



*Learning Excellence,
Life Readiness,
High Expectations for All
A Family, Staff, and Community Commitment*

2015-16 PRELIMINARY BUDGET

**PRESENTED TO THE
BOARD OF EDUCATION**

JUNE 22, 2015

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To: Members of the School Board
From: Peter Grant, Superintendent
Re: Preliminary Budget for the 2015-2016 School Year
Date: June 2015

Contained within this report entitled, "Preliminary Budget for the 2015-16 School Year" is a comprehensive analysis of our budget and related activities of our school District for the past school year. This report of our finances and the many activities that have taken place at our various school sites is intended to provide you a broad overview of how our resources have been utilized this past year, as well as lay the foundation for the development of the budget for the 2015-16 school year. By law, you are required to pass a preliminary budget prior to July 1 in any given year. As a practice, we subsequently request you pass a final budget in the late fall; following the completion of the audit. We will ask you to pass a revised final budget within the January-February timeframe.

The Preliminary Budget is shown in this document. We are requesting your approval of this budget for the coming year. It is anticipated this will be a balanced budget, providing no unexpected expenditures occur. As noted in this document, we will continue to maintain a fund balance, which will remain relatively stable through 2017-18 and then will decrease in the years ahead without taking action to further reduce our operating costs and/or increase our operating revenues.

I would like to thank Tom Sager, Amanda Heilman, Meghan Jewison and Sarah Hoffman for all of their efforts in putting this report together and to our entire administrative team, staff and faculty in our District for making our schools operate efficiently while providing educational excellence as shown in the contents of this report.

Definitions

ALC	Area Learning Center
ARRA	American Recovery and Investment Act
AYP	Adequate Yearly Progress
ELL	English Language Learner
ESL	English as a Second Language
FRE	Free and Reduced Entitlement
IDEA	Individuals with Disabilities Education Act
LEP	Limited English Proficiency
MAEF	Minnesota Academic Excellence Foundation
MAP	Measures of Academic Progress
MCA	Minnesota Comprehensive Assessment
MDE	Minnesota Department of Education
NCLB	No Child Left Behind
NWEA	Northwest Evaluation Association
OHS	Owatonna High School
OJHS	Owatonna Junior High School
OPS	Owatonna Public Schools
PDSA	Plan, Do, Study, Act
PSEO	Post Secondary Enrollment Options
ROSE	Raising Our Success in Education
RTI	Response to Intervention
SIOP	Sheltered Instruction Observation Protocol
SLD	Specific Learning Disability
WCRB	Work Cooperate Respect Belong

FINANCE TERMS

Fund

The Minnesota Department of Education breaks school district financial reporting into several funds. Each fund is a fiscal and accounting entity with a self-balancing set of accounts. Transfers between funds are allowed only as specified by statute. In general, revenues may be transferred from the General Fund to any operating fund only to eliminate a deficit; such a transfer requires board action.

List of ISD 761 Funds:

Operating Funds

General Fund

Accounts for all revenues and expenditure of the district not accounted for elsewhere. Special Services is accounted for separately, but is part of the General Fund.

Food Service Fund

Records the financial activities of the district's food service program.

Community Service Fund

Records the financial activities of Community Service program.

Non-Operating Funds

Building Construction Fund

Records all operations of the district's building construction programs that are funded by the sale of bonds, capital loans, or the Alternative Bonding Program.

Debt Service Fund

Records revenues and expenditures for the district's outstanding bond indebtedness, whether for building construction or operating capital.

Fiduciary Funds

Trust Fund

Records the activities for trust agreements where the board has accepted the responsibility to serve as trustee. ISD 761 uses this fund for the OHS Museum.

Internal Service Fund

Accounts for the financing of goods or services provided by one department to another within the district. ISD 761 has one internal service fund that is currently inactive except for interest earned on the balance.

This balance is a carryover of funds remaining from self-insured health plan activities and are being held in the event the district decides to self-insure in the future.

PROGRAM

The program dimension of district accounting is used to designate the programmatic areas in which financial activity takes place. The ten categories of the program series are as follows:

1. Administration
This budget category includes all costs associated with District management. It includes all budgets associated with the school board, superintendent, special services and ALC. It also includes costs related to head principals and head secretaries.
2. District Support Services
This budget category includes all costs associated with district support services including district level administrative support, business office support, human resource office support, information technology departments, legal, communications, offset, and elections.
3. Elementary and Secondary Regular Instruction
This budget category includes all costs associated with classroom activities including teachers and teacher aides and instructional supplies. It also includes all costs associated with the extracurricular program.
4. Vocational Education Instruction
Vocational teachers and expenses.
5. Special Education Instruction
This budget category includes all costs associated with the special education programs and services including teachers, and program assistants.
6. Community Education and Services
All expenses related to Community Education
7. Instructional Support Services
This budget category includes curriculum, educational media, staff development, and assistant principals.
8. Pupil Support Services
This budget category includes all costs associated with the provision of special services that enhance student attendance and performance in school. Pupil Support Services includes counseling, health services, social workers, assistant secretaries, and transportation.
9. Sites and Buildings
This budget category includes all costs associated with the maintenance and upkeep of our various buildings and grounds. Personnel, utilities, and supplies are included within these costs.
10. Fiscal and Other Fixed Costs Programs
This budget category includes costs associated with retirement of long-term obligations, severance pay and benefits, technology, property insurance, and special projects involving purchases exceeding \$500.

ENROLLMENT TERMS

Adjusted Marginal Cost Pupil Units (AMCPU)- The current pupil units or sum of 77% of the adjusted pupil units computed using current year data plus 23% of the adjusted pupil units computed using prior year data, whichever is greater.

Average Daily Membership (ADM)- The average membership of students in a school during a reporting period (normally a school year) divided by the number of days that the school is in session during this period.

Weighted Average Daily Membership (WADM)- A varied weighting of pupils by grade. For example, a student in grades K-6 may be counted as a 1.0 student. Students in grades 7-12 may be counted as a 1.2 pupil unit. The state uses these weighted numbers to figure the district's general education aid amount. Also referred to as **Pupil Units**.

OTHER TERMS

Adjusted Net Tax Capacity (ANTC) - The property value used for calculating most school taxes. ANTC is determined by equalizing differences in tax capacities by property type in different counties. This equalization process compares market values to actual sales and is intended neutralize the effect of differing assessment practices. Also, the ANTC reflects the application of the classification rates to the market value of property.

Equalization - The relationship between local tax payer obligation and state aid to pay for operating levies, bonds and/or formula allowances. ISD 761 is currently at the 63 percent rate for equalization on our operating referendum.

Equity Revenue - Revenue generated from a state formula intended to reduce the per pupil disparity between the highest and lowest revenue districts on a regional basis.

Indirect Expenditures - Expenditures recorded as district-wide then allocated out to each site based on its Weighted Average Daily Membership (WADM). Examples include expenses associated with the school board, superintendent's office, the business office, information technology, human resources, curriculum, and buildings and grounds

Indirect Revenues - Revenues recorded as district-wide then allocated out to each site based on its Weighted Average Daily Membership (WADM). Examples include interest revenue, miscellaneous revenues, rental fees and non-specific state aids.

Miscellaneous Revenue - Revenue that does not fit into any other revenue categories. An example would be the money received from the Coca-Cola contract.

Other Expenditures - Expenditures that do not fit into any other program codes. Examples include judgments against the district, dues and memberships, and scholarships.

Purchased Services - Includes expenditures for services rendered by personnel who are not on the payroll of the district and other services the district may purchase. Examples are transportation costs, travel expenses, and legal and auditor fees.

Referendum Market Value (RMV) - Allows for certain types of property that have classification rates below one to have a lower market value than the value assigned by the assessor, and excludes cabins and agricultural land.

CHAPTER ONE - DISTRICT OVERVIEW

The Owatonna School District is one of the five (5) largest employers in Owatonna. We employ approximately 650 people and maintain a total budget in excess of \$55,000,000. Our student enrollment in our PreK-12 programs is approximately 4805. This includes students attending our Alternative Learning Center and Actions program. In addition to our K-12 student population, we serve over 15,000 early childhood and adult learners through our community education program.

Our student population is largely comprised of Caucasian (77%), Hispanic (13%), Black (8%), Asian (2%), and American Indian (<1%) students. Statewide averages in these categories are 71%, 8%, 12%, 7%, and 2% respectively. Approximately 43% of the students who attend our public schools are eligible for our free and reduced lunch program.

The Owatonna Public School children receive their education in one (1) of four (4) elementary schools: Lincoln, McKinley, Washington, Wilson, two (2) intermediate/middle schools: Willow Creek, Owatonna Junior High, and one (1) of two (2) high schools: Owatonna Senior High School, and the Alternative Learning Center. Special programs are also offered in Roosevelt Community Center. The District Office is located on the site of the old Jefferson Elementary School Building.

Enrollment Trends

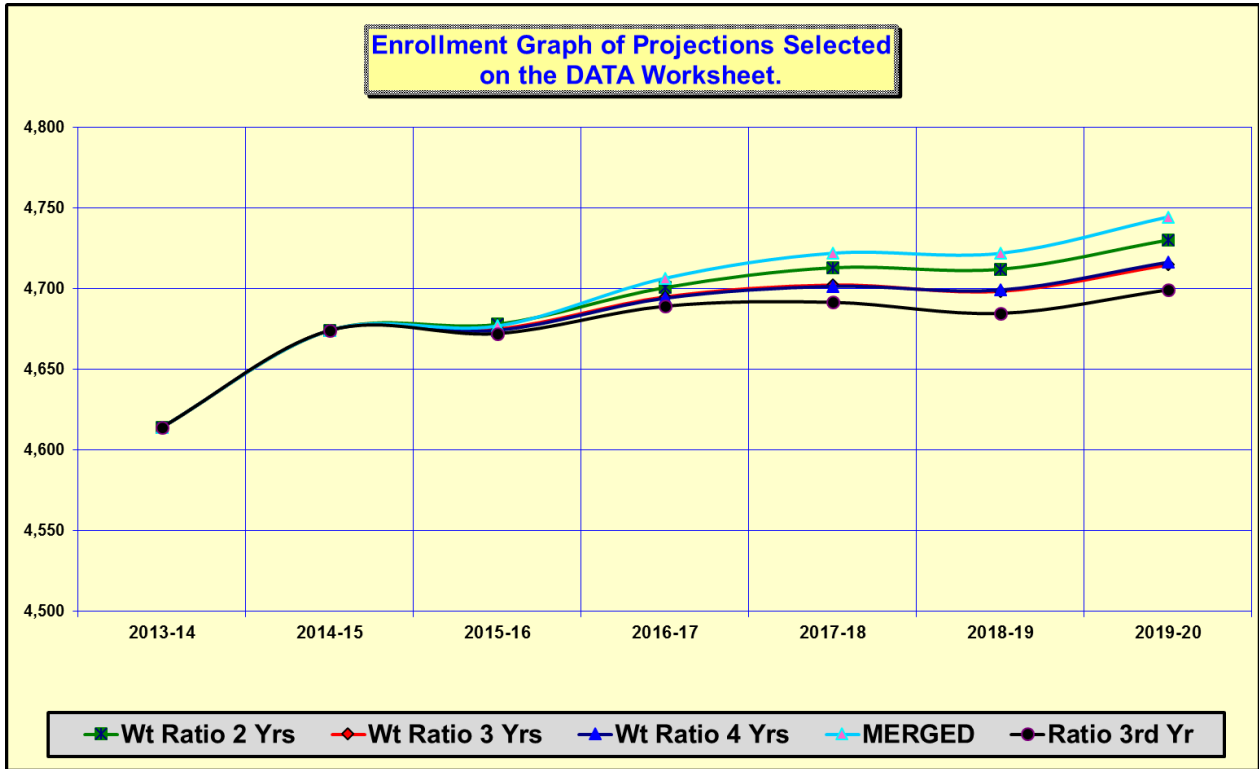
Enrollment across the District has averaged 4840 over the past four years. The table below shows the enrollment by grade over this period of time.

	2/21/2012			2/19/2013			2/17/2014			2/16/2015	
	Average Enrollment	11-12 ADM Final	%	Average Enrollment	12-13 ADM Final	%	Average Enrollment	13-14 ADM Final	%	Average Enrollment	14-15 Estimated ADM Final
Pre-K	155	54.55	0.3519	166	58.44	0.3520	133	53.74	0.4041	133	50.28
HK	15	28.28	1.8853	15	23.77	1.5847	15	29.38	1.9587	15	27.48
K	319	293.68	0.9206	326	305.39	0.9368	321	294.17	0.9164	368	339.80
1	332	331.53	0.9986	379	376.66	0.9938	368	365.41	0.9930	388	385.81
2	403	401.19	0.9955	326	325.80	0.9994	369	367.82	0.9968	371	370.01
3	356	351.37	0.9870	401	399.98	0.9975	325	326.35	1.0042	364	363.53
4	314	313.23	0.9975	357	359.84	1.0080	393	392.20	0.9980	332	332.29
5	359	353.76	0.9854	320	315.76	0.9868	352	350.88	0.9968	399	395.61
6	384	378.53	0.9858	364	355.81	0.9775	332	324.26	0.9767	361	353.33
7	347	335.95	0.9682	375	369.39	0.9850	355	345.11	0.9721	326	317.92
8	345	346.40	1.0041	339	329.34	0.9715	367	359.90	0.9807	353	346.85
9	374	376.22	1.0059	380	379.40	0.9984	374	361.89	0.9676	410	403.65
10	402	397.95	0.9899	371	366.31	0.9874	372	368.78	0.9913	370	366.25
11	366	368.63	1.0072	392	387.51	0.9885	365	355.12	0.9729	355	349.49
12	366	356.92	0.9752	369	360.72	0.9776	390	372.69	0.9556	359	346.84
PreK-12 TOTAL	4837	4688.19	0.9692	4880	4714.12		4831	4667.70		4904	4749.13
ALC	99	131.67	1.3300	74	135.46	1.83	65	134.77	2.07	76	140.74
PreK-12 ALC TOTAL	4936	4819.86	0.9765	4954	4849.58	0.98	4896	4802.47	0.98	4980	4889.87 ¹
¹ The estimated ADM Final PreK-12 ALC Total does not include Extended Time (about 75/year).									14-15 PreK-12 Budget		
									14-15 PreK-12 ALC Budget		

For planning purposes, the enrollment projections (shown in the table below) shows a slight decrease from FY15 into FY16. After that, enrollment is forecasted to be stable, with a slight increase into FY20.

		Est. 2015-16	Est. 2016-17	Est. 2017-18	Est. 2018-19	Est. 2019-20
Grade	K	332.0	350.0	337.0	350.0	358.0
	1	383.6	351.8	369.6	356.6	369.6
	2	378.3	378.9	347.4	365.0	352.2
	3	364.3	378.6	379.2	347.8	365.4
	4	372.1	367.4	381.8	382.4	350.7
	5	329.9	368.6	364.0	378.2	378.9
	6	393.1	332.5	371.6	366.9	381.3
	7	341.1	383.1	324.1	362.1	357.5
	8	312.9	336.6	378.1	319.8	357.4
	9	381.0	346.5	372.9	418.8	354.3
	10	399.5	378.6	344.4	370.5	416.1
	11	351.0	382.0	362.1	329.3	354.4
12	336.1	340.0	370.0	350.7	319.0	
Total K-12		4674.9	4694.6	4702.2	4698.1	4714.8
Change		0.9	19.7	7.6	-4.1	16.7
ALC		130.0	130.0	130.0	130.0	130.0
Total K-12		4804.9	4824.6	4832.2	4828.1	4844.8
Pre-K		36.6	38.6	37.1	38.6	39.4
Total Pre-K - 12		4841.5	4863.2	4869.3	4866.7	4884.2

The enrollment graph is a forecasting tool. This graph indicates the different projections available to use for enrollment. These projections are based on our current and past enrollment with different weighted ratios. Our current projection reflects the graph located in the middle of the line graphs.

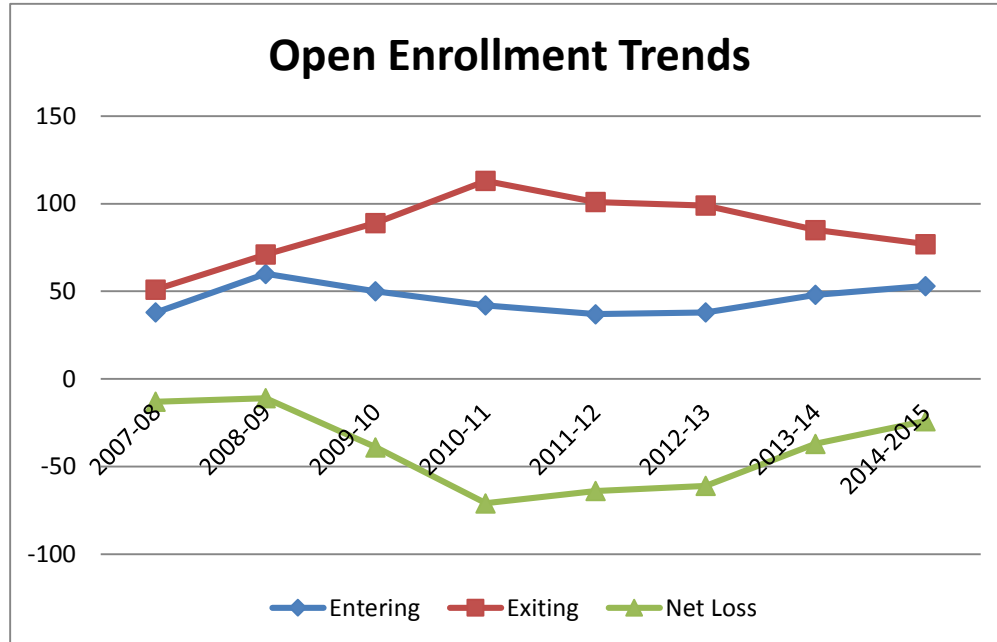


In the fall of 2005, the District School Board examined existing attendance boundaries for its four (4) elementary schools and established class size ‘targets’ for each grade level. Those targets are shown below. Overall, enrollment is forecasted to remain stable over the next four years. Starting all day Kindergarten in FY 15 could change this trend. Fiscal challenges have required a downward trend in staffing levels. As a result, our ability to stay within the established class size targets may become increasingly difficult. In addition, space limitations in each school may also provide challenges in meeting established class size targets. The variances shown in the right hand column represent the 2014-15 school enrollments by grade.

School Board Average Class Size Targets (as of February 16, 2015)			
Grade	Total Average Class Size	Actual Average Class Size	Variance
K	19.00	22.39	3.39
1	20.00	22.54	2.54
2	23.00	22.88	-0.12
3	23.00	25.21	2.21
4	28.00	26.75	-1.25
5	28.00	27.65	-0.35
6	28.00	29.83	1.83

Our schools are governed by state laws and regulations. One law that impacts our enrollment trends is “Open Enrollment.” As shown in the table below, in 2014-15, Owatonna had a net loss of students enrolling under the provisions of this law.

	Attending Owatonna	Attending Other Districts	Net Gain/(Loss)
Albert Lea	2	1	1
Blooming Prairie	4	6	(2)
Brooklyn Center	1	2	(1)
Faribault	6	3	3
Fergus Falls	0	1	(1)
Kasson-Mantorville	1	0	1
Houston	0	8	(8)
Medford	15	48	(33)
NRHEG	5	3	2
Northfield	0	2	(2)
Rochester	1	0	1
Tri-City	4	0	4
Triton	11	1	10
Waseca	3	2	1
TOTAL	53	77	(24)



The table below shows students who chose to open enroll in our District by grade.

Attending Owatonna

	EC	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	Gr 9	Gr 10	Gr 11	Gr 12	Total
Albert Lea				1									1		2
Blooming Prairie		1							1				2		4
Brooklyn Center							1								1
Faribault		1		1				1				1		2	6
Kasson-Mant.													1		1
Medford		1	1	2		1	2		1	1	1	2	2	1	15
NRHEG	1	3	1												5
Rochester		1													1
Tri-City				1		1	1	1							4
Triton	2	3			1	1				1		1	1	1	11
Waseca		1		1			1								3
TOTAL	3	11	2	6	1	3	5	2	2	2	1	4	7	4	53

From the table below, showing students opting out of our District, the largest loss of students is in Kindergarten.

Attending Other Districts

	K	Gr 1	Gr 2	Gr 3	Gr 4	Gr 5	Gr 6	Gr 7	Gr 8	Gr 9	Gr 10	Gr 11	Gr 12	Total
Albert Lea	1													1
Blooming Prairie	1	1	1	1	2									6
Brooklyn Center													2	2
Faribault		1										1	1	3
Fergus Falls									1					1
Houston	1				1		2	1			1	2		8
Medford	12	3	5	3	4	1	2	3	4	2	2	3	4	48
Northfield				1			1							2
NRHEG	1						1			1				3
Triton									1					1
Waseca												1	1	2
TOTAL	16	5	6	5	7	1	6	4	6	3	3	7	8	77

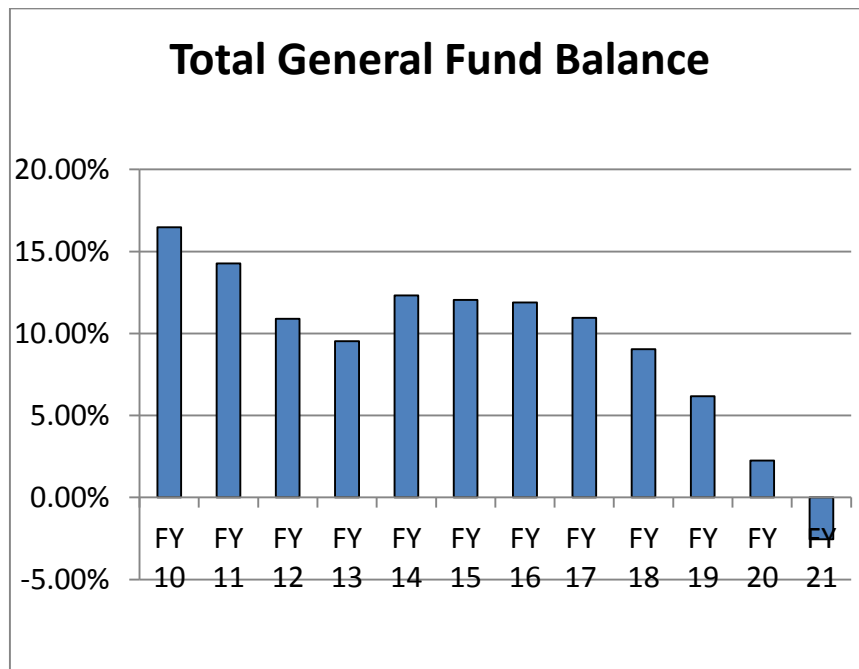
The numbers above represent students open enrolling into the Owatonna Public Schools and those open enrolling into districts other than Owatonna. For FY 14, the district experienced a net loss of 24 students – the lowest in many years. This compares to an average net loss of students to open enrollment of 56 students/year from FY 10 through FY 14, with a range of 49 students to 70 students.

This “recapturing” of open enrolled students is related to the start of all-day kindergarten programming in FY 15. It has previously reported that the net loss of total revenue due to losing open enrolled students is roughly \$2,700 per student, when considering the loss of revenue and the expense related to educating each student. For example, in FY 12 the district’s net loss due to open enrollment was estimated to be \$120,000 for students in grades 1 through 12 for that one year. In FY 14, however, the net loss of students was about half of what it was just two years prior, thus, reducing the net loss of revenue by approximately \$60,000. The district anticipates this open enrollment trend to continue, whereby reducing the amount to lost net revenue over time.

CHAPTER TWO – BUDGET OVERVIEW

The Owatonna School District has a total annual budget of \$ 60,888,497 for the 2015-16 school year. As of June 11, 2015, the district anticipates a surplus of \$ 364,000 from the general fund in FY '15. The FY '16 budget will create a surplus of \$ 114,000. This will place the district's total general fund balance at 11.89 percent.

Revenue and Expenditure Long Range Forecast												
	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
(in millions)												
Base Revenue					\$44.453	\$45.864	\$47.148	\$47.808	\$48.477	\$49.156	\$49.844	\$50.542
Operating Revenue					\$3.900	\$5.700	\$5.814	\$5.930	\$6.049	\$6.170	\$6.293	\$6.419
Total Revenue	\$46.219	\$47.079	\$46.325	\$47.158	\$48.353	\$51.564	\$52.962	\$53.818	\$54.606	\$55.406	\$56.138	\$56.961
Total Expenditures	\$46.754	\$47.939	\$47.943	\$47.822	\$47.108	\$51.200	\$52.848	\$54.169	\$55.523	\$56.912	\$58.334	\$59.793
Fund Balance Change	-\$0.535	-\$0.860	-\$1.618	-\$0.664	\$1.245	\$0.364	\$0.114	-\$0.351	-\$0.917	-\$1.506	-\$2.197	-\$2.831
Fund Balance	\$7.703	\$6.843	\$5.225	\$4.561	\$5.806	\$6.170	\$6.284	\$5.933	\$5.016	\$3.510	\$1.314	-\$1.518
Percent	16.48%	14.27%	10.90%	9.54%	12.32%	12.05%	11.89%	10.95%	9.03%	6.17%	2.25%	-2.54%



Overview and Assumptions

- The above values represent anticipated updates made in the 2015 legislative session, the FY 15 Revised Final Budget, and FY 14 audit results.
State aid revenue increase of 1.5 percent was used for this FY 16 Preliminary Budget
- Growth of 2.50 percent applied to all expenditures for FY 17 and beyond.
- Growth of 1.4 percent applied to all revenue for FY 17 and beyond. This does account for increasing enrollment currently forecasted of roughly 10 students per year for the next several years.
- Added \$1.8 million from operating levy starting in FY 15.
- Operating levy amount planned to increase by 2.0 percent per year.
- The average expense of 1.0 teaching FTE is approximately \$83,827.

The budget includes revenues from six different funds that are required by law to maintain separate accounting systems. Those funds include the General, Food Service, Community Service, Debt Service, Trust, and Internal Service Funds. Detailed information on the General, Food Service, Community Service, and Debt Service Funds are included below. The 2014-15 numbers are based on the revised final budget.

Revenues

The table below describes a breakdown of anticipated revenues by category for the General Fund.

**OWATONNA PUBLIC SCHOOLS, ISD #761
GENERAL FUND REVENUE (Funds 1, 10, and 11)
2015-16 PRELIMINARY BUDGET**

GENERAL FUND REVENUE (Funds 1, 10, and 11)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
Tax Levy	\$ 5,939,639	\$ 5,835,788	\$ (103,851)
Delinquent Taxes	55,000	55,000	-
County Apportionment	82,000	82,000	-
Miscellaneous County Tax Revenue	11,000	11,000	-
Revenue from Other MN ISD's for Special Ed.	95,000	95,000	-
Tuition from Patrons	50,000	55,000	5,000
Fees from Patrons	238,797	228,783	(10,014)
Admissions/Student Activity Revenue	156,989	139,573	(17,416)
Medical Assistance Reimbursement	225,000	225,000	-
Interest Earnings	6,000	15,000	9,000
Rent	13,196	18,000	4,804
Gifts and Bequests	132,391	108,097	(24,294)
Miscellaneous Revenue	187,123	244,438	57,315
Endowment	132,536	132,522	(14)
General Education Aid	37,054,109	38,330,192	1,276,083
Literacy Aid	258,496	258,496	-
Shared Time	94,054	96,128	2,074
Abatement Aid	12,710	12,710	-
Disparity Reduction Aid	14,408	14,408	-
Homestead/Ag Market Value Credit	9,976	9,976	-
State Aids and Grants	343,275	368,038	24,763
Special Education	4,475,563	4,772,856	297,293
Miscellaneous Revenue from MDE	15,000	15,000	-
Federal Aids and Grants	1,961,650	1,839,476	(122,174)
TOTAL GENERAL FUND REVENUES	<u>\$ 51,563,912</u>	<u>\$ 52,962,481</u>	<u>\$ 1,398,569</u>

It should be noted we have projected an increase in revenue for 2015-16. The increase in general education aid of \$1,276,083 is due to the addition of \$87ppu, increased compensatory funding, and an increase of \$212 in local optional revenue aid. General education aid includes basic per pupil allotment along with all other aid categories, such as compensatory, staff development, English Learner aid, and operating capital.

Our Food Service Fund is shown in the following table. The largest portion of the fund is derived from the sale of meal tickets to students. Another portion comes to us through special assistance. This line item includes government subsidies, which is the largest portion of the revenue. **As part of the budget, the District is proposing an increase in breakfast and lunch meal prices by .05 cents for 2015-16.** The primary reason for the drop in revenue is an anticipated reduction in the meal sales to pupils. This has been a trend since FY 11, and the district anticipates this to continue.

**OWATONNA PUBLIC SCHOOLS, ISD #761
FOOD SERVICE FUND REVENUE (Fund 2)
2015-16 PRELIMINARY BUDGET**

FOOD SERVICE FUND REVENUE (Fund 2)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
Interest Earnings	\$ 155	\$ 150	\$ (5)
Miscellaneous Revenue	5,200	3,500	(1,700)
State Aids and Grants	123,117	159,900	36,783
School Lunch Program	82,306	78,107	(4,199)
Special Assistance	743,145	826,650	83,505
Commodity Rebates	-	-	-
Commodity Distribution	128,504	142,533	14,029
Special Milk Program	230	160	(70)
School Breakfast Program	269,521	304,541	35,020
Summer School	32,000	32,000	-
Sales to Pupils	1,140,647	1,171,079	30,432
Sales to Adults	23,482	25,627	2,145
Special Function Food Sales	7,000	7,000	-
TOTAL FOOD SERVICE FUND REVENUES	<u>\$ 2,555,307</u>	<u>\$ 2,751,247</u>	<u>\$ 195,940</u>

While it is legally possible to transfer general education funds into the Food Service Fund as a means of balancing the fund, it is not legal to transfer any fund balance from the Food Service Fund into the General Fund.

For our Community Education programs, the table below shows the categories we receive funding.

**OWATONNA PUBLIC SCHOOLS, ISD #761
COMMUNITY SERVICE FUND REVENUE (Fund 4)
2015-16 PRELIMINARY BUDGET**

COMMUNITY SERVICE FUND REVENUE (Fund 4)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
Tax Levy	\$ 312,111	\$ 309,385	\$ (2,726)
Delinquent Taxes	3,000	3,000	\$ -
Miscellaneous County Tax Revenue	-	-	
Tuition from Patrons	337,100	326,000	(11,100)
Fees from Patrons	378,000	392,000	14,000
Interest Earnings	700	700	-
Rent	700	-	(700)
Gifts and Bequests	300	24,200	23,900
Miscellaneous Revenue	5,100	11,150	6,050
Abatement Aid	301	301	-
Disparity Reduction Aid	2,334	2,334	-
Homestead/Ag Market Value Credit	1,616	1,616	-
State Aids and Grants	1,570,499	1,720,655	150,156
Non-Public Aid	78,167	75,000	(3,167)
Federal Aids and Grants	59,880	66,763	6,883
Permanent Fund Transfer	14,000	19,000	5,000
TOTAL COMMUNITY SERVICE FUND REVENUES	<u>\$ 2,763,808</u>	<u>\$ 2,952,104</u>	<u>\$ 188,296</u>

Projected revenues for the coming year are anticipated to increase for the Community Education programs. The increase comes in the area of state aids and grants due to Pathways Scholarship aid that will be received in 2015-16 to allow the District to host Kindergarten Camp. The District is a member of a consortium that includes Albert Lea, Faribault, Winona, Caledonia Adult Pathways, and Austin for ABE. We continue to act as fiscal host.

Below are the revenue sources for the Debt Service Fund.

**OWATONNA PUBLIC SCHOOLS, ISD #761
DEBT SERVICE FUND REVENUE (Fund 7)
2015-16 PRELIMINARY BUDGET**

DEBT SERVICE FUND REVENUE (Fund 7)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
Tax Levy	\$ 2,230,225	\$ 2,225,049	\$ (5,176)
Delinquent Taxes	30,000	30,000	-
Miscellaneous County Tax Revenue	5,000	5,000	-
Interest Earnings	1,328	1,328	-
Disparity Reduction Aid	16,702	16,702	-
Homestead/Ag Market Value Credit	11,564	11,564	-
Other Property Tax Credit	-	-	-
TOTAL DEBT SERVICE FUND REVENUES	<u>\$ 2,294,819</u>	<u>\$ 2,289,643</u>	<u>\$ (5,176)</u>

Debt service revenue can only be used for costs associated with the payout of bonds sold for the construction and/or repair of district facilities. Most of the revenue is the direct result of a voter approved bond levy. Currently, we are paying down on two separate bond issues. If no other bonds are approved in the future, the final payment of the existing bonds would be in 2017.

Total revenue for the operating funds is shown in the table below. The increase of approximately \$1,782,805 represents an overall increase of approximately 3.1% from FY 15.

**OWATONNA PUBLIC SCHOOLS, ISD #761
TOTAL REVENUES
2015-16 PRELIMINARY BUDGET**

Fund Name	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
<u>Total Operating Funds Revenue:</u>			
General Fund (Funds 1, 10, and 11)	\$51,563,912	\$52,962,481	\$ 1,398,569
Food Service Fund (Fund 2)	2,555,307	2,751,247	195,940
Community Service Fund (Fund 4)	2,763,808	2,952,104	188,296
Total Operating Funds Revenue	<u>\$56,883,027</u>	<u>\$58,665,832</u>	<u>\$ 1,782,805</u>

When debt service revenue is added to the operating funds, total revenue is shown in the following table.

<u>Total Non-Operating Funds Revenue:</u>			
Debt Service Fund (Fund 7)	\$ 2,294,819	\$ 2,289,643	\$ (5,176)
Total Non-Operating Funds Revenue	<u>\$ 2,294,819</u>	<u>\$ 2,289,643</u>	<u>\$ (5,176)</u>
TOTAL REVENUE	<u>\$ 59,177,846</u>	<u>\$ 60,955,475</u>	<u>\$ 1,777,629</u>

Expenditures

All instructional programs and service expenditures are paid from the General Fund. Category allocations are shown in the table on the next page. The category of “Administrative and District Support Services” includes areas such as the board of education, superintendent’s office, business office, human resources, and information technology services. The category of “Instructional” includes all costs associated with regular, vocational, and special education instruction. The category of “Instructional and Pupil Support” includes costs associated with assisting instructional staff and services provided to students that are not considered instructional. Examples of instructional and pupil support services include social workers, counselors, and transportation. The category of “Operations, Maintenance, and Fixed” includes costs associated with the maintenance and operations of our buildings and property insurance. Further descriptions of these categories can be found on page 5 of this budget document.

OWATONNA PUBLIC SCHOOLS, ISD #761
GENERAL FUND EXPENDITURES (Funds 1, 10, and 11)
2015-16 PRELIMINARY BUDGET

GENERAL FUND EXPENDITURES (Funds 1, 10, and 11)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
<u>Administrative and District Support Services</u>			
Salaries	\$ 2,253,641	\$ 2,358,639	\$ 104,998
Benefits	776,384	816,130	39,746
Purchased Services	494,235	418,262	(75,973)
Supplies and Materials	118,683	144,426	25,743
Capital Expenditures	678,252	754,713	76,461
Other Expenditures	(38,658)	43,530	82,188
Total Administrative and District Support Services	\$ 4,282,537	\$ 4,535,700	\$ 253,163
<u>Instructional</u>			
Salaries	\$ 23,096,878	\$ 24,498,841	\$ 1,401,963
Benefits	8,943,323	8,984,764	41,441
Purchased Services	1,525,094	1,520,769	(4,325)
Supplies and Materials	952,743	949,764	(2,979)
Capital Expenditures	823,749	292,245	(531,504)
Other Expenditures	87,965	46,754	(41,211)
Total Instructional	\$ 35,429,752	\$ 36,293,137	\$ 863,385
<u>Instructional and Pupil Support</u>			
Salaries	\$ 2,299,047	\$ 2,361,022	\$ 61,975
Benefits	707,540	797,970	90,430
Purchased Services	2,987,225	2,998,385	11,160
Supplies and Materials	319,385	285,131	(34,254)
Capital Expenditures	10,090	17,871	7,781
Other Expenditures	9,143	21,671	12,528
Total Instructional and Pupil Support	\$ 6,332,430	\$ 6,482,050	\$ 149,620
<u>Operations, Maintenance, and Fixed</u>			
Salaries	\$ 1,487,909	\$ 1,626,961	\$ 139,052
Benefits	709,532	714,783	5,251
Purchased Services	2,001,532	2,142,529	140,997
Supplies and Materials	620,815	635,805	14,990
Capital Expenditures	287,838	366,938	79,100
Other Expenditures	47,669	49,756	2,087
Total Operations, Maintenance, and Fixed	\$ 5,155,295	\$ 5,536,772	\$ 381,477
TOTAL GENERAL FUND EXPENDITURES	\$ 51,200,014	\$ 52,847,659	\$ 1,647,645

Overall, the district is planning to increase its general fund expenditures in FY 16 as a result of changes in employee contracts, staffing assignments, and ongoing deferred maintenance needs.

The table below shows the proposed expenditure allocations in the Food Service Fund.

**OWATONNA PUBLIC SCHOOLS, ISD #761
FOOD SERVICE FUND EXPENDITURES (Fund 2)
2015-16 PRELIMINARY BUDGET**

FOOD SERVICE FUND EXPENDITURES (Fund 2)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
Salaries	\$ 926,041	\$ 984,312	\$ 58,271
Benefits	306,272	317,882	11,610
Purchased Services	82,556	82,935	379
Supplies and Materials	1,319,169	1,350,288	31,119
Capital Expenditures	59,000	33,000	(26,000)
Other Expenditures	1,000	1,000	-
TOTAL FOOD SERVICE EXPENDITURES	<u>\$ 2,694,038</u>	<u>\$ 2,769,417</u>	<u>\$ 75,379</u>

The increase in salaries and benefits is due to changes in the employee's contracts and employees taking benefits. Supplies and materials are increasing due to higher prices for commodities. The decrease in capital expenditures is due to purchasing less equipment in FY 16 as compared to FY 15.

The table below shows the changes in expenditures of the Community Service Fund.

**OWATONNA PUBLIC SCHOOLS, ISD #761
COMMUNITY SERVICE FUND EXPENDITURES (Fund 4)
2015-16 PRELIMINARY BUDGET**

COMMUNITY SERVICE FUND EXPENDITURES (Fund 4)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
Salaries	\$ 892,922	\$ 955,311	\$ 62,389
Benefits	233,175	253,936	20,761
Purchased Services	1,597,514	1,669,864	72,350
Supplies and Materials	92,365	57,841	(34,524)
Capital Expenditures	18,297	20,694	2,397
Other Expenditures	2,200	4,400	2,200
TOTAL COMMUNITY SERVICE EXPENDITURES	<u>\$ 2,836,473</u>	<u>\$ 2,962,046</u>	<u>\$ 125,573</u>

The community service expenditures are remaining relatively the same in comparison to FY 15. Community Education is adjusted from year to year based on the revenue received and the fund balances per program. Most programs are proposing increased expenditures for FY 16 as a result of employee contracts and increased programming.

The Debt Service Fund, as shown below, is calculated based upon the outstanding principal and interest payments due during the year. The District only has one bond remaining to be paid. Bond principal and bond interest will fluctuate from year to year because as bond principal increases this translates to a decrease in bond interest due.

**OWATONNA PUBLIC SCHOOLS, ISD #761
DEBT SERVICE FUND EXPENDITURES (Fund 7)
2015-16 PRELIMINARY BUDGET**

DEBT SERVICE FUND EXPENDITURES (Fund 7)	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
Bond Principal	\$ 2,230,000	\$ 2,255,000	\$ 25,000
Bond Interest	74,200	51,375	(22,825)
Other Debt Service Expenditures	3,000	3,000	-
TOTAL DEBT SERVICE EXPENDITURES	\$ 2,307,200	\$ 2,309,375	\$ 2,175

Total expenditures for all operating funds are shown in the table below. The increase of \$1,850,772 represents an overall decrease of approximately 3.1% from FY 16.

Fund Name	2014-15 Revised Final Budget	2015-16 Preliminary Budget	Difference
<u>Total Operating Funds Expenditures:</u>			
General Fund (Funds 1, 10, and 11)	\$ 51,200,014	\$ 52,847,659	\$ 1,647,645
Food Service Fund (Fund 2)	2,694,038	2,769,417	75,379
Community Service Fund (Fund 4)	2,836,473	2,962,046	125,573
Total Operating Funds Expenditures	\$ 56,730,525	\$ 58,579,122	\$ 1,848,597

When debt service expenditures are added to the operating funds, total expenditures are as shown in the table below.

<u>Total Non-Operating Funds Expenditures:</u>			
Debt Service Fund (Fund 7)	\$ 2,307,200	\$ 2,309,375	\$ 2,175
Building Construction Fund (Fund 6)	-	-	-
Total Non-Operating Funds Expenditures	\$ 2,307,200	\$ 2,309,375	\$ 2,175
TOTAL EXPENDITURES	\$ 59,037,725	\$ 60,888,497	\$ 1,850,772

The budget proposed for Board passage for 2015-16 is shown in the summary on page 23. Total operating revenue for FY 16 is projected to be \$58,665,832. Total operating expenditures for FY 16 are projected to be \$58,579,122. The net difference is an operating surplus of \$86,710 for FY 16.

However, when considering only the General Fund (the largest fund and the fund from which our instructional programs and services are derived), the total revenue is projected to be \$52,962,481 and total expenditures are projected to be \$52,847,659. The net difference is a surplus of \$114,822 for FY 16.

The chart below shows the difference between revenues and expenditures for the operating funds, which includes the general fund, food service fund, and community service fund.

<u>Category</u>	<u>2014-15 Revised Final Budget</u>	<u>2015-16 Preliminary Budget</u>	<u>Difference</u>
<u>Includes General Fund, Food Service Fund, and Community Service Fund:</u>			
Total Operating Revenues	\$ 56,883,027	\$ 58,665,832	\$ 1,782,805
Total Operating Expenditures	56,730,525	58,579,122	1,848,597
Total Revenues less Expenditures	<u>\$ 152,502</u>	<u>\$ 86,710</u>	<u>\$ (65,792)</u>

The chart below shows the difference between revenues and expenditures for the general fund only.

<u>Category</u>	<u>2014-15 Revised Final Budget</u>	<u>2015-16 Preliminary Budget</u>	<u>Difference</u>
<u>Includes General Fund Only:</u>			
Total Revenues	\$ 51,563,912	\$ 52,962,481	\$ 1,398,569
Total Expenditures	51,200,014	52,847,659	1,647,645
Total Revenues less Expenditures	<u>\$ 363,898</u>	<u>\$ 114,822</u>	<u>\$ (249,076)</u>

Below is the table that contains the proposed budget for the 2015-16 school year. This is the budget the Board is being asked to approve for fiscal year 2016. Included in this proposal is a .05 cent increase to breakfast and lunch meal prices in the Food Service budget for the 2015-16 school year. Approval of this budget approves the food service price increase.

JUNE 30, 2015 PROJECTED ENDING FUND BALANCES

<u>Fund</u>	<u>6/30/2014 Balance</u>	<u>2014-15 Revenues</u>	<u>2014-15 Expenditures</u>	<u>6/30/2015 Balance</u>
General - Unassigned	4,736,284	43,715,898	43,419,987	5,032,195
General - Restricted/Reserved	831,872	7,848,014	7,780,027	899,859
General - Nonspendable	238,720	-	-	238,720
Food Service	323,175	2,555,307	2,694,038	184,444
Community Service	558,973	2,763,808	2,836,473	486,308
Debt Service	543,057	2,294,819	2,307,200	530,676
Trust	5,370	1,502	1,916	4,956
Internal Service	203,414	188	-	203,602
Total	7,440,865	59,179,536	59,039,641	7,580,760

JUNE 30, 2016 PROJECTED ENDING FUND BALANCES

<u>Fund</u>	<u>6/30/2015 Balance</u>	<u>2015-16 Revenues</u>	<u>2015-16 Expenditures</u>	<u>6/30/2016 Balance</u>
General - Unassigned	5,032,195	44,629,183	44,140,946	5,520,432
General - Restricted/Reserved	899,859	8,333,298	8,706,713	526,444
General - Nonspendable	238,720	-	-	238,720
Food Service	184,444	2,751,247	2,769,417	166,274
Community Service	486,308	2,952,104	2,962,046	476,366
Debt Service	530,676	2,289,643	2,309,375	510,944
Trust	4,956	1,502	1,918	4,540
Internal Service	203,602	188	-	203,790
Total	7,580,760	60,957,165	60,890,415	7,647,510

JUNE 30, 2016 FUND BALANCE COMPARISON PROJECTION

<u>Fund</u>	<u>6/30/2015 Balance</u>	<u>6/30/2016 Balance</u>	<u>Difference</u>
General - Unassigned	5,032,195	5,520,432	488,237
General - Restricted/Reserved	899,859	526,444	(373,415)
General - Nonspendable	238,720	238,720	-
Food Service	184,444	166,274	(18,170)
Community Service	486,308	476,366	(9,942)
Debt Service	530,676	510,944	(19,732)
Trust	4,956	4,540	(416)
Internal Service	203,602	203,790	188
Total	7,580,760	7,647,510	66,750

2015-16 REVENUE/EXPENDITURE COMPARISON

<u>Fund</u>	<u>Revenues</u>			<u>Expenditures</u>		
	<u>6/30/2015 Rev. Final</u>	<u>6/30/2016 Preliminary</u>	<u>Difference</u>	<u>6/30/2015 Rev. Final</u>	<u>6/30/2016 Preliminary</u>	<u>Difference</u>
General - Unassigned	43,715,898	44,629,183	913,285	43,419,987	44,140,946	720,959
General - Restricted/Reserved	7,848,014	8,333,298	485,284	7,780,027	8,706,713	926,686
General - Nonspendable	-	-	-	-	-	-
Food Service	2,555,307	2,751,247	195,940	2,694,038	2,769,417	75,379
Community Service	2,763,808	2,952,104	188,296	2,836,473	2,962,046	125,573
Building Construction	-	-	-	-	-	-
Debt Service	2,294,819	2,289,643	(5,176)	2,307,200	2,309,375	2,175
Trust	1,502	1,502	-	1,916	1,918	2
Internal Service	188	188	-	-	-	-
Total	59,179,536	60,957,165	1,777,629	59,039,641	60,890,415	1,850,774

The FY '15 auditing process will validate the actual financial performance of the District and those results could change the listed ending fund balances for FY '15. As always, any such adjustments will be used in the FY '16 final budget, which the board typically approves in December. Included in the preliminary budget is a permanent transfer from the General Fund to the Community Service fund of \$14,000 for Kids First Program and \$5,000 for central enrollment. By approving the preliminary budget the board is also approving the permanent transfer of \$19,000.

CHAPTER THREE - ELEMENTARY SCHOOL REPORT

The Owatonna School District operates four elementary education schools. Student enrollment is determined by specific boundaries that have been created to provide for 'neighborhood' school programs. Programs and services are coordinated to ensure every student within the District receives comparable learning opportunities.

Lincoln Elementary is a neighborhood school educating students and serving families on the southeast side of Owatonna. We have a beautiful campus complete with two playgrounds, an oak tree grove, a walking path, basketball court, ball field and a shared border with the city soccer complex. Our building houses students in kindergarten through 5th grade and the district-wide Montessori Program. Our total enrollment for 2014-15 was 585 students.

A few unique learning opportunities at Lincoln include: a first and second grade looping option, two Montessori classrooms, Reading Corps tutors, the ASD (Autism Spectrum Disability) classroom, and an afterschool intervention program called CHAMPS. All of these programs help us serve the different needs of our students.

Lincoln has a dedicated staff of 70 adults who collaborate daily to meet the needs of students both in and out of the classroom. Teachers meet regularly throughout the year to focus on student achievement and meeting the school goals. During this time, individual student needs are identified and action plans for support are put into place. We are fortunate to have a Reading Intervention teacher, two full-time Reading Corps volunteers, a team of educational assistants, a Special Education staff, and a dedicated group of volunteers to support our students.

The Lincoln School Site Leadership Team identified the following three areas for their 2015-16 school goals:

1. Reading improvement
2. Leadership Celebration
3. Professional Learning Communities focused on student learning

Lincoln Elementary has had a strong academic history and the MCA results for the 2013-14 school year were as follows: 64% of our students were proficient in Reading, 74% were proficient in Math, and 70% were proficient in Science. We are measuring our growth in reading and math through formal and informal assessments. Teachers then collaborate with each other to look at assessment results and provide an intervention plan for individual students or the whole class when needed.

We started the school year with a Leadership Rally and hold one after each trimester to celebrate the accomplishments of our students. We also end each trimester with a Lincoln Leader Celebration. This is a time where the Lincoln staff sets up many different fun activities and students can choose the activities that are of interest to them.

In May of 2014 we started a large community service project at Lincoln. The PTO partnered with the school to raise funds for a playground to replace a current set that was needing improvements. We have collected a total of \$35,000 through fundraisers and grants and the new playground will be installed in June of 2015. Lincoln students were involved with the fundraising and the designing of the new equipment.

We are very proud of our Lincoln students. They are successful in both academics and leadership. We are living our mission: Developing Leaders One Student at a Time.

Lincoln's Economic Outlook

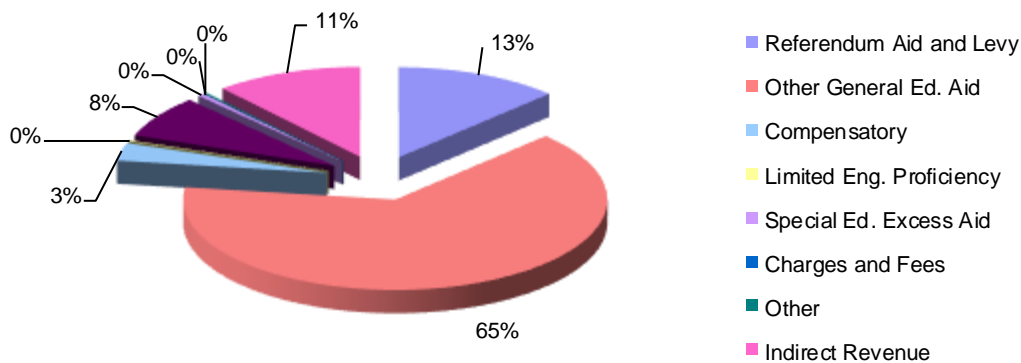
The table below identifies projected changes in our overall revenue picture for Lincoln in the 2015-2016 school year. Revenue will increase by 6.2%. Lincoln is seeing an increase in compensatory aid, which is funded based on the number of students on free and reduced lunch. There will also be increased needs in special education for FY 16.

Lincoln Revenues

Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change Percent	Change Amount
Referendum Aid and Levy	\$ 361,885	\$ 378,192	\$ 622,501	\$ 660,657	6.1%	\$ 38,156
Other General Ed. Aid	2,735,715	2,974,679	3,352,825	3,402,850	1.5%	50,025
Compensatory	118,109	122,437	162,967	166,982	2.5%	4,015
Limited Eng. Proficiency	4,696	4,842	5,108	7,272	42.4%	2,164
Special Ed. Aid	188,554	267,779	206,523	396,656	92.1%	190,133
Special Ed. Excess Aid	23,758	33,740	26,022	26,022	0.0%	-
Charges and Fees	1,452	2,821	-	-	0.0%	-
Other	9,935	73,494	14,514	11,389	-21.5%	(3,125)
Indirect Revenue	438,800	406,054	564,556	592,713	5.0%	28,157
Total	\$ 3,882,904	\$ 4,264,038	\$ 4,955,016	\$ 5,264,541	6.2%	\$ 309,525

Graphically, Lincoln's revenue allocation is shown in the chart below. Since Lincoln receives fewer funds in special categorical aids, a larger share of its revenue is derived from the general education formula. Lincoln receives the smallest allocation in the area of compensatory aid in comparison to our other elementary schools.

2015-16 Lincoln Revenue Budget



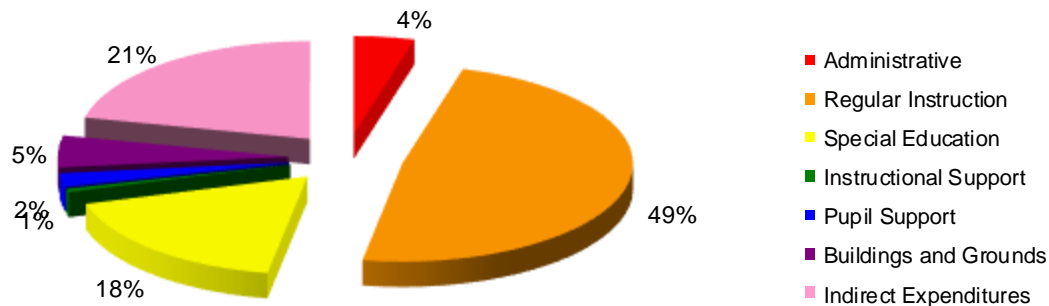
A table of Lincoln's expenditures follows. Lincoln will also see an increase in expenditures. Most of it is in regular and special education instruction due to changes in employee contracts.

Lincoln Expenditures

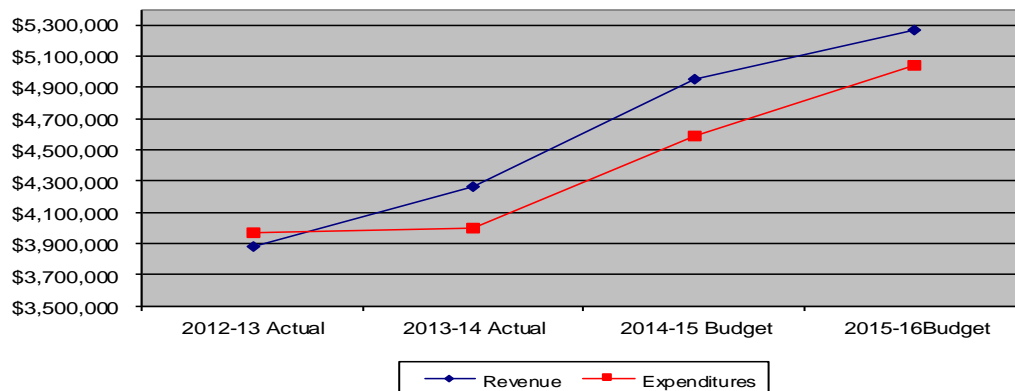
Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change Percent	Change Amount
Administrative	\$ 186,883	\$ 200,963	\$ 202,213	\$ 214,208	5.9%	\$ 11,995
Regular Instruction	2,295,964	2,111,140	2,338,292	2,448,073	4.7%	109,781
Special Education	425,198	591,742	746,400	893,745	19.7%	147,345
Instructional Support	116,840	98,313	28,485	27,829	-2.3%	(656)
Pupil Support	66,716	70,225	53,892	111,588	107.1%	57,696
Buildings and Grounds	238,071	219,008	227,649	265,574	16.7%	37,925
Indirect Expenditures	643,650	703,955	996,804	1,084,076	8.8%	87,272
Total	\$ 3,973,322	\$ 3,995,346	\$ 4,593,735	\$ 5,045,093	9.8%	\$ 451,358

Graphically, the expenditure budget for Lincoln is illustrated below. Administrative costs for Lincoln, as well as our other sites remain relatively constant at 5% or less. These costs include costs associated with the operation of the principal's office. Indirect expenditures make up the second largest portion of the budget. Included in the indirect expenditures category is the school's share, based on pupil units, of expenditures for the school board, superintendent, and district support staff including directors, staff development, and indirect building and grounds costs.

2015-16 Lincoln Expenditure Budget



The average revenue per student allocated to Lincoln is \$9,156. The expenditure per student at Lincoln is \$8,774. The relationship between revenues and expenditures over the last three years are shown in the table below.



McKinley Elementary STEM School serves approximately 550 students, K-5, in the northeast sector of Owatonna. The make-up of the students is: 15% Hispanic; 18% Black not Hispanic; 1% Asian/Pacific Islander and 67% Caucasian. 54% of our students receive free or reduced lunch, 10% of McKinley's students receive Special Education services and approximately 24% receive ELL services. In addition to basic academic instruction in Reading, Math, Science, and Social Studies, McKinley has special programs to meet the needs of its special education students and English Language Learners (ELL). Students also receive instruction in Physical Education (1/2 hr. every day), Music (1/2 hr. 3 days/wk) and Art (1 hr./wk).

McKinley is completing our third year as A STEM School (Art Integration, Science, Technology, Engineering, and Math). Staff continue to receive extensive training in STEM focused on questioning, inquiry, and integration. STEM is the foundation of all learning we do, not an individual class or teacher. Our staff continue to "STEM-ify" lessons and units that are aligned to district and state standards.

Below you can see some of the areas McKinley STEM has deemed critical for the success of our STEM school program:

1. Paradigm/Belief shift that **ALL** students can learn through STEM. Continue with technical shift of STEMifying lessons in all curricular areas.
2. Develop integrated & directional instructional support:
 - Science & Engineering
 - Technology integration and student use
 - STEM Literacy
 - Math integration and application
 - Integration of Art, Design and Creativity
3. Develop an organized, mapped & focused curricular shift that is responsive and sustainable with changes in student and society needs.
4. Professional development needs, schedules and learning goals for teachers, EA's & paras.
5. Necessary financial support from all stakeholders: District, State & Federal funding, grants & corporate sponsors.
6. Build greater community partnerships and support pipelines.

All McKinley Certified Teaching Staff participate in bi-monthly Professional Learning Communities (PLCs) focused on student achievement. Centered on the DuFour's four critical questions, our staff is working in collaborative teams to ensure we have supports and structures for all learners to succeed. During each PLC, teams:

- Determine pre-requisite skills students need to learn new material,
- Create and/or align common formative and summative assessments to truly understand what mastery and rigor looks like,
- Create an instructional plan for core instruction of grade-level state standards,
- Establish purposeful learning activities or structures for students who need additional practice (intervention), as well as those who need to be challenged (enrichment),
- Analyze the data, assessments, and instructional cycle to determine additional interventions and examine instructional effectiveness.

Additionally, McKinley is completing learning work to learn more about effective core instruction, systems of support, and the PLC process. McKinley has the culture of learning and belief that all students can and will learn. We are continuing to learn more about additional ways to schedule, support, assess, and track student data on a daily/weekly basis to ensure that students are mastering state standards. This past year, we were fortunate to have two Tier 2 reading teachers, two Tier 3 reading teachers, and one math interventionist.

McKinley has also continued the instructional coach position. This person has worked with our teachers on instructional practices, professional development, and assessment of students. This past year the instructional coach has collaborated with the STEM coordinator to develop our current model of STEM instruction throughout all curriculum areas.

McKinley Elementary STEM School is proud to exhibit learning excellence, life readiness, and high expectations for all.

McKinley’s Economic Outlook

School district funding comes from a variety of sources. The primary source is general education aid revenue derived from the State’s basic funding formula. The District will realize increased revenue due to increase of \$87ppu and increased compensatory funding. The general education basic aid for 2015-16 is calculated at a rate of \$5,918 per pupil unit in the elementary school. As a District, for students who are in kindergarten through sixth grade, we receive 1.0 of the base amount.

In the following table, the amount of state aid that we anticipate to receive for 2015-16 based upon our student enrollment at McKinley is \$3,160,212. Other additional revenue is also listed. The next largest revenue amount that we anticipate to be received is \$616,452. This amount has been generated as a result of the increase our lease levy for the portable classrooms located at McKinley.

McKinley Revenues

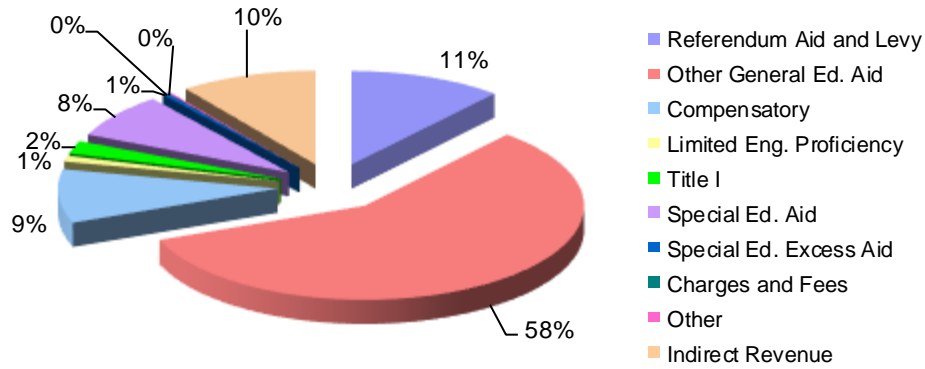
Description	2012-13 Actual	2013-14 Budget	2014-15 Budget	2015-16 Budget	Change Percent	Change Amount
Referendum Aid and Levy	\$ 325,047	\$ 349,167	\$ 578,114	\$ 616,452	6.6%	\$ 38,338
Other General Ed. Aid	2,457,229	2,735,979	3,113,754	3,160,212	1.5%	46,458
Compensatory	487,440	472,629	468,487	506,438	8.1%	37,951
Limited Eng. Proficiency	37,926	48,904	56,196	56,619	0.8%	423
Title I	135,992	192,534	167,074	121,912	-27.0%	(45,162)
Special Ed. Aid	276,141	287,765	167,906	424,248	152.7%	256,342
Special Ed. Excess Aid	34,794	36,258	21,156	21,156	0.0%	-
Charges and Fees	1,304	2,605	-	-	0.0%	-
Other	9,226	69,115	13,051	10,369	-20.6%	(2,682)
Indirect Revenue	394,131	374,888	524,300	550,450	5.0%	26,150
Total	\$ 4,159,230	\$ 4,569,844	\$ 5,110,038	\$ 5,467,856	7.0%	\$ 357,818

The table above identifies projected changes in our overall revenue picture for McKinley in the 2015-16 school year. Revenue will increase by 7.0%. One part of this increase for McKinley is in general education aid. McKinley will receive \$506,438 in compensatory revenue, which is an increase of \$37,951. Compensatory revenue is a categorical aid that is intended to provide additional funding for students eligible for the free and reduced lunch program. These funds are under the direct administration of each building site. State law allows the site leadership teams to decide how these funds are expended. Since they are a rather unstable source of revenue, the most frequent use of this funding is for positions that do not have continuing contract provisions.

Most sites will see increases in other general education aid. This is mainly due to an increase of \$87ppu. Indirect revenue is revenue that is not directly allocated to the sites, like non-specific levy items, state aids, interest, and other miscellaneous revenue.

The following chart is a graphic representation of the revenues that are received by the District and allocated to McKinley. McKinley receives 58% of its revenue from the general education aid formula. Indirect revenue is 10%. Of equal interest is the 9% allocation received as a result of compensatory.

2015-16 McKinley Revenue Budget



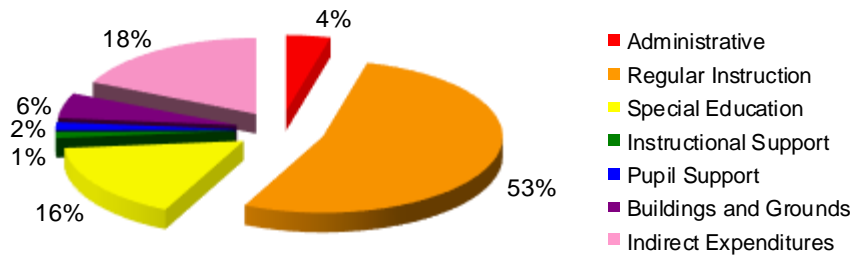
McKinley’s proposed expenditure budget for the coming year is below the allocated revenue amount. McKinley’s expenditure budget is to increase by 8.6%. The largest decrease will be in buildings and grounds, where in FY 13 the district upgraded classroom space. Anticipated special education needs will also increase at McKinley.

McKinley Expenditures

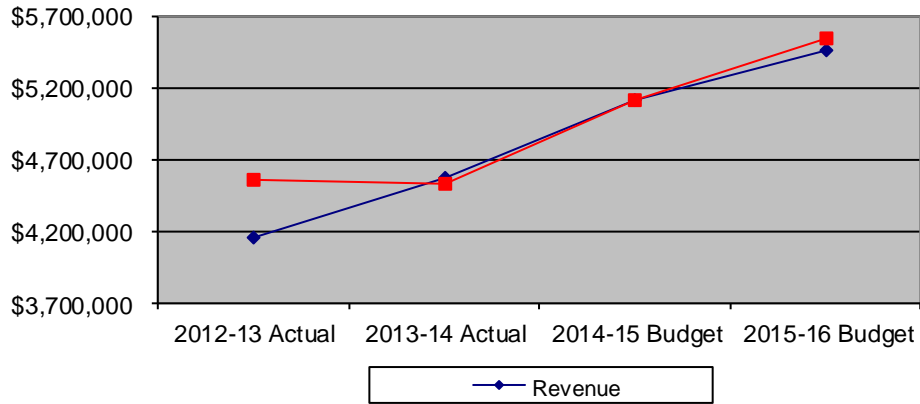
Description	2012-13	2013-14	2014-15	2015-16	Change Percent	Change Amount
	Actual	Budget	Budget	Budget		
Administrative	\$ 180,963	\$ 180,392	\$ 186,589	\$ 221,141	18.5%	\$ 34,552
Regular Instruction	2,407,793	2,501,252	2,667,550	2,949,576	10.6%	282,026
Special Education	734,896	764,276	887,435	908,448	2.4%	21,013
Instructional Support	154,298	88,628	65,622	75,666	15.3%	10,044
Pupil Support	79,332	96,319	71,724	89,468	24.7%	17,744
Buildings and Grounds	390,567	253,800	306,766	298,608	-2.7%	(8,158)
Indirect Expenditures	614,710	649,927	925,727	1,006,776	8.8%	81,049
Total	\$ 4,562,559	\$ 4,534,594	\$ 5,111,413	\$ 5,549,683	8.6%	\$ 438,270

Graphically, the allocation of resources at McKinley can be shown below. The largest portion of expenditures is in the area of regular instruction, which includes classroom teachers. The next largest portion of the budget allocation is in the area of special education. Most sites spend about 10% to 16% on special education.

2015-16 McKinley Expenditure Budget



The average revenue per student allocated to McKinley is \$10,239. The expenditure per student at McKinley is \$10,393. The relationship between revenues and expenditures over the last three years can be shown in the table below.



Washington Elementary School, located in the center of Owatonna, is proud to meet the needs of our students academically, personally and socially. We continue to review our data and change our instructional practices based on student needs. While Washington students have always shown solid results in the area of proficiency in both reading and math for several years, we have diligently been pursuing similar results in the area of student growth. As a cohesive team, our staff lives out our mission of "Empowering Leaders for Life" as well as our purpose of "Ensuring Growth" each and every day. Our students showed a marked improvement in their growth in both reading and math during the 2013-14 school year and we anticipate similar results this year.

Washington Elementary serves approximately 500 students in grade Kindergarten through fifth grade. Thirty-nine licensed staff members work with students as classroom teachers, and in the specialist areas of art, music, physical education, English as a second language, reading support, and gifted/talented. In addition to our licensed staff, Washington benefits from the support of over 20 classified staff. These individuals serve as educational assistants, special education paraprofessionals, secretaries, LPN, custodians, etc. Without the willingness of our staff to help all students grow academically, personally and socially, we would be unable to meet the needs of all our learners.

During the 2013-14 school year, Washington Elementary chose to not implement any "new" initiatives but to rather spend the year refining the practices we have in place that we know are making a difference in the growth of our students in all areas but most specifically in the areas of reading and math. For instance, W.I.N. (What I Need) was built into our schedule on a daily basis. W.I.N. is a 30-45 minute long block devoted to either re-teaching or enriching specific math and reading concepts. The service that students need is determined by a formative assessment at the end of a unit's instruction. Those students that "already know it" go to an enrichment room to take their learning deeper. Those students who need some additional instruction are provided with a variety of small group activities to become more comfortable with the material in the other rooms. Both staff and students continue to recognize that W.I.N. has made a tremendous difference in learning.

In addition, in 2013-14, we implemented a before school program entitled, Lit P.E. Lit P.E. is taught as a before school program where vigorous games and activities were combined with academics. Research has shown that moderate to vigorous activity prior to the study of difficult material greatly enhances learning. Piloted off of a Farmington, Minnesota model, lessons were created focusing on comprehension and vocabulary expansion. Results have indicated substantial growth in our "bubble" students.

Our staff is dedicated to make the most of our available instructional minutes and continue to learn more about best practices in whole group as well as guided group instruction in both reading and math. We engage in staff development opportunities and implement new strategies while taking time to reflect on our successes and weaknesses. We are about ensuring growth for all, staff included.

The Washington staff is proud of their accomplishments in the 2014-15 school year and look forward to the challenges ahead. We will continue to work together as a cohesive team and strive to do what is best for all Washington kids!

Washington's Economic Outlook

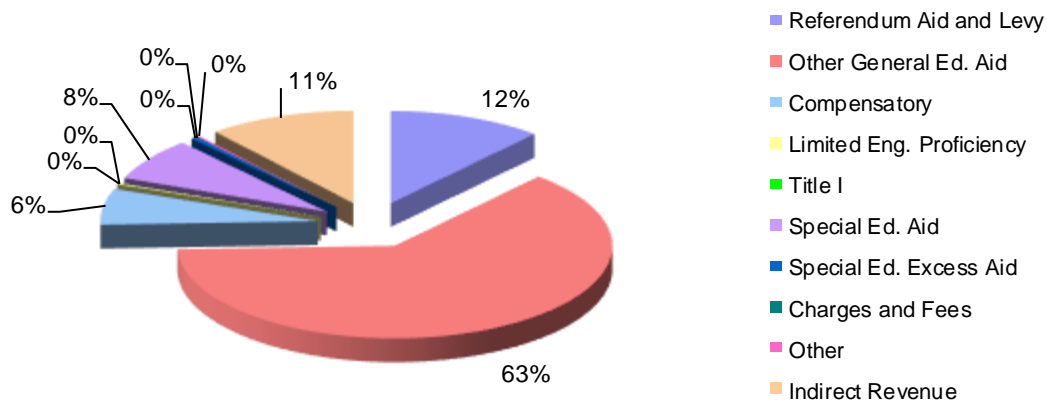
Washington's revenue for the coming year will be increasing. This is a result of increased general ed and compensatory aid, like the other sites.

Washington Revenues

Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change Percent	Change Amount
Referendum Aid and Levy	\$ 380,270	\$ 385,483	\$ 531,562	\$ 531,562	0.0%	\$ -
Other General Ed. Aid	2,874,699	3,027,615	2,863,021	2,905,738	1.5%	42,717
Compensatory	150,233	210,875	227,638	291,782	28.2%	64,144
Limited Eng. Proficiency	12,281	12,589	13,283	10,908	-17.9%	(2,375)
Title I	122,216	-	-	-	#DIV/0!	-
Special Ed. Aid	236,628	195,118	148,599	346,061	132.9%	197,462
Special Ed. Excess Aid	29,815	24,585	18,724	18,724	0.0%	-
Charges and Fees	1,526	2,876	-	-	#DIV/0!	-
Other	11,614	77,257	12,540	10,051	-19.8%	(2,489)
Indirect Revenue	461,094	413,880	482,081	506,124	5.0%	24,043
Total	\$ 4,280,376	\$ 4,350,278	\$ 4,297,448	\$ 4,620,950	7.5%	\$ 323,502

Graphically, the revenues received by Washington Elementary are shown in the chart below. Washington's 5% allocation for compensatory aid is consistent with Lincoln's allocation. Wilson's and McKinley's total percent allocations of 13% and 10%, respectively, are the greatest amounts received of any school in the District. It is this differential in funding from site to site that provides autonomy and a level of 'uniqueness' in program design and delivery among our schools. Just like Lincoln, the vast majority of Washington's revenue comes from other general education aid.

2015-16 Washington Revenue Budget



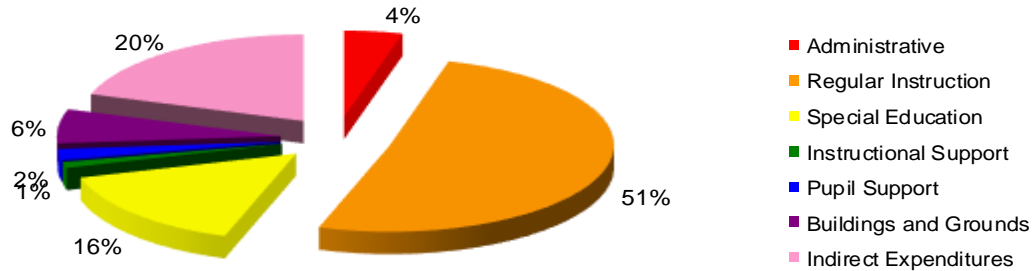
Washington's expenditures are listed in the following table. Washington's overall expenditure budget increased. Regular instruction increased slightly due to changes in employee contracts. Special education increased due to needs at the school.

Washington Expenditures

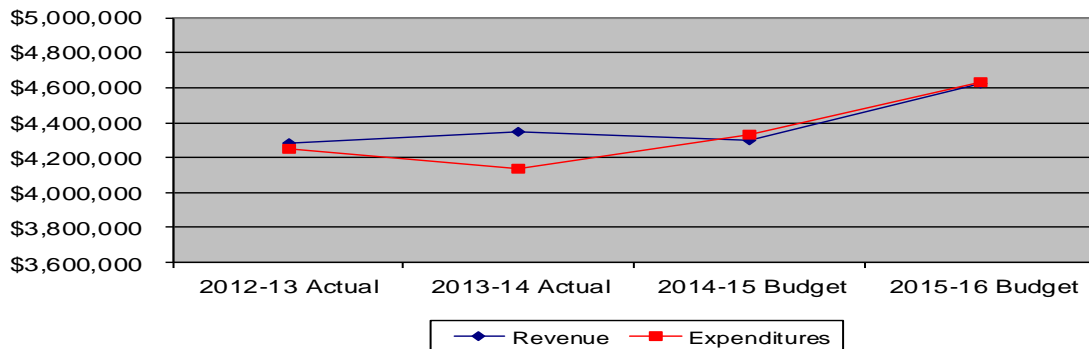
Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change Percent	Change Amount
Administrative	\$ 174,147	\$ 191,939	\$ 183,854	\$ 195,806	6.2%	\$ 11,952
Regular Instruction	2,348,528	2,062,420	2,353,104	2,360,058	0.3%	6,954
Special Education	553,471	530,501	570,549	713,874	27.0%	143,325
Instructional Support	116,540	29,669	49,765	51,328	5.3%	1,563
Pupil Support	75,131	56,156	61,415	93,493	57.1%	32,078
Buildings and Grounds	263,080	335,884	263,819	294,814	9.2%	30,995
Indirect Expenditures	719,146	717,525	851,184	925,706	10.4%	74,522
Total	\$ 4,250,043	\$ 3,924,094	\$ 4,333,690	\$ 4,635,079	7.0%	\$ 301,389

Graphically, Washington’s expenditure budget is shown below. Overall, the allocation per category is consistent with each of our other elementary school programs.

2015-16 Washington Expenditure Budget



The average revenue per student allocated to Washington is \$9,411. The expenditure per student at Washington is \$9,440. The relationship between revenues and expenditures over the last three years can be shown in the table below.



Wilson Elementary, a K-5 school, is located on the west side of Owatonna. We averaged around 609 students during the 2014-2015 school year, our largest enrollment in the school's history. The demographic study done recently indicates Wilson will continue to hover around the 600 mark for the next five years. We staff about 80 employees. Although Wilson offered all-day, every day kindergarten supported by our compensatory education dollars for the past seven years, we were excited to see the state step in and help support this program state-wide. This allowed us to utilize our compensatory dollars in different ways. This year, approximately 62% of our students qualify for free and reduced lunch while 20% qualify for ELL services, and 12% receive special education services. Our population is 64% Caucasian, 23% Hispanic, 11% Black, and 2% Asian.

Wilson continues to implement best practices put in place seven years ago through the Reading First grant. After a few years in a row off AYP reading, Wilson was cited in reading for all during the 2009-2010 school year. The following year, 2010-2011, we were able to clear the reading for all hurdle, but we were then cited in special education reading. The state then moved to the MMR model—multiple measures rating. Because Wilson is a Title I school, we have the opportunity to qualify for some of their designations. In September of 2013, we were notified that Wilson was designated a “Reward School” by the state of Minnesota. This means Wilson’s MMR ratings were in the top 15% of the 850+ Title I schools in the state of Minnesota. This past year, we were designated “Reward School-Eligible.” Because we look at our student and school data on a regular basis, we know where our strengths and weaknesses lie and continue to work on ways to help our students grow and achieve.

Prior to the 2014-2015 school year, we spent significant time focusing on reading. Reading became our “boulder,” our biggest area of focus. We visited schools in Mankato, Burnsville, Rochester, and Pine Island to observe different initiatives schools were doing to help their students become proficient readers. From our visits, we created our own plan to help boost reading success. Our kindergarten classes implemented the “Power Half” based upon a practice we saw in Burnsville. During this thirty-minute timeframe each day, we have approximately 25 adults working in the five classrooms. Students are grouped based upon their skills and their needs. Some of our more fluent readers do extension work with an adult while some of our more struggling learners are placed in small groups of 1-3 students for specific instruction. We are seeing significant gains in our K academics due in part to this program, the earlier start to the all-day program, and the results of the K Kamp from July. Kindergarten Kamp was also a new initiative for us at Wilson. Using spring interview data, teachers targeted students who fell below a specific benchmark for letter and number recognition. We ended up serving 24 students during the month of July, Monday-Thursday from 8:00-12:00. While the initial data wasn’t as positive as we had hoped, we tracked these same students throughout the school year and found that they made more significant gains in their learning at a faster pace than similar students had in previous years who didn’t have the benefit of K Kamp. Overall, we are excited about the results in our kindergarten classrooms and look forward to watching their progress in the coming years.

First and second grade teachers also implemented a “Power Hal” of sorts, but it looks different in their classrooms. During this additional thirty-minute timeframe each day, students are reading books at their level while teachers pull individual students to conference with them—listen to them read, figure out areas of weakness, and track their progress. In addition to this emphasis on reading, we also kicked off Wilson Power Reading in January. This program really emphasizes reading outside the school day—more importantly, reading books at their level. Parents are responsible for tracking their children’s reading minutes on reading logs. When students hit various benchmarks, we have put in place recognition for them. Our hallways are adorned with reading banners that are marked in 500 minute and 1,000 minute increments. Each student has a paw print with his/her name on it. As they complete reading minutes, their paw is moved along the banners, a very visible indicator of their reading efforts. We start each day by acknowledging student reading accomplishments on the daily announcements. From spinning the wheel in the principal’s office to receiving a free book to getting dog tags, students are recognized for their achievements. We are hopeful that the emphasis on time in books will pay off for students with increased success at reading comprehension and fluency.

Wilson also received an AmeriCorps grant that has allowed for two adults to have regular contact with families of Wilson students who have pre-school age students at home. Through this home visiting program, we have been able to make connections with families and help support them as they help prepare

their children for the academic and social world of school. Families receive books, materials, and guidance into activities they can do with their child/children in order to help prepare them for school. Shannon Karsten and Sarita Ennis are serving in this role under the guidance of our school social worker, Sue Schroeder. This program will extend into the 2015-2016 school year as well; we hope to strengthen and expand this outreach to our future families.

With compensatory funds freed up with the state’s implementation of all-day kindergarten, we were able to add a school counselor to our building. Our Site Team worked with grade-level teams to determine how we wanted to spend some of these dollars, and an additional support person in the area of counseling or social worker went to the top of the list. We have been fortunate this year to add Katie Wanous to our staff. Katie has provided monthly character education lessons to each classroom in addition to implementing a career education unit at each grade level. She also meets with lunch bunch groups each day; these groups focus on different topics/skills, and teachers recommend their students to her groups. Finally, she has taken on a mini-version of the Check and Connect Program being used at the high school. With this program, she has focused her energies on a group of our fifth grade students recommended because of issues with behaviors, academics, or attendance. She touches base with each of these students weekly and is in regular contact with their parents. We have seen great growth and success with these students, due in great part to Katie’s work with them. The addition of Katie to the staff has also allowed Sue Schroeder, our social worker, to focus on other areas of need—504 plans, AmeriCorps, special education family histories, etc. It has definitely been a win-win for our school!

Wilson continues to be a great place to grow and learn. With a staff dedicated to each of our students, we are committed to not being content with where we are; instead, we want to continue to grow and show that success can be found for all students, no matter ethnicity or economic status!

Wilson’s Economic Outlook

A large portion of Wilson’s students are eligible for special funding such as Compensatory, Title I, and Limited English Proficiency. Therefore, total revenue per student is larger at this site than any of our other elementary school sites.

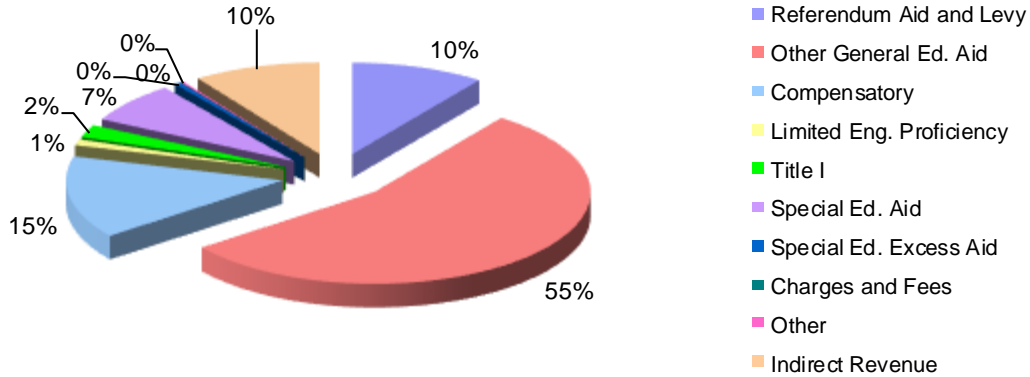
Wilson Revenues

Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change %	Change Amount
Referendum Aid and Levy	\$ 398,893	\$ 412,062	\$ 579,196	\$ 579,196	0.0%	\$ -
Other General Ed. Aid	3,015,481	3,211,540	3,119,585	3,166,130	1.5%	46,545
Compensatory	619,736	673,549	716,241	843,948	17.8%	127,707
Limited Eng. Proficiency	31,064	42,125	56,706	62,333	9.9%	5,627
Title I	131,606	162,183	223,327	130,413	-41.6%	(92,914)
Special Ed. Aid	269,707	267,360	209,694	420,492	100.5%	210,798
Special Ed. Excess Aid	33,983	33,687	26,421	26,421	0.0%	-
Charges and Fees	1,601	3,074	-	-	0.0%	-
Other	11,200	81,874	13,574	12,058	-11.2%	(1,516)
Indirect Revenue	483,673	442,417	525,284	551,482	5.0%	26,198
Total	\$ 4,996,944	\$ 5,329,871	\$ 5,470,028	\$ 5,792,473	5.9%	\$ 322,445

Wilson will see an increase in compensatory aid for 2015-16. In addition, Wilson will see an increase in other general education aid due to the increase of \$87ppu.

The graph below shows the overall proportion of revenue received by category at Wilson. When compared to our other elementary school sites, Wilson benefits financially from a larger proportion of compensatory aid and Title I revenue.

2015-16 Wilson Revenue Budget



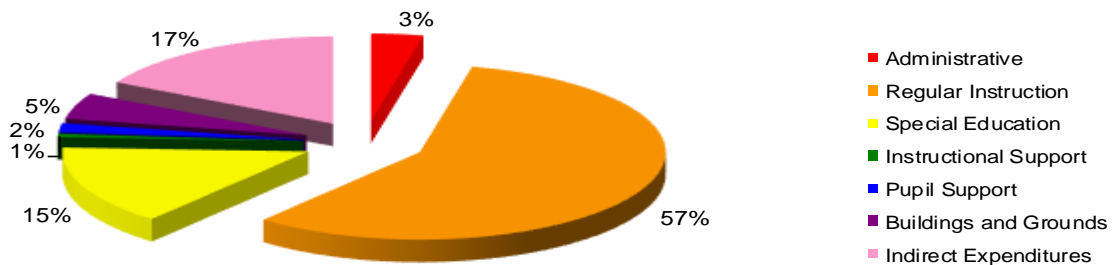
Wilson’s expenditures are listed in the following table. Wilson’s expenditures will decrease by 5.4% for the coming year. The decrease is due in part to the use of compensatory funding for regular instruction.

Wilson Expenditures

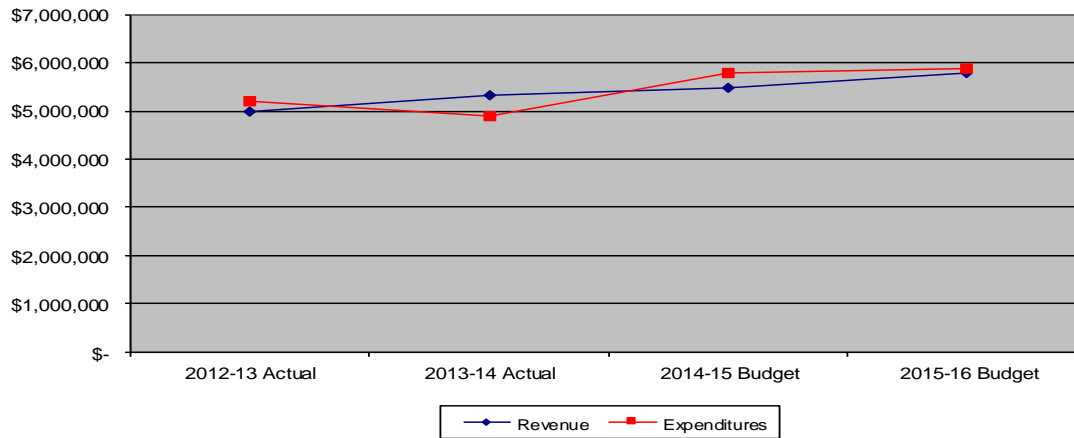
Description	2012-13	2013-14	2014-15	2015-16	Change %	Change Amount
	Actual	Actual	Budget	Budget		
Administrative	\$ 189,455	\$ 211,852	\$ 186,919	\$ 201,365	7.7%	\$ 14,446
Regular Instruction	3,085,456	2,890,474	3,416,071	3,389,365	-0.8%	(26,706)
Special Education	670,365	782,884	851,275	869,433	2.1%	18,158
Instructional Support	139,527	34,224	40,823	38,625	-5.4%	(2,198)
Pupil Support	105,399	83,475	87,796	97,765	11.4%	9,969
Buildings and Grounds	242,258	290,045	279,251	285,484	2.2%	6,233
Indirect Expenditures	754,365	766,999	927,461	1,008,662	8.8%	81,201
Total	\$ 5,186,825	\$ 5,059,953	\$ 5,789,596	\$ 5,890,699	1.7%	\$ 101,103

Graphically, Wilson’s expenditures are shown in the chart below. Wilson’s allocations of expenditures are consistent with the other elementary buildings.

2015-16 Wilson Expenditure Budget



The average revenue per student allocated to Wilson is \$10,827. The expenditure per student at Wilson is \$11,011. The relationship between revenues and expenditures over the last three years can be shown in the table below.



CHAPTER FOUR

INTERMEDIATE SCHOOL REPORT

The Owatonna School District has two intermediate level schools. Willow Creek brings all sixth grade students from across the District into a single site to begin the process of assimilation into our secondary schools. The Junior High school serves students in grades seven and eight. Our intermediate level approach to instruction is 'team' based; ensuring that students have individual and guided student interaction and social development.

Willow Creek Intermediate School is a one-year school that serves all sixth grade students in Owatonna, with enrollment of approximately 360 students and nearly 50 staff members. Although this year's enrollment stayed in the area of 360 students, we are anticipating an increase in enrollment for the 2015-16 school year. Next year, we are anticipating close to 400 students. This year, the student population has been 77% white, 12% Hispanic, 9% black and 2% Asian. Currently, 40% of the students are eligible for free or reduced lunch, 12% special education and 6% English language learners (ELL).

In the fall, in response to the "current reality" data, Willow Creek staff focused on three goals. Action steps were decided upon in the effort to reach those goals:

Current reality:

This year, there will be no modified tests. In addition, all tests will be online. The impact of these changes is unknown. As students transition from 5th grade to 6th grade, students transition from Everyday Math curriculum to Holt math curriculum. In 2014, we were cited in one area according to the AYP results: LEP math. Our Climate Survey data, from 2014, was exceptionally strong.

Goal #1:

Reading.

Willow Creek will increase the percentage, of this year's students who pass the 6th MCA reading test, from 65.7% to 70%.

Goal #2

Math

Willow Creek will increase the percentage, of this year's students who pass the 6th MCA math test, from 69.5% to 72%. In addition, we will not be cited for LEP math.

Action Steps:

- Intervention restructured.
 - No Read180. Students stay in the language arts classroom.
 - Intervention is on top of language arts.
 - Assessment and intervention structure framework developed.
- Math tutorial is a block of time that will not be eliminated or altered.
- PLCs will focus on common formative and summative assessments centered on reading, EUs, etc. Common assessments will be developed and utilized.
- Content area meetings to ensure consistency across the building.
- Cultural/Race responsiveness professional development for staff.
 - Meeting the needs within the classroom.
- Liaisons added to staff.
 - Data driven decisions regarding students they will work with.
 - Liaisons assist in building a bridge to families.
- Mid-trimester meetings with Hispanic and Somali families.
 - Explanation regarding school events and opportunities.
 - Discuss importance of testing and data.
- Math teachers go to other districts to observe.
- Professional development will be encouraged and supported.
- Intervention/Child Study members will meet with PLCs to assist with interventions within the classroom. Content Area Meetings. Paid, content area collaboration meetings will be offered twice per month.

- Reduce the number of Out-of-School Suspensions.
- Late bus for APP homework help and activities.

Other initiatives included the training of staff for the successful implementation of eSTEM and Leadership Foundation programs. In addition, the Leadership houses have implemented the Junior Achievement program into their curriculum.

We continue to refine our instructional model to improve both core and intervention instruction. Math common assessments were also updated to be more rigorous in order to align to the MCAIII assessments as well as to inform instruction and monitor student learning. Curriculum areas spent time creating, assessing, and modifying formative and summative assessments.

As we prepare for the 2015-16 school year we will continue to build our capacity to personalize learning in order to meet the needs of each individual student. We have received an audit from Anthony Muhammad, and we are using his observations as a focal point as we move forward in our goal of educating every child. We will be working with the gradual release model and inquiry-based learning in the process of eliminating “worksheets” and creating a more authentic learning environment. Continuing to improve both whole group instruction and the use of formative assessment will be aspects of this work.

This year, our intervention process was overhauled. Intervention structures will be further refined to ensure all students receive additional support in meeting essential learning goals. Professional development will center around instructional strategies that support our work in improving learning.

Next year, the building will no longer be split between eSTEM and Leadership. The entire building will be training, during the summer, as we transition to an entire building which utilizes the skills that have been developed in both eSTEM and Leadership. We feel strongly that all students will benefit from both experiences. All students will experience the foundation of leadership and inquiry as the basis for all we do with in our school and curriculum. This will be done through explicit instruction in the 7 Habits of Highly Effective people along with integration of these in all curricular areas. This will be enhanced with our recent collaboration with the Junior Achievement program

Willow Creek’s Economic Outlook

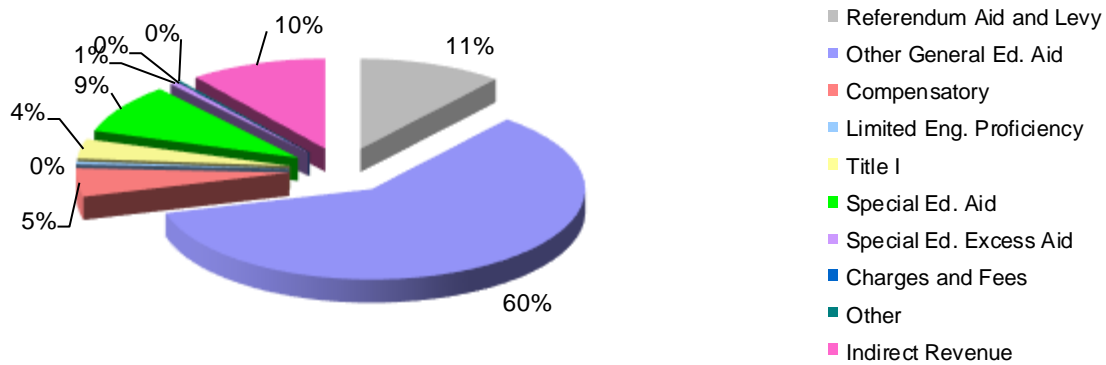
Even though Willow Creek is considered to be a part of our ‘Intermediate’ level program, we continue to receive a base amount of general education revenue calculated at \$5,918 per pupil. Willow Creek will experience an increase in revenue. This increase is mainly due to an increase of \$87ppu on the general education aid basic formula.

Willow Creek Revenues

Description	2012-13	2013-14	2014-15	2015-16	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Referendum Aid and Levy	\$ 259,306	\$ 235,133	\$ 385,409	\$ 385,409	0.0%	\$ -
Other General Ed. Aid	1,960,254	1,804,059	2,075,836	2,106,808	1.7%	30,972
Compensatory	207,076	191,879	198,481	178,863	-10.2%	(19,618)
Limited Eng. Proficiency	14,448	41,501	16,958	18,181	2.9%	1,223
Title I	228,641	114,295	112,398	124,165	10.3%	11,767
Special Ed. Aid	224,591	200,722	164,633	316,262	75.5%	151,629
Special Ed. Excess Aid	28,299	25,291	20,744	20,744	0.0%	-
Charges and Fees	1,041	1,754	-	-	0.0%	-
Other	7,190	46,299	8,517	7,454	-2.3%	(1,063)
Indirect Revenue	314,418	252,454	349,534	366,967	6.9%	17,433
Total	\$ 3,245,264	\$ 2,913,387	\$ 3,332,510	\$ 3,524,853	5.8%	\$ 192,343

The following graph illustrates the proportionate value of the revenue received on behalf of this site. General education aid continues to account for the majority of the funding we receive to support our instructional program.

2015-16 Willow Creek Revenue Budget



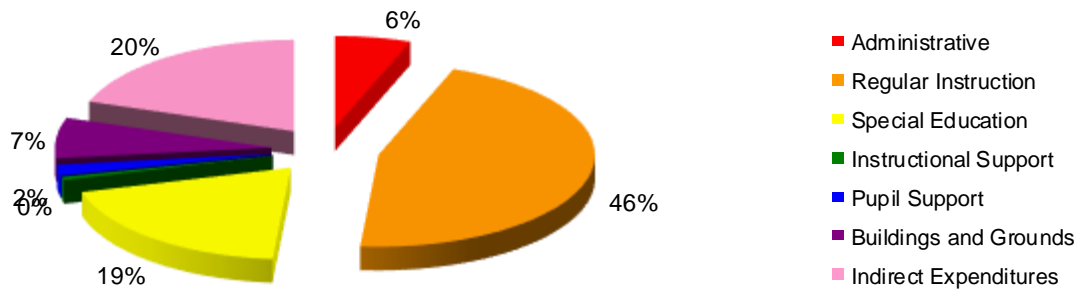
Expenditures are projected to increase by 10.1%. The largest increase will be in the areas of regular and special education instruction due to changes in employee contracts.

Willow Creek Expenditures

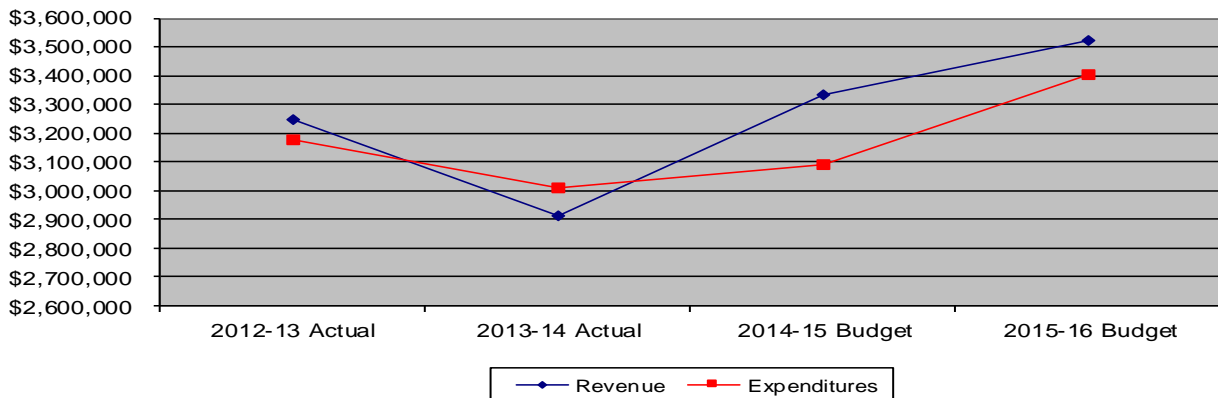
Description	2012-13	2013-14	2014-15	2015-16	Change %	Change Amount
	Actual	Actual	Budget	Budget		
Administrative	\$ 174,784	\$ 175,785	\$ 176,481	\$ 192,088	8.9%	\$ 15,607
Regular Instruction	1,580,038	1,337,305	1,443,384	1,554,415	8.3%	111,031
Special Education	543,184	516,640	578,485	658,070	15.4%	79,585
Instructional Support	97,353	19,892	18,717	19,738	5.1%	1,021
Pupil Support	67,049	33,379	36,887	62,625	77.1%	25,738
Buildings and Grounds	224,182	256,794	217,592	243,228	10.0%	25,636
Indirect Expenditures	490,385	437,669	617,152	671,184	12.3%	54,032
Total	\$ 3,176,975	\$ 2,777,464	\$ 3,088,698	\$ 3,401,348	10.1%	\$ 312,650

Graphically, Willow Creek’s expenditure budget is depicted in the chart below. Regular instruction, special education, instructional support, and pupil support comprise approximately 67% of the total budget. This is consistent with the budget allocations of our other elementary schools.

2015-16 Willow Creek Expenditure Budget



The total amount of revenue allocated per pupil at Willow Creek totals \$9,901. The total expenditures per pupil are \$9,554. This relationship over the past three years is shown in the following graph.



Owatonna Junior High School will be home to approximately 700 7th and 8th grade students and over sixty (60) staff for the 15-16 school year. The building demographics reflect a free and reduced population of approximately 40.8%, an LEP population of approximately 9%, and a special education population of 12%. During the 2015-2016 school year, OJHS will be working very hard in a number of areas. First, we will be developing a vision and some commitments that we are willing to commit to in order to ensure student success. Second, we will be heavily involved in planning for the SY 17 when our building will be transitioning to ESTEM. Third, we have been awarded assistance from the Minnesota Department of Education in creating a PBIS (Positive Behavioral Intervention System) system in our school. We've already started some of these pieces but their assistance, training and support will be very valuable. Finally, we will continue to look at supports and structures to ensure that all students are learning at high levels.

We have had a really great year over the 2014-2015 school year. Our staff have come together in great ways, we have been able to identify needs of our students and have come up with a number of solutions to these needs. We have focused quite a bit on the school culture and have implemented celebration of student success in a lot of different ways. Through student surveys we have seen students express that the culture is stronger with teachers that care more and students who treat each other with more respect. We have spent many of our efforts on aligning our curriculum, ensuring the instruction of our enduring

understandings and working on common assessments with each other. We've analyzed a lot of data and have made specific targets to help all students meet our standards. Overall, it has been a very good year.

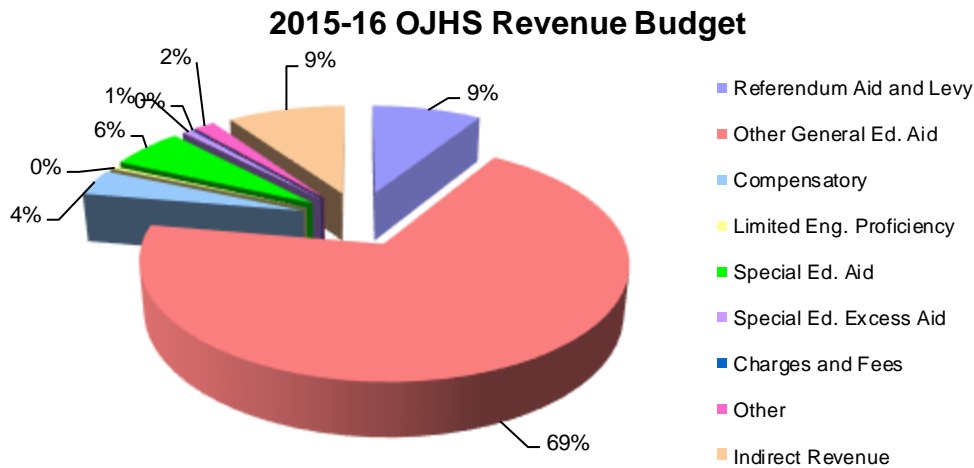
Owatonna Junior High's Economic Outlook

The general education aid per pupil increased to \$5,918 for 2015-16. The District receives a 'weighted' value for each student. Grades 7-12 are weighted at 1.20. This increase in the weighted value is intended to represent additional costs needed to instruct our older students in subject areas such as industrial technology, science, and family consumer science. The Junior High will see an increase in the compensatory aid, special education aid and general education aid.

OJHS Revenues

Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change %	Change Amount
Referendum Aid and Levy	\$ 636,932	\$ 644,118	\$ 863,923	\$ 863,923	0.0%	\$ -
Other General Ed. Aid	4,814,961	4,941,994	4,653,138	4,722,564	1.4%	69,426
Compensatory	254,108	274,834	314,759	370,956	20.4%	56,197
Limited Eng. Proficiency	21,311	29,536	32,696	27,531	-17.5%	(5,165)
Special Ed. Aid	506,923	428,603	340,431	493,718	35.8%	153,287
Special Ed. Excess Aid	63,872	54,004	42,894	42,894	0.0%	-
Charges and Fees	5,500	4,805	5,500	5,500	0.0%	-
Other	27,200	124,365	20,656	15,486	-4.2%	(5,170)
Indirect Revenue	772,304	691,570	783,505	822,583	5.7%	39,078
Total	\$ 7,103,111	\$ 7,193,829	\$ 7,057,502	\$ 7,365,155	4.4%	\$ 307,653

Graphically, the proportion of revenue coming to the Junior High next year is shown in the following graph. Due to the relatively small amount of special funding available for its programs, general education aid represents the largest portion of revenue. Also, as in the case of all other buildings, our local excess levy referendum generates approximately 9% of the revenue used to support our junior high programs.



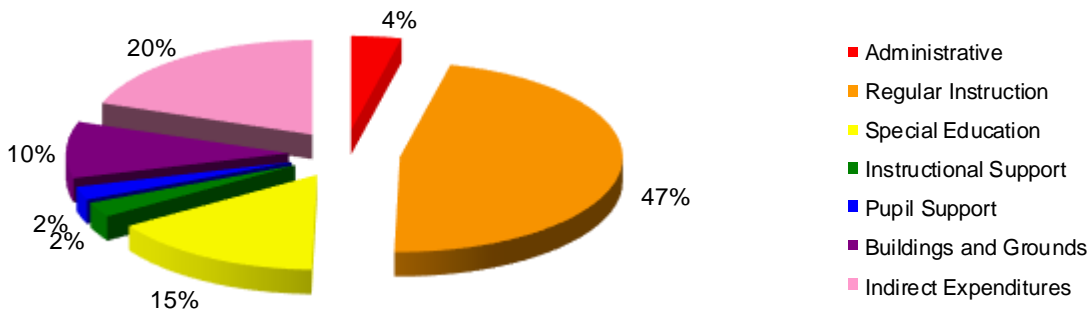
The table below shows how the revenue is allocated across the various expenditure categories. There is an anticipated increase of 1.4%. Indirect expenditures are the largest increase which relates to the increase in students at the site. Buildings and grounds will have an offsetting decrease.

OJHS Expenditures

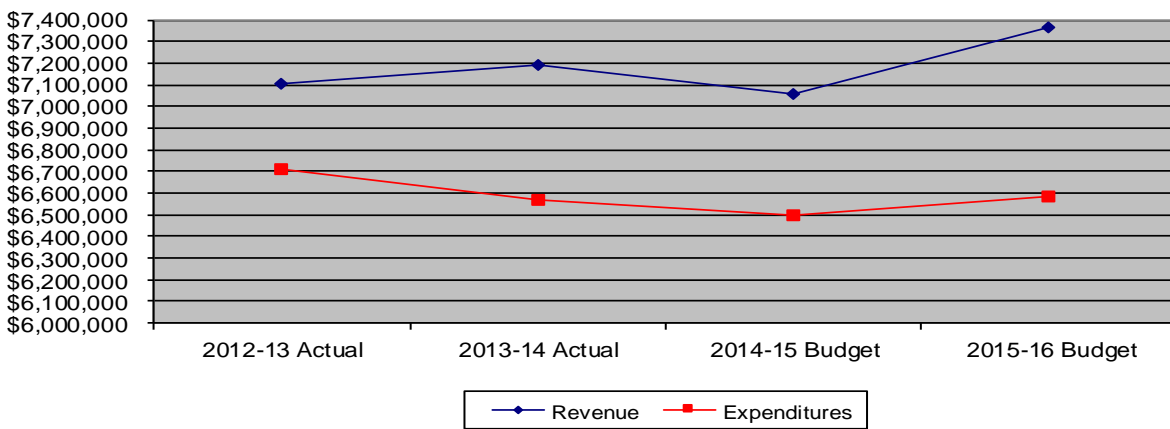
Description	2012-13	2013-14	2014-15	2015-16	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Administrative	\$ 200,507	\$ 223,545	\$ 207,749	\$ 223,545	7.6%	\$ 15,796
Regular Instruction	3,261,753	2,859,266	2,989,121	2,885,228	-3.5%	(103,893)
Special Education	1,039,812	951,022	1,032,502	1,038,957	0.6%	6,455
Instructional Support	269,330	156,302	167,649	174,141	3.9%	6,492
Pupil Support	184,388	138,625	142,441	167,749	17.8%	25,308
Buildings and Grounds	553,692	589,394	571,875	589,394	3.1%	17,519
Indirect Expenditures	1,204,530	1,198,941	1,383,390	1,504,508	8.8%	121,118
Total	\$ 6,714,012	\$ 6,117,095	\$ 6,494,727	\$ 6,583,522	1.4%	\$ 88,795

The graph below shows the proportionate allocation of revenues across the various expenditure categories. Administrative costs remain below the 5% level. Regular instruction, special education, instructional support, and pupil support total approximately 66% of the operating budget.

2015-16 OJHS Expenditure Budget



The total amount of revenue allocated per pupil at Owatonna Junior High School totals \$11,075. The total expenditures per pupil are \$9,900. This relationship over the past three years is shown in the following graph.



CHAPTER FIVE

SECONDARY SCHOOL REPORT

The Owatonna School District has one high school serving students in grades nine through twelve. In order to more effectively meet the needs of a diverse student population, the high school is supported by the Alternative Learning Center and the ACTIONS program. Each of these school programs operate learning centers designed to meet the different learning styles of students who are considered to be 'at-risk' of successfully completing high school.

Owatonna Senior High School offers a comprehensive and rigorous program within the core areas of mathematics, science, English/language arts and social studies. In addition, the school provides a wide-range of elective offerings within the disciplines of agriculture, family and consumer science, business, foreign languages, technical arts, the visual arts, music, health, physical education as well as opportunities to connect these fields with various careers through our career development classes and mentoring program. Furthermore, OHS provides opportunities for those students who choose to accelerate their education by providing 19 different Advanced Placement courses and fifteen college-level courses via cooperative agreements with Minnesota State University at Mankato, Southwest State University, and Riverland. Other programs exist as well for students with special needs (special education and ESL – English as a Second Language) and other classes involving online learning. Additionally, OHS continues to promote college and career readiness through an advisement program in addition to offering a research-based program called AVID (Advancement Via Individual Determination).

At present, OHS's almost 1500 students represent a wide variety of ethnicities: 82% Caucasian, 9.2% Hispanic, 6.5% African-American and 2.1% Asian descent. Approximately 10% of our students receive special education services and 30.9% receive assistance through our free and reduced lunch program. 3.6% of our students are learning English as their second language. Our average daily attendance rate is just over 96% and 94% of our students leave with a high school diploma.

Our high school consists of 139 staff members, 86 of whom are classroom teachers, four guidance counselors, one social worker, 2 assistant principals, and 1 principal. Seventy-eight percent of our professional staff holds a Master's degree and over 85 percent of our teachers have ten or more years of experience within education. Most importantly, 100 percent of our teachers are "highly qualified" according to the federal guidelines of *No Child Left Behind*.

Led by our leadership team, Owatonna High School's students and staff are committed to improving the quality of our school by using continuous improvement practices. Our progress is measured by our student successes and 3 core values; 1.) High student achievement, 2.) College and career readiness, and 3.) Safe and engaging environment. Over the past 10 years we have had six National Merit Finalists, six semi-finalists and several more "commended" students. We send our graduates to the three major national service academies – the Naval Academy at Annapolis, the Military Academy at West Point, and the Air Force Academy at Colorado Springs in addition to some of the most prestigious colleges and universities across the country. Our students regularly provide leadership in state and national student organizations such as the Distributive Education Clubs of America (DECA), FFA (Future Farmers of America), Student Council, and BPA (Business Professionals of America). Our music programs (band, choir and orchestra) are consistently rated as top programs in the state.

We are proud of the success of our, "Ninth Grade Academy," a "school within a school" for approximately one-third of our entering ninth grade students. Working with these ninth graders are two teacher teams consisting each of a social studies, English, science and special education teacher, who together as a team seek to provide both academic and study skills to our potentially "at-risk" students. The efforts of these teachers have resulted in the failure rate of our 9th grade being reduced by two-thirds – significantly less than the national and state average. Some of these same teachers are also involved in "looping," another strategic effort whereby these same students will have the same teacher for both 9th and 10th grade English and social studies in an effort to provide some much needed follow through and "connections" as they continue beyond the ninth grade. We have implemented research-based programs in Special Education and ESL and consistently are using data to drive instruction and to determine the effectiveness of our programs.

Owatonna Options, geared to the ever-increasing needs of our students, has now been in existence for five years. The program offers our students the opportunity to create their own in-depth research projects which meet various state and national academic learning standards. These students, guided by both teachers and mentors from the local business and industry, are able to follow their own avenues of interest, providing for increased opportunities in engaged learning.

Progress has been and will continue to be made in other areas within our school this coming year. Our school is in its seventh year of implementing *Professional Learning Communities*, involving over 80 teachers, studying a variety of topics. This past year, the main focus has been on creating enduring understandings, learning targets and common assessments.

Through the use of the four-period day, our students have advanced opportunities in the areas of mathematics, foreign language and music. Every year, our graduates significantly exceed the number of required high school credits, not just in the elective areas, but in math, science, social studies and English. Overall, our high school faculty and our students are among the State's finest!

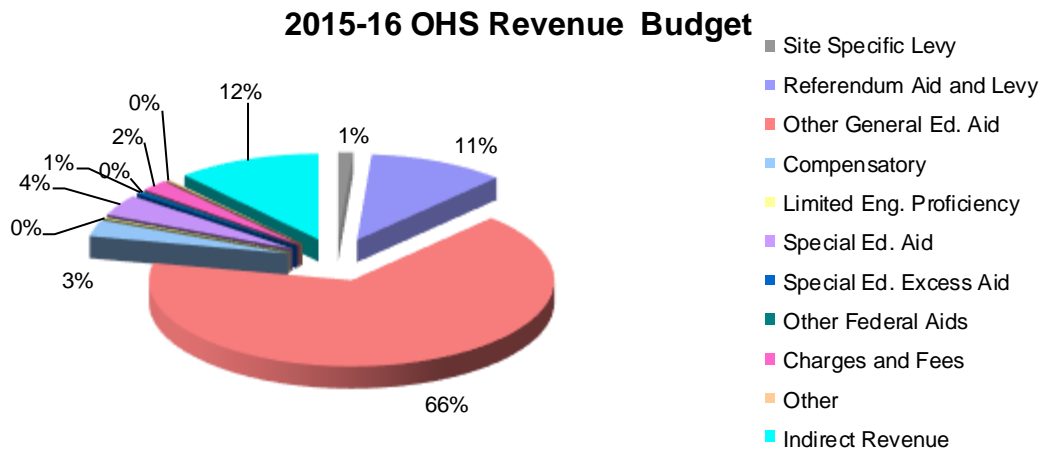
Owatonna High School's Economic Outlook

Revenue from the state's general education aid formula is calculated at a rate of 1.20 of the basic student count times \$5,918. The revenue for the High School will be increased by approximately 2.2%. OHS will see an increase in compensatory aid of about \$78,000

OHS Revenues

Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change %	Change Amount
Site Specific Levy	\$ 164,919	\$ 52,800	\$ 73,058	\$ 184,582	152.7%	\$ 111,524
Referendum Aid and Levy	1,284,643	1,310,696	1,914,921	1,730,339	-9.6%	(184,582)
Other General Ed. Aid	9,711,416	10,056,303	10,313,873	10,467,758	1.5%	153,885
Compensatory	328,984	419,297	408,238	485,971	19.0%	77,733
Limited Eng. Proficiency	16,615	28,568	32,696	34,283	4.9%	1,587
Special Ed. Aid	590,512	568,267	478,468	632,791	32.3%	154,323
Special Ed. Excess Aid	74,404	71,602	60,287	60,287	0.0%	-
Other Federal Aids	29,500	34,000	34,900	30,000	-14.0%	(4,900)
Charges and Fees	362,800	345,999	394,035	341,995	-13.2%	(52,040)
Other	114,989	258,477	47,423	39,617	-16.5%	(7,806)
Indirect Revenue	1,557,680	1,407,252	1,736,669	1,823,289	5.0%	86,620
Total	\$14,236,462	\$14,553,261	\$15,494,568	\$15,830,912	2.2%	\$ 336,344

A graphic illustration of the projected revenues in the High School is shown in the following chart. Approximately 66% of the total revenue of the High School is derived from the general education aid formula. This percent is higher when compared to some of our other school sites. This is due to the 'weighting' factor of 1.20 given to secondary students. It should also be noted that 1% of the revenue is attributed to a 'site specific levy.' This levy covers the costs associated with the District's utilization of community assets, such as the Four Seasons and Gymnastics center.



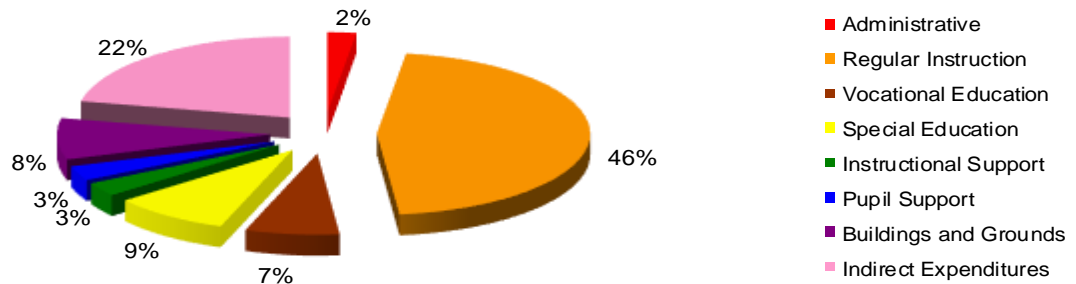
The OHS expenditure budget represents the largest site budget in the District. For the 2013-14 school year, the projected decrease in expenditures will be 2.4%. The largest areas of increase are regular and vocational instruction due mainly to changes in employee contracts.

OHS Expenditures

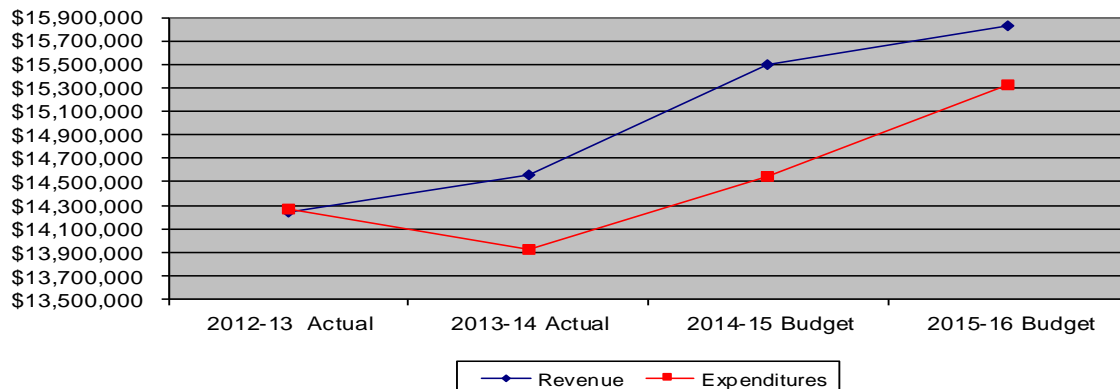
Description	2012-13	2013-14	2014-15	2015-16	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Administrative	\$ 295,359	\$ 311,085	\$ 333,323	\$ 335,856	0.8%	\$ 2,533
Regular Instruction	6,548,129	6,618,776	6,819,519	7,072,044	3.7%	252,525
Vocational Education	939,288	867,846	889,858	1,093,535	22.9%	203,677
Special Education	1,282,785	1,352,366	1,318,991	1,357,766	2.9%	38,775
Instructional Support	798,497	408,939	401,106	425,459	6.1%	24,353
Pupil Support	548,388	421,306	433,856	449,018	3.5%	15,162
Buildings and Grounds	1,419,715	1,623,185	1,281,906	1,263,165	-1.5%	(18,741)
Indirect Expenditures	2,429,447	2,439,686	3,066,342	3,334,805	8.8%	268,463
Total	\$14,261,608	\$14,043,189	\$14,544,901	\$15,331,648	5.4%	\$ 786,747

Shown graphically, a relatively large portion of the overall expenditure budget has been dedicated to indirect services (22%). These services include the school's share, based on pupil units, of expenditures for the school board, superintendent, district support staff including directors, staff development expenditures, and indirect buildings and grounds costs. The total percent of the budget dedicated to various instructional programs (regular, vocational, special education, instructional support, and pupil support) approaches 72%.

2015-16 OHS Expenditure Budget



The total revenue per pupil allocated to the senior high school is \$10,740 while the total expenditure is \$10,401. This comparison is shown in the graph below for the past three years.



The **Owatonna Alternative School's** programs serve at-risk students in our District who meet the graduation incentives criteria set up by the state of Minnesota. The programs sponsored by the ALC provide a range of educational opportunities including academic and social skill instruction for students in grades 7-8, a complete selection of courses needed for graduation for students in grades 9-12, credit recovery for students in grades 9-12, summer school classes for in grades K-12, and district access to Extended Day Services.

During the 2014-2015 school year we provided educational services to 144+ students at Vine Street (ALC & ACTIONS), 74 students in our ALC Math program at the OJHS and 17 students in Success Skills at the OJHS.

The percentage of ALC students served at Vine Street who were eligible to participate in free and reduced lunch was 77.1%. About 39.8% of the ALC students at Vine St. are Hispanic, 7.2% Black, and 51.8% Caucasian. During the 2014-2015 school year we plan to graduate 17 plus at risk students, who would not have graduated without our services. To meet the needs of our at-risk population our day program includes job skill development, bully prevention, parenting classes, service learning, and access to a social worker and chemical health coordinator. This year we continued to teach our students the 7 Habits and to focus on creating leadership capacity in all of our students.

The Owatonna ALC continues to receive support from the Owatonna Foundation to support its MAAP Stars program. This is a student leadership organization for students in secondary alternative programs and it stands for Success, Teamwork, Achievement, and Recognition. Because of this grant our program was able to encourage students' participation in state wide activities including competing in the Spring Events Conference. Students competed in events ranging from public speaking to job interviews and team decision making. We also had funds to support our students in College Visits, Science Museum Field Trip, Homecoming, Snow Week, Yearbook, and a variety of student-led activities.

Our program has participated in many service learning projects, and has received recognition in the community for our efforts. Some of these projects include the 14th Annual Downtown Cleanup, Fundraiser for our Social Studies Teacher who has Cancer, Toys for Tots, Tree Fluff Program, Lincoln Reading Program, and the library garden. Two of our senior students will also receive a scholarship from the Morning Rotary. Furthermore, we look to celebrate our accomplishments with an end of the year graduation which will include a Commencement Ceremony at the Eagles.

Each year, we review our program and make changes to more effectively meet the needs of our students. Read 180 (reading intervention) was re-established to enhance reading instruction (especially for students that are behind their peers). In the next two years, we are going to implement a Blended digital curriculum format using a Moodle platform to increase rigor, access, and student engagement. To assist with this effort, ISD 761 became partners with the Minnesota Partnership for Collaborative Curriculum and have received training in the implementation of this curriculum. We incorporated a consistent set of behavioral expectations resulting in a reduction of the number of student behavior referrals and were accepted in the Minnesota Department of Education (MDE) PBIS Cohort 11 training program. The PBIS preparation is a two year training conducted in partnership with the Regional Implementation Teams and evaluation partners, funded by MDE. The ALC is required to identify a team, commit to attend all nine sessions over the two years and regularly collect information on outcomes, implementation and effort. We also applied for and received certification to provide an Independent Study Program. We continue to utilize the Odysseyware online curriculum opportunities to meet more individual student needs.

Alternative Learning Center (ALC) Economic Outlook

Revenue sources for the Area Learning Center (ALC) works differently than for our 'regular' education program sites. While the school receives the same funding per pupil as OJHS and OHS (\$5,918 times 1.2), ALC funding is based upon membership hours and average daily enrollment. This level of accounting requires a high degree of record keeping. Also, the revenues are based on a formula that is separate from the regular revenue calculation for the other sites. General education aid is calculated based on the actual formula at 90% of what is allowed to be applied to area learning centers. About one-half of the ALC students are "extended time" students that receive a lower per pupil funding rate of \$4,515 versus \$5,918 for regular time pupil units. The ALC moved into a new space in 2009-10 that is leased. The District decided to lease

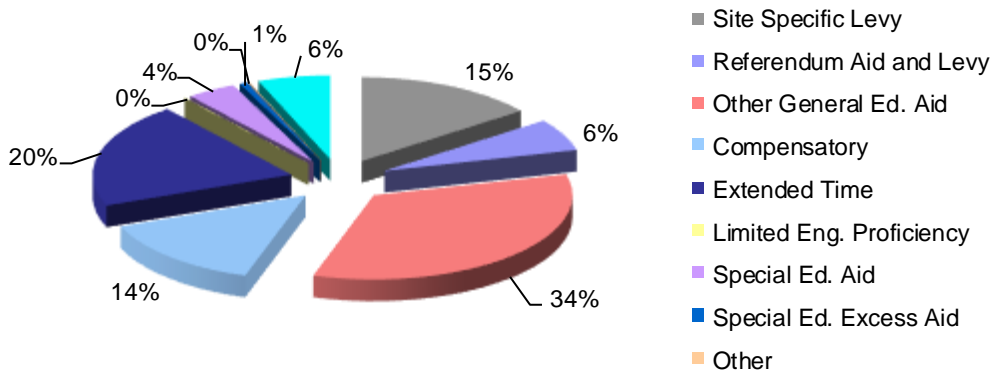
levy for the space. This is the revenue identified as the site specific levy. The ALC, like other sites, is seeing an increase in compensatory aid.

ALC Revenues

Description	2012-13	2013-14	2014-15	2015-16	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Site Specific Levy	\$ 201,272	\$ 201,272	\$ 201,272	\$ 201,272	0.0%	\$ -
Referendum Aid and Levy	71,239	58,393	84,444	84,444	0.0%	-
Other General Ed. Aid	538,542	448,019	454,818	461,604	1.5%	6,786
Compensatory	124,169	166,247	176,627	191,643	8.5%	15,016
Extended Time	306,887	306,887	284,870	275,928	-3.1%	(8,942)
Limited Eng. Proficiency	811	506	470	948	101.7%	478
Special Ed. Aid	35,721	21,462	67,883	54,873	-19.2%	(13,010)
Special Ed. Excess Aid	4,501	2,704	8,553	8,553	0.0%	-
Other	1,857	11,460	1,833	1,450	-20.9%	(383)
Indirect Revenue	86,380	62,695	76,583	80,403	5.0%	3,820
Total	\$ 1,371,379	\$ 1,279,645	\$ 1,357,353	\$ 1,361,118	0.3%	\$ 3,765

From the graph below, it can be seen the ALC operates under fewer revenue sources. Extended time and general education aid are the two largest sources of income. This is approximately 54%.

2015-16 ALC Revenue Budget



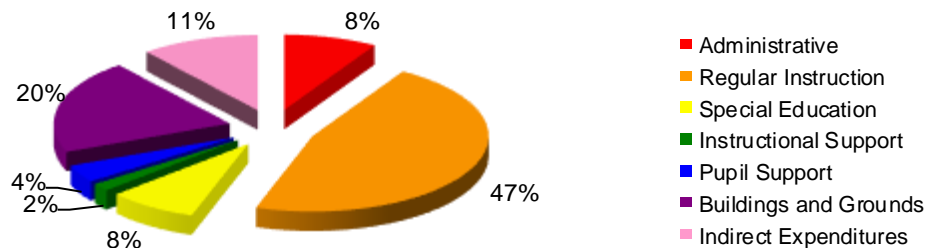
The following expenditure budget projects decrease of 15.1% for the coming year. This increase is primarily due to a decrease in regular instruction. The decrease in regular instruction is a result a decrease in enrollment. See the expenditure detail below.

ALC Expenditures

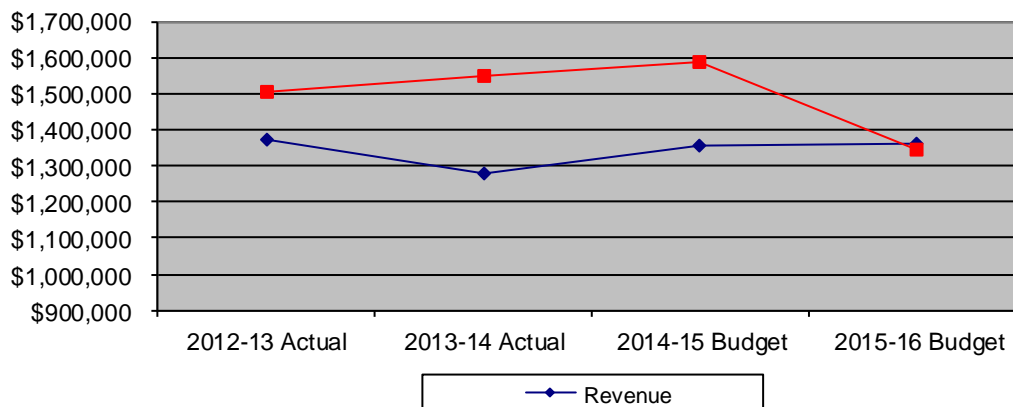
Description	2012-13	2013-14	2014-15	2015-16	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Administrative	\$ 120,789	\$ 116,256	\$ 115,872	\$ 115,720	-0.1%	\$ (152)
Regular Instruction	859,326	430,262	910,425	628,480	-32.8%	(281,945)
Special Education	73,394	141,952	149,761	110,582	-53.4%	(39,179)
Instructional Support	27,427	19,126	20,167	22,512	8.5%	2,345
Pupil Support	37,159	9,734	25,000	50,969	69.9%	25,969
Buildings and Grounds	252,252	255,732	256,182	273,422	6.8%	17,240
Indirect Expenditures	134,724	108,691	110,727	146,648	26.7%	35,921
Total	\$ 1,505,071	\$ 1,081,753	\$ 1,588,134	\$ 1,348,333	-15.1%	(239,801)

Based on the graph below, the ALC spends approximately 69% of the budget on regular instruction, special education, instructional support, and pupil support. Administrative costs seem higher than the other sites, but this is due to the lower total budget.

2015-16 ALC Expenditure Budget



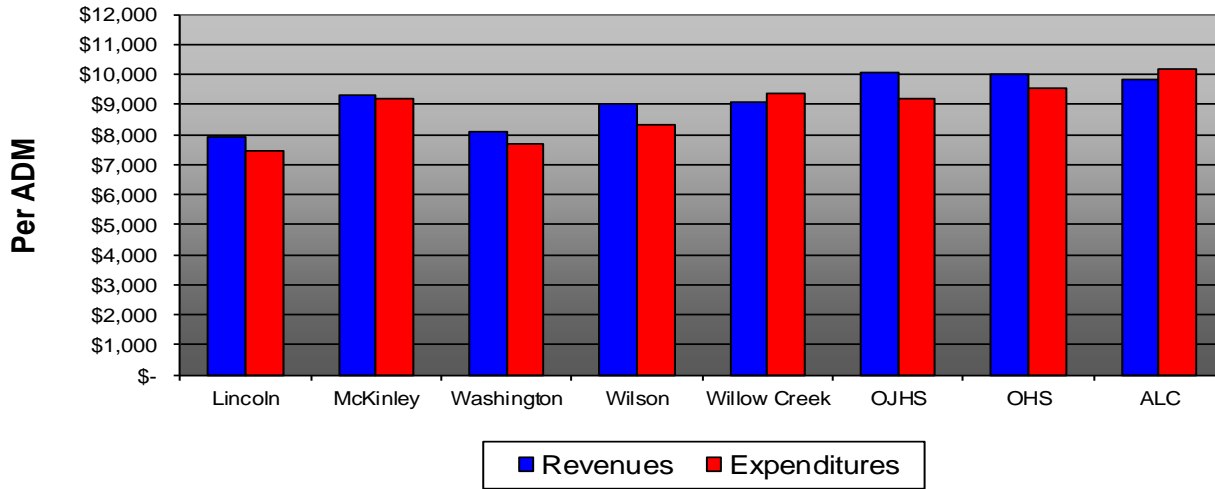
The total revenue per pupil allocated to the Area Learning Center is \$10,470 while the total expenditure per pupil is \$10,375. The relationship between revenues and expenditures over the last three years can be shown in the table below.



K-12 Summary Cost Comparison

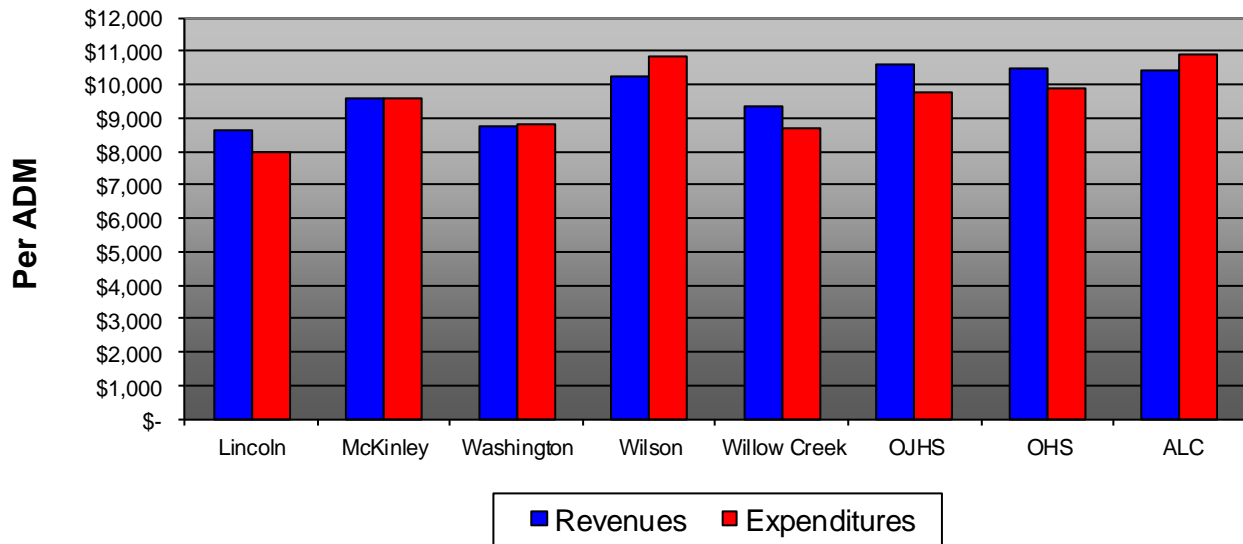
When looking at each building site collectively, the comparison between revenues and expenditures per adjusted daily membership (ADM) in 2013-14 can be seen in the graph below. The ‘gaps’ represent a redistribution of revenue across the District in order to balance learning expectations, such as elementary class sizes and student needs.

2013-14 Preliminary Budget per ADM



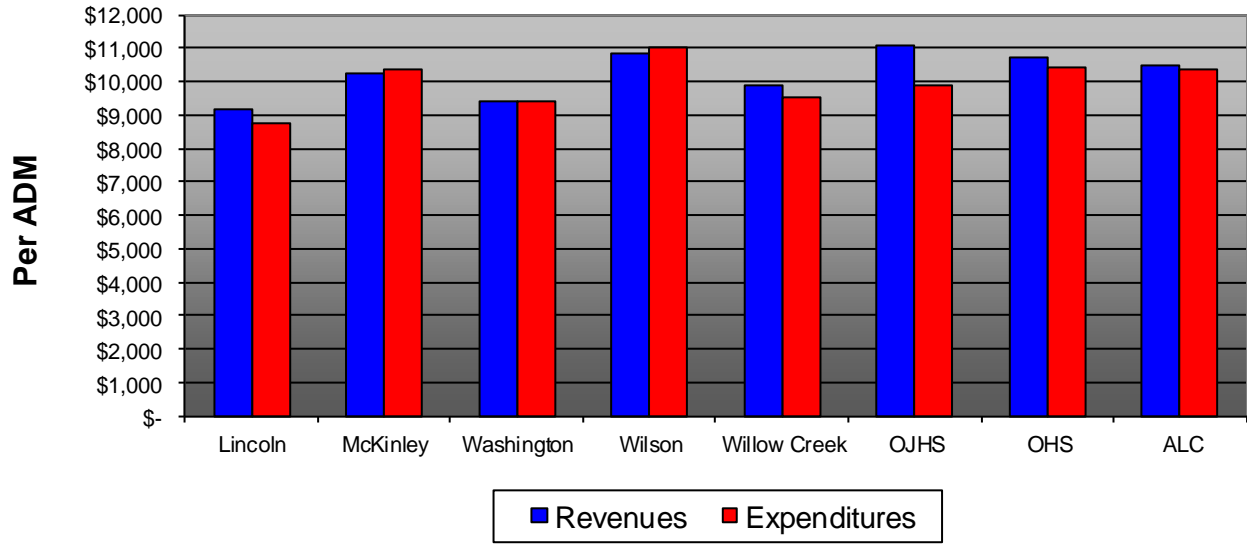
The graph below shows the same comparison as the above graphs between revenues and expenditures per ADM for 2014-15.

2014-15 Preliminary Budget per ADM



The following graph shows the same comparison as the above graphs between revenues and expenditures per ADM for 2015-16.

2015-16 Preliminary Budget per ADM



CHAPTER SIX - ACTIVITIES PROGRAM REPORT

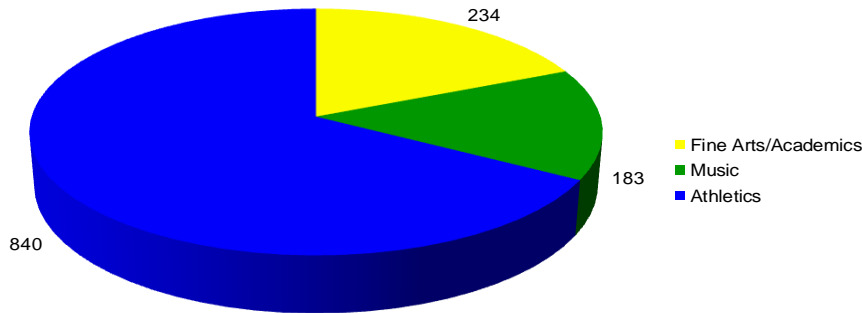
The Owatonna School District has an extensive array of activities designed to complement and enhance the learning experience for our senior high students. The tradition of excellence in arts and activities is one of the benchmarks against which our school district is measured.

Activities Overview

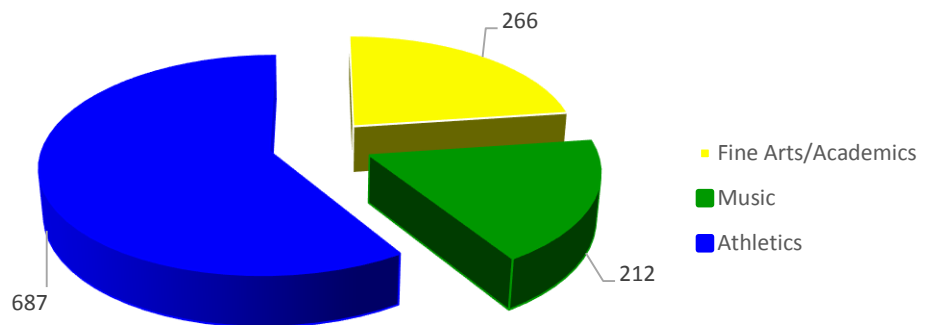
The breadth in curricular opportunities is important to our ability to provide a wide range of opportunities for students in Owatonna High School's extra-curricular program; helping them to cultivate and expand upon their personal growth and development. This past year, students could choose to participate in one or more of over seventy-five (75) activities in the areas of music, fine arts and athletics. While the success of these programs is measured by the quality of the experience, and their ability to help students learn more about themselves by challenging their physical, emotional and intellectual self, individual and team successes could also be found through the advancement of many students into regional and state level competitions.

The graphs below illustrate the number of students who chose to participate in our various extra-curricular programs. There is three years of history included. For each category, students are counted only once. However, if a student participated in both music and athletics that student would appear in both categories.

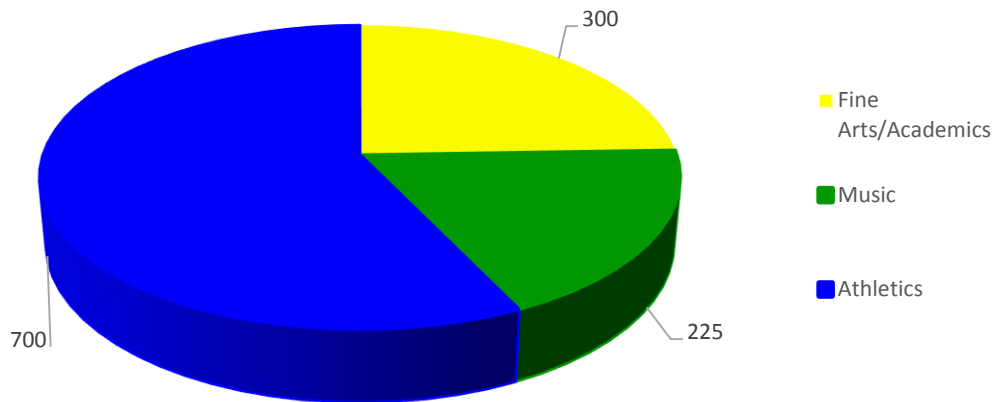
2012-13 Number of Students in Extra-Curricular Activities



2013-14 Number of Students in Extra-Curricular Activities



2014-15 Number of Students in Extra-Curricular Activities



The graph suggests that approximately 1,225 students took part in our programs as a means of enriching their school experience. Note that the music number represents only students who are truly participating in a music related extra-curricular such as Carolers, Marching, Pep Band, etc.

The actual expenditures for 2012-13 and 2013-14 and the budgeted expenditures for 2014-2015 and 2015-16 are shown in the table on the next page.

OHS Activities Expenditure Budget

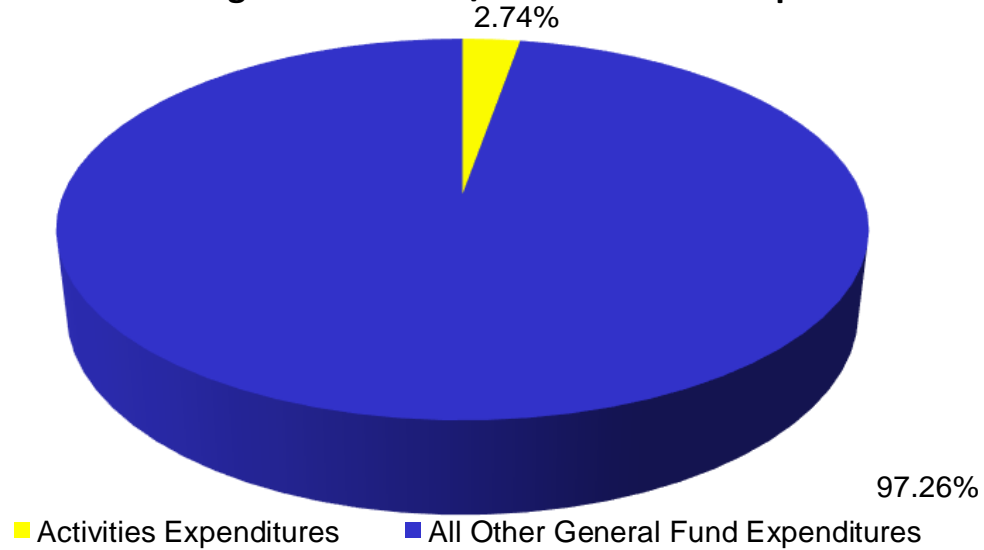
	<u>2012-13</u> <u>Actual</u>	<u>2013-14</u> <u>Actual</u>	<u>2014-15</u> <u>Budget</u>	<u>2015-16</u> <u>Budget</u>
Adaptive Athletics	11,155	14,069	11,288	12,085
<u>Boys Athletics</u>				
Baseball	23,072	27,179	21,613	24,127
Basketball *	37,935	38,691	43,982	45,143
Cross Country	12,138	11,305	11,648	12,067
Football *	63,489	66,430	65,166	61,508
Soccer	24,771	24,907	25,262	24,907
Golf	15,030	19,438	9,967	10,500
Hockey *	32,154	32,611	29,824	30,385
Swimming *	19,870	20,585	21,464	21,801
Tennis	10,226	10,941	9,968	10,126
Track	21,904	22,169	18,611	19,391
Wrestling *	38,134	34,281	28,593	28,228
LaCrosse *	-	8,794	19,019	17,887
Operating Capital	5,000	2,345	5,500	7,000
Total Boys Athletics	303,723	319,676	310,617	313,070
<u>Girls Athletics</u>				
Basketball *	31,666	33,853	42,195	43,177
Cross Country	13,035	12,414	12,094	12,248
Soccer	23,476	23,577	26,154	28,628
Golf	10,228	11,976	10,355	10,897
Hockey *	22,876	23,544	26,252	27,179
Swimming *	19,029	20,352	20,920	21,545
Tennis	11,706	13,099	10,559	11,130
Track	25,430	22,812	23,842	24,857
Softball	21,064	20,584	21,341	22,459
Gymnastics *	16,368	17,087	16,103	17,286
Volleyball *	29,257	31,510	29,125	28,890
Cheerleading	15,225	16,500	16,769	17,174
LaCrosse *	-	8,473	18,962	17,746
Operating Capital	1,500	1,578	1,500	-
Total Girls Athletics	240,860	257,359	276,171	283,216
<u>Activities</u>				
Publishing	4,658	4,729	4,862	4,997
Culinary	-	-	1,302	1,339
Link Crew	2,168	2,286	1,926	1,979
Magnet (Newspaper)	13,357	15,373	19,912	19,299
Yearbook	5,819	5,904	6,163	6,333
Robotics	-	-	1,802	1,852
Speech	11,194	10,102	10,420	10,750
Drama *	26,866	37,253	29,775	30,473
Other	18,872	22,295	26,607	21,220
Total Activities	82,934	97,942	102,769	98,242
<u>Other</u>				
Auditorium Management	1,227	2,752	1,500	1,680
Weight Room	-	-	3,627	4,500
Athletic Training	9,365	9,450	10,259	26,350
Operating Capital	9,000	10,469	9,000	9,000
Activities Admin., Office Support, Etc.	262,314	223,871	220,462	244,912
Total Other	281,906	246,542	244,848	286,442
TOTAL ACTIVITIES BUDGET	920,578	935,588	945,693	993,055

* Revenue generating activities

The projected increase in the budget for next year is reflective of historical and anticipated expenditures for these programs.

The activities expenditure budget was approximately \$945,000 for the 2014-15 school year and \$993,000 for the 2015-16 school year. The graphs below illustrate the size of these budgets when compared to the total general fund budget. Information has been provided for three years. The activities budget does not reflect funds from revenue.

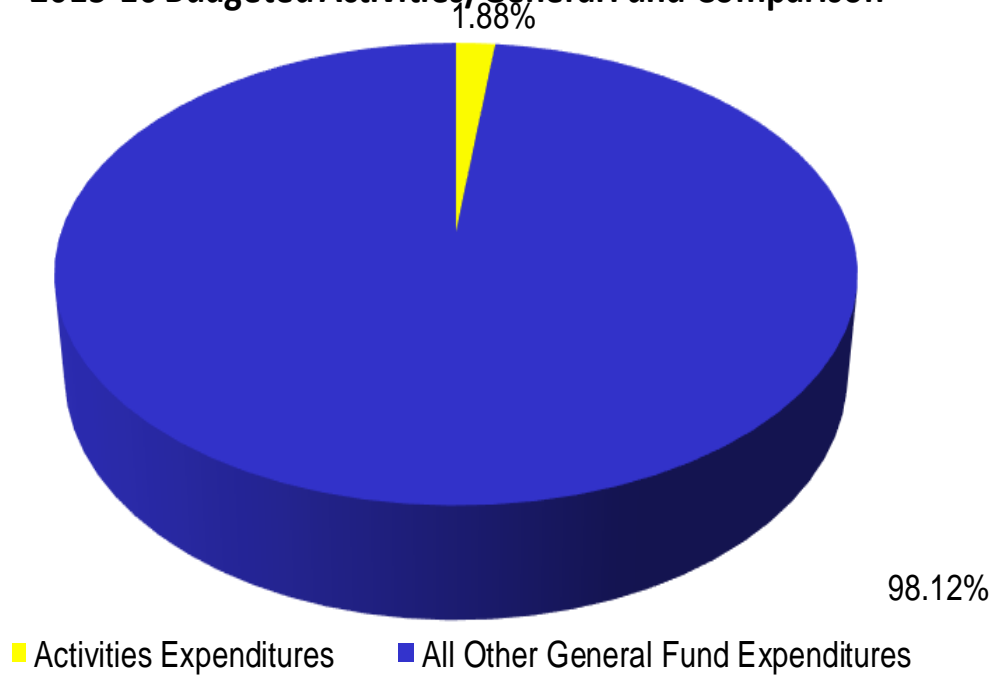
2013-14 Budgeted Activities/General Fund Comparison



2014-15 Budgeted Activities/General Fund Comparison



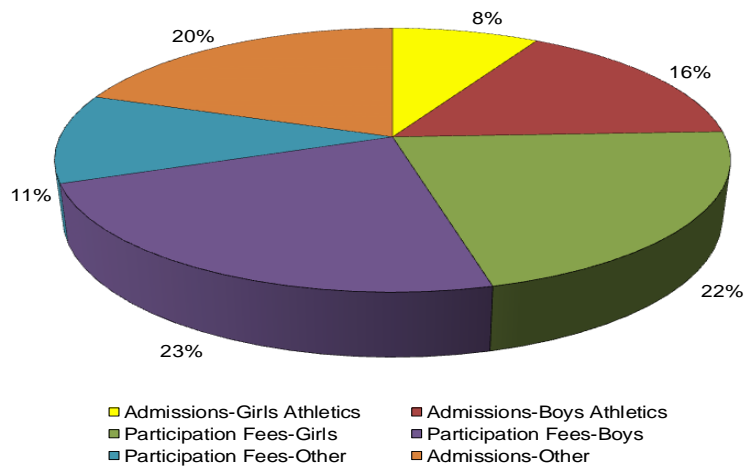
2015-16 Budgeted Activities/General Fund Comparison



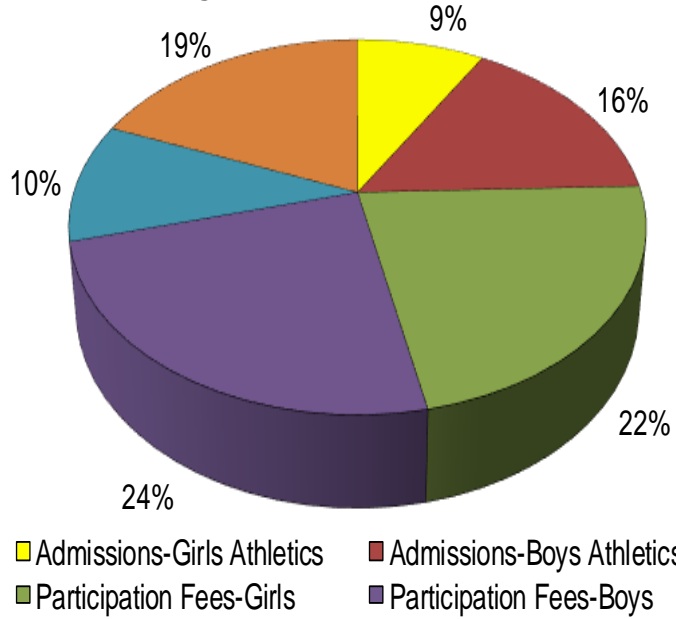
These costs in relation to the overall budget have remained fairly consistent over the past several years and are projected to remain with little change in the upcoming year.

The impact of the activities program on the budget reduces slightly when considering the revenue that is generated from various sources. A breakout of those sources is shown in the graphs below.

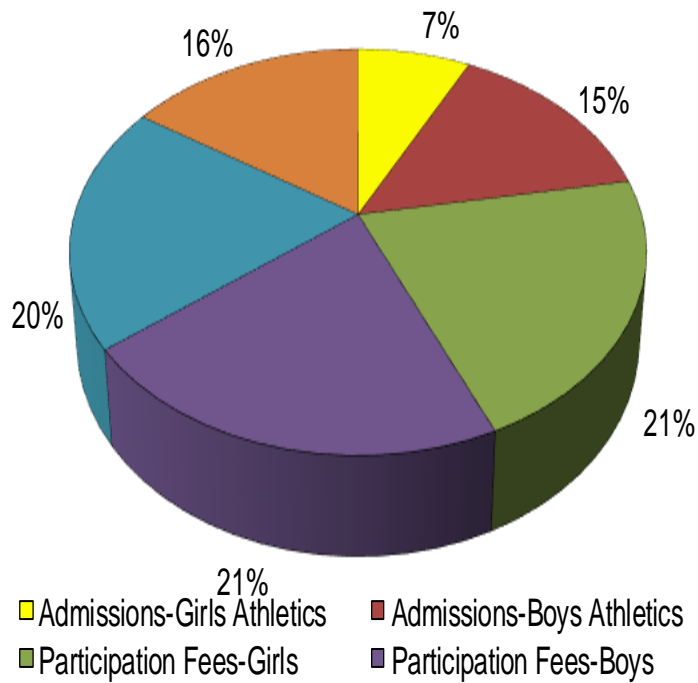
2013-14 Budgeted Activities Revenue Sources



2014-15 Budgeted Activities Revenue Sources

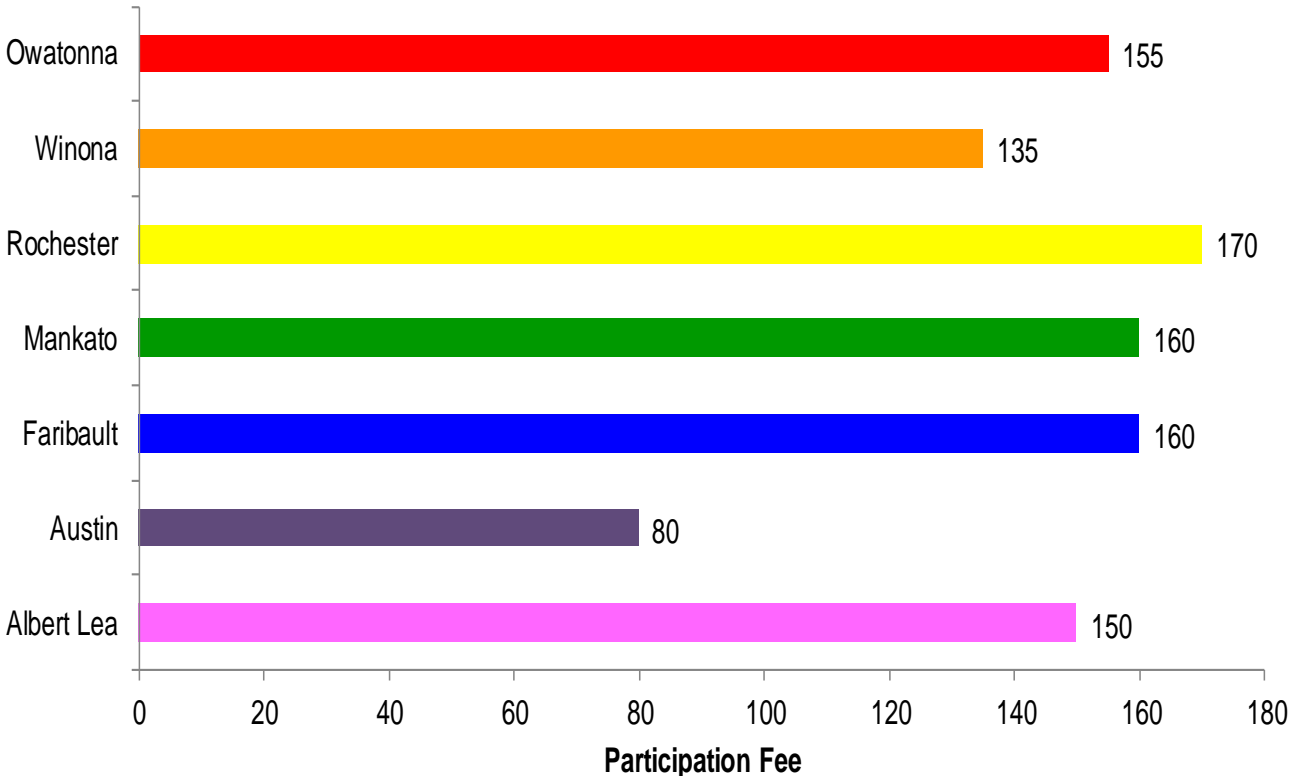


2015-16 Budgeted Activities Revenue Sources



While student fees have remained relatively stable over the past several years, they continue to serve as one of the primary sources of income for the program (approximately 42%).

2015-16 Participation Fees by District



CHAPTER SEVEN - SPECIAL SERVICES & SPECIAL EDUCATION REPORT

The Owatonna School District serves hundreds of students who have special needs in support of their learning. Some of the programs and services that are provided are done so through the collaborative efforts of local agencies.

Special Services programs are designed to meet the specific educational needs that extend beyond the general education classroom. These include: Special Education and related services, English Language Learner programs, Title I programs, School Social Worker, Psychologist, Targeted Services and Extended School Year programs. These programs follow specific Minnesota State Rules and Federal Laws and are designed to supplement the general educational programs for our students. Owatonna Public Schools embed these programs within the various school sites, and students are served within the same educational environment as their peers when possible.

As with the emphasis on accountability within regular education, our Special Services staff members work with our students to promote their individual growth by capitalizing on their strengths. Data collection, review and analysis have traditionally been a large part of the work of special services staff members. Higher levels of accountability have led to increased discussions about identification and programming for students based on their individual needs. An emphasis on reading instruction, especially for students that are behind their peers, has been a focus of our staff's Professional Learning Communities. We continue to explore instructional methods and differentiation of curriculum for all students.

Recognizing that learners who struggle with reading, writing, and math need a greater array of differentiated instruction, the Owatonna Public Schools have been implementing instructional strategies that are "tiered" in order to meet student learning needs. The Tiered focus is on identifying student needs and narrowing the instructional approach to specific intervention strategies that target that particular deficit. The Special Services Department has been an active partner with general education in this initiative. Owatonna schools contribute data to MDE on the impact of Tiered interventions on academic progress, the level of satisfaction of teachers, parents/guardians, pupils, and community advocates, and the effect of the program on the number of referrals for special education, federal Title I and other compensatory programs. Other districts have seen a reduction in referrals to special education or an increased accuracy in identifying students for special education through this process. Special Services staff members work directly with students, and also provide important consultative services to their general education colleagues. The trend in Owatonna has been an improved "hit rate" indicating our earlier interventions are meeting student needs and those that continue to need intensive interventions are appropriately referred for Special Education assessment. Our highly skilled staff members are committed to assisting all students in meeting their educational goals.

The Department continues to look for avenues to reduce cost while providing quality service to our students and families. We have continued an agreement with a local mental health agency to provide behavioral skills training and support to our Actions Program. The agency provides a Mental Health Professional, Mental Health Practitioner and two Behavioral Aides, at a cost that provided a substantial savings to the District. The results of this partnership have been very positive and successful. The teaching staff reports improved student performance and increased learning opportunities for students.

Attempts are made to find a balance for Special education workloads. The Assessment Team process insures that our building special education teachers are able to work directly with student instruction. The Assessment Team members (three teams of a School Psychologist and Special Education teacher) conduct all special education assessments. Elementary case load targets are 1:16. Intermediate Case Load targets are 1:19, and Secondary Case Load targets are 1:21.

Our Early Childhood Special Education Program (ECSE) continues to provide timely early intervention supports to families and students. ECSE is divided into two parts: Birth to 2 and 3-5. Birth to 2 students have an Individual Family Service Plan (IFSP). The IFSP is a family friendly document that emphasizes the needs and resources of the family while identifying the supports and services the student will receive. Much of the emphasis is on working with parents through a process known as Routine Based Interventions. This allows the parent to work on skills in the natural environment of the home.

ECSE students ages 3 to 5 years have the more traditional Individual Education Plan (IEP). Much of our service is provided in day cares, preschools, or in our own Early Learning Center at Rose Street. We continue the collaboration we started several years ago with a local child care facility to address the development of healthy social and emotional relationships for pre-school aged children. Due to the success of this collaboration, the District expanded its partnership and now has embedded special education teachers and paraprofessionals into the programming at the child care center.

Owatonna continues to be a leader in capturing third party billing revenues for eligible services received by medically related special education students. Capturing these revenues allows for the district to offset the local cost of special education services allowing for additional general funds dollars for the sites.

Owatonna will continue to provide special education director services to Medford during the 2014-15 school year. This collaboration will provide for efficient use of resources, time, and service support. Related services staff such as teacher of the Deaf and Hard of Hearing and Occupational Therapy will work between the two districts.

Title I support is provided in schools with significantly high Free and Reduced student populations. Title teachers provide additional instructional support to struggling learners and are the second tier of intervention. This year, we were able to provide 8 Title teachers as well as professional development through our Title I funds.

The District was recently monitored by the Minnesota Department of Education for our English Language Learner programs. The exit interview with MDE representatives highlighted several areas the District is doing well (dedicated staff well versed in practice) but did note some areas of concern (greater parental involvement). The District has not received the written report of the visit but is committed to making any additional improvements that will be noted in the report. EL teachers have been working to implement new assessment criteria and align their instructional practices to the enduring understandings that have been developed for the District.

Special Services Economic Outlook

The special services area includes English Learner (EL) programs, Title federal grants, and Targeted Services (after school and summer programming). The special services budget generates revenues from a variety of federal and state sources. The table below illustrates the sources of revenue for the special services programs.

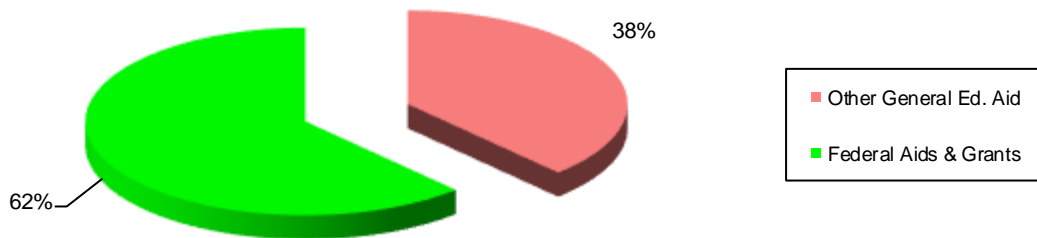
Special Services Revenues by Source

Source	Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change %	Change Amount
211	Other General Ed. Aid	\$ 474,756	\$ 467,712	\$ 441,979	\$ 472,348	6.9%	\$ 30,369
400	Federal Aids & Grants	696,459	816,455	839,332	769,789	-8.3%	(69,543)
Special Services Totals		\$1,171,215	\$1,284,167	\$1,281,311	\$1,242,137	-3.1%	\$ (39,174)

In the above table, the general education aid includes State funding for the EL programs and Targeted Services. The increase in the general education aid revenue is due to reimbursement of types and amounts of services provided. The decrease in federal aids and grants is due to the newly defined sequestration allocation process at the federal level in the amount awarded for the Title programs.

The funding categories are shown in the following graph.

2015-16 Special Services Revenue



From this graph, it is evident that the largest portion of revenue received for our special services programs comes from federal grants.

Below is the breakdown of expenditures for the special services programs by program.

Special Services Expenditures by Program

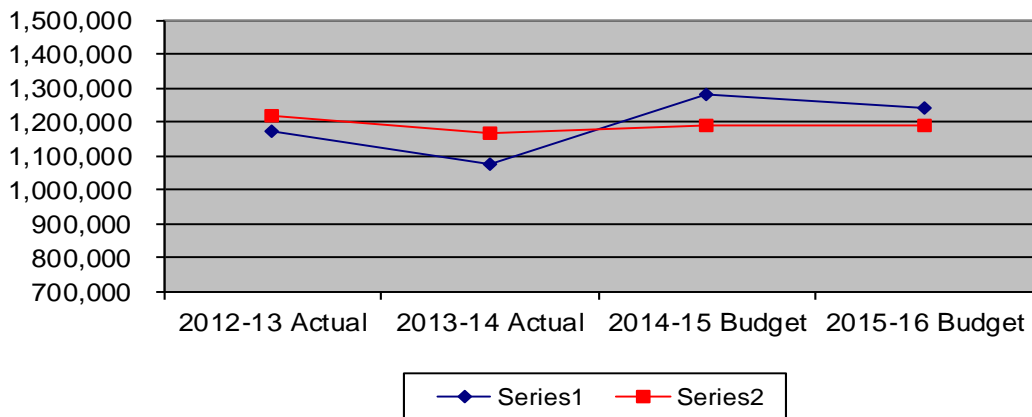
Program	Description	2012-13	2013-14	2014-15	2015-16	Change %	Change Amount
		Actual	Actual	Budget	Budget		
201	Elem Ed - Kindergarten	\$ 8,114	\$ 5,462	\$ 13,513	\$ 13,513	0.0%	\$ -
203	Elem Ed Grades 1-6	283,785	207,702	139,061	165,703	19.2%	26,642
204	Title II, Part A	151,108	133,678	123,738	128,903	4.2%	5,165
205	Title III, Part A	7,133	11,696	38,242	48,346	26.4%	10,104
211	Secondary Ed. - General	12,682	12,996	57,673	57,736	0.1%	63
216	Title I	538,865	671,081	596,646	558,365	-6.4%	(38,281)
219	English Learner	215,442	218,420	218,472	218,075	-0.2%	(397)
Special Services Total		\$ 1,217,129	\$ 1,261,035	\$ 1,187,345	\$ 1,190,641	0.3%	\$ 3,296

Based on the above, Title I is the largest expenditure program in special services. This accounts for over 47% of the budget. The other large programs are Title II, Part A and the English Learner (EL) programs. The EL program revenue is based on the number of students we receive funding. Not all EL students generate revenue.

Below is a table and graph showing the increases and decreases in revenues and expenditures. Any 'gap' where expenditures is greater than revenues represents the amount of additional funding that must be 'transferred' from the general fund into the special services area in order to continue to provide the level of programs and services currently in place.

	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget
Revenues	1,171,215	1,075,757	1,281,311	1,242,137
Expenditures	1,217,129	1,164,079	1,187,345	1,190,641

Special Services Revenue and Expenditure Comparison



Special Education Economic Outlook

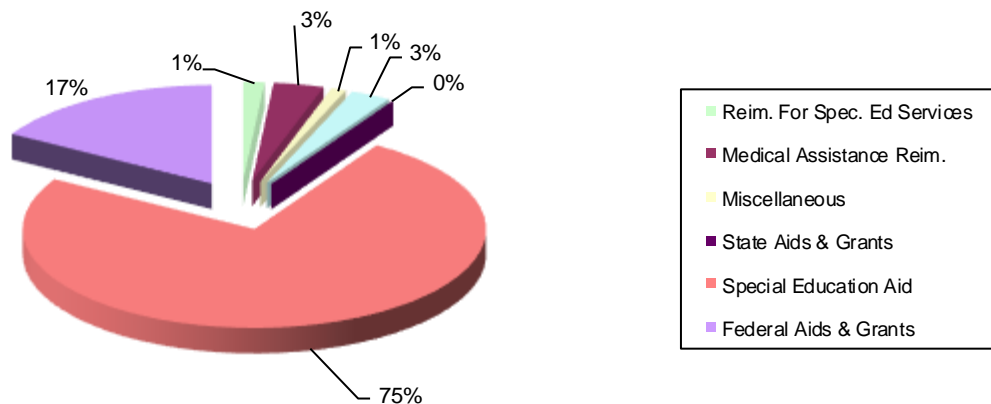
The special education budget includes those revenues and expenditures directly related to special education programs, like speech, visually impaired, emotional/behavioral disorder, and autism. The special education budget generates revenues from a variety of federal, state, and local sources. The expenditure table illustrates the sources of revenue for the special education programs.

Special Education Revenues by Source

Source	Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change %	Change Amount
022	Reim. For Spec. Ed Services	\$ 130,127	\$ 95,000	\$ 95,000	\$ 95,000	0.0%	\$ -
071	Medical Assistance Reim.	42,175	300,000	225,000	225,000	0.0%	-
099	Miscellaneous	26,000	67,600	67,600	67,000	-0.9%	(600)
211	Other General Ed. Aid	137,186	187,097	218,223	180,078	-17.5%	(38,145)
300	State Aids & Grants	-	-	-	-	0.0%	-
360	Special Education Aid	4,341,502	3,820,532	4,475,563	4,772,856	6.6%	297,293
400	Federal Aids & Grants	1,026,278	928,069	1,087,418	1,061,457	-2.4%	(25,961)
Special Education Totals		\$ 5,703,268	\$ 5,398,298	\$ 6,168,804	\$ 6,401,391	3.77%	\$ 232,587

The reimbursement for special education services is expecting an increase from prior year due to additional services provided. Special education aid increased mainly due to changes in employee contracts. The funding categories are shown in the following graph.

2015-16 Special Education Revenue



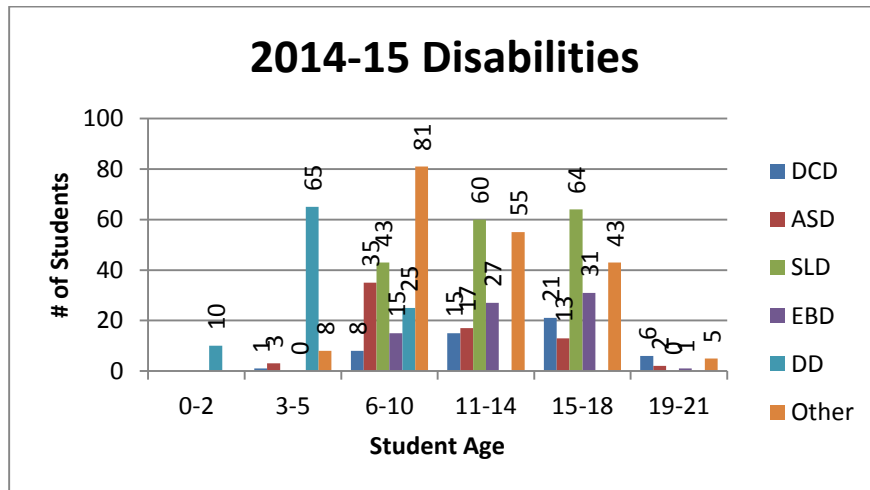
From this graph, it is evident that the largest portion of revenue received for our special education program comes from the state reimbursement formula.

Below is a breakout of the expenditures across various disability categories. It can be readily seen that the single largest expenditure for special education services is in the area of Special Education General. Included within this category are the students who have multiple disabilities or those supplies that can be used for all disabilities. Other programs with large expenditure budgets are the Emotional/Behavioral Disorders program and Specific Learning Disability program.

Special Education Expenditures by Program

Program	Description	2012-13	2013-14	2014-15	2015-16	Change %	Change Amount
		Actual	Actual	Budget	Budget		
030	Instructional Administration	\$ 22,479	24,016	\$ 25,371	\$ 24,339	5.6%	\$ 1,355
211	Secondary Ed. - General	13,172	20,651	26,957	8,861	30.5%	6,306
400	General Special Ed.	186,580	146,994	253,554	254,088	72.5%	106,560
401	Speech/Lang. Impaired	600,451	627,980	664,364	722,017	5.8%	36,384
402	Mild-Mod. Mentally Imp.	927,641	916,115	871,936	932,209	-4.8%	(44,179)
403	Mod.-Severe Mentally Imp.	462,932	503,927	728,675	750,080	44.6%	224,748
404	Physically Impaired	355,606	377,124	405,989	423,419	7.7%	28,865
405	Deaf - Hard of Hearing	95,061	87,540	78,436	83,664	-10.4%	(9,104)
406	Visually Impaired	116,785	123,272	122,744	126,489	-0.4%	(528)
407	Specific Learning Disability	1,113,275	1,318,013	1,457,779	1,561,686	10.6%	139,766
408	Emot/Behavioral Disorder	1,375,214	1,310,533	1,393,265	1,367,519	6.3%	82,732
409	Deaf - Blind	13,168	16,252	5,100	6,600	-68.6%	(11,152)
410	Other Health Impaired	163,169	146,070	155,906	159,251	6.7%	9,836
411	Autism	683,126	671,977	792,660	823,775	18.0%	120,683
412	Early Childhood Spec. Ed.	730,580	722,249	912,365	834,412	26.3%	190,116
414	Traumatic Brain Inj	-	-	1,000	1,000		
416	Multiple Handicap	59,644	76,147	82,409	108,887	8.2%	6,262
420	Special Education General	1,820,638	1,397,592	1,604,543	1,631,326	14.8%	206,951
422	Special Ed Students w/o Disabilities	486,850	506,838	637,090	655,910	25.7%	130,252
640	Staff Development	-	5,710	5,742	42		
720	Health Services	145	-	-	-	#DIV/0!	-
740	Social Work Services	262	-	-	1,500	#DIV/0!	-
760	Pupil Transportation	709,028	641,215	802,054	822,106	25.1%	160,839
850	Capital Facilities	40,212	47,000	47,000	48,410	0.0%	-
Special Education Totals		\$ 9,976,018	\$ 9,687,215	\$ 11,074,939	\$ 11,347,590	2.5%	\$ 272,651

A breakdown of the disabilities being served is shown in the following chart.

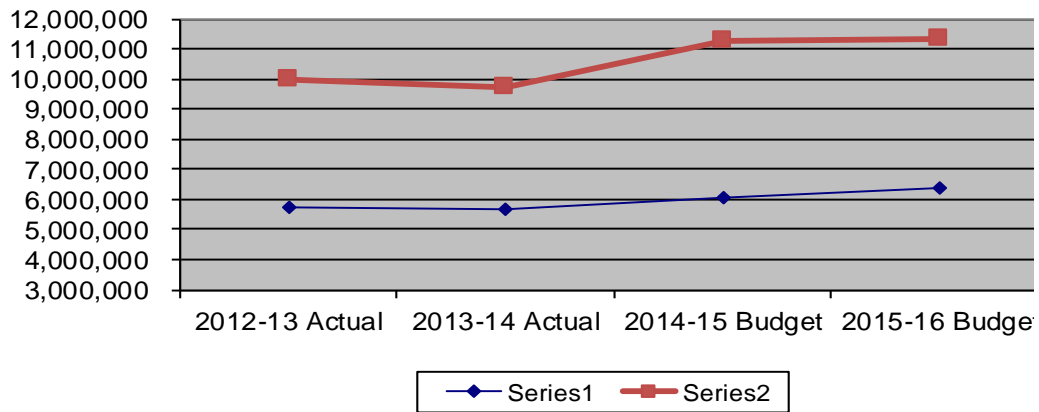


Overall, the special education budget is expected to increase by 2.5%. Part of the increase is due to changes in employee contracts. Since special education teachers are often licensed in multiple areas, this will lead to changes within program codes to account for the needs of the students for the school year.

Below is a table and graph showing the increases and decreases in revenues and expenditures. The 'gap' between revenues and expenditures represents the amount of additional funding that must be 'transferred' from the unassigned general fund into the special education area in order to continue to provide the level of programs and services currently in place.

	<u>2012-13 Actual</u>	<u>2013-14 Actual</u>	<u>2014-15 Budget</u>	<u>2015-16 Budget</u>
Revenues	5,703,268	5,670,505	6,024,820	6,401,391
Expenditures	9,976,019	9,687,215	11,291,313	11,347,490

Special Education Revenue Expenditure Comparison



The special education revenue and expenditure comparison table shows the total revenues and expenditures for special education. The 'gap' is the "cross subsidy" and what is picked up by other general fund revenues for the items that are not reimbursed by the State. Even though the legislature stated after the 2007 legislature that special education would be fully funded, it is not. The State continues to prorate the amount districts receive for reimbursement.

CHAPTER EIGHT – FOOD & NUTRITION AND COMMUNITY EDUCATION REPORT

The Food and Nutrition Services Department provides nutritious school meals to the students and staff of Owatonna Public Schools. It also provides an interactive nutrition learning environment for our students. It is projected that the Food & Nutrition Services staff will have served approximately 587,850 student lunches, 7,500 adult lunches, and 333,900 student breakfasts, totaling 929,250 meals during the 2014-15 school year.

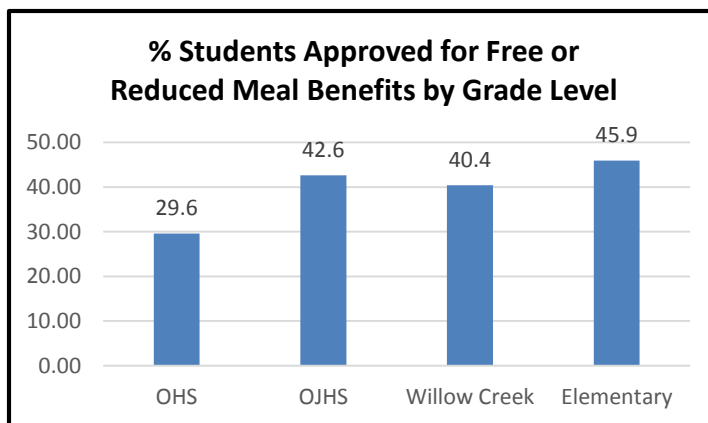
The Food and Nutrition Services Department not only provides nutritious school meals to the students and staff of Owatonna Public Schools, it also provides an interactive nutrition learning environment for our students. The forty department staff members that prepare and serve the meals reinforce what children learn in the classroom about health and nutrition in many different ways. The most effective method they use is personal interaction with each child by encouraging them to try new foods and to select fruits and vegetables on a daily basis. Owatonna Public Schools currently participates in the National School Lunch Program (NSLP) at all of the school sites; the School Breakfast Program (SBP) at all of the school sites; and the School Milk Program at Rose Street Center. Also, sales in excess of \$450,000 are projected to be collected in ala carte revenue during the 2014-15 school year.

An additional function that the Food and Nutrition Services Department is responsible for is the administration and approval process for the Application for Educational Benefits. The Application for Educational Benefits not only provides the important benefit of providing nutritious meals to children in low-income households, it also is a statistic used by the Minnesota Department of Education (MDE) to calculate the amount of Compensatory aid dollars earned by each school site. The higher the percentage of students approved to receive these benefits, the more Compensatory revenue is received. Compensatory aid is used at each site to help improve student achievement. This year's statistics are as follows:

Free & Reduced Stats by Grade Level

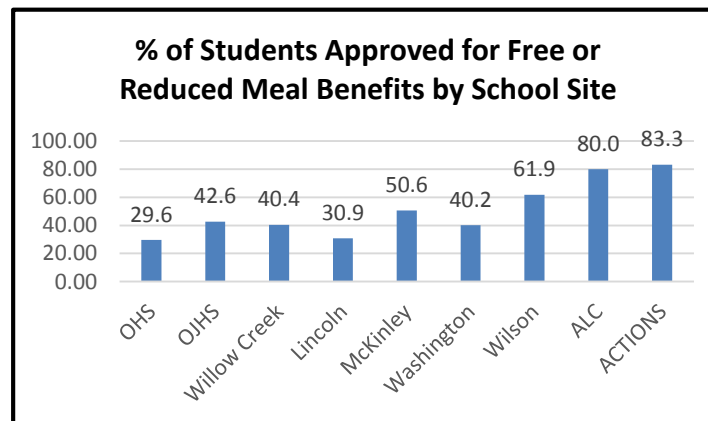
OHS	29.6%
OJHS	42.6%
Willow Creek	40.4%
Elementary	45.9%

District Average **40.8%**



Free & Reduced Stats by School Site

OHS	29.6%
OJHS	42.6%
Willow Creek	40.4%
Lincoln Elementary	30.9%
McKinley Elementary	50.6%
Washington Elementary	40.2%
Wilson Elementary	61.9%
ALC	80.0%
Actions	83.3%



Background

Research indicates that average prices charged for paid lunches in some districts are less than the cost of producing those lunches. Pricing paid lunches below the cost of production effectively increases Federal subsidies for higher income children because Federal funds intended for free and reduced-priced lunches are being used to help fill in the gap between what a paid lunch costs and what the school receives for it. The Paid Lunch Equity (PLE) provision of the Healthy, Hunger-Free Kids Act of 2010 requires school food authorities (SFAs) to ensure that sufficient funds are paid to the school food service account to cover the costs of paid

student lunches. Schools that charged less than \$2.70 on average for paid lunches in school year (SY) 2014-2015 are required to adjust their average price gradually over time until they meet the requirement and/or use additional non-federal funds to cover a portion of the difference.

This provision requires that the district's paid student lunch prices for (SY) 2015-2016 be increased by at least \$.10. Food & Nutrition Services is recommending the following meal price increases:

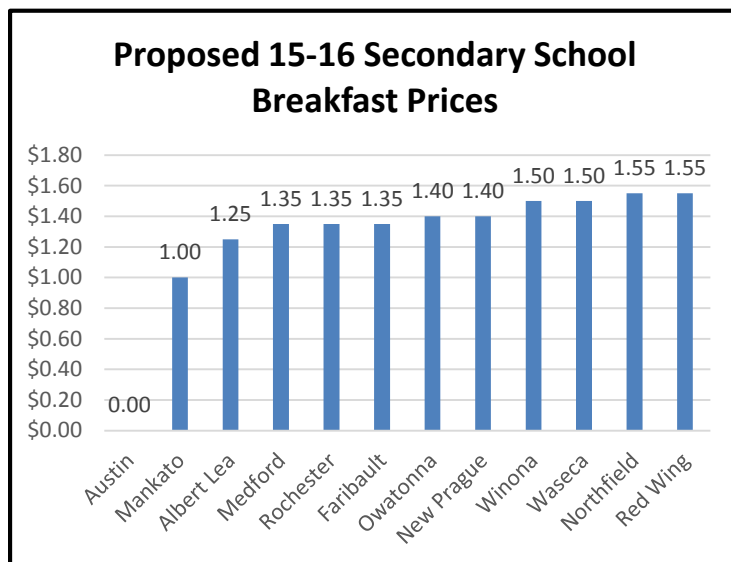
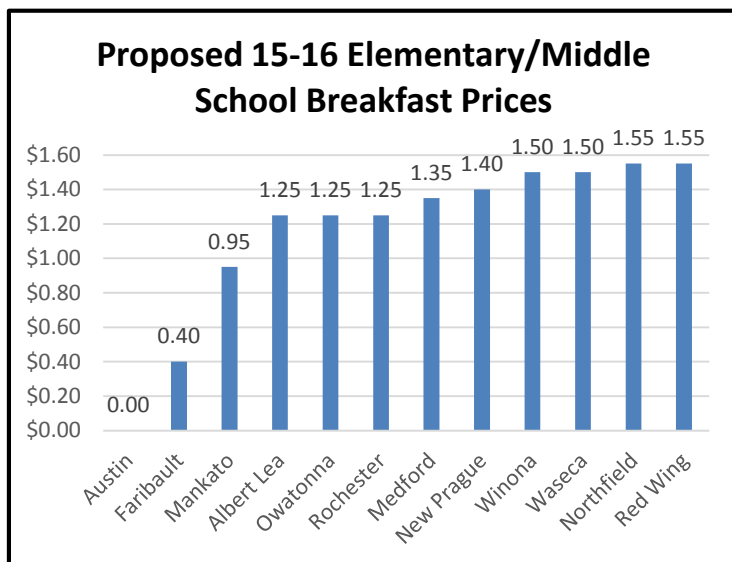
- Increase paid lunch prices by \$.05 and utilize non-federal funds to cover the difference.
- Increase paid breakfast prices by \$.05.
- Students that are eligible for free or reduced-priced meals will not be impacted by this price increase.

Increasing our meal prices will also allow us to:

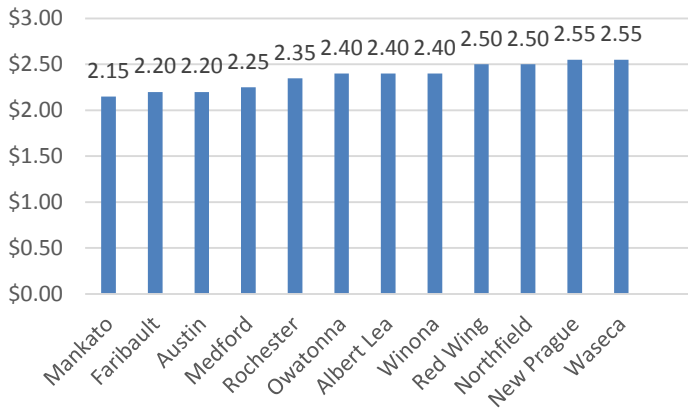
- stay closely aligned with surrounding district meal prices;
- keep pace with the rising costs of food, milk, supplies, labor and benefits;
- continue to move our meal programs forward by completing capital improvements as necessary (i.e. replacement of kitchen equipment).

As shown in the following tables, the meal prices in Owatonna are at or below comparable school districts in our area. It is also important to note that the Owatonna prices include the proposed meal price increases.

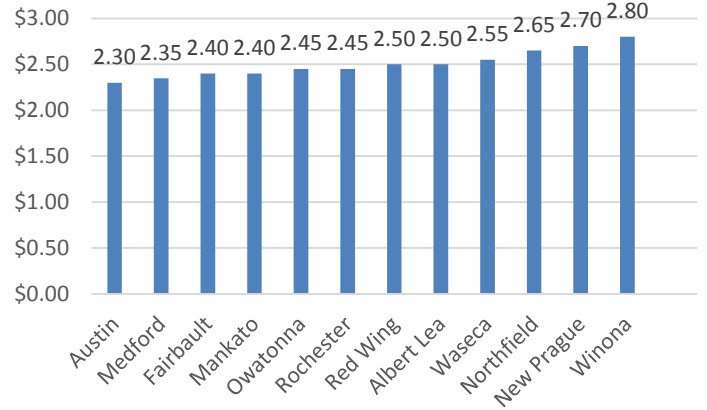
Breakfast, lunch and milk price comparisons to surrounding Districts:



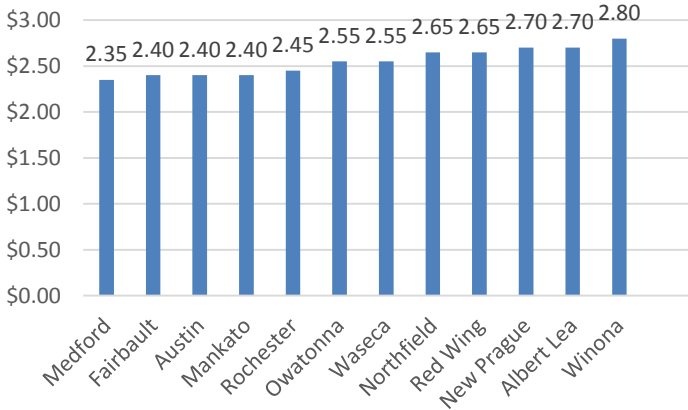
Proposed 15-16 Elementary Lunch Prices



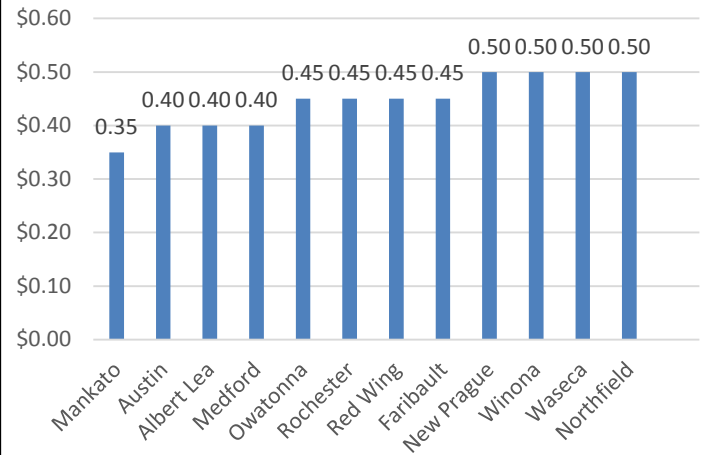
Proposed 15-16 Middle School Lunch Prices



Proposed 15-16 High School Lunch Prices



Proposed 15-16 Milk Prices



Food Service Economic Outlook

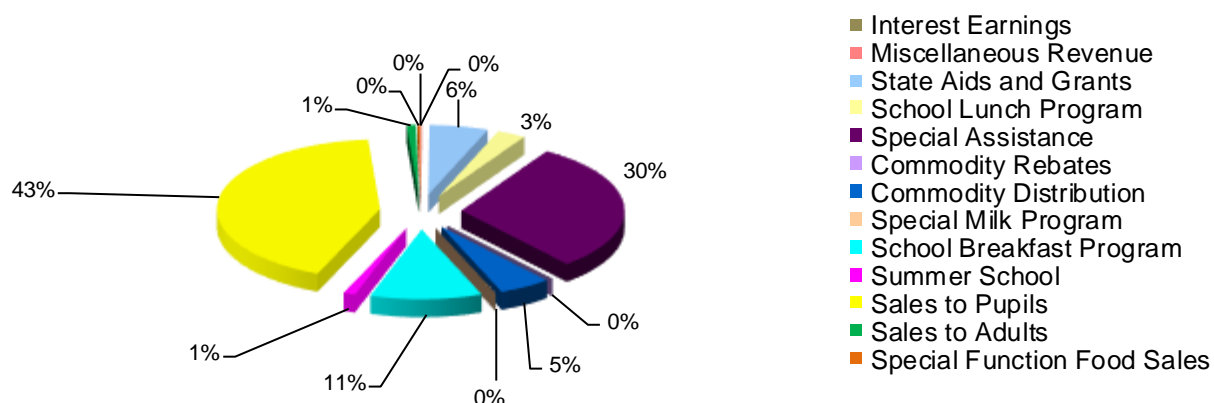
The projected revenue between 2014-15 and 2015-16 as shown in the table below shows an increase. There are decreases in a majority of the areas with the exception of the school lunch program, special assistance, and school breakfast program. The increase in special assistance is due to the revenue we receive from the Federal Free and Reduced Lunch Program. The increase in the school breakfast program is due to an increase in our meal prices for FY 16.

Food Service Revenues

Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change Percent	Change Amount
Interest Earnings	\$ 376	\$ 197	\$ 155	\$ 150	-3.2%	\$ (5)
Miscellaneous Revenue	11,141	101,866	5,200	3,500	-32.7%	(1,700)
State Aids and Grants	123,038	121,883	123,117	159,900	29.9%	36,783
School Lunch Program	160,738	304,523	82,306	78,107	-5.1%	(4,199)
Special Assistance	637,125	483,185	743,145	826,650	11.2%	83,505
Commodity Rebates	7,561	2,872	-	-	0.0%	-
Commodity Distribution	145,059	122,474	128,504	142,533	10.9%	14,029
Special Milk Program	4,141	4,341	230	160	-30.4%	(70)
School Breakfast Program	277,780	294,772	269,521	304,541	13.0%	35,020
Summer School	15,383	17,932	32,000	32,000	0.0%	-
Sales to Pupils	1,148,990	1,134,319	1,140,647	1,171,079	2.7%	30,432
Sales to Adults	36,125	26,345	23,482	25,627	9.1%	2,145
Special Function Food Sales	17,347	15,782	7,000	7,000	0.0%	-
Total	\$ 2,584,804	\$ 2,630,491	\$ 2,555,307	\$ 2,751,247	7.7%	\$ 195,940

The largest source of funds is sales to pupils (43%). The next largest source is for special assistance. This accounts for 30% of total revenue. See the following pie chart for the breakdown of revenue for the Food Service Fund.

2015-16 Food Service Revenue Budget



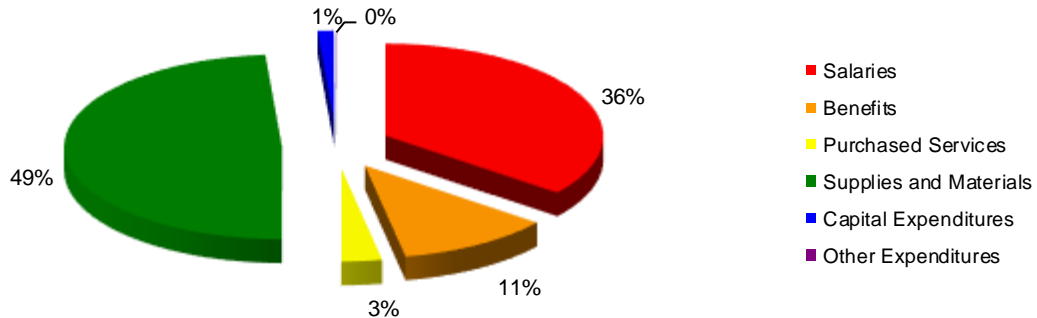
Expenditure changes in 2014-15 and 2015-16, as shown on the next page, varied because of certain items. The projected expenditures for 2015-16 increased from 2014-15 largely due to the changes in employee contracts. The decrease in capital expenditures is related to the decrease in new equipment that will need to be purchased in FY 16.

Food Service Expenditures

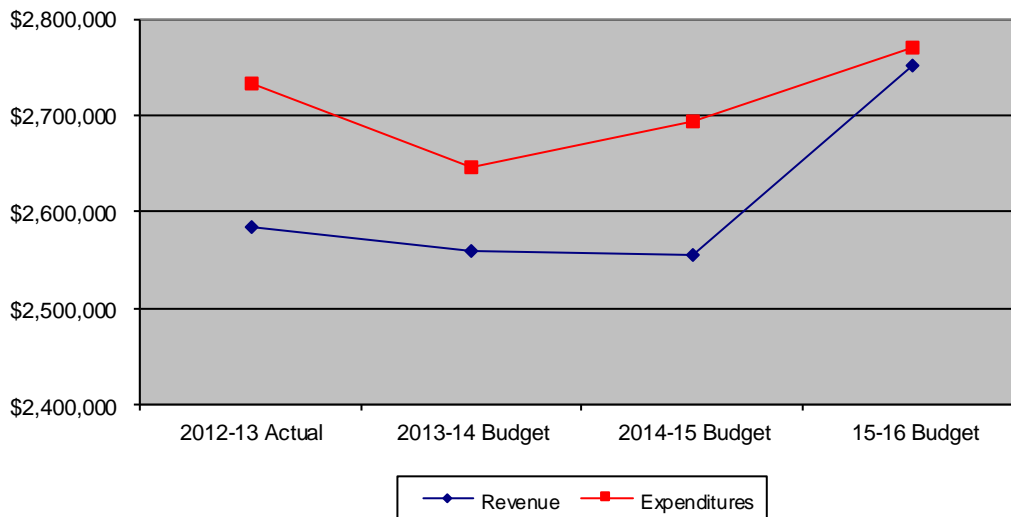
Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change Percent	Change Amount
Salaries	\$ 846,451	\$ 821,513	\$ 926,041	\$ 984,312	6.29%	\$ 58,271
Benefits	270,733	281,306	306,272	317,882	3.79%	11,610
Purchased Services	69,335	62,430	82,556	82,935	0.46%	379
Supplies and Materials	1,400,195	152,225	1,319,169	1,350,288	2.36%	31,119
Capital Expenditures	146,265	556	59,000	33,000	-44.07%	(26,000)
Other Expenditures	614	194,556	1,000	1,000	0.00%	-
Total	\$ 2,733,593	\$ 1,512,586	\$ 2,694,038	\$ 2,769,417	2.80%	\$ 75,379

The Food Service budget is mostly made up of salaries and supplies. These items make up 85% of the total Food Service expenditure budget.

2015-16 Food Service Expenditure Budget



As indicated on the following graph, expenditures continue to exceed revenues in order to spend down the existing fund balance, while at the same time providing affordable lunch prices and quality meals.



Owatonna Community Education celebrates learning and life through community-based programming that enhances the quality of life for Owatonna school district residents. Our life-long learners typically live within a thirty-mile radius of Owatonna. Our market base is expanding as we have registered learners from distances in excess of 60 miles. Programs that can serve as both personal and professional development, as well as special interest youth programs, are most likely to draw from outside school district boundaries. Community Education also provides a variety of programming that enhances school-day programming by providing opportunities to apply learning beyond the classroom. Our programs continue to expand in their market-appeal and impact. Programs delivered through the community education model are listed below. Within each category are subsets of programs designed to extend the resources of Owatonna Public Schools through community and partner-based initiatives.

• Adult and Family Enrichment	• Adult Basic Education
• School Age Care	• Early Childhood Family Education
• School Readiness	• Early Childhood Screening
• Youth Development/Youth Service/Youth Enrichment and OJHS/Kids First Athletics	

The cornerstone of excellence in programming for each program component is the ability to model a learning organization, engage in cross-program learning and to provide relevant, transparent, and engaging pathways for sharing life skills within the greater Owatonna community.

Program priorities for 2015-16 year will not be fully developed until after Community Education’s Spring Results Workshop on May 26th; however, early discussion is being generated around the following themes:

- Continued support and enhancement of PreK/K alignment work launched in 2014-2015 with emphasis on a community-wide PreK report card to help inform kindergarten placement and supports and common use of formative assessments;
- Expansion of early learning efforts to align learning targets, enduring understandings, and formative assessments for alignment between 3-year-olds and 4-year-olds;
- Design a longitudinal study tracking early learning impact on student academic success in K-3 created through the community-wide utilization of 3 and 4-year-old standards;
- Review training and programmatic supports for more social/emotional development of 3 and 4-year-olds. Initiatives currently on the target list to explore include: The Pyramid Model (TACSEI), S.M.A.R.T. (Stimulating Maturity through Readiness Training), Circle of Security, Healthy Kids Home Visiting and LEAP AmeriCorps. The goal is to be reflective in choosing curriculum resources and supports that can be implemented and monitored through our PLC model;
- Full support for all of the early childhood initiatives currently operating or launching in the new year as a result of the Early Learning Network, Early Childhood Coalition, SMIF Incentive Grants and United Way of Steele County strategic initiatives in early learning;
- Alignment of adult basic education curriculum to CCRS and ACES/TIF content-standards;
- Provide leadership for the SE ABE Consortium through fiscal hosting, development of the Five-Year Authorization Narrative, training and implementation of operational and instructional changes mandated through new WIOA legislation;
- Community partnership based reflection on addressing changing needs of adult students in the areas of career and post-secondary transitions, career navigation and the potential role for providing programming leading to Minnesota’s new Adult Diploma. This will

include establishing an ABE Advisory Committee to guide program delivery and evaluation.

- Attentive listening will be critical in the identification of needs and wants among our individual and organizational partners. The business of learning is a dynamic and synergistic dance of resources, where we must be more flexible and responsive than ever to create effective ways to entice life-long learners to utilize district and community resources;
- The desire to continue growing improvement initiatives that build on the history we have established of being open and reflective with ourselves and our program participants/partners, and to benchmark experiences with programs judged to be effective around the state in modeling cutting-edge delivery of accountable and impactful programming;
- The Community Education component of ISD 761 is totally dependent on the individual and collective success of our program teams. Individuals need clear pathways to share their voice and their technical skill towards building the capacity of our community to grow engaged and self-sufficient learners. Employee orientation and staff development processes targeted for full implementation in FY'15 did not launch as planned, making them a priority for our efforts in FY'16;
- An annual priority for Community Education is focusing resources towards areas of alignment with our K-12 parent organization that provides our community with a complete package of educational opportunities for all learners, that is both integrated and mutually beneficial. We will continue to look for cross-program and cross-department opportunities that allow the entire organization to meet its strategic benchmarks. The K-Camp model launching summer of 2015 will be a premiere example of this synergy, with funding already approved to extend the model into summer 2016.

Community Education Economic Outlook

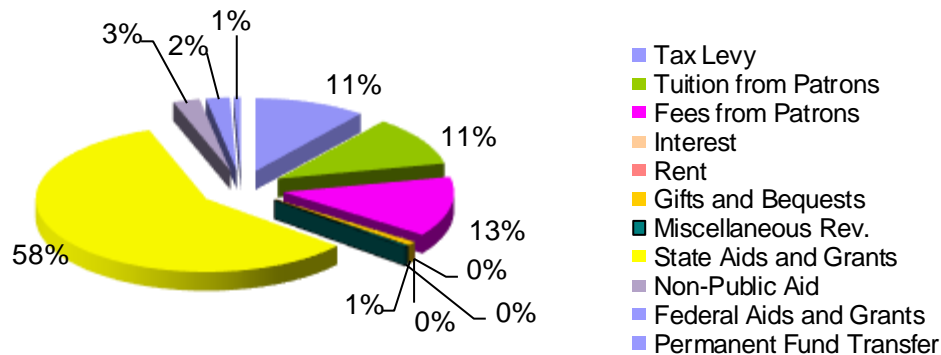
The projected revenue for 2014-15 and 2015-16 as shown in the table below shows an increase. Owatonna participates in an Adult Basic Education Consortium where Owatonna is the fiscal host. The consortium includes Albert Lea, Winona, Faribault, Caledonia Adult Pathways and Austin Public Schools. This consortium now includes a much larger geographic region than it initially started with. ABE funding is driven by student contact hours in the previous year. Therefore, ABE funding can change based on what is happening between districts.

Community Service Revenues

Description	2012-13	2013-14	2014-15	2015-16	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Tax Levy	\$ 313,673	\$ 162,237	\$ 315,111	\$ 312,385	94.23%	\$ 152,874
Tuition from Patrons	229,581	339,277	337,100	326,000	-0.64%	(2,177)
Fees from Patrons	392,816	394,283	378,000	392,000	-4.13%	(16,283)
Interest	674	455	700	700	53.85%	245
Rent	950	-	700	-	0.00%	700
Gifts and Bequests	310	200	300	24,200	50.00%	100
Miscellaneous Rev.	275,257	14,360	5,100	11,150	-64.48%	(9,260)
State Aids and Grants	1,483,456	1,704,170	1,574,750	1,724,906	-7.59%	(129,420)
Non-Public Aid	66,001	64,569	78,167	75,000	21.06%	13,598
Federal Aids and Grants	34,956	69,151	59,880	66,763	-13.41%	(9,271)
Permanent Fund Transfer	14,000	14,000	14,000	19,000	0.00%	-
	\$ 2,811,674	\$ 2,762,702	\$ 2,763,808	\$ 2,952,104	6.81%	\$ 188,296

The largest source of funds is state aid and grants (58%). However, a substantial amount of funding comes from fees from patrons (13%) and local tax levy (11%) as shown in the following pie chart.

2015-16 Community Service Revenue Budget



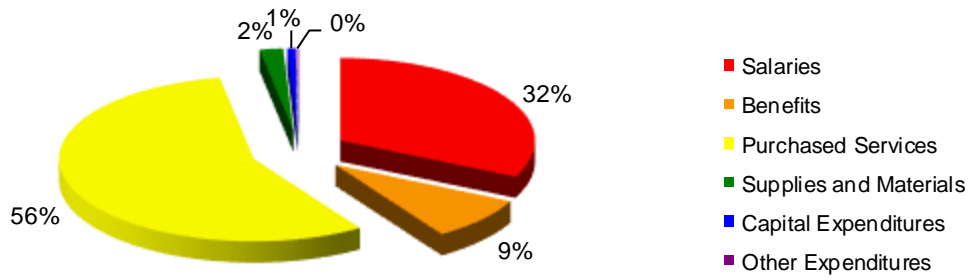
Expenditure increases from 2014-15 to 2015-16, as shown below, are in response changes in employee contracts and programming. Each community education program is considered on its own, so programs are offered based on the revenues coming in for the program and the anticipated fund balance.

Community Service Expenditures

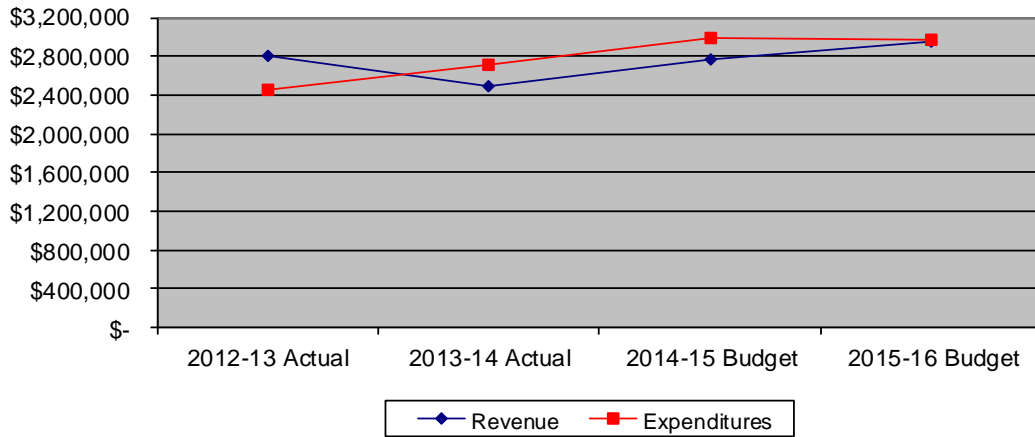
Description	2012-13 Actual	2013-14 Actual	2014-15 Budget	2015-16 Budget	Change %	Change Amount
Salaries	\$ 733,419	\$ 821,513	\$ 926,041	\$ 955,311	3.16%	\$ 29,270
Benefits	233,331	281,306	306,272	253,936	-17.09%	(52,336)
Purchased Services	1,356,489	1,668,184	1,597,514	1,669,864	4.53%	72,350
Supplies and Materials	90,667	110,371	91,809	57,841	-37.00%	(33,968)
Capital Expenditures	31,417	556	59,000	20,694	-64.93%	(38,306)
Other Expenditures	1,869	194,556	1,000	4,400	340.00%	3,400
	\$ 2,447,192	\$ 3,076,486	\$ 2,981,636	\$ 2,962,046	-0.66%	\$ (19,590)

As with other programs in a school district, salaries and benefits comprise the majority portion of expenditures (41%). However, purchased services are another large area (56%). Of the \$1,669,864 budgeted for purchased services, \$1,065,158 is Adult Basic Education money passed on to the other districts.

2015-16 Community Service Expenditure Budget



For the last two years, expenditures continue to exceed revenues in order to spend down previously existing program fund balances. See the graph below.



CHAPTER NINE - CAPITAL BUDGET OVERVIEW

The Owatonna School District annually receives in excess of \$1,400,000 in state funding intended to support capital purchases and projects. These funds are typically used for the acquisition and maintenance of technology, school books, school building furniture, ongoing facility repair and upkeep.

OWATONNA PUBLIC SCHOOLS					
OPERATING CAPITAL EXPENDITURES (FIN 302)					
FISCAL YEAR 2015-16					
Projected Beginning Balance					\$ 109,818
Revenue					
	Operating Capital - Aid			795,300	
	Operating Capital - Levy			425,288	
	Lease Levy			50,000	
	Advanced Recognition - Lease Levy			327,016	
Total Revenue					1,597,604
Expenditures					
Fixed					
	Taxes/Assessments			30,346	
	Four Seasons Lease			55,000	
	Gymnastic's Lease			4,800	
	Actions Lease - EBD Program			48,410	
	ALC Lease			207,310	
	Portable Lease			76,494	
	COP - Roof Project			258,238	
Copiers					
	- District wide			63,580	
	- Lincoln			4,996	
	- McKinley			4,996	
	- Washington			4,996	
	- Wilson			4,996	
	- Willow Creek			4,996	
	- OJHS			9,941	
	- OHS			28,258	
	- ALC			2,784	
	- Special Services			2,767	
	Postage Machine			1,428	
	District Van			4,680	
Total Fixed Expense					819,013
Operating Capital Allocation					
	OHS	\$ 15.00	1,761.60	26,424	
	OJHS	\$ 15.00	784.80	11,772	
	All Elementary Specialists			3,600	
	Grade 6			5,343	
	K-5			29,532	
	ALC	\$ 15.00	156.00	2,340	
Total Building Operating Capital Allocations					79,011
Program Operating Capital Allocations					
	Athletics			16,000	
	Curriculum			155,000	
	District Administration			10,000	
	Finance System			11,000	
	Operations & Maintenance/ Safety			30,000	
	Special Services			3,000	
	Roof Updates			63,000	
	Infinite Campus			62,000	
	Technology - LCM			425,000	
	Technology - Instructional Software			33,000	
Total Program Operating Capital Allocations					808,000
Total Expenditures					1,706,024
Addition (Reduction) To Fund Balance					(108,420)
Projected Ending Balance					\$ 1,399

Health and Safety, Deferred Maintenance, and Capital Budgets for 2015-16

The majority of the Facilities & Infrastructure work in FY 16 will occur in health and safety (\$408,514) and deferred maintenance (\$345,811). These expenses are met through the board approved levy certification process.

Facilities and Infrastructure 15-16 Plans			
Health and Safety			
Resources Available:	\$408,514.00	Projects:	Expenses:
		Playground Resurfacing and other hazards	\$11,200.00
		OSHA District Wide Corrections	\$34,500.00
		Food Code Safety - MDH Health Code Requirements	\$9,000.00
		Elevator and Lift Inspections	\$21,000.00
		Personal Protective Equipment	\$13,000.00
		Hazardous / Infectious Waste Management & Disposal	\$17,000.00
		Lead in Water - Testing & Mitigation	\$8,000.00
		Boiler - Main Supply Backflow Preventor and	\$7,000.00
		Health, Safety & Environmental Management - School District Personnel	\$74,614.00
		Safety Committee and AWAIR	\$500.00
		Science Labs - Inventory & Other Safety Compliance	\$1,600.00
		Blood Borne Pathogen Standard Compliance	\$3,000.00
		Integrated Pest Management	\$200.00
		Computer Based Management Support Programs	\$5,500.00
		IAQ plan and IAQ Coordinator Expenses	\$5,000.00
		Automated External Defibrillators	\$1,200.00
		Removal and Encapsulation of Asbestos (not replacement of materials)	\$100,000.00
		Repair and Maintenance - Asbestos	\$12,000.00
		Asbestos - Staff Training	\$6,000.00
		Asbestos Worker Required Health Physicals	\$2,500.00
		Fire Alarm Equipment	\$54,200.00
		Fire Extinguisher Inspection & Maintenance	\$6,000.00
		Three Year Fire Inspection	\$5,500.00
		Lighting - Emergency and Egress	\$10,000.00
		TOTAL	\$408,514.00
Deferred Maintenance			
Resources Available:	\$345,811.00	Projects:	Expenses:
		District Wide Flooring Needs	\$88,356.00
		Replace Lav Sinks (Ag Bldg & McKinley)	\$14,000.00
		Re-Tube Boiler (OJHS)	\$37,250.00
		District Wide Parking Lot Repairs	\$60,000.00
		District Wide Concrete Repairs	\$20,000.00
		District Wide HVAC and Boiler Projects	\$33,000.00
		District Wide Misc. Projects	\$25,092.00
		Unexpected Needs	\$68,113.00
		TOTAL	\$345,811.00
Capital			
Resources Available:	\$30,000.00	Projects:	Expenses:
		Unexpected Needs/On-going Maintenance	\$30,000.00
		TOTAL	\$30,000.00

The costs identified to the right reflect potential anticipated needs based on data gathered during the Wold Architects facility study of 2014-15. The annual health and safety, deferred maintenance, and capital budgets are prioritized to meet as many of the needs as economically feasible.

Deferred Maintenance Needs								
April-15								
BUILDING:	Priority 1:	Priority 2:	Priority 3:	Priority 4:	Priority 5:	Priority 6:	Not Prioritized	Total
Wilson Elementary School	\$440,800	\$5,523,700	\$290,500	\$42,000	\$0	\$0	\$0	\$6,297,000
Lincoln Elementary School	\$508,200	\$5,085,900	\$1,238,500	\$385,000	\$0	\$0	\$0	\$7,217,600
Willow Creek Intermediate	\$372,600	\$1,316,200	\$520,000	\$85,400	\$0	\$0	\$0	\$2,294,200
Washington Elementary School	\$397,700	\$5,603,900	\$607,000	\$280,000	\$0	\$0	\$4,500	\$6,893,100
Rose Street Center	\$409,600	\$821,700	\$147,000	\$41,000	\$0	\$0	\$0	\$1,419,300
McKinley Elementary School	\$607,000	\$5,664,500	\$378,000	\$876,000	\$0	\$0	\$20,000	\$7,545,500
District Office	\$491,600	\$551,000	\$321,000	\$80,000	\$0	\$0	\$0	\$1,443,600
Roosevelt Community	\$14,400	\$332,300	\$192,000	\$137,000	\$0	\$0	\$36,000	\$711,700
Owatonna Junior High	\$1,362,800	\$13,102,600	\$1,819,000	\$220,000	\$0	\$0	\$402,500	\$16,906,900
Owatonna Senior High - 1921 Building	\$396,400	\$8,177,900	\$615,000	\$0	\$0	\$0	\$0	\$9,189,300
Owatonna Senior High - 1955 Building	\$357,400	\$3,399,300	\$129,000	\$0	\$0	\$0	\$0	\$3,885,700
Owatonna Senior High - 1959 Building	\$334,300	\$9,643,400	\$690,000	\$94,000	\$0	\$0	\$0	\$10,761,700
Owatonna Senior High - 1998 Building	\$106,000	\$1,603,200	\$603,000	\$0	\$0	\$0	\$0	\$2,312,200
Owatonna Senior High School - Votech	\$48,300	\$1,807,200	\$59,000	\$63,000	\$0	\$0	\$2,500	\$1,980,000
Totals	\$5,847,100	\$62,632,800	\$7,609,000	\$2,303,400	\$0	\$0	\$465,500	\$78,857,800

CHAPTER TEN – STRATEGIC PLAN AND STUDENT ACHIEVEMENT

The Owatonna School District has in place a process for the annual establishment of goals. Goals are developed through analysis of state testing mandates, standardized tests, and annual surveys of the community, parents, students, and staff. This chapter contains an overview of the District's student achievement based on the results from the 2014 state assessments. Key initiatives that were employed by the District and Schools over the course of the 2014-2015 school year to improve the achievement results on the 2015 state assessments are included in each School's narrative.



Owatonna Public Schools Strategic Roadmap

During the spring and summer of 2014, the Owatonna Public Schools Board of Education worked collaboratively with staff and administrators to develop a Strategic Roadmap for the district.

The Roadmap aligns and gives direction for all work across the district. It helps answer questions like:

- What do the Owatonna Public Schools need to provide to ensure classrooms focus on all students learning at high levels without excuse?
- What are the career readiness benchmarks that students must meet to provide a pathway to graduate with options and choices for their future?
- What life skills do all students need to have to be successful upon graduation from Owatonna High School and beyond?

The District Roadmap below shows how we will deliver on our mission through a clear focus on student learning and development.

MISSION – what our schools ensure

Learning Excellence,

Life Readiness, and

High Expectations for All

A Family, Staff, and Community Commitment

DISTRICT CORE VALUES – what drives our behaviors and interactions

Integrity: I will do the right thing in the right way at the right time

Respect: I will listen to and value others for their diverse strengths, cultures, and viewpoints, treating others as I would like to be treated

Collaboration: I will work together with others to achieve shared goals

Persistence: I will embrace challenge and change to see things through to completion

Equity: I will do my part to meet the needs of every student and help to address barriers to student engagement, learning, and development

VISION 2020 – how we want all to see our district

Owatonna Public Schools will be -

A place of academic learning and life skill development with:

- Highly engaged students, parents and staff.
- Students, parents, and staff knowing the strengths, progress and needs in the student's journey of learning.
- Students owning their learning and ready for their next step.

A culture of partnership and shared purpose where:

- Parents, staff and the community collectively guarantee student learning, engagement and development.
- All employees know their role, add value, and work together to continuously improve.

A recognized community asset with:

- Well-designed programs and facilities that function efficiently and effectively.
- Students and staff helping Owatonna to be a desirable place to work and live.

KEY STRATEGIES – how we focus our time and resources

A. Development of Life Skills and Career Readiness in ALL Students

B. Consistent Application of a Viable Curriculum and Common Assessments

C. Consistent Application of the Professional Learning Community Process Focused on Ensuring Student Learning

D. Aligning Our Programs and Facilities with Our Vision 2020

Student Achievement Assessment Instruments & Results

Owatonna Public Schools (OPS) utilize two standardized assessments to measure student achievement in reading and mathematics.

The state of Minnesota requires school districts to administer the Minnesota Comprehensive Assessments (MCA II/III) in reading and mathematics in grades 3 - 8, 10 and 11 that meet the requirements of the federal No Child Left Behind (NCLB) Act. These tests are given every year to measure student performance on the Minnesota Academic Standards, which define what our students should know and be able to do in a particular grade.

While students do not pass or fail these tests, each student receives a score that falls in one of four achievement levels (a) does not meet the standards, (b) partially meets the standards, (c) meets the standards, or (d) exceeds the standards. The reading and mathematics (MCA II/III) results are used to determine whether schools and districts have made Adequate Yearly Progress (AYP) toward all students demonstrating proficiency based on the No Child Left Behind Act.

Even though Adequate Yearly Progress will continue to be reported, it is not the predominant accountability system in Minnesota. The 2011 MCA results are the baseline for the Multiple Measurement Rating system, which was enacted with the Federal Waiver of NCLB in February, 2012. The MCA results reported in this chapter are from the 2014 administration of the math and reading assessments. Current year results will not be available until summer of 2015.

Owatonna Public Schools also utilizes the Northwest Evaluation Association's (NWEA) Measures of Academic Progress (MAP) as a district assessment to assist in determining a student's academic growth in reading and mathematics. Students in grades 2-8 and select high school students are assessed in the fall, winter and spring of each school year. These computerized adaptive tests provides information on students to determine the instructional level of each student and to assist in measuring individual student academic growth over time.

Additionally, both assessments are used by the system to determine the level of proficiency of groups of students and evaluate the effectiveness of a program, structure or curriculum.

MCA Analysis and Comparative Data Benchmarks

As part of the analysis process, Owatonna Public Schools utilizes comparative data and information to gauge student achievement improvements in mathematics and reading. A number of figures in this section compare Owatonna MCA-III results with Big 9 schools and Minnesota school districts that were determined to be similar demographically to Owatonna. Based on established benchmarks, the Minnesota school districts determined to be comparative to Owatonna include St. Louis Park, Spring Lake Park, Moorhead, West St. Paul, and Albert Lea.

Criteria used to assist in determining comparative school districts included (a) school districts where the district census of students was within a range of 1000 students to Owatonna, (b) school districts where the level of Limited English Proficiency (LEP) students was within a range of 3%, and (c) school districts where the Free and Reduced Lunch (FRE) students (students of low socio-economic status) was within a range of 5%.

Comprehensive Assessment Plan for Owatonna Public Schools

The Owatonna Public Schools assessment plan guides educators in the area of student achievement, curriculum planning, and parental communication. Figure 1 is a copy of the district assessment plan.

Figure 1: Comprehensive Assessment Plan for Owatonna Public Schools

The Owatonna Public Schools has a strong comprehensive assessment program. This program has a balance of summative and formative assessments. These assessments are used to inform instruction and help gauge the effectiveness of our district curriculum and programs.

Teachers use a variety of assessments to monitor progress and adjust their instruction to meet the needs of each and every student. These assessments come in three forms: diagnostic, formative, and summative.

Summative Assessments:

Summative assessments, often referred to as “of learning,” are used to summarize achievement at a particular point in time. This type of assessment occurs after the learning has happened and is used to measure achievement status at a point in time for the purpose of reporting and accountability. Some examples of summative assessments are the Minnesota Comprehensive Assessments (MCA’s), Measures of Academic Progress (MAP), and end of unit tests. See chart below for district-identified summative assessments:

	Assessment:	Grade Level(s):	Purpose:	Date Assessed:
Summative Assessments	Minnesota Comprehensive Assessment (MCA III) <ul style="list-style-type: none"> • Reading • Math • Science 	Math: Grades 3,4,5,6,7,8,11 Reading: Grades 3,4,5,6,7,8,10 Science: Grades 5,8,11	To guide & evaluate instruction against the Minnesota State Standards in Language Arts, Math, and Science	Spring
	Graduation-Required Assessments for Diploma (GRAD)	Writing: Grade 9 Reading: Grade 10 Math: Grade 11	To guide programming, as well as ensure that all students have the basic skills needed to graduate from high school	Spring
	Assessing Comprehension & Communication in English State to State (ACCESS)	K-12 English Language Learners	To define listening, speaking, reading, and writing levels from beginning to proficient	Spring
	Measures of Academic Progress (MAP) <ul style="list-style-type: none"> • Reading • Math 	Grades 2-8	To measure growth in student learning and help plan instructional decisions	Fall, Winter, Spring
	DIBELS: Reading Fluency Measures- Curriculum Based Measures (CBM)	Grades K-6	To monitor student progress in learning the necessary skills to become successful readers	Fall, Winter, Spring
	Math Fact Measures- Curriculum Based Measured	Grades 1-6	To monitor student progress in learning the necessary skills to become successful mathematicians	Fall, Winter, Spring
	EXPLORE	Grade 8	To assess student achievement, career interests, and study skills	Fall

	PLAN	Grade 10	To assess student achievement, career interests, and study skills	Fall
	Unit Assessments	Grades K-12	To assess student performance on the curriculum	Ongoing
	ACT/SAT	Grades 11 & 12	To serve as a college admission test	Ongoing
	Ability Test CogAt Form 6	Grades 3-6	To assist with student placements based on individual strengths and limitations	Fall
	Minnesota Student Survey	Grades 6,9,12	To guide overall system improvement, curriculum & instruction, & community collaboration	Spring
	Advanced Placement (AP)	Grades 10, 11, 12	To assess the level of student achievement and advance in the college admissions process	Spring

Diagnostic Assessments

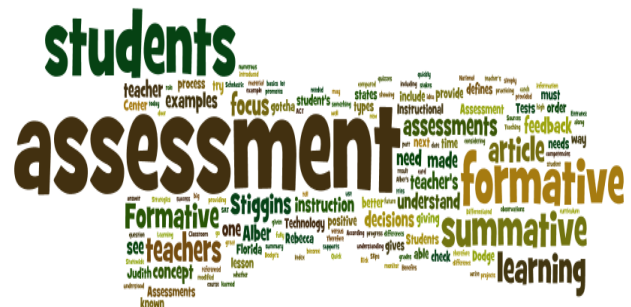
Diagnostic assessments, often referred to as “to begin learning,” are used to help identify your students’ current knowledge of a subject/content, their skill sets and capabilities, and to diagnose and clarify misunderstandings before the teaching takes place.

Formative Assessments:

Formative assessments, often referred to as “for learning,” are used to diagnose student needs, plan instruction, and provide students with feedback to improve their learning. This type of assessment is on-going and checking for understanding happens while the learning is occurring.

Formative Assessment:

- takes place **during** the learning process
- informs both teachers and students
- allows teachers to adjust instruction
- involves students
- cannot be separated from the instructional process
- is classroom assessment *for* Learning
- provides feedback that moves the learner forward

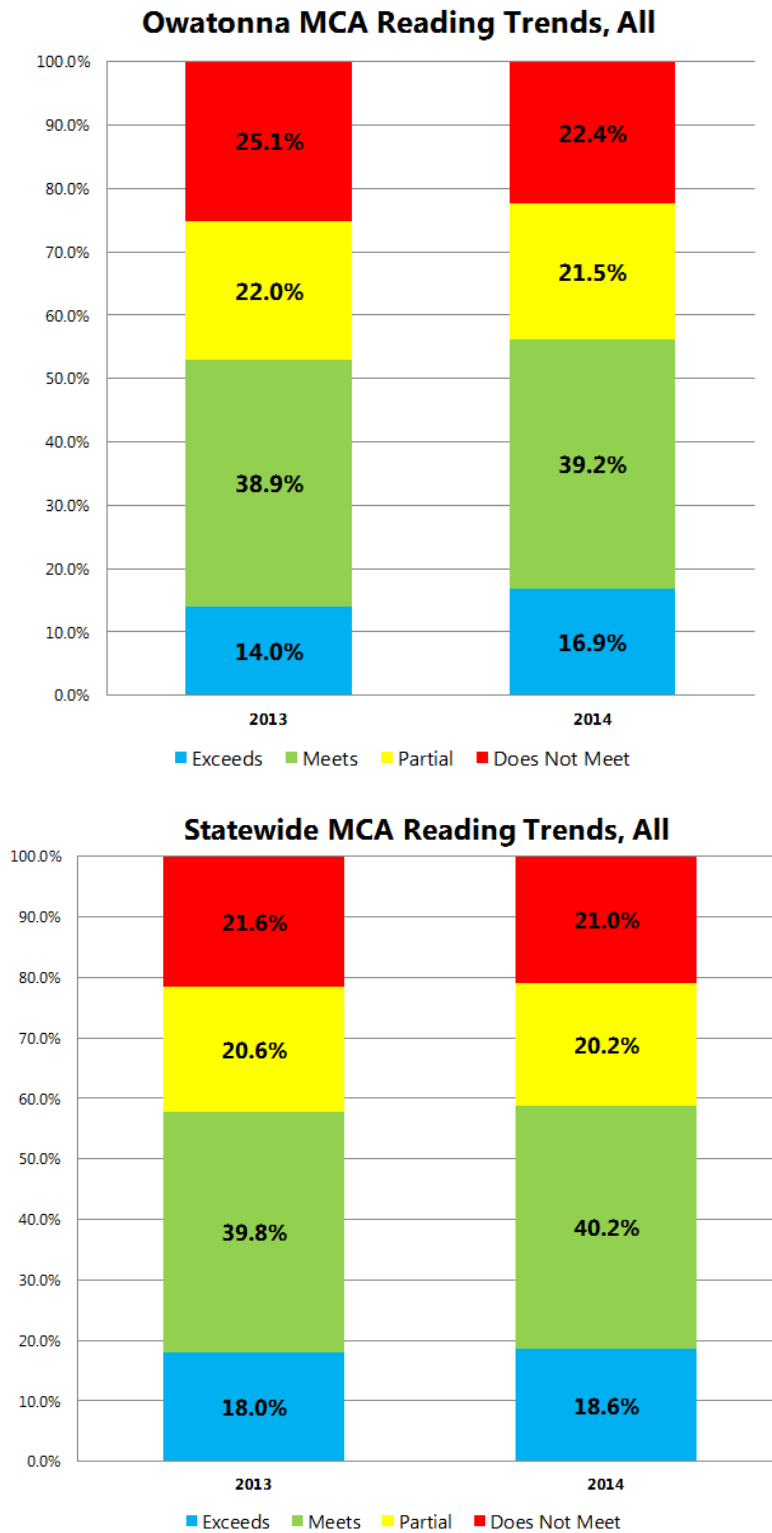


Owatonna Public Schools follows a comprehensive program for student assessment which includes a variety of assessments that serve different purposes, to ultimately improve student learning. Assessment data is an essential component of the student achievement planning process for all levels of the district as well as a key aspect of long range planning. Assessment results are used for many reasons which include: to comply with external agencies; to provide accountability to parents, community, and taxpayers; to measure district achievement over time and to compare this achievement to state and national groups; for program evaluation; to assist with student placement and special programming; and to guide curriculum and instruction at all levels. In order to measure student learning and growth, multiple types of assessments are used to guide instruction and determine students’ progress within the Owatonna Public Schools Curriculum Frameworks.

District Results

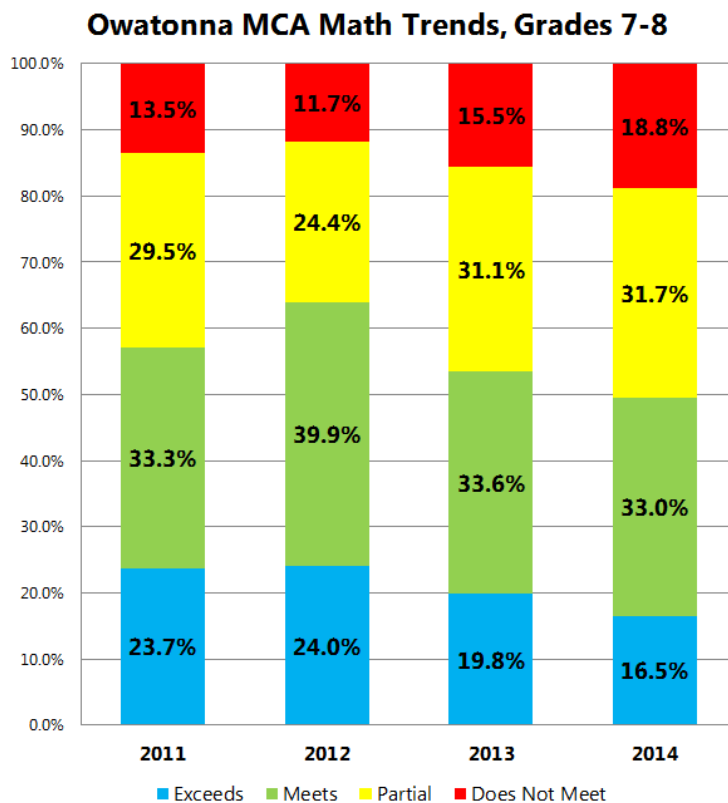
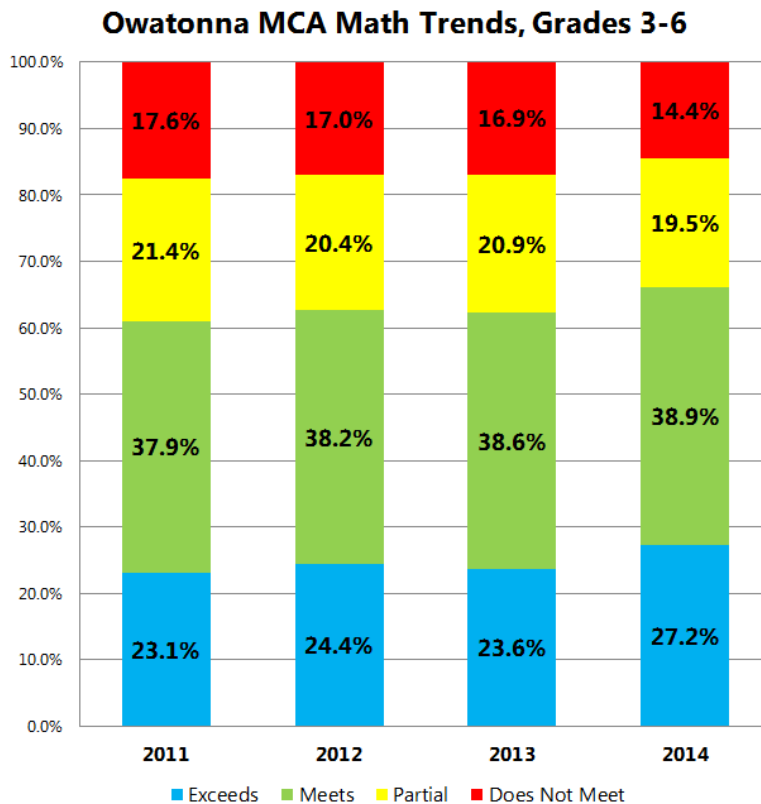
Below, Figure 2 shows the District Results and Trends from 2013 to 2014 in the area of reading. Note: In 2013, state testing transitioned from MCA II to MCA III testing.

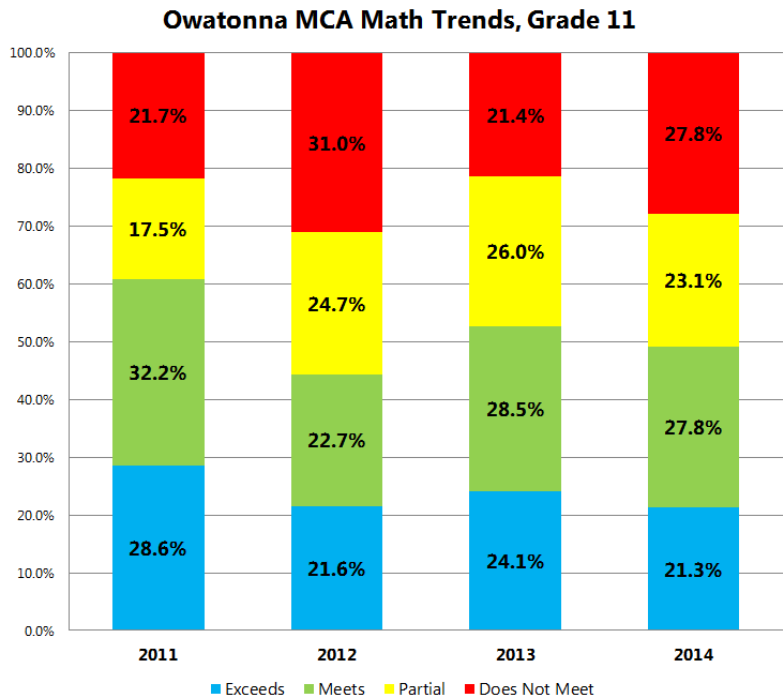
Figure 2: Owatonna Public Schools Reading MCA District Results & Trends



Below, Figure 3 shows the District Results and Trends from 2011 to 2014 in the area of math
 Note: In 2011, state testing transitioned from MCA II to MCA III testing.

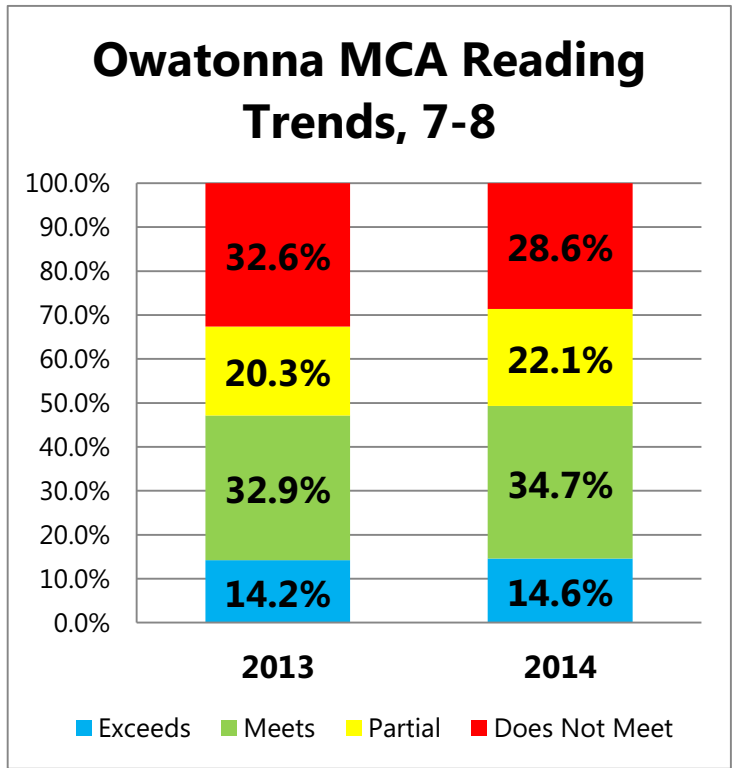
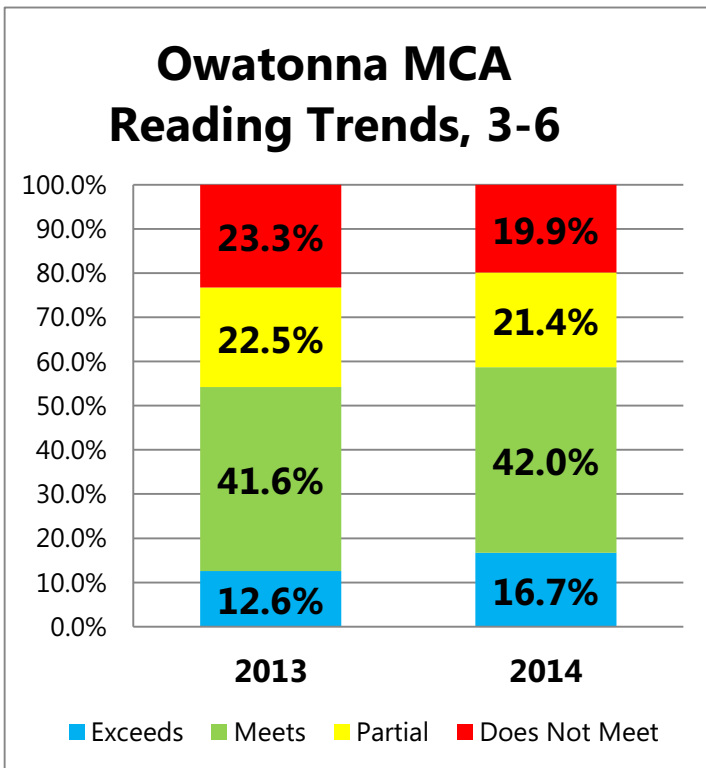
Figure 3: Owatonna Public Schools Math MCA District Results & Trends

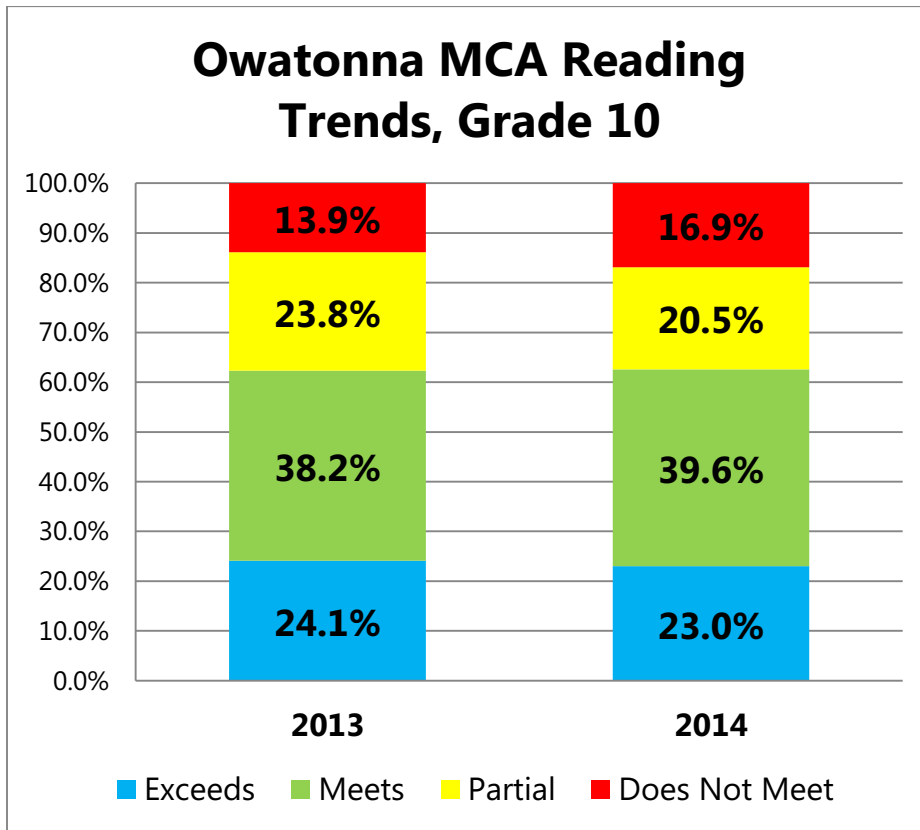




Below, Figure 4 shows each grade level's 2014 reading and math results from MCA III in relation to the state. The graph is divided into each achievement level by grade level.

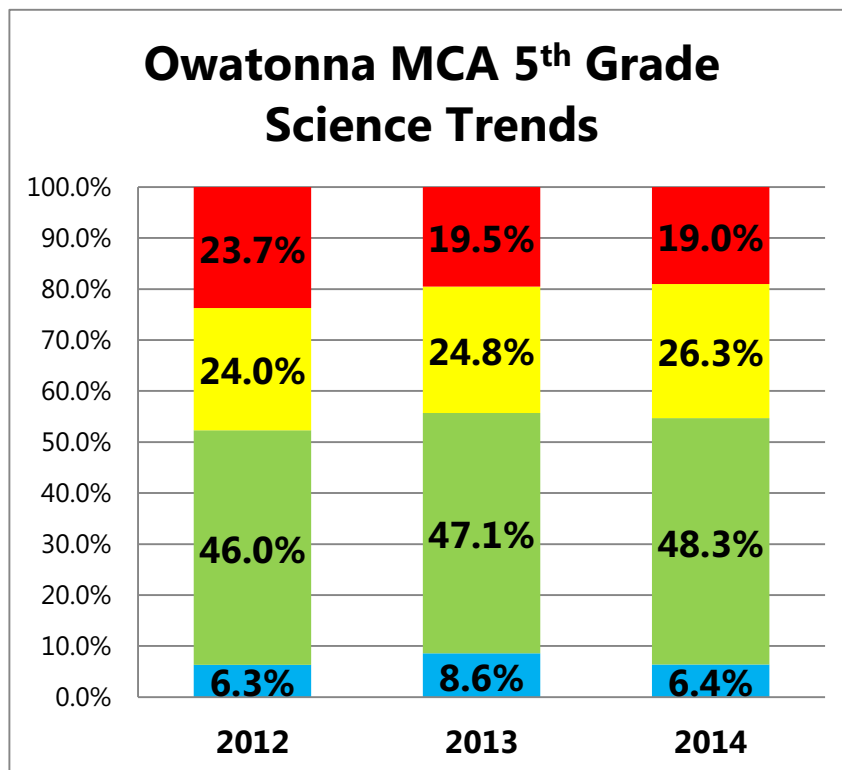
Figure 4: Owatonna Public Schools Reading MCA District Results & Trends



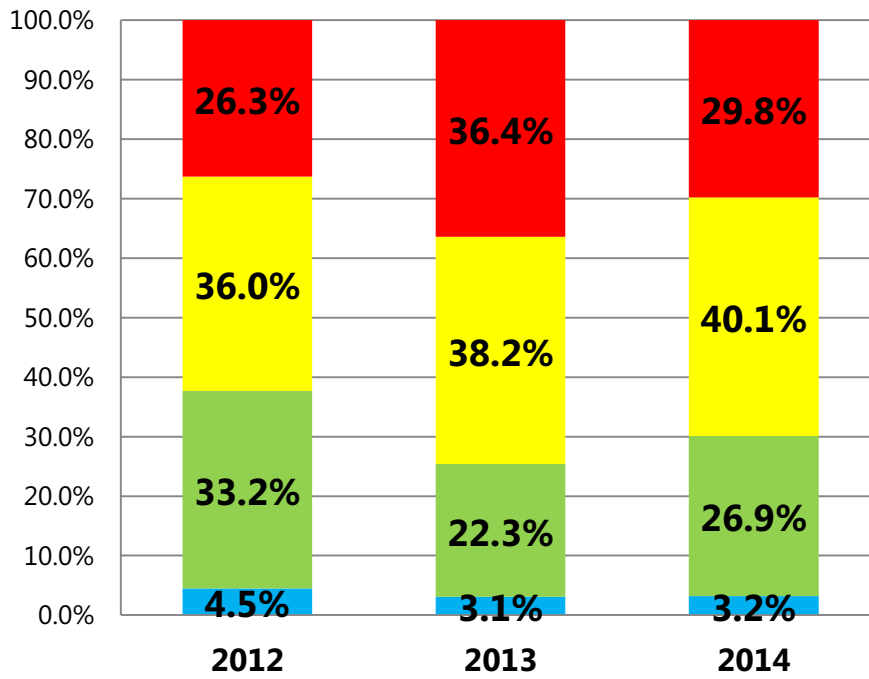


Below, Figure 5 shows each grade level's 2014 science results from MCA III in relation to the state. The graph is divided into each achievement level by the grade levels tested- grade 5, 8, and 11.

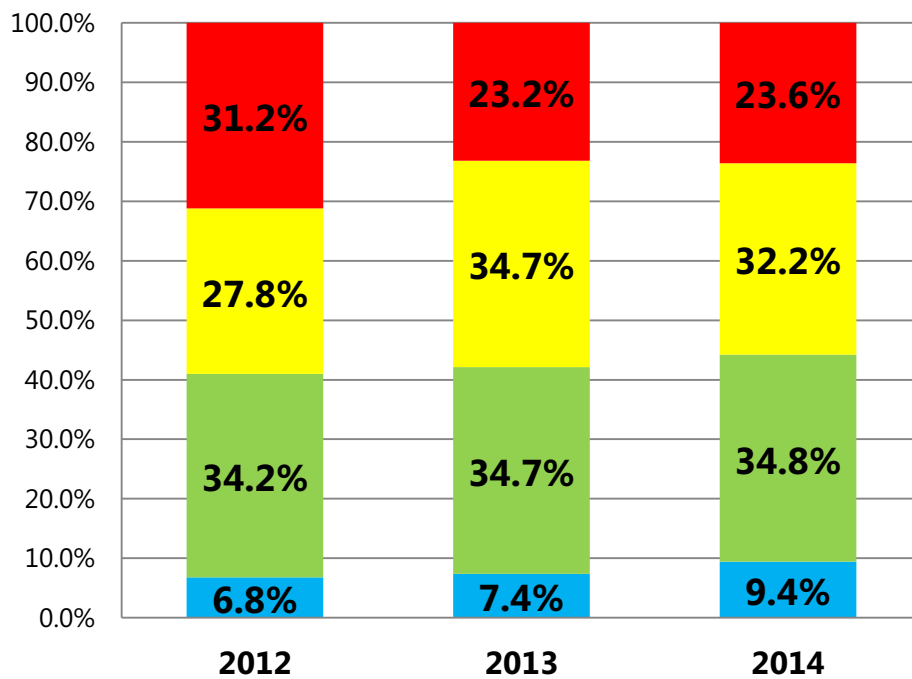
Figure 5: Owatonna Public Schools Science MCA Grade Level Results



Owatonna MCA 8th Grade Science Trends

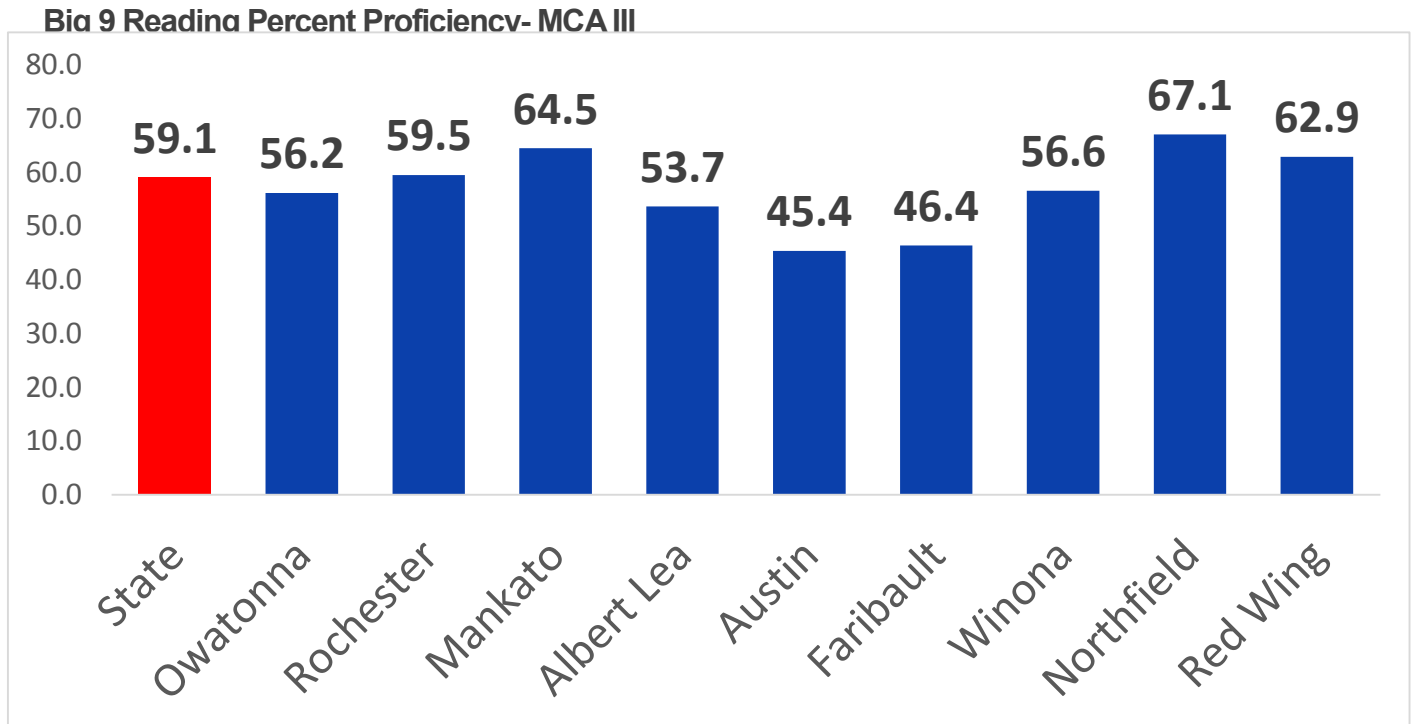


Owatonna MCA H.S. Science Trends

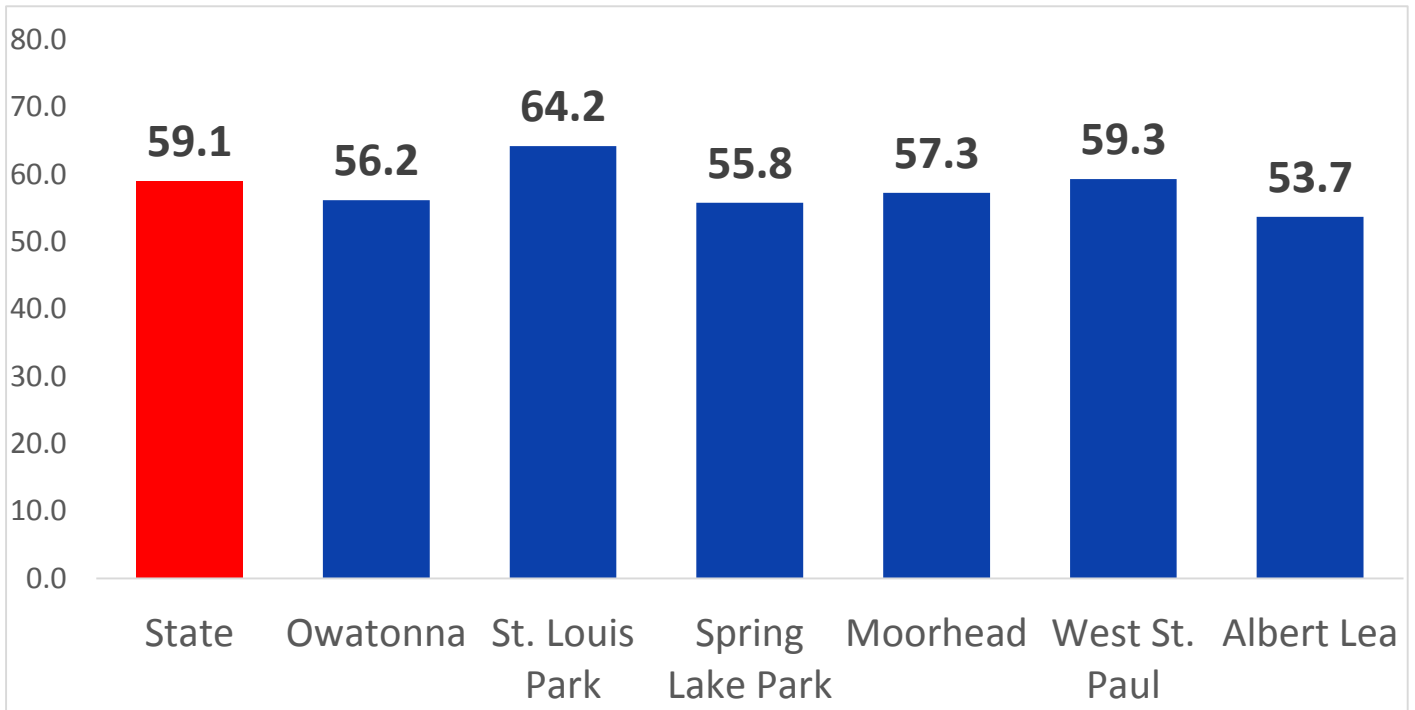


Below, Figure 6 shows our 2014 Reading Proficiency on the MCA III in relation to other Big 9 districts, as well as comparable districts to ISD 761.

Figure 6: Owatonna Public Schools Reading Proficiency Comparisons



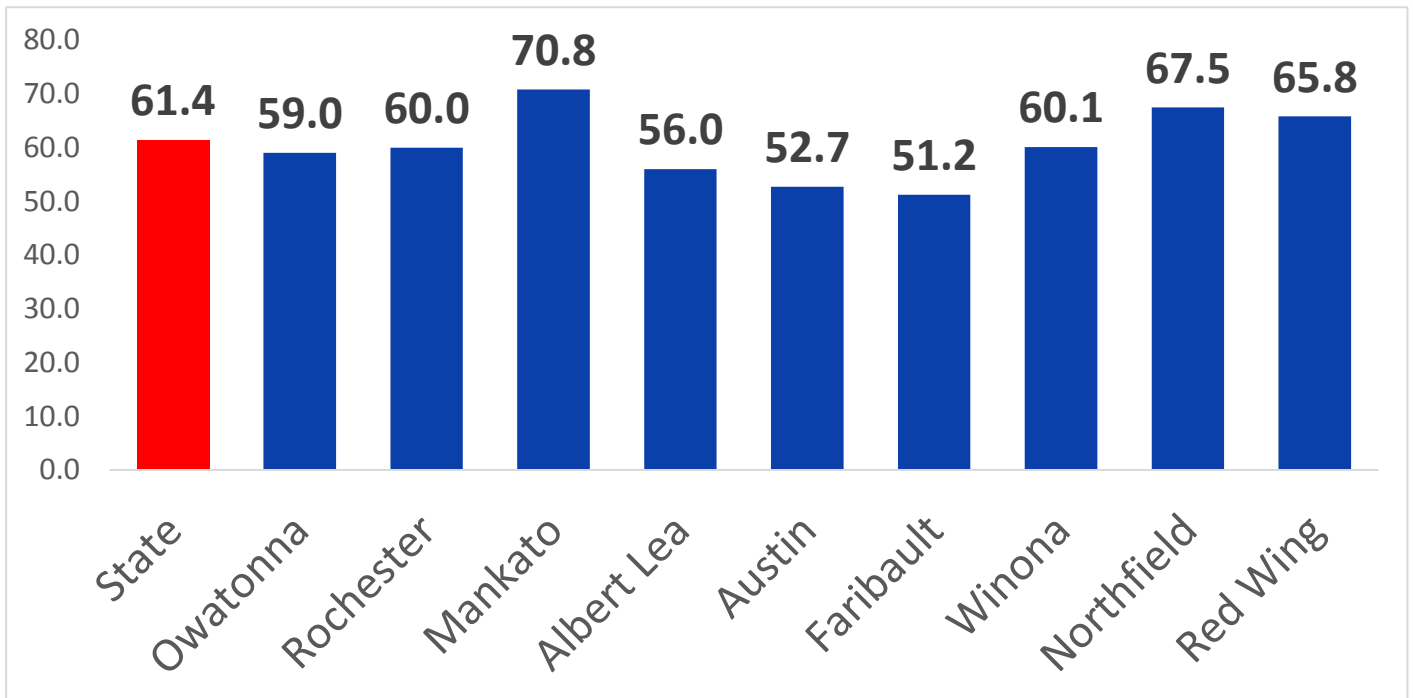
**Comparable Districts to ISD 761:
Reading Percent Proficiency- MCA III**



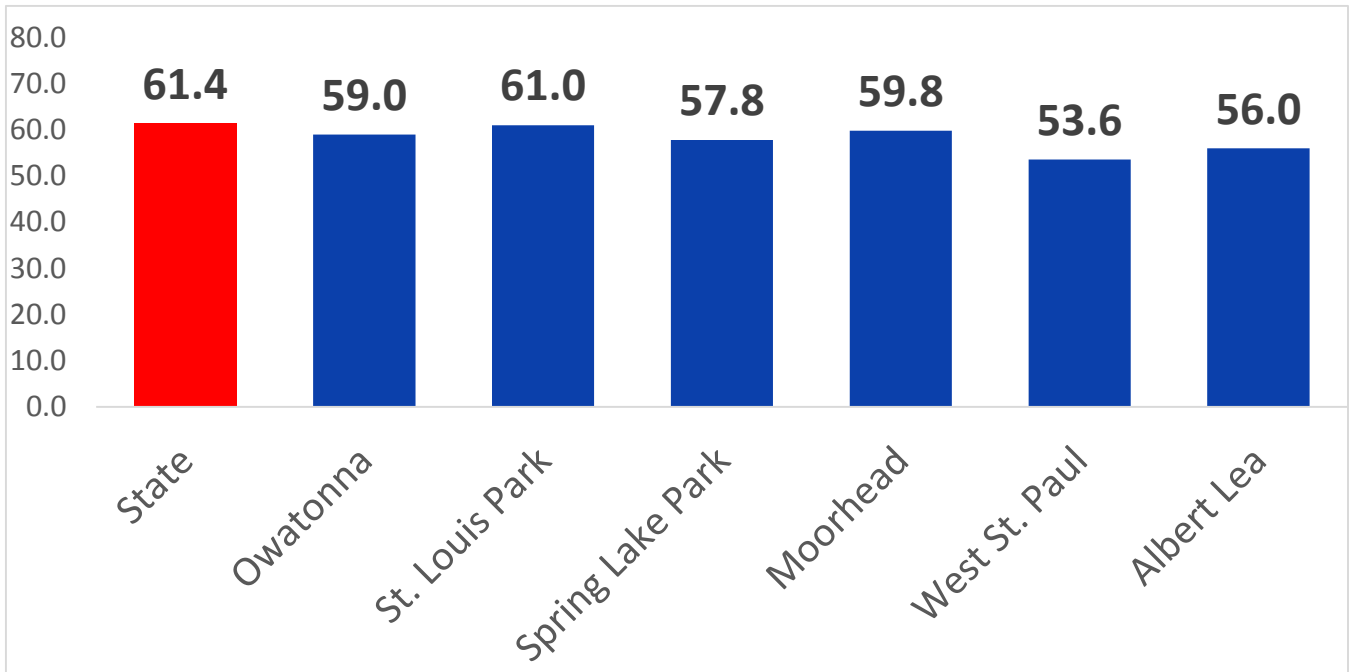
Below, Figure 7 shows our 2014 Math Proficiency on the MCA III in relation to other Big 9 districts, as well as comparable districts to ISD 761.

Figure 7: Owatonna Public Schools Math Proficiency Comparisons

Big 9 Math Percent Proficiency- MCA III



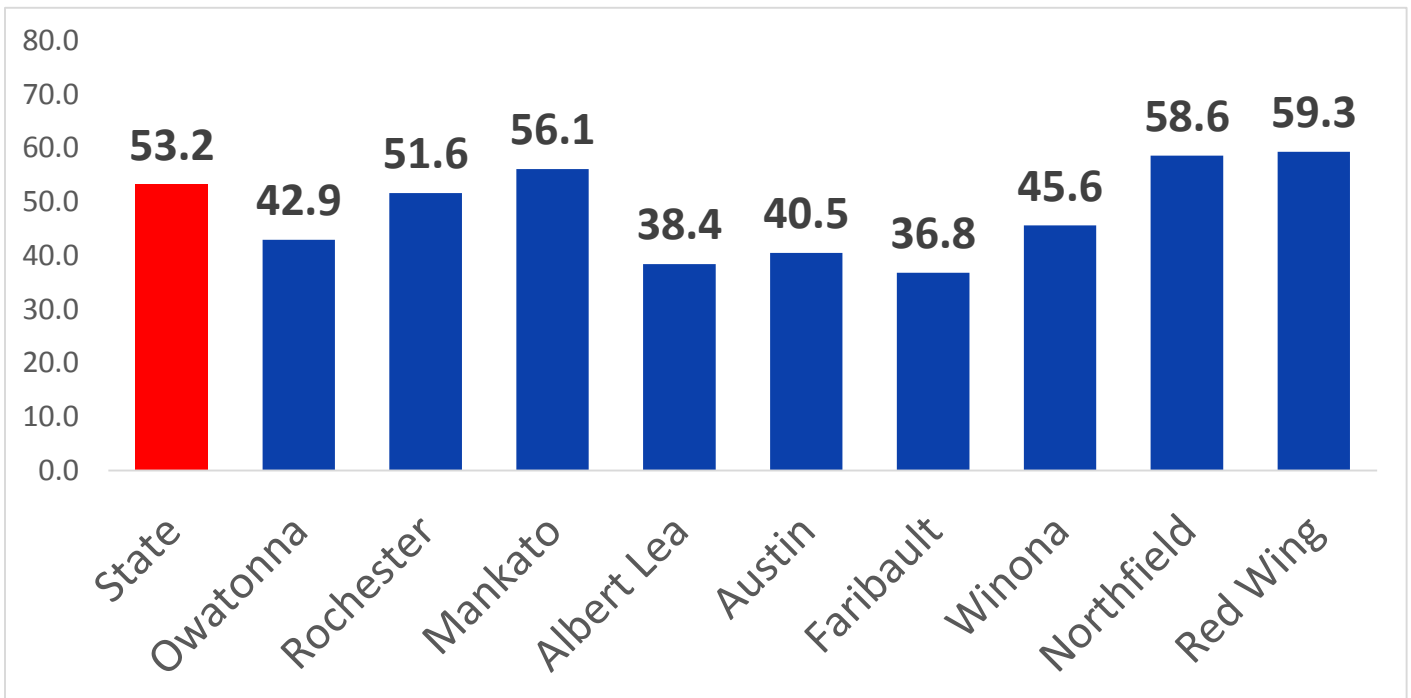
**Comparable Districts to ISD 761:
Math Percent Proficiency- MCA III₉₅**



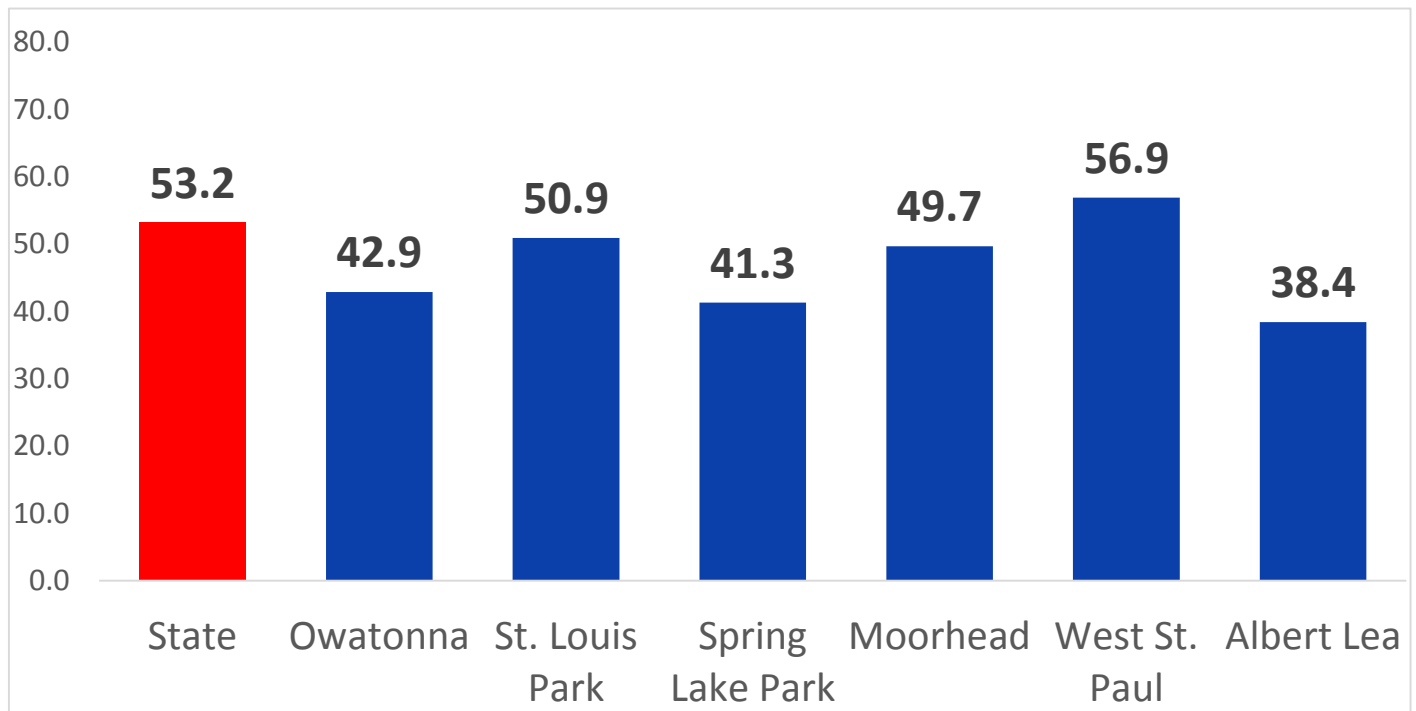
Below, Figure 8 shows our 2014 Science Proficiency on the MCA III in relation to other Big 9 districts, as well as comparable districts to ISD 761.

Figure 8: Owatonna Public Schools Science Proficiency Comparisons

Big 9 Science Percent Proficiency- MCA III



**Comparable Districts to ISD 761:
Science Percent Proficiency- MCA III**



Adequate Yearly Progress (AYP) and Multiple Measurement Ratings (MMR) Results

Determining AYP involves a formula, which varies each year as performance targets increase. In order for a school and district to make AYP, students must reach a designated proficiency level on mathematics and reading tests which is measured for up to nine different student groups (including such categories as special education, free and reduced price lunch, and ethnicity). The school must also meet state goals in test participation, attendance and graduation rates. The AYP target for graduation rate is 90%.

Owatonna Public School District student results on the 2014 Minnesota Comprehensive Assessments showed improvement in the area of reading from the previous year. Overall, the district increased by 2.7% while the state increased by 0.6%. Conversely, in the area of mathematics the Owatonna Public Schools showed a slight decrease in percentage at/above proficiency. AYP targets increase each year with targets set based on a school or district's previous results. In 2014, student groups not meeting AYP in reading included: All Students (OJHS, Wilson) Hispanic (Wilson), White (OJHS), Special Education (Wilson). In 2014, student groups not meeting AYP in math included: All Students (District, OJHS), Hispanic (District, OJHS), Black (District) White (District, OJHS), Limited English Proficiency (District, OJHS, Willow Creek), Special Education (District, Wilson), and Free and Reduced (District, OJHS).

The State of Minnesota moved from an accountability system focused on proficiency to one that also includes growth, achievement gap reduction, and graduation rate. This system is called Multiple Measurement Rating (MMR). 2011 results served as a baseline. The overarching goal of MDE is to reduce the achievement gap by 50% within six years. Schools gain points in each area: proficiency, growth, achievement gap reduction, and graduation rate. These points are translated into an overall percentage. Based upon the initial MMR percentage, Title I schools are designated as Priority Schools (lowest 5% in the state), Focus Schools (next lowest 10% in state), or Reward Schools (top 15% in state).

Owatonna MMR Ratings (2014):

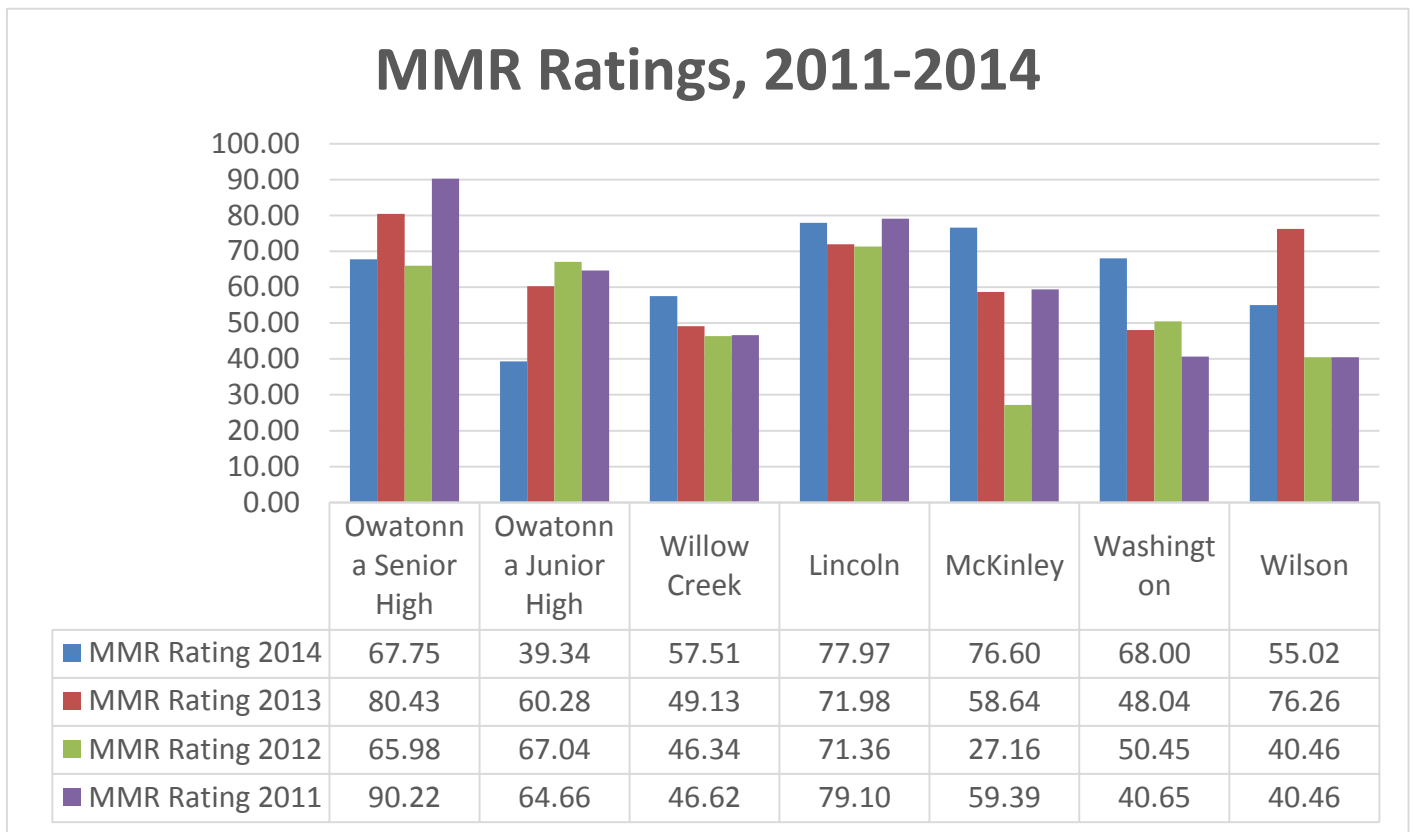
	MMR 2014 Designation	MMR 2014	MMR 2013	Proficiency 2014	Growth 2014	Achievement Gap 2014
Lincoln	74.97%	77.97%	71.98%	25.00	19.15	14.33
McKinley	67.72%	76.60%	58.64%	19.39	17.62	20.44
Washington	58.02%	68.00%	48.04%	25.00	14.32	11.68
Wilson	65.64%	55.02%	76.26%	12.93	14.45	13.88
Willow Creek	53.32%	57.51%	49.13%	20.72	9.86	12.55
OJHS	49.81%	39.34%	60.28%	8.51	10.58	10.42
OHS	74.09%	67.75%	80.43%	25.00	9.65	8.10

Owatonna Focus Ratings (2014):

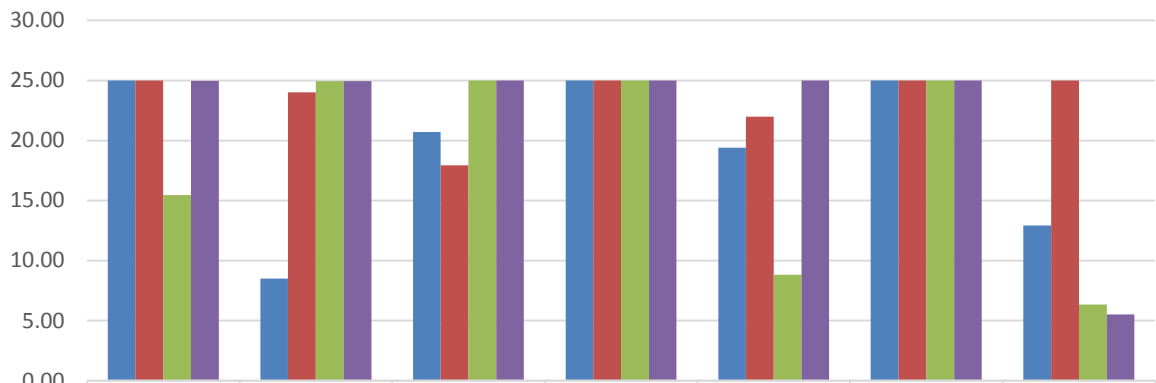
	Focus Rating (%) 2014	Focus Rating (%) 2013	Focus Rating (%) 2012
Owatonna Senior High	66.21	79.84	42.02
Owatonna Junior High	54.26	68.00	73.20
Willow Creek	70.89	65.36	57.63
Lincoln	78.66	74.44	79.61
McKinley	90.88	73.99	59.98
Washington	73.36	59.32	62.71
Wilson	64.21	83.04	82.85

Figure 9 shows our 2014 Multiple Measurement Ratings as identified by the State of Minnesota.

Figure 9: Owatonna Public Schools Multiple Measurement Ratings

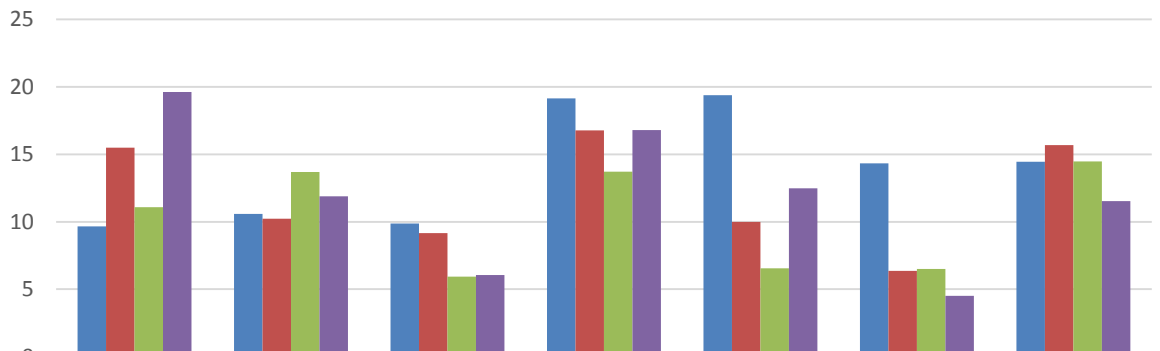


Proficiency Points, 2011-2014



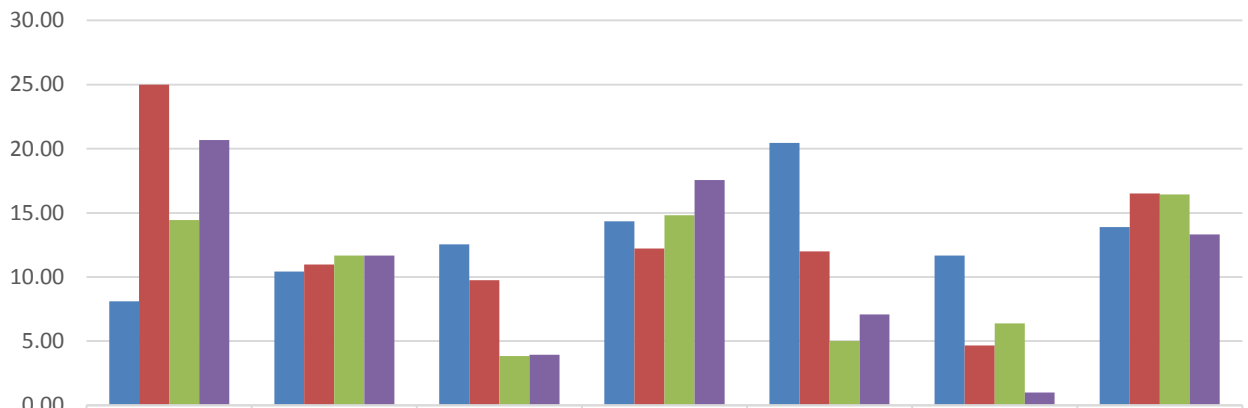
	Owatonna Senior High	Owatonna Junior High	Willow Creek	Lincoln	McKinley	Washington	Wilson
■ Proficiency 2014	25.00	8.51	20.72	25.00	19.39	25.00	12.93
■ Proficiency 2013	25.00	24.01	17.94	25.00	21.99	25.00	25.00
■ Proficiency 2012	15.47	24.94	24.99	24.99	8.82	24.99	6.35
■ Proficiency 2011	24.97	24.94	24.99	24.99	24.99	24.99	5.51

Growth Points, 2011-2014

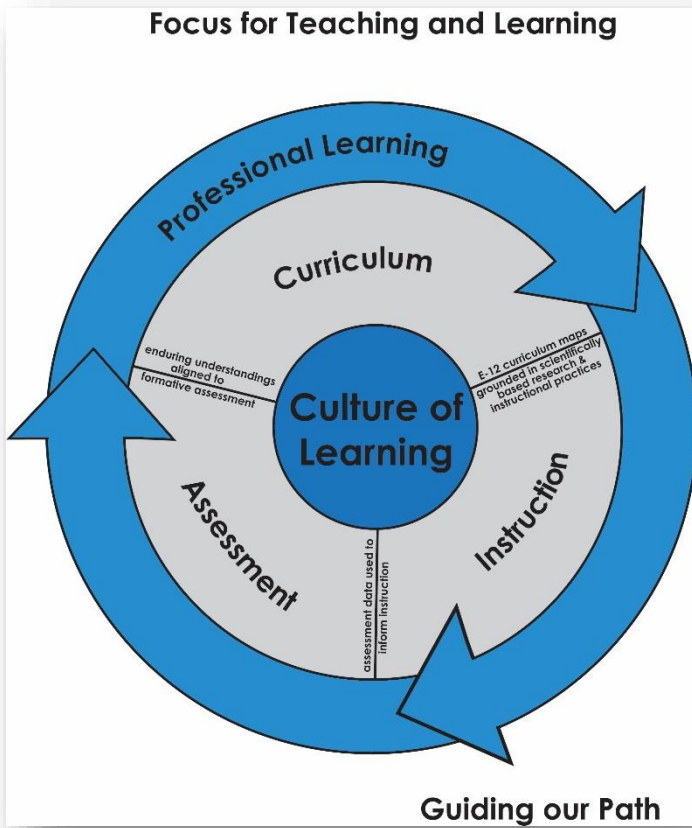


	Owatonna Senior High	Owatonna Junior High	Willow Creek	Lincoln	McKinley	Washington	Wilson
■ Growth 2014	9.65	10.58	9.86	19.15	19.39	14.32	14.45
■ Growth 2013	15.50	10.23	9.16	16.77	10.00	6.37	15.68
■ Growth 2012	11.09	13.68	5.94	13.72	6.55	6.49	14.47
■ Growth 2011	19.62	11.89	6.04	16.79	12.48	4.50	11.52

Achievement Gap Points, 2011-2014



	Owatonna Senior High	Owatonna Junior High	Willow Creek	Lincoln	McKinley	Washington	Wilson
AGR 2014	8.10	10.42	12.55	14.33	20.44	11.68	13.88
AGR 2013	25	10.97	9.75	12.22	11.99	4.66	16.52
AGR 2012	14.45	11.66	3.83	14.82	5.00	6.37	16.44
AGR 2011	20.67	11.66	3.94	17.55	7.07	1.00	13.31



Teaching and Learning

This graphic represents the system used to create a guaranteed and viable curriculum that ensures all students will learn at high levels. Our District continues to focus on development of a consistent foundation in Curriculum, Assessment and Instruction.

Our work has been aligned to allow us to answer DuFours' four critical questions of learning –

1. What do we want all students to learn – to know and be able to do?
2. How will we know when they have learned it?
3. How will we respond if they did not learn it?
4. How will we respond if they already know it?

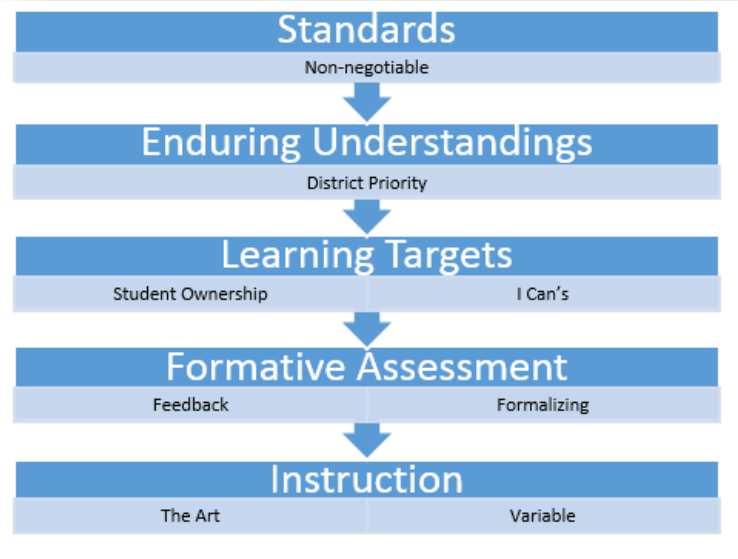
Development Process

This systematic approach to curriculum development continues to be used by all curricular areas district-wide. A tremendous amount of resources, both time and energy, fuel this effort.

Departments and work teams collaborate to develop curriculum maps and common assessments for all required courses and prioritized elective courses. This work allows us to continue to answer question 1, *what do we want all students to learn?* while creating a consistency in answering question 2, *how will we know if students have learned?*

All teaching staff continue to participate in the professional learning community (PLCs) process focused on student learning without diminishing the importance of teaching. PLCs are implemented by all grade levels and departments with teams meeting bi-monthly throughout the school year.

Through this collaborative culture, teachers continue to develop the collective capacity to meet the needs of each student. This addresses questions 3 and 4; *how will we respond when students do not learn or when they already know it?* The PLC process helps support the conditions to impact and improve teaching in order to ensure that all students learn at high levels.



Teaching and Learning Beliefs

Curriculum must be based on agreed-upon enduring understandings and state standards, align grade levels and courses vertically and horizontally, be clearly understood and effectively implemented by all instructional staff.

Assessment must be purposeful, measure progress toward enduring understandings both during learning and after learning, guide instruction and be used to evaluate curriculum.

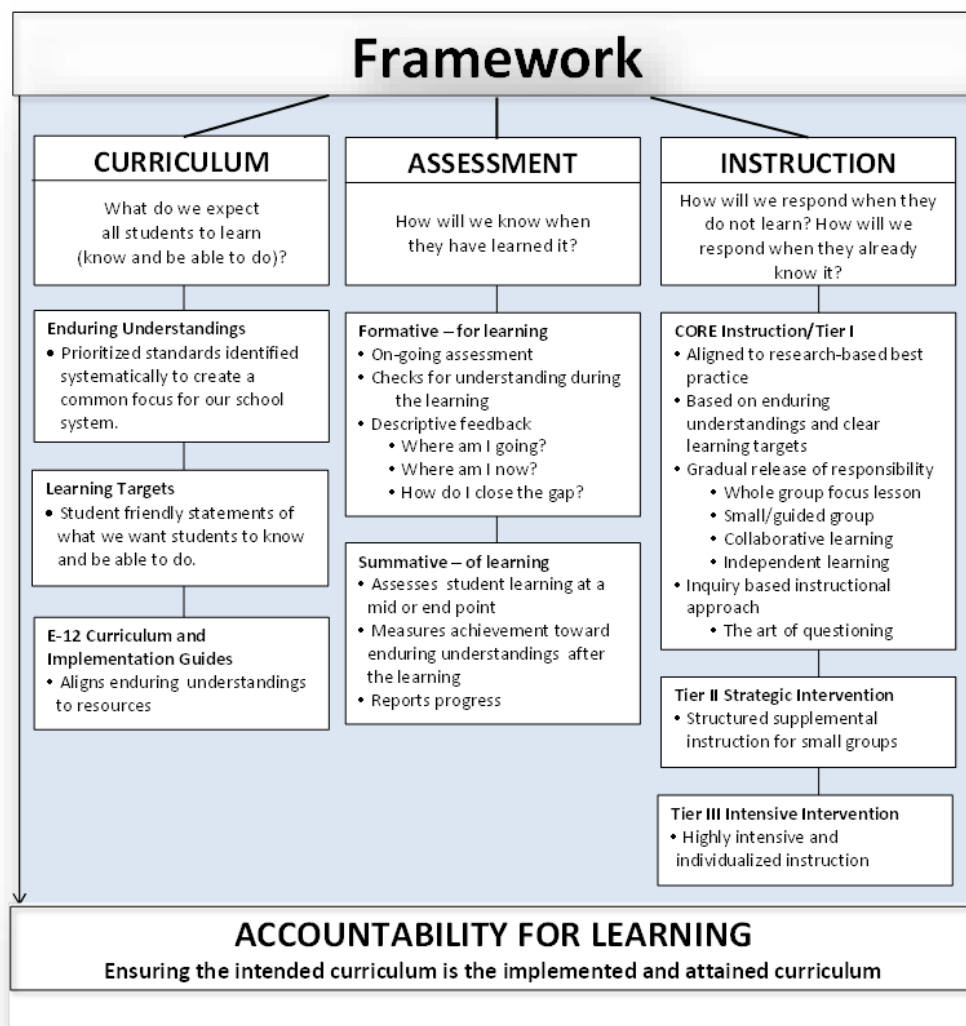
Instruction must be directly connected to enduring understandings, aligned to research based best practices, engage students in learning, be differentiated to reach all students, and be informed by formative assessments.

Professional Learning must be ongoing and job-embedded, be based on best practices, standards, and data trends in order to support teachers in ensuring the intended curriculum is the implemented curriculum.



A Systematic Approach to Teaching and Learning

This framework guides the implementation of our guaranteed and viable curriculum while providing direction for consistent application of our beliefs.



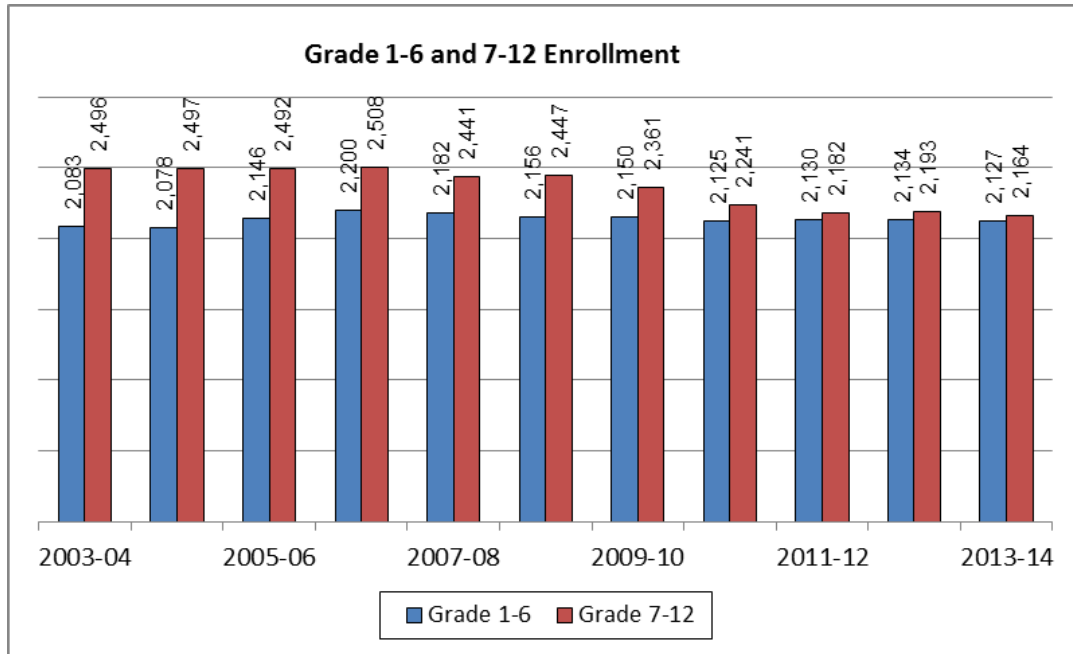
CHAPTER ELEVEN – DISTRICT BENCHMARKS

As a means of comparing performance in areas such as finance, the Owatonna School District compares student achievement and school finance data with similarly sized schools across the state. The graphs listed in this document are the most recent data available on the Minnesota Department of Education website. This type of information is also reviewed and studied during the Community Finance Committee’s meetings and recommendation processes.

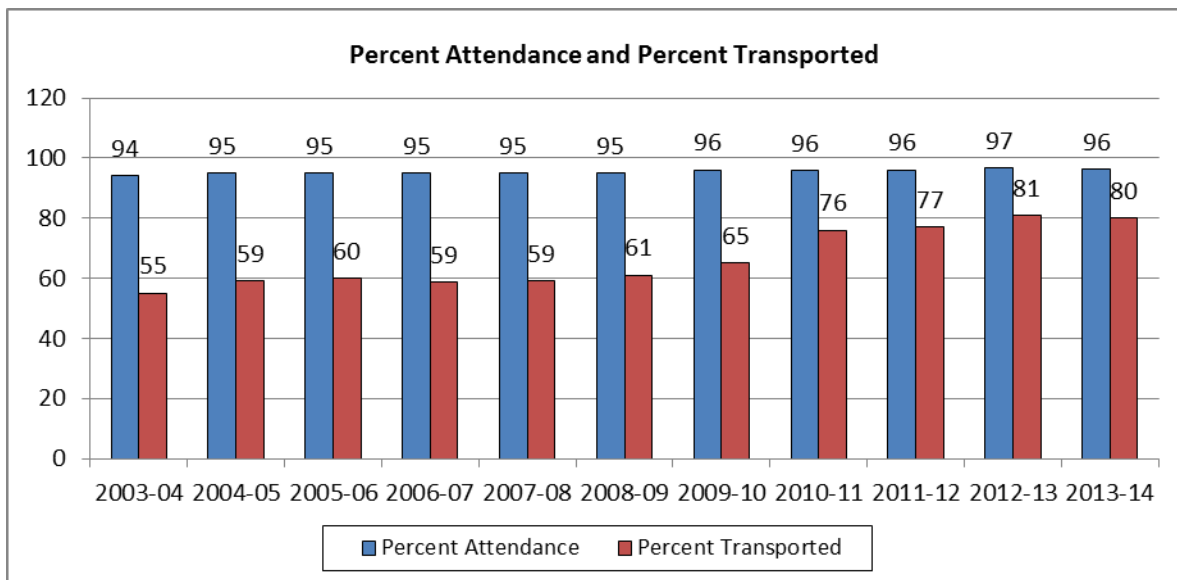
Working to Improve-

Quality improvement requires the District to gather important data and to establish benchmarks against which to be measured, and targets against which goals are set.

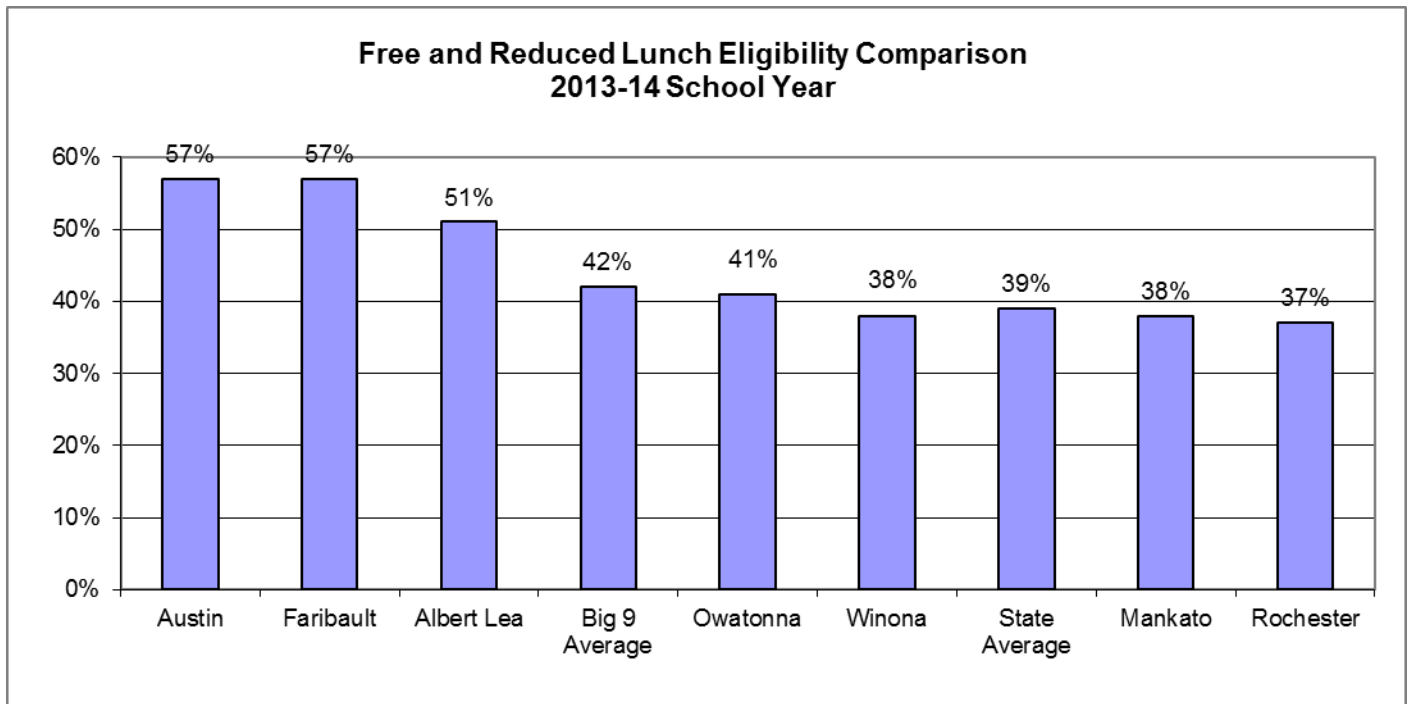
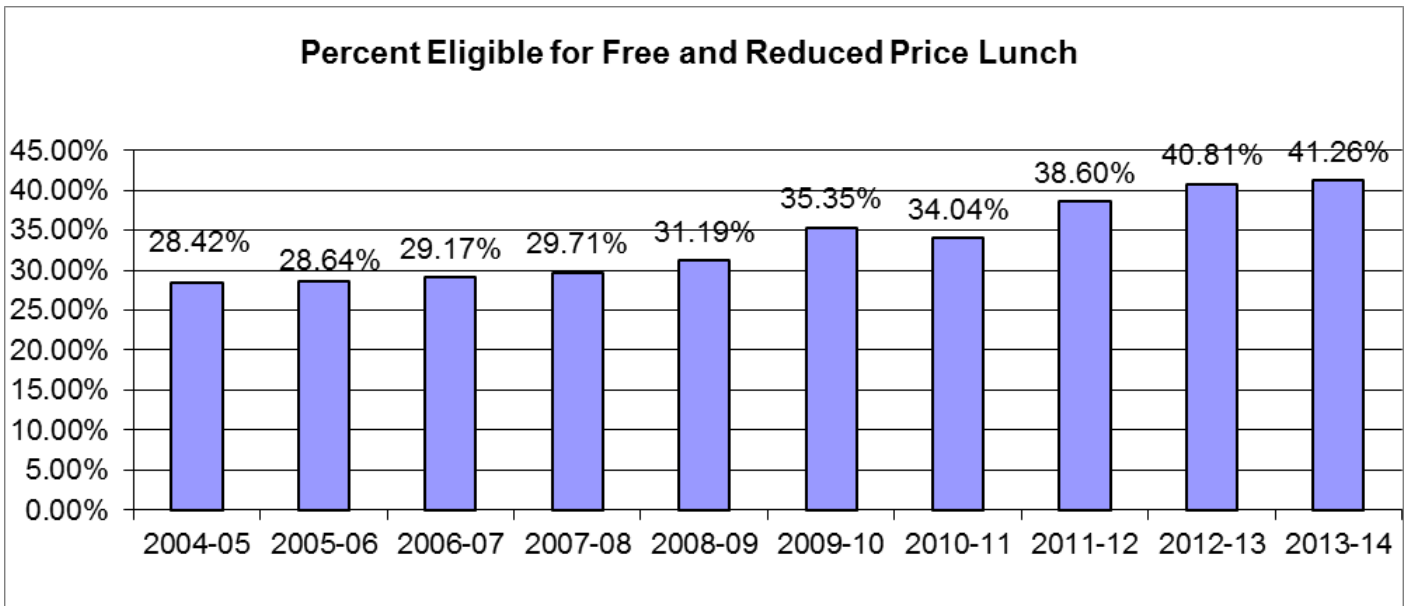
The graph below suggests that there is a difference between those students who reside in Owatonna and those who attend the Owatonna Public Schools. Certainly a large share of that disparity can be attributed to the existence of open enrollment options to other districts, faith-based schools, and other educational alternatives such as home schooling. For future reference, this information can be useful in determining trends.



Average daily attendance, and the percent of students transported to our schools is shown in the graph below.

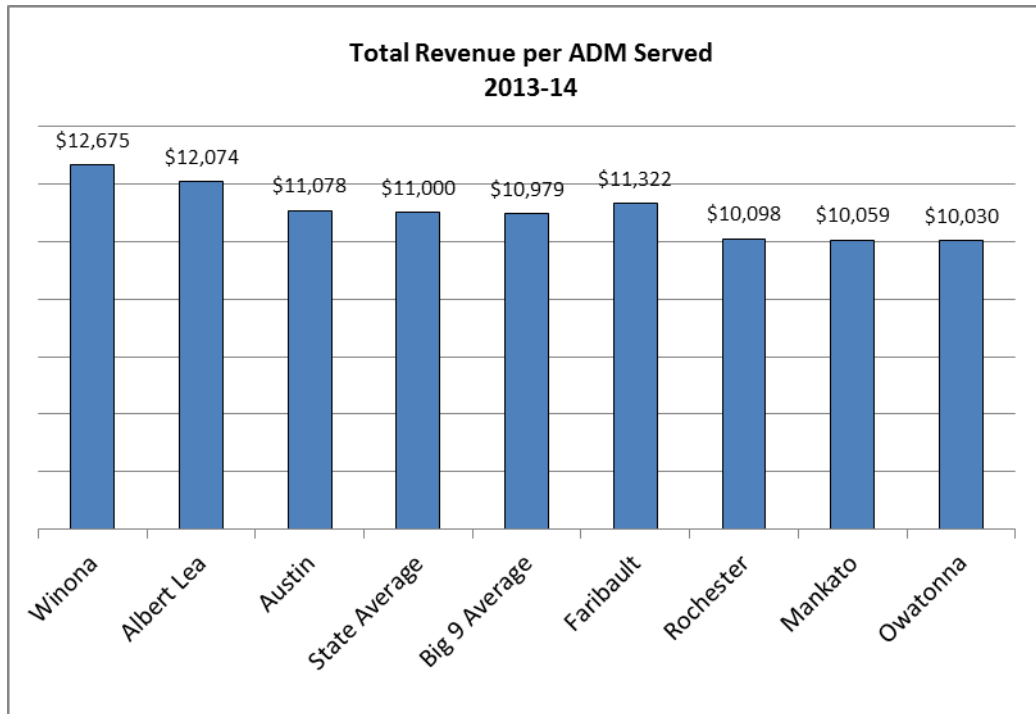


The graphs on this page illustrate the trend in the number of students attending the Owatonna Public Schools and eligible for free and/or reduced lunch and how Owatonna compares with the other Big 9 schools. While F&R percentages have risen in recent years, the district remains below the Big 9 average in this comparison.

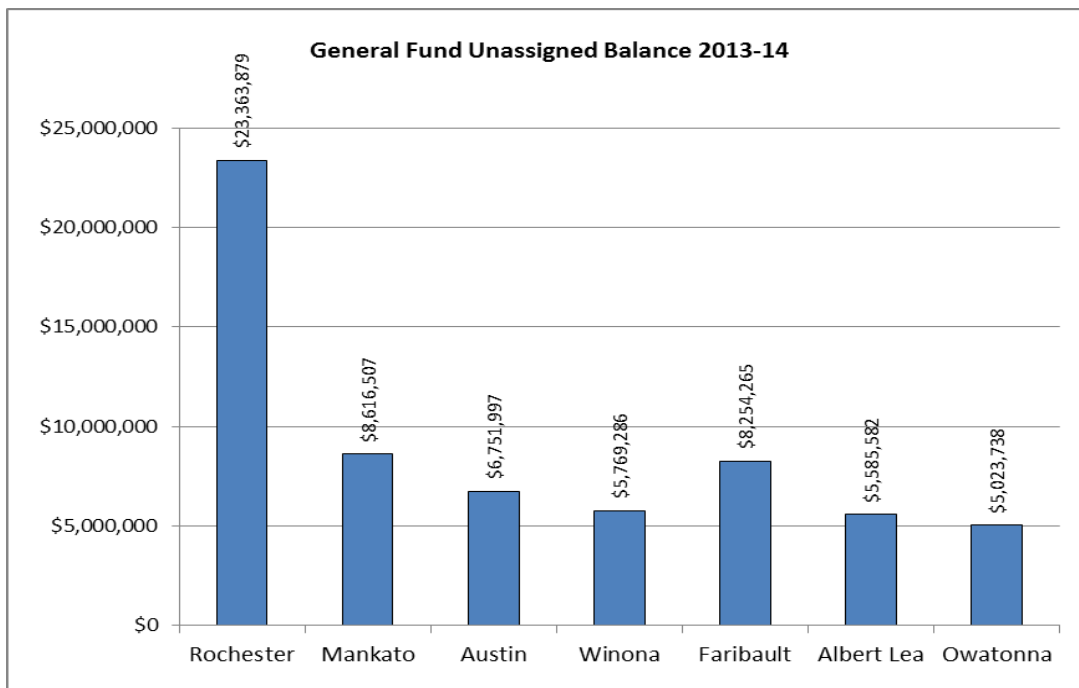


From the graph below, it can be shown that the revenue generated through state and federal aid, along with the local referendum, is relatively low when compared to other school districts in the Big 9. Winona's high ranking is because of their operating levy, which is \$1,550 per pupil as compared to Owatonna's \$1,083 per pupil. Owatonna's relative position improved slightly as a result of the successful passage of the additional operating levy of \$1.8 million in November 2013.

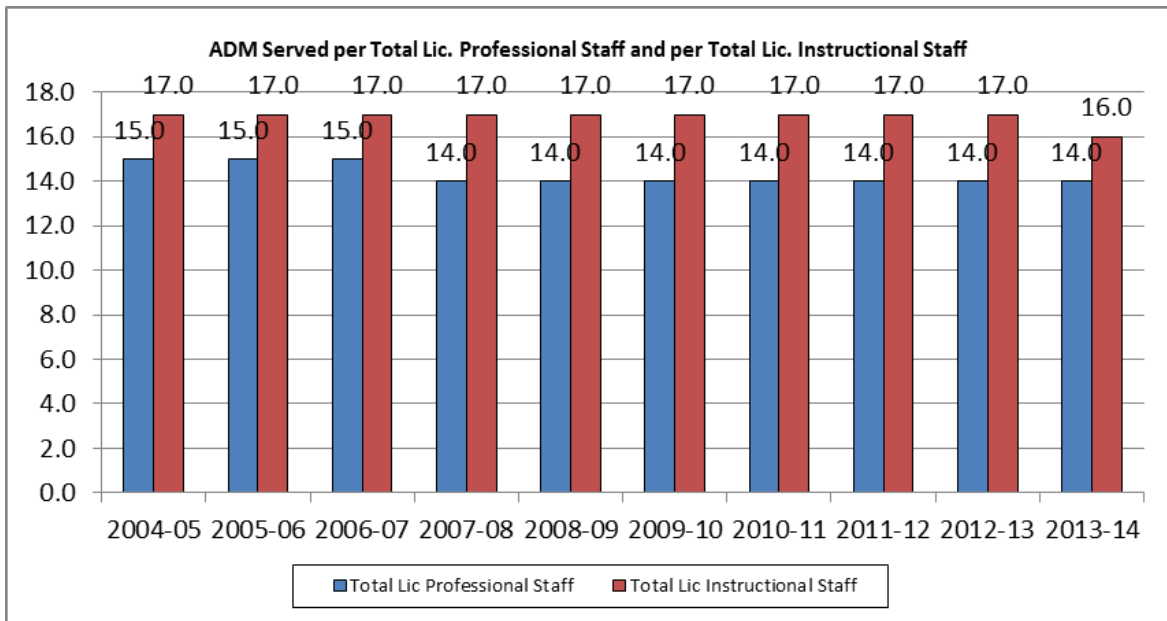
Historically, Owatonna's relatively lower revenue per ADM is also a result of lower compensatory aid, as well as special education funding.



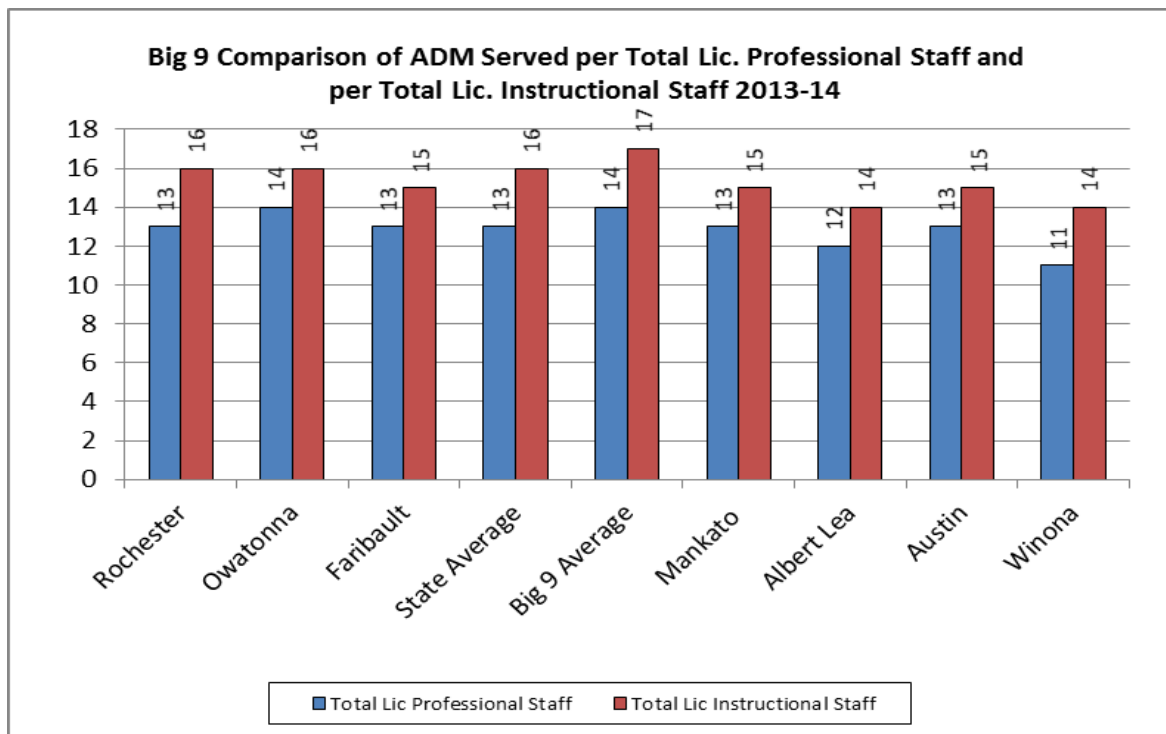
The size of our 'unassigned' fund balance, when compared to other Big 9 schools is comparable. While the district's fund balance appears to be healthy, due to several consecutive years of deficit spending, the district is on the lower end of the Big 9, in real dollars, and as a percentage of total budget, available to pay operating expenses.



The comparison of Owatonna's student to teacher and professional staff over the last several years is shown in the graph below.



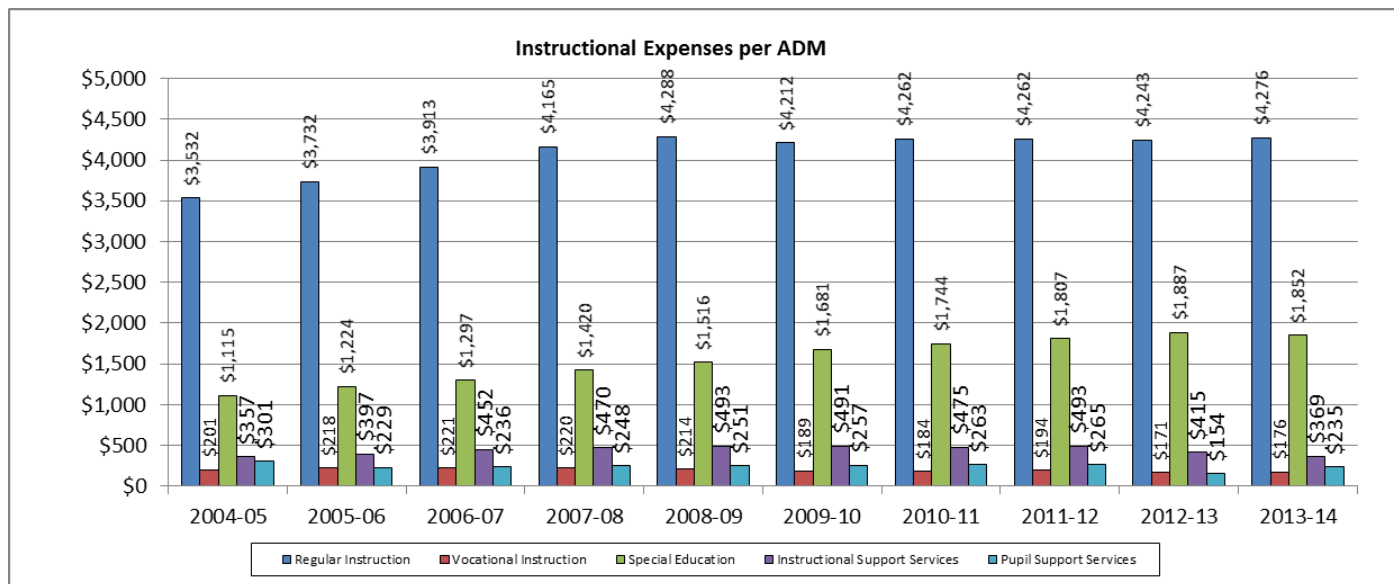
The graph suggests that little real change has occurred over the past several years. The graph below is a comparison of Big 9 schools.



Owatonna is serving more students per licensed staff member than other Big 9 schools in FY14.

* The information on this page is the most recent data available on the MDE web site.

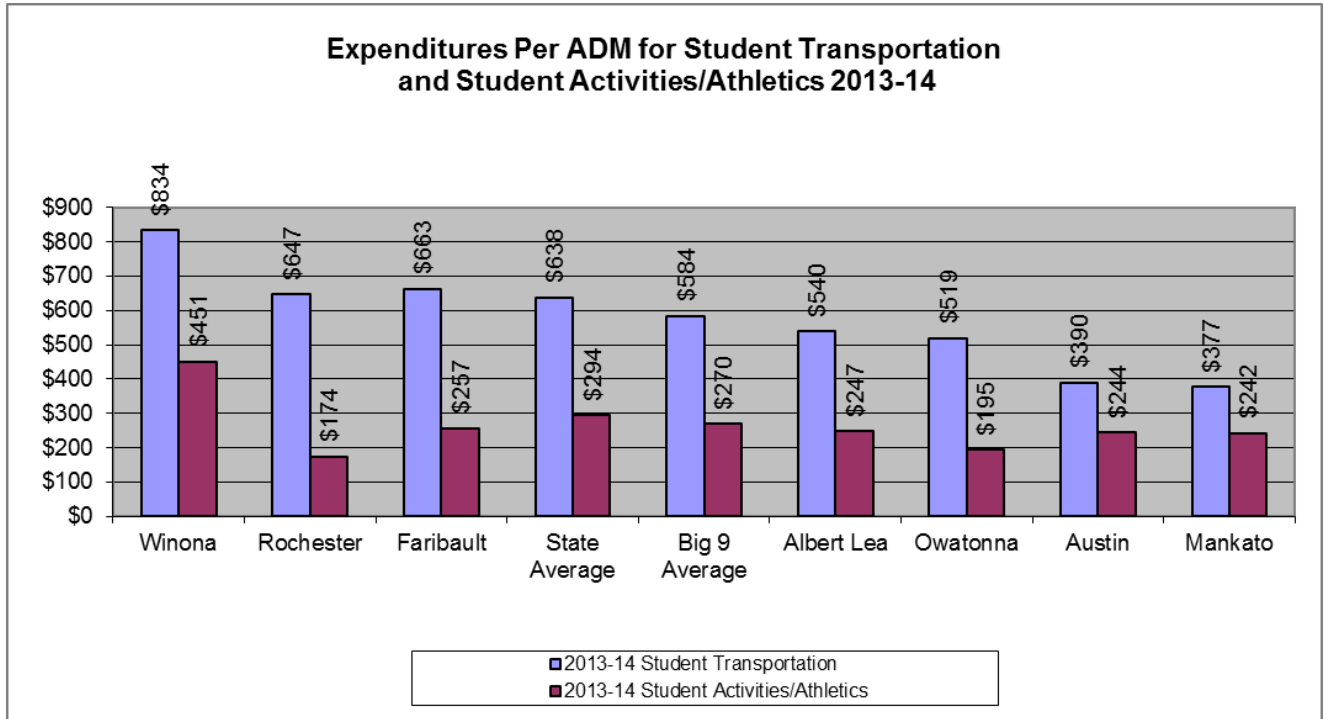
Below, it can be seen that over the past several years there has been little or no change in the relationship between budget allocations to various instructional areas. Although, regular instruction has increased on average 2.3 percent per year. Special education has increased by 7.3 percent per year over the past nine years.



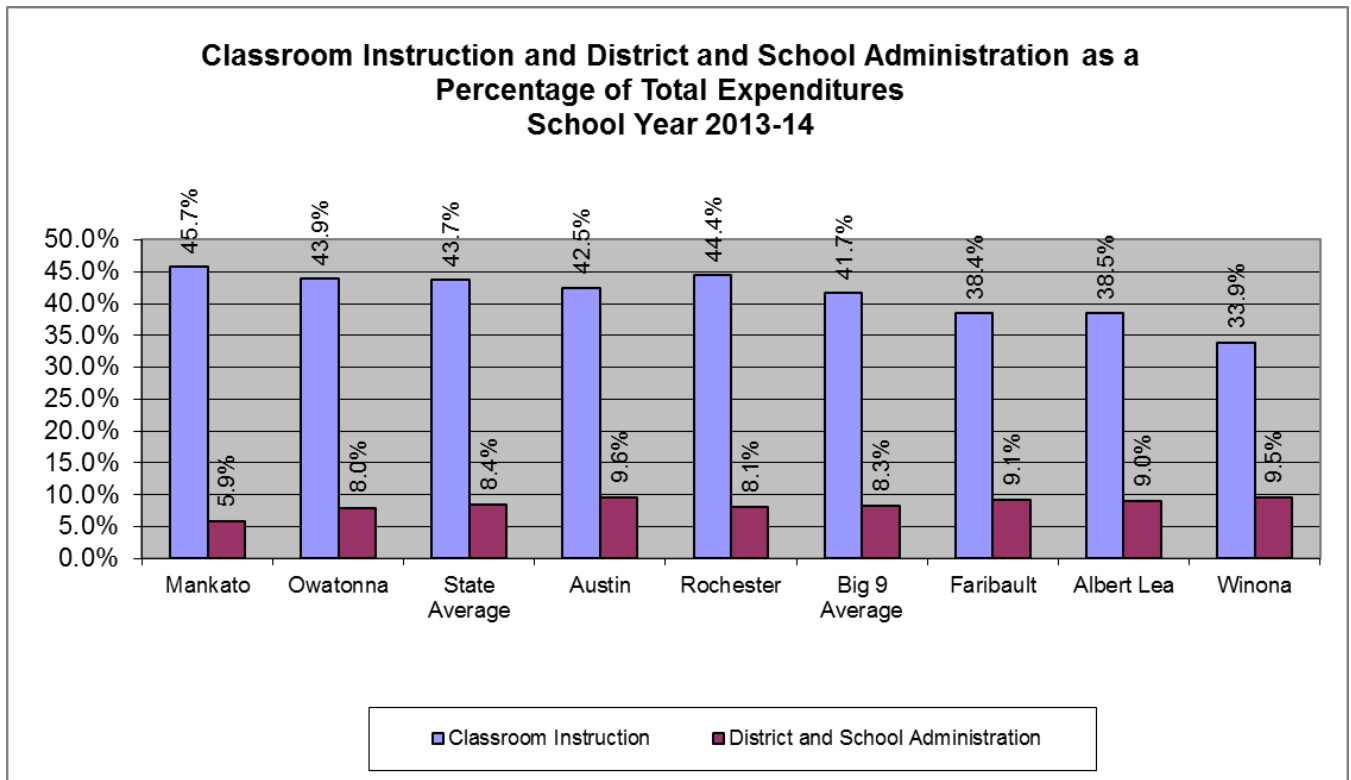
Critical data such as this is important to maintain as decisions are made related to budget development. The information provided suggests that no dramatic shifts in program have taken place in the District over the last eight years. It also indicates that the current level of allocation across various instructional areas is consistent with other districts within the Big 9. The relatively low revenue available to our district suggests that our operations are efficient when compared to state and local benchmarks.

2013-14	Total PPU	District & School Administration	Student Instruction (Includes Sp. Ed.)	Special Education	Regular / Technical Instruction
Mankato	10,159	574	6,700	2,054	4,768
Albert Lea	11,906	960	7,741	3,161	4,706
Austin	11,207	982	7,045	2,282	4,929
Rochester	10,438	800	6,499	1,865	4,770
Faribault	10,978	912	6,764	2,546	4,304
Owatonna	9,753	756	6,128	3,188	4,452
Winona	13,496	1,026	7,761	2,218	4,749
Big 9 Average	11,121	844	6,959	2,361	4,728
State Average	10,978	882	6,784	1,987	4,937

The amount that a district spends on transportation is related to the number of students transported and the distance covered by the various routes. With the exception of Rochester, Owatonna spends less per ADM on student activities than the Big 9 or state average. Also, Owatonna is well below similar averages in transportation costs.



When comparing expenditures in administration, we find that in FY 14 Owatonna is slightly lower than Big 9 and state averages. In classroom instruction for FY 14, Owatonna ranks above Big 9 average, and also above average as compared to the entire state.



In FY 14, Owatonna's expense per ADM in maintenance and capital was below Big 9 averages. Maintenance expenses per ADM was slightly above the state average, however capital expenditures were below this average.

