products and opiate antagonists:

- Requires a school district or charter school to provide access to menstrual products at no charge. These products must be available to all students in restrooms regularly used by students in grades 4 to 12 according to a plan developed by the school district.
- Requires a school district to maintain two doses of nasal naloxone available on-site.
- Adds \$2 per adjusted pupil unit to a district’s operating capital revenue for these costs.

Voluntary PreK/School Readiness Plus

- Beginning in FY24 makes the 4,000 expiring seats permanent.
- Adds another 5,200 seats for FY26 and later.
- Appropriates an additional \$50 million for FY25 and directs MDE to reserve this funding for an additional 3000 slots for the Legislature to act on in the 2024 legislative session.

Early Childhood Health and Developmental Screening Aid Increase

- Increases screening and developmental aid by 30%

Early Childhood Family Education (ECFE)

- Because the ECFE formula increase is tied to any increases in the general education formula, ECFE will see an increase of \$5.5 million in FY24-25 and \$10.7 million in FY26-27.

Community Education

- Increases the basic community education revenue allowance from \$5.42 per capita to \$6.35 per capita for FY25 and later.
- Provides additional funding through state aid, beginning in FY25.

Adults with Disabilities

- Replaces the current limited grant program with a funding formula of \$0.34 per capita (population of the school district) for each school district that operates an adult with disabilities program.
- Provides additional funding through state aid, beginning in FY25.

Adult Basic Education

- Increases the per contact hour cap to \$30 per contact hour, up from the current \$22 per contact hour.
- Clarifies the funding growth formula to ensure continued funding for ABE at current levels.
- Appropriates \$490,000 in FY24 to pay for one commissioner-approved high school equivalency exam per eligible Minnesota tester.

After School Programs

- Appropriates \$30 million FY24 only for after-school grants.

Full-Service Community Schools

- Appropriates \$14.5 million FY24-25 and \$10 million in FY26-27.

POLICY PROVISIONS**READ Act**

- Requires a district to administer an approved reading screener to students in kindergarten through grade 3 within the first six weeks of the school year and again within the last six weeks of the school year.
- By the 26-27 school year, districts must provide evidence-based reading instruction.
- Requires districts to provide evidence-based training on reading instruction to all reading intervention teachers, literacy specialists, and other specified teachers by July 1, 2025, and to other teachers in the district by July 1, 2027, unless the commissioner grants an extension.
- Requires a district to employ or contract with a literacy lead by August 30, 2025, or be actively supporting a designated literacy specialist through the process of becoming a literacy lead.
- Requires a district to implement progress monitoring a student not reading at grade level.
- Starting July 1, 2023, when a district purchases new literacy curriculum or intervention materials, the materials must be evidence-based.
- Requires districts to use literacy incentive aid to implement evidence-based reading instruction.

Academic Standards, Course Requirements, Graduation Requirements

- Requires students who begin grade 9 in the 2024-2025 school year and later must successfully complete a course for credit in:
 - personal finance in grade 10, 11, or 12
 - government and citizenship in grade 11 or 12
- A teacher of a personal finance course must have a field license or out-of-field permission in agricultural education, business, family and consumer science, social studies, or math.
- Requires high schools to offer an ethnic studies course aligned with state social studies standards by the 2026-2027 school year. Requires school districts to provide ethnic studies instruction to elementary and middle schools by the 2027-2028 school year aligned with state standards. An ethnic studies course may fulfill a social studies, language arts, arts, math, or science credit if the course meets the applicable state academic standards. An ethnic studies course may fulfill an elective credit if the course meets applicable local academic standards or other requirements.
- Requires a school district to offer as part of its social studies curriculum education on the Holocaust and genocide education in middle school and high school curriculum by the 26-27 school year per rules on social studies standards and benchmarks.
- Requires science standards to include earth and space science, life science, and the physical sciences.
- For the three credits of science, one credit must satisfy all the earth and space science standards for grades 9 through 12, one credit must satisfy all the life science standards for grades 9 through 12, and one credit must satisfy all the chemistry or physics standards for grades 9 through 12.
- Requires state high school math standards to include algebra II, integrated math III, or an equivalent, and grade 8 standards to include completion of algebra.

- Requires districts to adopt state arts standards. Adds media arts as a fifth arts area.
- Modifies physical education standards and math credit requirements.
- Requires local CTE standards to align with CTE frameworks developed by the Department of Education, standards developed by national CTE organizations, or recognized industry standards.
- Strikes civics test requirement from social studies standards.

Teacher Licensure

- Strikes the requirement for a candidate to have a passing score on a board-adopted examination of skills in reading, writing, and mathematics to receive a Tier 4 teaching license. Makes a Tier 3 or Tier 4 licensure candidate exempt from passing an examination of general pedagogical knowledge and licensure-specific content if the candidate has completed a board-approved preparation program or a state-approved teacher preparation program in another state and passed licensure examinations in that state.
- Allows PELSB to begin renewing license applications before July 1 and removes the 30-day deadline for issuing or denying the license.
- Expands the list of applicants exempt from the requirement to hold a bachelor's degree for a Tier 1 or Tier 2 license to include persons teaching world languages and culture and the performing or visual arts.
- Establishes a pilot program for the 23-24 and 24-25 school years. Allows a district or charter school and an applicant to jointly request PELSB approve an application for a short-call substitute license. Requires an applicant to meet one of the following requirements: have an associate degree or equivalent and receive substitute training from the district or school or have a high school diploma or equivalent and have been employed as an education support professional or paraprofessional in the district or charter school for at least one year.

Student Discipline

K-3 Suspensions (effective July 1, 2023)

- Prohibits dismissal of a student in kindergarten through grade three unless non-exclusionary discipline measures have been exhausted and there is an ongoing serious safety threat to the child or others.

Pupil withdrawal agreements (effective for the 2023-2024 school year)

- Limits a pupil withdrawal agreement to 12 months.
- Defines a pupil withdrawal agreement as a verbal or written agreement between a school and a parent to withdraw the student to avoid expulsion or exclusion dismissal proceedings.
- Requires when student records are transmitted to include pupil withdrawals and services a student needs to prevent inappropriate behavior from recurring.
- Adds "In-school suspension" to the definition of suspension to mean an instance in which a pupil is temporarily removed from the pupil's regular classroom for at least half a day for disciplinary purposes but remains under the direct supervision of school personnel.

Admission or readmission plans (effective for the 2023-2024 school year)

- Requires a readmission plan to include measures to improve the pupil's behavior and to require parental involvement in the readmission process. Lists optional elements of the readmission plan.

- States that the definition of a suspension does not apply to a dismissal of less than one school day.
- Non-exclusionary disciplinary policies and practices (effective for the 2023-2024 school year)
- Requires a school board to establish non-exclusionary disciplinary policies and practices.
 - Establishes requirements relating to expulsions and exclusions, including ensuring the pupil is on track for readmission, continued eligibility for school-based mental health services, and information on accessing mental health services.
 - Directs a school to attempt to use non-exclusionary disciplinary policies and practices before dismissal proceedings or pupil withdrawal agreements except in certain circumstances.
 - Requires alternative education services to be provided to a suspended pupil for more than five consecutive school days.
 - Requires school administration to allow a suspended pupil the opportunity to complete school work assigned during a suspension and receive full credit for completing the assignments.

Recess (effective for the 2023-2024 school year)

- Defines recess detention to mean excluding or excessively delaying a student from participating in a scheduled recess because of student behavior.
- Limits the use of recess detention and requires districts and charter schools to notify a parent within 24 hours of using recess detention.

World’s Best Workforce

- Adds definitions for "ethnic studies curriculum," "anti-racist," "culturally sustaining," and "institutional racism."
- Requires district advisory committee to recommend strategies regarding curriculum, learning, and work environments.

Curriculum Policy

- Prohibits a school board from discriminating or disciplining a teacher or principal for incorporating into curriculum contributions by persons in a federally protected class if the contributions are in alignment with adopted standards and benchmarks.

PSEO

- Prohibits a postsecondary institution participating in the PSEO from requiring a faith statement during the application process or basing an admission decision on a student's race, creed, ethnicity, disability, gender, sexual orientation, or religious beliefs or affiliations.
- Shortens the period within which a parent must notify the nonresident district whether the student intends to enroll in the nonresident district.
- Requires a postsecondary institution to notify a secondary pupil’s school as soon as practicable if the pupil withdraws from the course or stops attending the course.
- Requires a secondary pupil enrolled in a postsecondary course to provide the secondary school with the pupil’s interim or nonfinal grades earned during the academic term.

Online Learning

- Makes several changes to allow school districts to provide online learning to enrolled students.

American Indian Education

- Requires the commissioner to embed Indigenous education for all students consistent with recommendations from Minnesota’s Tribal Nations and urban Indigenous communities into the state’s academic standards. Delays review of physical education standards to the 2026-2027 school year.
- Requires the state count of American Indian students to be used to determine eligibility for Indian education aid.
- This effective day following final enactment.

American Indian Mascots Prohibited

- Starting September 1, 2025, a public school may not have or adopt a name, symbol, or image that depicts or refers to an American Indian Tribe, individual, custom, or tradition to be used as a mascot, nickname, logo, letterhead, or team name of the school, district, or school within the district, unless the school has obtained an exemption
- This does not apply to a public school located within the reservation of a federally recognized Tribal Nation in Minnesota, where at least 95 percent of students meet the state definition of American Indian student.
- A public school may seek an exemption by submitting a request in writing to all 11 federally recognized Tribal Nations in Minnesota and to the Tribal Nations Education Committee by September 1, 2023.

Graduation Ceremonies; Tribal Regalia and Objects Of Cultural Significance

- Prohibits a district from prohibiting an American Indian student from wearing American Indian regalia, Tribal regalia, or objects of cultural significance at a graduation ceremony.
- This effective day following final enactment.

Tobacco Products in Public Schools

- Allows American Indian students to carry a medicine pouch containing loose tobacco intended for an observance of traditional spiritual or cultural practices.
- This effective day following final enactment.

Conduct on Certain Holidays

- Replaces Columbus Day with Indigenous Peoples' Day on the list of holidays that a school district may conduct school. Requires at least one hour of the school program on Indigenous Peoples' Day to be devoted to the observance of the day and lists topics on which the district may provide professional development to teachers and staff or instruction to students.

Malicious and Sadistic Conduct

- Defines “malicious and sadistic conduct,” and requires school boards to adopt a written policy to address “malicious and sadistic conduct” that prohibits conduct involving race, color, creed, national origin, sex, age, marital status, status regarding public assistance, disability, religion,

sexual harassment, sexual orientation, and sexual exploitation by a district or school staff member or student against another staff member or student.

Restrictive Procedures Standards

- Establishes additional requirements related to a school's use of restrictive procedures, including a review of the use of the procedures and the role of school resource officers in the use of restrictive procedures.
- Requires documentation to describe the post-use debriefing that occurred because of the use of the physical hold or seclusion.
- Modifies requirements to report the use of restrictive procedures to the Department of Education
- Prohibits the use of seclusion on children from birth through grade 3 by September 1, 2024.
- Directs MDE, in cooperation with stakeholders, to make recommendations to the Legislature during the 2024 session to end seclusion in Minnesota schools, including specific dates by grade or facility.

Prekindergarten Licensure Requirement

- Requires a school district to employ a licensed teacher to provide instruction in a preschool, school readiness, school readiness plus, prekindergarten, or other school district or charter school-based early education program.
- Any teacher who has taught in a preschool, school readiness, school readiness plus, prekindergarten, or other early learning programs for at least five years before September 1, 2028, may continue to teach without obtaining a license.
- This provision does not apply to school districts that run a certified license exempt child care program or a licensed child care program.
- This requirement is effective July 1, 2028.

Active Shooter Drills

- Defines active shooter drill and active shooter simulations outlines active shooter drill protocols districts must follow.

Class size report

- Requires school districts to annually report the district's class size ratios by each grade to the commissioner of education in the form and manner specified by the commissioner.
- Requires MDE to submit a report to the Legislature beginning December 1, 2024, detailing the statewide ratios by grade starting with the 2023-2024 school year.

School Libraries and Media Centers

- Provides definition of school library or media center is one that provides equitable and free access to students, teachers, and administrators.
- Requires a school library or media center to have the following characteristics:
 - 1) ensures every student has equitable access to resources and the ability to locate, access, and use organized and catalogued resources;

- 2) has a collection development plan that includes materials selection and deselection, a challenged materials procedure, and an intellectual and academic freedom statement;
- 3) is housed in a central location;
- 4) has technology and internet access; and
- 5) is served by a licensed school library media specialist or licensed school librarian.