



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

## **2016-17 PRELIMINARY BUDGET**

**PRESENTED TO THE  
BOARD OF EDUCATION**

**JUNE 27, 2016**

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To: Members of the School Board  
From: Peter Grant, Superintendent  
Re: Preliminary Budget for the 2016-2017 School Year  
Date: June 2016

Contained within this report entitled, "Preliminary Budget for the 2016-17 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 2016-17 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. As noted in this document, we will continue to maintain a fund balance, which will remain relatively stable through 2018-19 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 Reinvestment Act
AYP	Adequate Yearly Progress
EL	English Learner
FRMB	Free and Reduced Meal Benefits
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 to 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 4907. 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 (76%), Hispanic (13%), Black (9%), Asian (1%), and American Indian (<1%) students. Statewide averages in these categories are 70%, 9%, 12%, 7%, and 2% respectively. Approximately 41% 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 4841 over the past four years. The table below shows the enrollment by grade over this period of time.

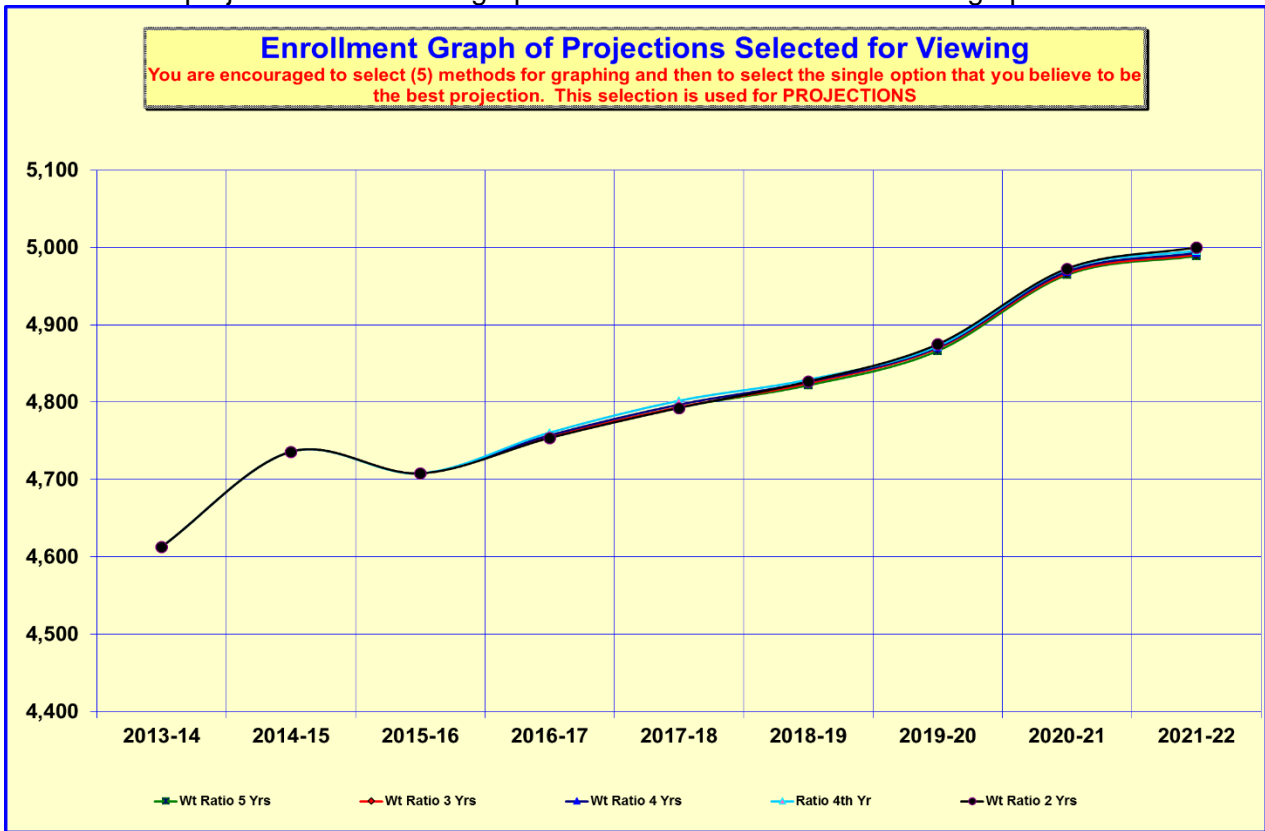
	2/11/2013			2/10/2014			2/9/2015			2/8/2016	
	Average Enrollment	12-13 ADM Final	%	Average Enrollment	13-14 ADM Final	%	Average Enrollment	14-15 ADM Final	%	Average Enrollment	15-16 Estimated ADM Final
Pre-K	164	58.44	0.3563	132	53.74	0.4071	128	52.25	0.4082	138	54.86
HK	15	23.77	1.5847	15	29.38	1.9587	15	44.98	2.9987	15	36.06
K	326	305.39	0.9368	321	294.17	0.9164	368	334.58	0.9092	316	289.73
1	379	376.66	0.9938	369	365.41	0.9903	388	388.46	1.0012	395	393.59
2	327	325.80	0.9963	369	367.82	0.9968	371	371.71	1.0019	396	395.71
3	401	399.98	0.9975	325	326.35	1.0042	364	361.30	0.9926	379	377.87
4	357	359.84	1.0080	393	392.20	0.9980	333	333.73	1.0022	365	365.76
5	320	315.76	0.9868	353	350.88	0.9940	399	400.44	1.0036	339	338.10
6	364	355.81	0.9775	332	324.26	0.9767	361	359.36	0.9955	414	408.30
7	376	369.39	0.9824	356	345.11	0.9694	326	325.59	0.9987	352	347.31
8	339	329.34	0.9715	368	359.90	0.9780	354	340.77	0.9626	316	306.21
9	380	379.40	0.9984	374	361.89	0.9676	410	409.28	0.9982	389	384.76
10	371	366.31	0.9874	372	368.78	0.9913	370	364.85	0.9861	399	394.18
11	392	387.51	0.9885	365	355.12	0.9729	355	352.62	0.9933	349	344.20
12	370	360.72	0.9749	390	372.69	0.9556	359	348.83	0.9717	337	326.05
PreK-12 TOTAL	4881	4714.12	0.9658	4834	4667.70		4901	4788.75		4899	4762.68
ALC	73	135.46	1.8556	64	134.77	2.11	76	118.53	1.56	72	128.35
PreK-12 ALC TOTAL	4954	4849.58	0.9789	4898	4802.47	0.98	4977	4907.28	0.99	4971	4891.03 <sup>1</sup>

<sup>1</sup> The estimated ADM Final PreK-12 ALC Total does not include Extended Time (about 75/year).

For planning purposes, the enrollment projections (shown in the table below) show an increase from FY16 into FY21.

		Est. 2016-17	Est. 2017-18	Est. 2018-19	Est. 2019-20	Est. 2020-21
Grade	K	345.0	332.0	344.0	352.0	367.0
	1	359.3	380.3	366.0	379.2	388.0
	2	399.5	364.4	385.6	371.1	384.5
	3	396.7	400.2	365.0	386.3	371.7
	4	382.4	401.4	404.9	369.3	390.8
	5	369.3	385.9	405.0	408.6	372.7
	6	345.4	377.4	394.3	413.8	417.5
	7	399.9	338.5	369.9	386.5	405.6
	8	333.6	384.5	325.5	355.6	371.6
	9	344.7	375.8	433.2	366.7	400.6
	10	377.3	337.9	368.3	424.5	359.3
	11	375.0	359.1	321.6	350.6	404.0
12	326.7	356.1	341.0	305.4	332.9	
Total K-12		4754.8	4793.5	4824.3	4869.6	4966.2
Change		46.8	38.7	30.8	45.3	96.6
ALC		130.0	130.0	130.0	130.0	130.0
Total K-12		4884.8	4923.5	4954.3	4999.6	5096.2
Pre-K		58.2	56.0	58.0	59.4	61.9
Total Pre-K - 12		4943.0	4979.5	5012.3	5059.0	5158.1

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.

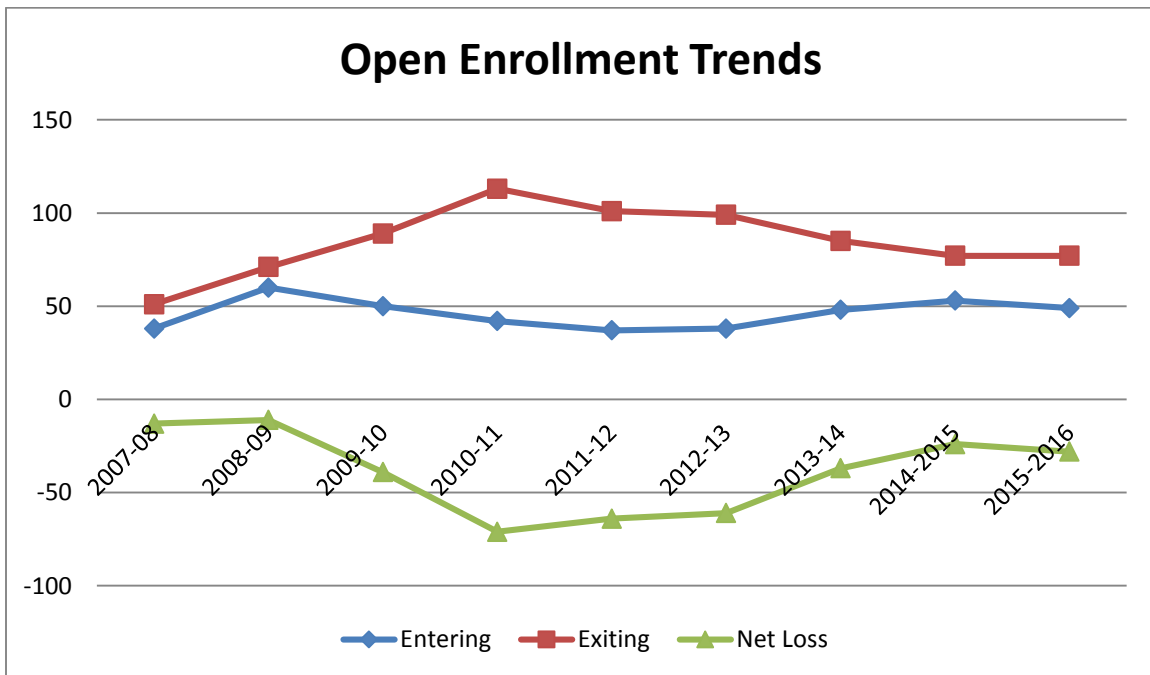


In the fall of 2005, the District School Board examined existing attendance boundaries for its four (4) elementary schools and established class size 'targets' for each grade level. Those targets are shown below. Overall, enrollment is forecasted to increase by roughly 1% per year for the next several years. This is equivalent to about 50 students per year. Starting all-day Kindergarten in FY 15 helped stabilize this upward 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 2015-16 school enrollments by grade.

School Board Average Class Size Targets (as of February 8, 2016)			
Grade	Total Average Class Size	Actual Average Class Size	Variance
K	19.00	20.39	1.39
1	20.00	21.23	1.23
2	23.00	24.44	1.44
3	23.00	26.42	3.42
4	28.00	26.96	-1.04
5	28.00	27.75	-0.25
6	28.00	31.00	3.00

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 2015-16, 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		2
Alden-Conger		1	(1)
Austin	2		2
Blooming Prairie	5	3	2
Brooklyn Center		1	(1)
Faribault	2	1	1
Fergus Falls		2	(2)
Janesville		1	(1)
Houston		8	(8)
Maple River		1	(1)
Medford	9	46	(37)
Minneapolis	1		1
Lakeville		1	(1)
NRHEG	9	9	
Stillwater	1		1
Triton	10		10
Waseca	8	3	5
<b>Total</b>	<b>49</b>	<b>77</b>	<b>(28)</b>



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 8	Gr 9	Gr 10	Gr 11	Gr 12	Total
Albert Lea										1		1		2
Austin		2												2
Blooming Prairie		2		1				2						5
Faribault					1				1					2
Medford		1		2	1	1	1			2		1		9
Minneapolis												1		1
NRHEG	1	4	1										3	9
Stillwater									1					1
Triton		3	2	2							1	1	1	10
Waseca		2	1						1	1	1	1	1	8
<b>TOTAL</b>	<b>1</b>	<b>14</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>49</b>

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

Attending Other Districts															
	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
Alden-Conger														1	1
Blooming Prairie		2											1		3
Brooklyn Center									1						1
Faribault													1		1
Fergus Falls								1	1						2
Houston											2	3	2	1	8
Janesville			1												1
Maple River					1										1
Medford		22	1	2	2	2	4	1		1	5	4	1	1	46
Lakeville													1		1
NRHEG	1	2	1	1	2			2							9
Waseca			1								1		1		3
<b>TOTAL</b>	<b>1</b>	<b>26</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>3</b>	<b>77</b>

The numbers above represent students open enrolling into the Owatonna Public Schools and those open enrolling into districts other than Owatonna. For FY 15, the district experienced a net loss of 28 students. This compares to an average net loss of students to open enrollment of 49 students/year from FY 10 through FY 15, with a range of 28 students to 71 students.

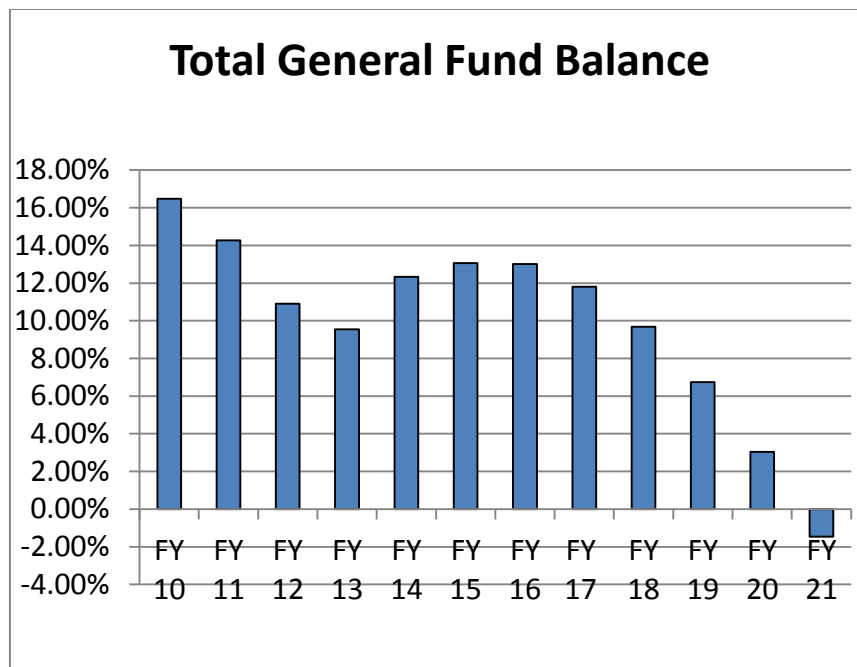
This "recapturing" of open enrolled students is related to the start of all-day kindergarten programming in FY 15. It has previously reported that the net loss of total revenue due to losing open enrolled students is roughly \$2,700 per student, when considering the loss of revenue and the expense related 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 \$98,841,054 for the 2016-17 school year. The FY '17 budget will create a deficit of \$468,005 in the general fund. This will place the district's total general fund balance at 11.81 percent. The reason the total budget is significantly larger than the historical trend is because the District will be expending \$31,955,797 in the construction fund and an additional \$3.5 million in debt service. Both of these items are a result of the successful passage of the bond referendum in November 2015.

**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	\$48.466	\$47.871	\$48.744	\$49.935	\$51.124	\$51.891	\$52.669
Operating Revenue					\$3.900	\$5.700	\$5.814	\$5.930	\$6.049	\$6.170	\$6.293	\$6.419
<b>Total Revenue</b>	\$46.219	\$47.079	\$46.325	\$47.158	\$48.353	\$54.166	\$53.685	\$54.674	\$55.984	\$57.294	\$58.184	\$59.089
<b>Total Expenditures</b>	\$46.754	\$47.939	\$47.943	\$47.822	\$47.108	\$53.044	\$53.635	\$55.142	\$56.981	\$58.845	\$60.316	\$61.824
<b>Fund Balance Change</b>	-\$0.535	-\$0.860	-\$1.618	-\$0.664	\$1.245	\$1.122	\$0.050	-\$0.468	-\$0.997	-\$1.551	-\$2.132	-\$2.736
<b>Fund Balance</b>	\$7.703	\$6.843	\$5.225	\$4.561	\$5.806	\$6.928	\$6.978	\$6.510	\$5.514	\$3.963	\$1.831	-\$0.905
<b>Percent</b>	16.48%	14.27%	10.90%	9.54%	12.32%	13.06%	13.01%	11.81%	9.68%	6.73%	3.04%	-1.46%



**Overview and Assumptions**

1. The above values represent updates made in the 2016 legislative session.
2. A total of \$1.1 MM in new revenue reserved for long term facility maintenance is added in FY 17, 18, and 19.
3. Corresponding expense was also added in FY 17, 18, and 19 to off-set the additional LTFM revenue.
4. Growth of 2.50 percent applied to all expenditures for FY 17 and beyond.
5. Growth of 1.5 percent applied to all revenue for FY 17 and beyond. This does account for increasing enrollment.
6. Operating levy amount planned to increase by 2.0 percent per year.
7. The average expense of 1.0 teaching FTE is approximately \$87,470.

The budget includes revenues from seven different funds that are required by law to maintain separate accounting systems. Those funds include the General, Food Service, Community Service, Building Construction, Debt Service, Trust, and Internal Service Funds. Detailed information on the General, Food Service, Community Service, Building Construction, and Debt Service Funds are included below. The 2015-16 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)  
2016-17 PRELIMINARY BUDGET**

<b>GENERAL FUND REVENUE</b> (Funds 1, 10, and 11)	<b>2015-16</b> <b>Revised</b> <b>Final Budget</b>	<b>2016-17</b> <b>Preliminary</b> <b>Budget</b>	<b>Difference</b>
Tax Levy	\$ 5,835,788	\$ 6,366,397	\$ 530,609
Delinquent Taxes	55,000	50,000	(5,000)
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	55,000	55,825	825
Fees from Patrons	228,783	229,089	306
Admissions/Student Activity Revenue	139,573	141,667	2,094
Medical Assistance Reimbursement	225,000	228,375	3,375
Interest Earnings	15,000	15,000	-
Rent	18,000	18,270	270
Gifts and Bequests	108,097	98,402	(9,695)
Miscellaneous Revenue	244,438	206,876	(37,562)
Endowment	134,816	134,296	(520)
General Education Aid	39,083,730	39,537,995	454,265
Literacy Aid	244,279	247,943	3,664
Shared Time	96,128	-	(96,128)
Abatement Aid	549	619	70
Disparity Reduction Aid	14,202	14,202	-
Homestead/Ag Market Value Credit	17,884	17,884	-
State Aids and Grants	266,038	685,135	419,097
Special Education	4,772,856	4,430,604	(342,252)
Miscellaneous Revenue from MDE	15,000	15,000	-
Federal Aids and Grants	1,926,571	1,962,159	35,588
Sale of Equipment	-	30,000	30,000
<b>TOTAL GENERAL FUND REVENUES</b>	<b><u>\$ 53,684,732</u></b>	<b><u>\$ 54,673,738</u></b>	<b><u>\$ 989,006</u></b>

It should be noted we have projected an increase in revenue for 2016-17. The increase in general education aid of \$454,265 is due to the addition of \$119ppu. 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 2016-17.** 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)  
2016-17 PRELIMINARY BUDGET**

<b>FOOD SERVICE FUND REVENUE (Fund 2)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Interest Earnings	\$ 150	\$ 150	\$ -
Miscellaneous Revenue	6,000	5,000	(1,000)
State Aids and Grants	159,900	169,400	9,500
School Lunch Program	128,107	96,713	(31,394)
Special Assistance	776,650	811,378	34,728
Commodity Rebates	-	-	-
Commodity Distribution	142,533	172,825	30,292
Special Milk Program	160	160	-
School Breakfast Program	344,541	332,228	(12,313)
Summer School	32,000	32,000	-
Sales to Pupils	1,171,079	1,126,402	(44,677)
Sales to Adults	25,627	23,794	(1,833)
Special Function Food Sales	12,000	8,000	(4,000)
<b>TOTAL FOOD SERVICE FUND REVENUES</b>	<b><u>\$ 2,798,747</u></b>	<b><u>\$ 2,778,050</u></b>	<b><u>\$ (20,697)</u></b>

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)  
2016-17 PRELIMINARY BUDGET**

<b>COMMUNITY SERVICE FUND REVENUE (Fund 4)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Tax Levy	\$ 309,385	\$ 305,163	\$ (4,222)
Delinquent Taxes	3,000	3,000	-
Miscellaeous County Tax Revenue	-	400	400
Tuition from Patrons	326,000	326,000	-
Fees from Patrons	392,000	392,000	-
Interest Earnings	700	700	-
Rent	-	-	-
Gifts and Bequests	24,200	24,200	-
Miscellaneous Revenue	11,150	11,150	-
Abatement Aid	14	14	-
Disparity Reduction Aid	2,345	2,345	-
Homestead/Ag Market Value Credit	2,953	2,953	-
State Aids and Grants	1,785,851	1,916,866	131,015
Non-Public Aid	73,812	73,812	-
Federal Aids and Grants	91,081	68,193	(22,888)
Permanent Fund Transfer	19,000	19,000	-
<b>TOTAL COMMUNITY SERVICE FUND REVENUES</b>	<b><u>\$ 3,041,491</u></b>	<b><u>\$ 3,145,796</u></b>	<b><u>\$ 104,305</u></b>

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 an increase in ABE funding and Pathways Scholarship aid that will be received in 2016-17 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.

The Building Construction Fund is being used for building projects at the District. The District passed a bond referendum in the Fall of 2015 for \$77.855 million that will be used to address deferred maintenance, security upgrades, and capacity.

**OWATONNA PUBLIC SCHOOLS, ISD #761  
BUILDING CONSTRUCTION FUND  
2016-17 PRELIMINARY BUDGET**

<b>BUILDING CONSTRUCTION FUND (Fund 6)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Tax Levy	\$ -	\$ -	\$ -
Delinquent Taxes	-	-	-
Miscellaneous County Tax Revenue	-	-	-
Interest Earnings	-	388,500	388,500
Disparity Reduction Aid	-	-	-
Homestead/Ag Market Value Credit	-	-	-
Other Property Tax Credit	-	-	-
Sale of Bonds	78,112,585	-	(78,112,585)
<b>TOTAL BUILDING CONSTRUCTION REVENUES</b>	<b><u>\$78,112,585</u></b>	<b><u>\$ 388,500</u></b>	<b><u>\$(77,724,085)</u></b>

Below are the revenue sources for the Debt Service Fund.

**OWATONNA PUBLIC SCHOOLS, ISD #761  
DEBT SERVICE FUND REVENUE (Fund 7)  
2016-17 PRELIMINARY BUDGET**

<b>DEBT SERVICE FUND REVENUE (Fund 7)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Tax Levy	\$ 2,225,049	\$ 6,121,282	\$ 3,896,233
Delinquent Taxes	30,000	30,000	-
Miscellaneous County Tax Revenue	5,000	5,000	-
Interest Earnings	1,328	1,328	-
Disparity Reduction Aid	16,897	16,897	-
Homestead/Ag Market Value Credit	21,276	21,276	-
Other Property Tax Credit	-	-	-
<b>TOTAL DEBT SERVICE FUND REVENUES</b>	<b><u>\$ 2,299,550</u></b>	<b><u>\$ 6,195,783</u></b>	<b><u>\$ 3,896,233</u></b>

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 four separate bond issues. If no other bonds are approved in the future, the final payment of the existing bonds would be in 2036.

Total revenue for the operating funds is shown in the table below. The increase of approximately \$1,072,614 represents an overall increase of approximately 1.8% from FY 16.

<u>Fund Name</u>	<u>2015-16 Revised Final Budget</u>	<u>2016-17 Preliminary Budget</u>	<u>Difference</u>
<b><u>Total Operating Funds Revenue:</u></b>			
General Fund (Funds 1, 10, and 11)	\$ 53,684,732	\$ 54,673,738	\$ 989,006
Food Service Fund (Fund 2)	2,798,747	2,778,050	(20,697)
Community Service Fund (Fund 4)	3,041,491	3,145,796	104,305
<b>Total Operating Funds Revenue</b>	<b><u>\$ 59,524,970</u></b>	<b><u>\$ 60,597,584</u></b>	<b><u>\$ 1,072,614</u></b>

When building construction and debt service revenue is added to the operating funds, total revenue is shown in the table below.

<b><u>Total Non-Operating Funds Revenue:</u></b>			
Building Construction Fund (Fund 6)	\$ 78,112,585	388,500	(77,724,085)
Debt Service Fund (Fund 7)	2,299,550	6,195,783	3,896,233
<b>Total Non-Operating Funds Revenue</b>	<b><u>\$ 80,412,135</u></b>	<b><u>\$ 6,584,283</u></b>	<b><u>\$(73,827,852)</u></b>
<b>TOTAL REVENUE</b>	<b><u>\$ 139,937,105</u></b>	<b><u>\$ 67,181,867</u></b>	<b><u>\$(72,755,238)</u></b>

### 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 five of this budget document.

**OWATONNA PUBLIC SCHOOLS, ISD #761**  
**GENERAL FUND EXPENDITURES (Funds 1, 10, and 11)**  
**2016-17 PRELIMINARY BUDGET**

<b>GENERAL FUND EXPENDITURES</b> (Funds 1, 10, and 11)	<b>2015-16</b> <b>Revised</b> <b>Final Budget</b>	<b>2016-17</b> <b>Preliminary</b> <b>Budget</b>	<b>Difference</b>
<b><u>Administrative and District Support Services</u></b>			
Salaries	\$ 2,358,639	\$ 2,626,966	\$ 268,327
Benefits	816,130	923,867	107,737
Purchased Services	490,411	491,771	1,360
Supplies and Materials	150,929	204,518	53,589
Capital Expenditures	729,713	721,372	(8,341)
Other Expenditures	43,530	44,699	1,169
<b>Total Administrative and District Support Services</b>	<b>\$ 4,589,352</b>	<b>\$ 5,013,193</b>	<b>\$ 423,841</b>
<b><u>Instructional</u></b>			
Salaries	\$ 24,049,436	\$ 24,840,259	\$ 790,823
Benefits	9,029,887	9,192,912	163,025
Purchased Services	2,085,592	2,222,926	137,334
Supplies and Materials	986,656	902,603	(84,053)
Capital Expenditures	329,245	258,147	(71,098)
Other Expenditures	45,254	46,678	1,424
<b>Total Instructional</b>	<b>\$ 36,526,070</b>	<b>\$ 37,463,525</b>	<b>\$ 937,455</b>
<b><u>Instructional and Pupil Support</u></b>			
Salaries	\$ 2,444,270	\$ 2,602,326	\$ 158,056
Benefits	881,803	872,056	(9,747)
Purchased Services	3,205,225	3,157,364	(47,861)
Supplies and Materials	281,631	222,665	(58,966)
Capital Expenditures	17,871	10,530	(7,341)
Other Expenditures	21,671	10,300	(11,371)
<b>Total Instructional and Pupil Support</b>	<b>\$ 6,852,471</b>	<b>\$ 6,875,241</b>	<b>\$ 22,770</b>
<b><u>Operations, Maintenance, and Fixed</u></b>			
Salaries	\$ 1,626,961	\$ 1,725,784	\$ 98,823
Benefits	714,783	772,096	57,313
Purchased Services	2,272,529	2,334,226	61,697
Supplies and Materials	635,805	638,374	2,569
Capital Expenditures	366,938	288,538	(78,400)
Other Expenditures	49,756	30,766	(18,990)
<b>Total Operations, Maintenance, and Fixed</b>	<b>\$ 5,666,772</b>	<b>\$ 5,789,784</b>	<b>\$ 123,012</b>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$ 53,634,665</b>	<b>\$ 55,141,743</b>	<b>\$ 1,507,078</b>

Overall, the district is planning to increase its general fund expenditures in FY 17 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)  
2016-17 PRELIMINARY BUDGET**

<b>FOOD SERVICE FUND EXPENDITURES (Fund 2)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Salaries	\$ 984,312	\$ 1,004,431	\$ 20,119
Benefits	316,414	322,400	5,986
Purchased Services	81,348	77,198	(4,150)
Supplies and Materials	1,402,348	1,404,927	2,579
Capital Expenditures	33,000	17,000	(16,000)
Other Expenditures	1,000	1,000	-
<b>TOTAL FOOD SERVICE EXPENDITURES</b>	<b><u>\$ 2,818,422</u></b>	<b><u>\$ 2,826,956</u></b>	<b><u>\$ 8,534</u></b>

The increase in salaries and benefits is due to changes in the employee's contracts. Supplies and materials are increasing due to higher prices for commodities. The decrease in capital expenditures is due to purchasing less equipment in FY 17 as compared to FY 16.

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

**OWATONNA PUBLIC SCHOOLS, ISD #761  
COMMUNITY SERVICE FUND EXPENDITURES (Fund 4)  
2016-17 PRELIMINARY BUDGET**

<b>COMMUNITY SERVICE FUND EXPENDITURES (Fund 4)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Salaries	\$ 987,847	\$ 977,654	\$ (10,193)
Benefits	259,944	280,955	21,011
Purchased Services	1,666,286	1,662,743	(3,543)
Supplies and Materials	96,359	103,277	6,918
Capital Expenditures	20,694	19,010	(1,684)
Other Expenditures	4,400	4,400	-
<b>TOTAL COMMUNITY SERVICE EXPENDITURES</b>	<b><u>\$ 3,035,530</u></b>	<b><u>\$ 3,048,039</u></b>	<b><u>\$ 12,509</u></b>

The community service expenditures are remaining relatively the same in comparison to FY 16. Community Education is adjusted from year to year based on the revenue received and the fund balances per program.

The Building Construction Fund, as shown below, is the fund used to pay all expenditures relating to the building projects associated with the passage of the bond referendum.

**OWATONNA PUBLIC SCHOOLS, ISD #761  
BUILDING CONSTRUCTION FUND EXPENDITURES (Fund 6)  
2016-17 PRELIMINARY BUDGET**

<b>BUILDING CONSTRUCTION FUND (Fund 6)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Building Construction	\$ 7,785,431	\$ 31,955,797	\$ 24,170,366
<b>TOTAL BUILDING CONSTRUCTION EXPENDITURES</b>	<b>\$ 7,785,431</b>	<b>\$ 31,955,797</b>	<b>\$ 24,170,366</b>

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)  
2016-17 PRELIMINARY BUDGET**

<b>DEBT SERVICE FUND EXPENDITURES (Fund 7)</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
Bond Principal	\$ 2,255,000	\$ 3,635,000	\$ 1,380,000
Bond Interest	51,375	2,228,992	2,177,617
Other Debt Service Expenditures	3,000	3,000	-
<b>TOTAL DEBT SERVICE EXPENDITURES</b>	<b>\$ 2,309,375</b>	<b>\$ 5,866,992</b>	<b>\$ 3,557,617</b>

Total expenditures for all operating funds are shown in the table below. The increase of \$1,528,121 represents an overall increase of approximately 2.6% from FY 16.

<b>Fund Name</b>	<b>2015-16 Revised Final Budget</b>	<b>2016-17 Preliminary Budget</b>	<b>Difference</b>
<b>Total Operating Funds Expenditures:</b>			
General Fund (Funds 1, 10, and 11)	\$ 53,634,665	\$ 55,141,743	\$ 1,507,078
Food Service Fund (Fund 2)	2,818,422	2,826,956	8,534
Community Service Fund (Fund 4)	3,035,530	3,048,039	12,509
<b>Total Operating Funds Expenditures</b>	<b>\$ 59,488,617</b>	<b>\$ 61,016,738</b>	<b>\$ 1,528,121</b>

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

<b>Total Non-Operating Funds Expenditures:</b>			
Building Construction Fund (Fund 6)	7,785,431	31,955,797	24,170,366
Debt Service Fund (Fund 7)	\$ 2,309,375	\$ 5,866,992	\$ 3,557,617
<b>Total Non-Operating Funds Expenditures</b>	<u>\$ 10,094,806</u>	<u>\$ 37,822,789</u>	<u>\$ 27,727,983</u>
<b>TOTAL EXPENDITURES</b>	<u><b>\$ 69,583,423</b></u>	<u><b>\$ 98,839,527</b></u>	<u><b>\$ 29,256,104</b></u>

The budget proposed for Board passage for 2016-17 is shown in the summary on page 23. Total operating revenue for FY 17 is projected to be \$60,597,584. Total operating expenditures for FY 17 are projected to be \$61,016,738. The net difference is an operating deficit of \$419,154 for FY 17.

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 \$54,673,738 and total expenditures are projected to be \$55,141,743. The net difference is a deficit of \$468,005 for FY 17.

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>2015-16 Revised Final Budget</u>	<u>2016-17 Preliminary Budget</u>	<u>Difference</u>
<b><u>Includes General Fund, Food Service Fund, and Community Service Fund:</u></b>			
Total Operating Revenues	\$ 59,524,970	\$ 60,597,584	\$ 1,072,614
Total Operating Expenditures	59,488,617	61,016,738	1,528,121
Total Revenues less Expenditures	<u>\$ 36,353</u>	<u>\$ (419,154)</u>	<u>\$ (455,507)</u>

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

<u>Category</u>	<u>2015-16 Revised Final Budget</u>	<u>2016-17 Preliminary Budget</u>	<u>Difference</u>
<b><u>Includes General Fund Only:</u></b>			
Total Revenues	\$ 53,684,732	\$ 54,673,738	\$ 989,006
Total Expenditures	53,634,665	55,141,743	1,507,078
Total Revenues less Expenditures	<u>\$ 50,067</u>	<u>\$ (468,005)</u>	<u>\$ (518,072)</u>

Below is the table that contains the proposed budget for the 2016-17 school year. This is the budget the Board is being asked to approve for fiscal year 2017. Included in this proposal is a .05 cent increase to breakfast and lunch meal prices in the Food Service budget for the 2016-17 school year. Approval of this budget approves the food service price increase.

**JUNE 30, 2016 PROJECTED ENDING FUND BALANCES**

Fund	6/30/2015 Balance	2015-16 Revenues	2015-16 Expenditures	6/30/2016 Balance
General - Unassigned	5,679,818	44,181,672	43,229,178	6,632,312
General - Restricted/Reserved	1,088,555	9,503,060	10,405,487	186,128
General - Nonspendable	160,773	-	-	160,773
Food Service	343,217	2,798,747	2,818,422	323,542
Community Service	664,115	3,041,491	3,035,530	670,076
Building Construction	-	78,112,585	7,785,431	70,327,154
Debt Service	548,852	2,299,550	2,309,375	539,027
Trust	4,608	1,502	1,918	4,192
Internal Service	203,703	188	-	203,891
<b>Total</b>	<b>8,693,641</b>	<b>139,938,795</b>	<b>69,585,341</b>	<b>79,047,095</b>

**JUNE 30, 2017 PROJECTED ENDING FUND BALANCES**

Fund	6/30/2016 Balance	2016-17 Revenues	2016-17 Expenditures	6/30/2017 Balance
General - Unassigned	6,632,312	44,882,894	45,409,688	6,105,518
General - Restricted/Reserved	186,128	9,790,844	9,732,055	244,917
General - Nonspendable	160,773	-	-	160,773
Food Service	323,542	2,778,050	2,826,956	274,636
Community Service	670,076	3,145,796	3,048,039	767,833
Building Construction	70,327,154	388,500	31,955,797	38,759,857
Debt Service	539,027	6,195,783	5,866,992	867,818
Trust	4,192	1,502	1,527	4,167
Internal Service	203,891	188	-	204,079
<b>Total</b>	<b>79,047,095</b>	<b>67,183,557</b>	<b>98,841,054</b>	<b>47,389,598</b>

**JUNE 30, 2017 FUND BALANCE COMPARISON PROJECTION**

Fund	6/30/2016 Balance	6/30/2017 Balance	Difference
General - Unassigned	6,632,312	6,105,518	(526,794)
General - Restricted/Reserved	186,128	244,917	58,789
General - Nonspendable	160,773	160,773	-
Food Service	323,542	274,636	(48,906)
Community Service	670,076	767,833	97,757
Building Construction	70,327,154	38,759,857	(31,567,297)
Debt Service	539,027	867,818	328,791
Trust	4,192	4,167	(25)
Internal Service	203,891	204,079	188
<b>Total</b>	<b>79,047,095</b>	<b>47,389,598</b>	<b>(31,657,497)</b>

**2016-17 REVENUE/EXPENDITURE COMPARISON**

Fund	Revenues			Expenditures		
	6/30/2016 Rev. Final	6/30/2017 Preliminary	Difference	6/30/2016 Rev. Final	6/30/2017 Preliminary	Difference
General - Unassigned	44,181,672	44,882,894	701,222	43,229,178	45,409,688	2,180,510
General - Restricted/Reserved	9,503,060	9,790,844	287,784	10,405,487	9,732,055	(673,432)
General - Nonspendable	-	-	-	-	-	-
Food Service	2,798,747	2,778,050	(20,697)	2,818,422	2,826,956	8,534
Community Service	3,041,491	3,145,796	104,305	3,035,530	3,048,039	12,509
Building Construction	78,112,585	388,500	(77,724,085)	7,785,431	31,955,797	24,170,366
Debt Service	2,299,550	6,195,783	3,896,233	2,309,375	5,866,992	3,557,617
Trust	1,502	1,502	-	1,918	1,527	(391)
Internal Service	188	188	-	-	-	-
<b>Total</b>	<b>139,938,795</b>	<b>67,183,557</b>	<b>(72,755,238)</b>	<b>69,585,341</b>	<b>98,841,054</b>	<b>29,255,713</b>

The FY '16 auditing process will validate the actual financial performance of the District and those results could change the listed ending fund balances for FY '16. As always, any such adjustments will be used in the FY '17 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 5<sup>th</sup> grade and the district-wide Montessori Program. Our total enrollment for 2015-16 was 565 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. Creating a safe, predictable environment for all students
3. Professional Learning Communities focused on student learning

Lincoln Elementary has had a strong academic history and the MCA results for the 2014-15 school year were as follows: 63% of our students were proficient in Reading, 65% were proficient in Math, and 68% 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 June of 2015 our Lincoln community purchased and installed a new playground. The PTO partnered with the students to raise funds for a playground to replace a current set that was needing improvements. We collected a total of \$35,000 through fundraisers and grants reach our goal. 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

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 \$119ppu. The general education basic aid for 2016-17 is calculated at a rate of \$6,067 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.

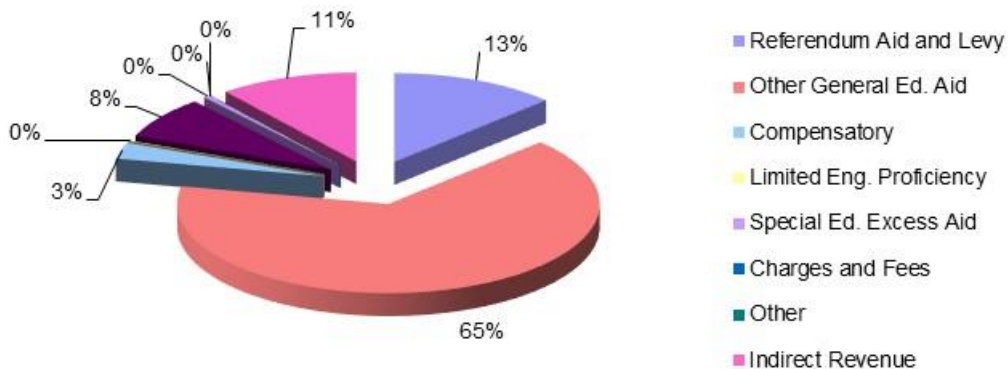
The table below identifies projected changes in our overall revenue picture for Lincoln in the 2016-2017 school year. Revenue will decrease by 2.9%. Lincoln is seeing a decrease in compensatory aid, which is funded based on the number of students on free and reduced lunch.

### Lincoln Revenues

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change Percent	Change Amount
Referendum Aid and Levy	\$ 378,192	\$ 670,400	\$ 660,657	\$ 653,342	-1.1%	\$ (7,315)
Other General Ed. Aid	2,974,679	3,405,304	3,402,850	3,342,917	-1.8%	(59,933)
Compensatory	122,437	163,788	166,982	149,312	-10.8%	(17,670)
English Learner	4,842	5,821	7,272	4,834	-41.9%	(2,438)
Special Ed. Aid	267,779	402,946	396,656	391,998	-1.2%	(4,658)
Special Ed. Excess Aid	33,740	26,022	26,022	26,022	0.0%	-
Charges and Fees	2,821	-	-	-	0.0%	-
Other	73,494	-	11,389	-	#DIV/0!	(11,389)
Indirect Revenue	406,054	625,848	592,713	543,759	-7.8%	(48,954)
<b>Total</b>	<b>\$ 4,264,038</b>	<b>\$ 5,300,129</b>	<b>\$ 5,264,541</b>	<b>\$ 5,112,184</b>	<b>-2.9%</b>	<b>\$ (152,357)</b>

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.

### 2016-17 Lincoln Revenue Budget



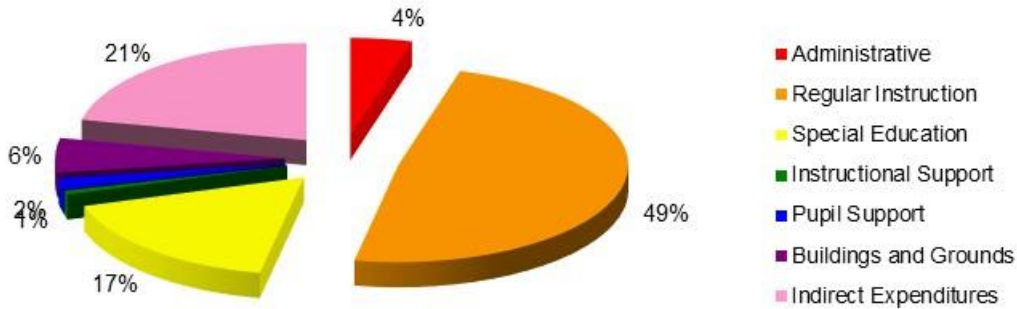
A table of Lincoln's expenditures follows. Lincoln will also see a decrease in expenditures. Most of it is in regular and special education instruction due to changes in employee contracts.

**Lincoln Expenditures**

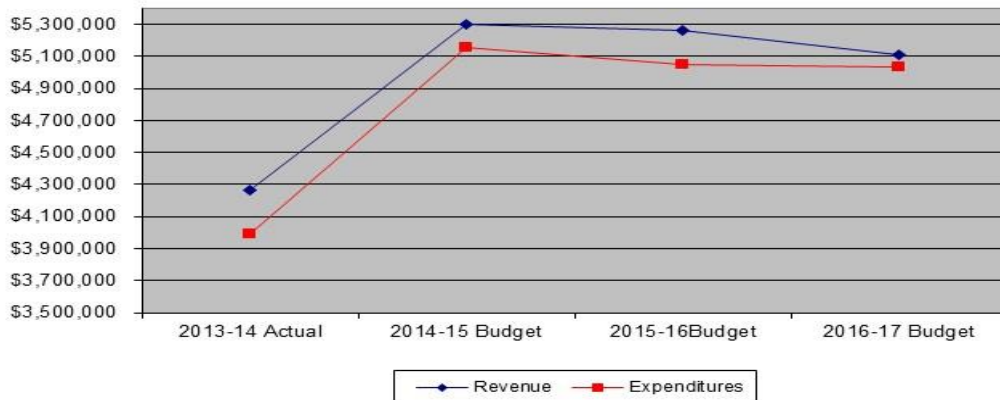
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change Percent	Change Amount
Administrative	\$ 200,963	\$ 214,518	\$ 214,208	\$ 218,094	1.8%	\$ 3,886
Regular Instruction	2,111,140	2,482,833	2,448,073	2,453,204	0.2%	5,131
Special Education	591,742	919,877	893,745	863,595	-3.4%	(30,150)
Instructional Support	98,313	29,704	27,829	32,595	17.1%	4,766
Pupil Support	70,225	78,711	111,588	88,892	-20.3%	(22,696)
Buildings and Grounds	219,008	335,458	265,574	288,318	8.6%	22,744
Indirect Expenditures	703,955	1,093,611	1,084,076	1,088,455	0.4%	4,379
<b>Total</b>	<b>\$ 3,995,346</b>	<b>\$ 5,154,712</b>	<b>\$ 5,045,093</b>	<b>\$ 5,033,153</b>	<b>-0.2%</b>	<b>\$ (11,940)</b>

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.

**2016-17 Lincoln Expenditure Budget**



The average revenue per student allocated to Lincoln is \$9,402. The expenditure per student at Lincoln is \$9,161. The relationship between revenues and expenditures over the last three years are shown in the table below.



**McKinley Elementary STEM School** serves 600 students, K-5, in the northeast sector of Owatonna. The make-up of the students is: 14% Hispanic; 17% Black not Hispanic; 1% Asian/Pacific Islander; and 68% Caucasian. 54% of our students receive free or reduced lunch, 12% of McKinley's students receive Special Education services, and 22% receive ELL services.

McKinley is completing our fourth year as A STEM School (Art Integration, Science, Technology, Engineering, and Math). As a staff, we truly believe that "STEM isn't what we teach, it's how we teach it." At McKinley, you will notice instructional practices, integration, and high levels of engagement in each classroom. Staff continue to receive extensive training in STEM-focused instructional strategies which includes questioning, inquiry, and integration. This past year, fifteen teachers worked toward their STEM Certificate through a grant from Bosch. Teachers worked on instructional strategies and beliefs to enhance our current programming.

This year, we implemented a Positive Behavioral Intervention System (PBIS) at the school wide level. We have a PBIS team who created a common matrix for expectations across the entire school. These expectations helped create a common language among all staff and students. Additionally, we are tracking student discipline data as a school. This tracking has helped us identify areas for support, growth, as well as celebration. Next year, we will implement behavioral supports for tiers 2 and 3.

Bi-monthly, McKinley teachers participate in Professional Learning Communities (PLCs) focused on student achievement. This year, as a building we did some alignment work to connect PLCs and our building Rtl framework. Some of the work we did was:

- Essential Standards Charts – prior to a unit, teachers determined pre-requisite skills, created formative and summative assessments, and created an instructional plan for core instruction of grade-level standards.
- Re-purpose of Tier 2 instruction – tier 2 instruction was solely aligned to previous Enduring Understandings. During the PLC process, teachers collaborated with intervention staff & the Essential Standards Chart to create focused, purposeful intervention(s).
- Data-driven decision making – teachers moved away from the use of only summative assessments to focusing on the day-to-day learning (formative assessments). Teachers also shifted their focus from the data analysis to using the data to plan instruction. Additionally, teachers used data boards to track learning – student by student, skill by skill.

McKinley was fortunate to have a part-time Literacy Coach on staff this year. This person worked with our teachers on instructional practices, professional development, and assessment of students. Our Literacy Coach helped support professional development at each of our "Staff Power Hours" (staff meetings) that were focused on reading instruction and the Gradual Release of Responsibility. The Literacy Coach became a vital part of our school programming and culture.

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

### **McKinley's Economic Outlook**

In the following table, the amount of state aid that we anticipate to receive for 2016-17 based upon our student enrollment at McKinley is \$3,779,741. Other additional revenue is also listed. The next largest revenue amount that we anticipate to be received is \$733,911. This amount has been generated as a result of the levy.

**McKinley Revenues**

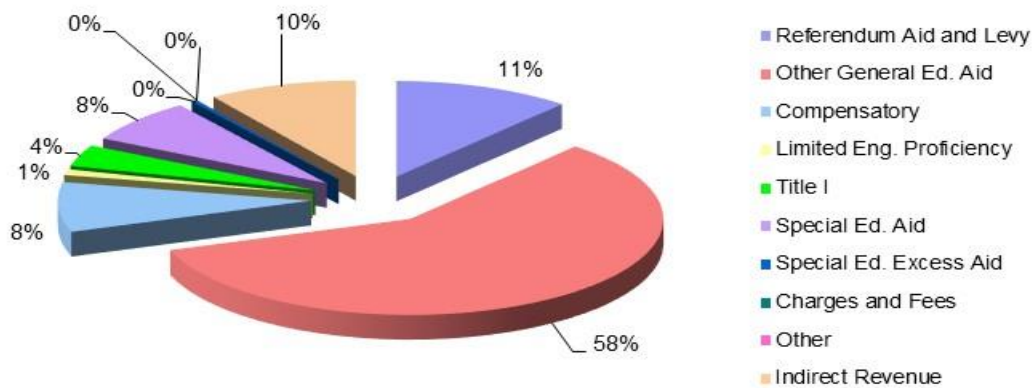
Description	2013-14	2014-15	2015-16	2016-17	Change Percent	Change Amount
	Actual	Actual	Budget	Budget		
Referendum Aid and Levy	\$ 349,167	\$ 626,195	\$ 616,452	\$ 733,911	19.1%	\$ 117,459
Other General Ed. Aid	2,735,979	3,166,233	3,160,212	3,779,741	19.6%	619,529
Compensatory	472,629	470,845	506,438	543,764	7.4%	37,326
English Learner	48,904	64,027	56,619	64,050	13.1%	7,431
Title I	192,534	165,765	121,912	235,512	93.2%	113,600
Special Ed. Aid	287,765	360,706	424,248	480,451	13.2%	56,203
Special Ed. Excess Aid	36,258	21,156	21,156	21,156	0.0%	-
Charges and Fees	2,605	-	-	-	#DIV/0!	-
Other	69,115	-	10,369	-	-100.0%	(10,369)
Indirect Revenue	374,888	590,947	550,450	614,812	11.7%	64,362
<b>Total</b>	<b>\$ 4,569,844</b>	<b>\$ 5,465,874</b>	<b>\$ 5,467,856</b>	<b>\$ 6,473,397</b>	<b>18.4%</b>	<b>\$ 1,005,541</b>

The table above identifies projected changes in our overall revenue picture for McKinley in the 2016-17 school year. Revenue will increase by 18.4%. One part of this increase for McKinley is in general education aid due to increased enrollment at the school in 16-17. McKinley will receive \$543,764 in compensatory revenue, which is an increase of \$37,326. 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 \$119ppu. 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 8% allocation received as a result of compensatory.

**2016-17 McKinley Revenue Budget**



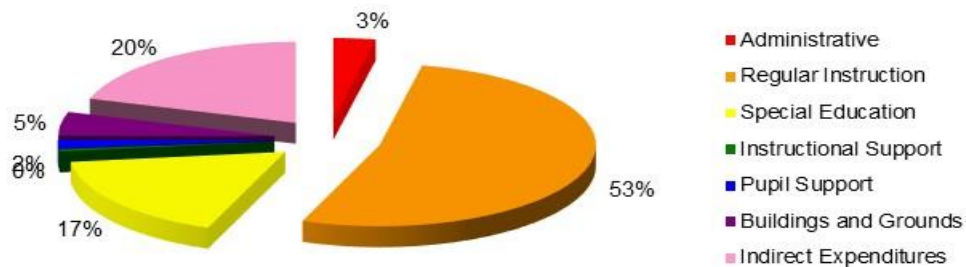
McKinley's proposed expenditure budget for the coming year is below the allocated revenue amount. McKinley's expenditure budget is to increase by 9.9%. The largest increase is in regular instruction which is due to the addition of 1 new section at McKinley and employment contract changes.

**McKinley Expenditures**

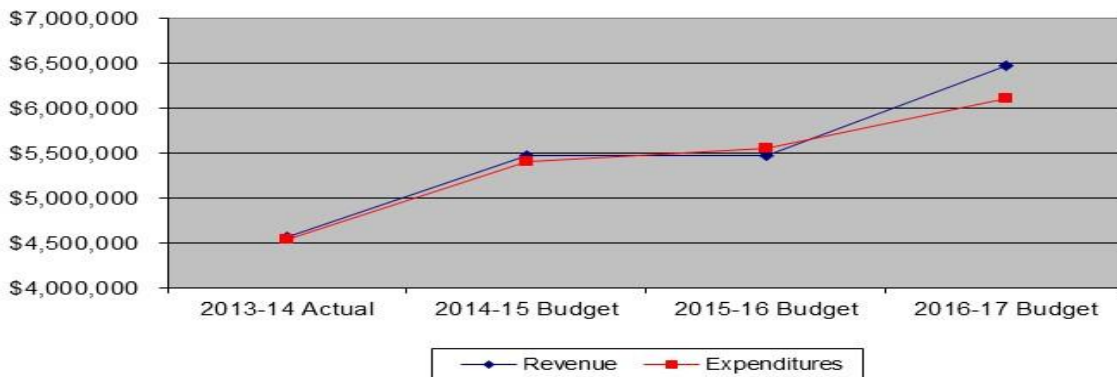
Description	2013-14	2014-15	2015-16	2016-17	Change Percent	Change Amount
	Budget	Actual	Budget	Budget		
Administrative	\$ 180,392	\$ 182,798	\$ 221,141	\$ 192,381	-13.0%	\$ (28,760)
Regular Instruction	2,501,252	2,895,228	2,949,576	3,213,510	8.9%	263,934
Special Education	764,276	820,992	908,448	1,050,009	15.6%	141,561
Instructional Support	88,628	74,747	75,666	27,227	-64.0%	(48,439)
Pupil Support	96,319	87,300	89,468	95,902	7.2%	6,434
Buildings and Grounds	253,800	324,293	298,608	292,018	-2.2%	(6,590)
Indirect Expenditures	649,927	1,016,833	1,006,776	1,230,686	22.2%	223,910
<b>Total</b>	<b>\$ 4,534,594</b>	<b>\$ 5,402,191</b>	<b>\$ 5,549,683</b>	<b>\$ 6,101,733</b>	<b>9.9%</b>	<b>\$ 552,050</b>

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 17% on special education.

**2016-17 McKinley Expenditure Budget**



The average revenue per student allocated to McKinley is \$10,515. The expenditure per student at McKinley is \$10,622. 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. We are in our fourth year of working as a cohesive staff in fulfilling our mission of “Empowering Leaders for Life” while ensuring growth in our students and ourselves each and every day.

Washington Elementary serves approximately 480 students in grades 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.

Academically, our students have been on an upward climb in reading, math and science proficiency. We continue to work on our instructional practices in order to meet the needs of all our learners. While implementing new district-wide curriculum initiatives, our grade level teams utilize their professional learning community time to review data, group students according to their needs and determine best instructional strategies in order to ensure that all critical enduring understandings/learning targets have been met. Together, we work diligently to leave “no child behind” while meeting the needs of additional students through enrichment opportunities involving deeper thinking.

To compliment best practices in learning, we have developed a schedule that incorporates common planning time for our grade level teams each day as well as intervention blocks for reading and math. During W.I.N. (What I Need) and Mustang Minutes time, our teachers either reteach or enrich math and reading concepts based on results from formative/summative assessments. 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 and show success with previously taught material. Both staff and students recognize that W.I.N. and Mustang Minutes have and continue to make a tremendous difference in our school’s academic growth in both math and reading.

The Washington staff is proud of their accomplishments in the 2015-16 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

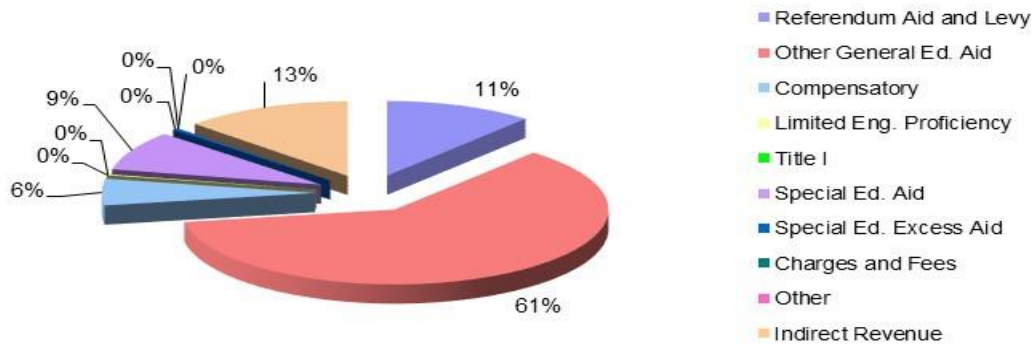
Washington's revenue for the coming year will be increasing. This is a result of increased general ed aid, like the other sites.

### Washington Revenues

Description	2013-14	2014-15	2015-16	2016-17	Change Percent	Change Amount
	Actual	Actual	Budget	Budget		
Referendum Aid and Levy	\$ 385,483	\$ 541,305	\$ 531,562	\$ 542,614	2.1%	\$ 11,052
Other General Ed. Aid	3,027,615	2,915,500	2,905,738	2,948,562	1.5%	42,824
Compensatory	210,875	228,783	291,782	277,398	-4.9%	(14,384)
English Learner	12,589	15,134	10,908	10,876	-0.3%	(32)
Title I	-	22,824	-	-	#DIV/0!	-
Special Ed. Aid	195,118	304,238	346,061	414,134	19.7%	68,073
Special Ed. Excess Aid	24,585	18,724	18,724	18,724	0.0%	-
Charges and Fees	2,876	-	-	-	#DIV/0!	-
Other	77,257	-	10,051	-	-100.0%	(10,051)
Indirect Revenue	413,880	544,149	506,124	614,812	21.5%	108,688
<b>Total</b>	<b>\$ 4,350,278</b>	<b>\$ 4,590,657</b>	<b>\$ 4,620,950</b>	<b>\$ 4,827,120</b>	<b>4.5%</b>	<b>\$ 206,170</b>

Graphically, the revenues received by Washington Elementary are shown in the chart below. It is the 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.

**2016-17 Washington Revenue Budget**



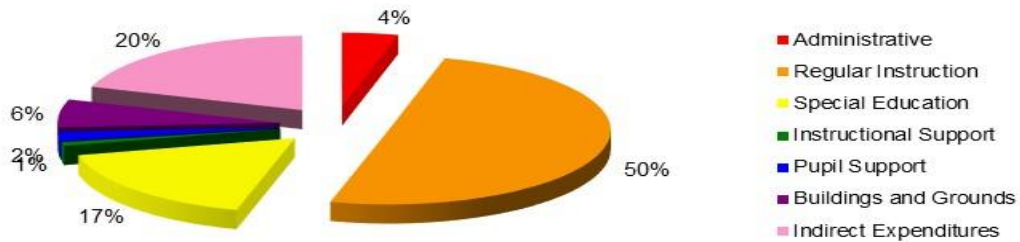
Washington's expenditures are listed in the following table. Washington's overall expenditure budget increased. Regular instruction increased slightly due to changes in employee contracts. Special education increased due to needs at the school.

**Washington Expenditures**

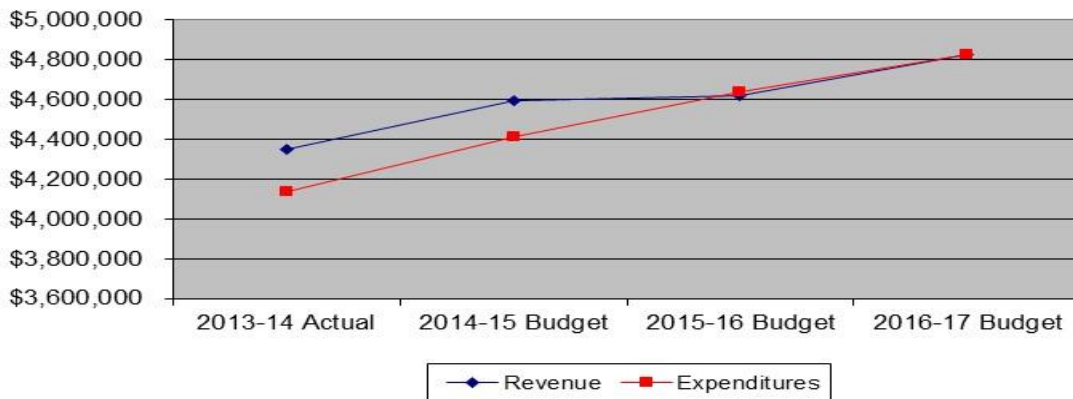
Description	2013-14	2014-15	2015-16	2016-17	Change	Change
	Actual	Actual	Budget	Budget	Percent	Amount
Administrative	\$ 191,939	\$ 195,539	\$ 195,806	\$ 196,994	0.6%	\$ 1,188
Regular Instruction	2,062,420	2,182,223	2,360,058	2,419,437	2.5%	59,379
Special Education	530,501	643,068	713,874	825,590	15.6%	111,716
Instructional Support	29,669	33,138	51,328	40,306	-21.5%	(11,022)
Pupil Support	56,156	76,315	93,493	89,304	-4.5%	(4,189)
Buildings and Grounds	335,884	347,875	294,814	293,908	-0.3%	(906)
Indirect Expenditures	717,525	936,310	925,706	960,053	3.7%	34,347
<b>Total</b>	<b>\$ 3,924,094</b>	<b>\$ 4,414,468</b>	<b>\$ 4,635,079</b>	<b>\$ 4,825,592</b>	<b>4.1%</b>	<b>\$ 190,513</b>

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

**2016-17 Washington Expenditure Budget**



The average revenue per student allocated to Washington is \$9,778. The expenditure per student at Washington is \$9,956. 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 590 students during the 2015-2016 school year, down a little from last year. 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. We once again had five sections of kindergarten with class sizes close to the board target of 19. This was a first for us as we have had kindergarten class sizes close to 19. We have averaged closer to 23 in the six years I have been at Wilson. This year, approximately 65% of our students qualify for free and reduced lunch while 21.3% qualify for ELL services, and 12% receive special education services. Our population is 62.1% Caucasian, 24.6% Hispanic, 11.6% Black, and 1.5% Asian.

Wilson continues to focus on reading in a variety of ways. This is the first full year of our Wilson Power Reading program, an incentive-based outside of school reading program. We kicked this off last year in January but were able to get it going early in September this year. Students have really bought into this program, and parents have done a great job of ensuring their children are reading outside of the school day. We believe this was part of what helped us make a 7% improvement in reading. Other approaches include the focused curriculum on the enduring understandings using anchor texts that all teachers are using across the district. While we may not see the results of this effort for a couple of years, the intention of adding rigor and focus to the daily lessons is a step in the right directions. We continue to use the PRESS training we received through the University of Minnesota. PRESS breaks down the reading skills to very specific targets, allowing classroom and intervention teachers to find exactly where a student is in the reading progression. Our intervention teachers then can use very targeted lessons for their small group instruction. Our K-3 teachers continue the Power Half hour in reading; this is where students get individual conferencing with teachers or get very targeted small group instruction. We also have continued with the K Kamp program, bringing in pre-kindergarten students during the summer school program. These students are identified as lacking kindergarten-readiness skills through their May interviews. The benefits we have reaped because of this program are immense! While the students may not have the skills mastered that they needed for kindergarten, the time it takes them to gain these skills due to their exposure to them in K Kamp has significantly decreased! We believe that because of this intervention program, we are sending students to first grade who are more prepared to become grade-level readers!

Third through fifth grade teachers also implemented a Power Half time into their day, but the focus in these grades is math. Using pre-tests and post-tests, students are regrouped by grade level according to their success with targeted skills. During each grade level's Power Half, we bring in the new math intervention teachers, additional educational assistants, and our Art teacher Mark Anderson to help. The math time has been very powerful, and we feel students have received the targeted instruction they need whether it is basic support or enrichment. We are hopeful that the test results will show the power of this extra time.

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 Linda Santibanez are serving in this role under the guidance of our school social worker, Sue Schroeder. This program is in its second year but should continue next 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 last year. We re-evaluated the position this year, and the staff was in overwhelming support of keeping this position. Katie Wanous 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 fourth and 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 English Learner. Therefore, total revenue per student is larger at this site than any of our other elementary school sites.

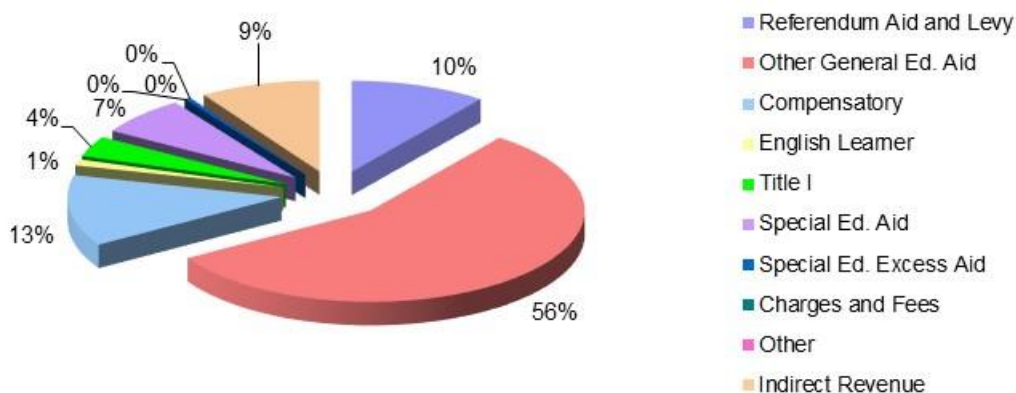
#### Wilson Revenues

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change %	Change Amount
Referendum Aid and Levy	\$ 412,062	\$ 657,144	\$ 579,196	\$ 660,962	14.1%	\$ 81,766
Other General Ed. Aid	3,211,540	3,539,417	3,166,130	3,591,664	13.4%	425,534
Compensatory	673,549	719,846	843,948	808,040	-4.3%	(35,908)
English Learner	42,125	64,609	62,333	70,696	13.4%	8,363
Title I	162,183	187,045	130,413	234,262	79.6%	103,849
Special Ed. Aid	267,360	398,459	420,492	440,916	4.9%	20,424
Special Ed. Excess Aid	33,687	26,421	26,421	26,421	0.0%	-
Charges and Fees	3,074	-	-	-	#DIV/0!	-
Other	81,874	-	12,058	-	-100.0%	(12,058)
Indirect Revenue	442,417	660,599	551,482	584,220	5.9%	32,738
<b>Total</b>	<b>\$ 5,329,871</b>	<b>\$ 6,253,540</b>	<b>\$ 5,792,473</b>	<b>\$ 6,417,181</b>	<b>10.8%</b>	<b>\$ 624,708</b>

Wilson will see a decrease in compensatory aid for 2016-17. Wilson will see an increase in other general education aid due to the increase of \$119ppu.

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.

**2016-17 Wilson Revenue Budget**



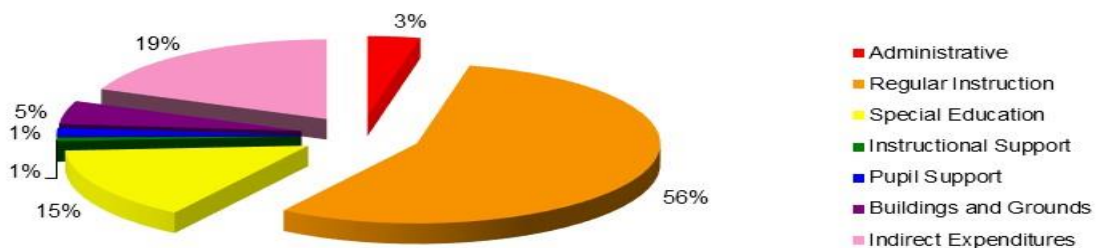
Wilson’s expenditures are listed in the following table. Wilson’s expenditures will increase by 5.2% for the coming year. The increase is mainly due to changes in employee contracts.

**Wilson Expenditures**

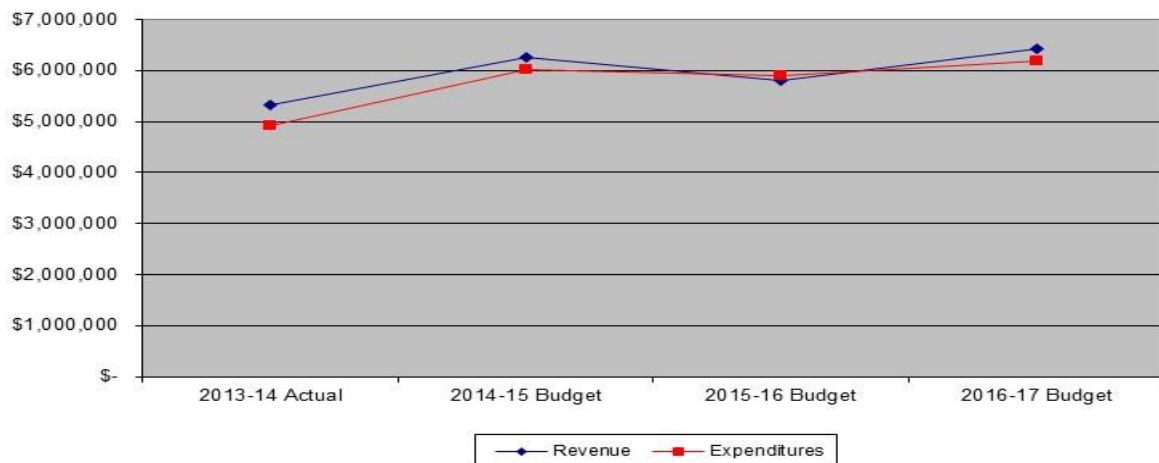
Description	2013-14	2014-15	2015-16	2016-17	Change %	Change Amount
	Actual	Actual	Budget	Budget		
Administrative	\$ 211,852	\$ 211,098	\$ 201,365	\$ 216,178	7.4%	\$ 14,813
Regular Instruction	2,890,474	3,197,000	3,389,365	3,451,986	1.8%	62,621
Special Education	782,884	837,866	869,433	917,532	5.5%	48,099
Instructional Support	34,224	37,754	38,625	46,392	20.1%	7,767
Pupil Support	83,475	93,683	97,765	101,613	3.9%	3,848
Buildings and Grounds	290,045	503,693	285,484	290,944	1.9%	5,460
Indirect Expenditures	766,999	1,136,681	1,008,662	1,169,448	15.9%	160,786
<b>Total</b>	<b>\$ 5,059,953</b>	<b>\$ 6,017,775</b>	<b>\$ 5,890,699</b>	<b>\$ 6,194,093</b>	<b>5.2%</b>	<b>\$ 303,394</b>

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

**2016-17 Wilson Expenditure Budget**



The average revenue per student allocated to Wilson is \$10,964. The expenditure per student at Wilson is \$11,290. 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. This year, the enrollment was significantly higher as we started the year with 415 students, and we held pretty steady at approximately 410 students. This year, the student population has been approximately 76% white, 14% Hispanic, 9% black and 1% Asian. Currently, 39% of the students are eligible for free or reduced lunch, 13% 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:**

67.6% of incoming 5<sup>th</sup> grade reading students met or exceeded the reading MCA in 2015. 63.2% of incoming 5<sup>th</sup> grade students met or exceeded the math MCA in 2015. In 2014-15, Willow Creek was cited in numerous categories on AYP. Our Climate Survey data, from 2015, was exceptionally strong.

**Goal #1:**

Reading.

Given our two year goal of having 75% proficiency by 2017, we will increase the percent proficiency from 67.6% to 72% in reading.

**Goal #2**

Math

Given our two year goal of having 75% proficiency by 2017, we will increase the percent proficiency from 63.2% to 69% in math.

**Goal #3**

PLCs

100% of PLCs will focus on Enduring Understandings, data/student/teacher achievement, and assessment.

**Action Steps:**

- Intervention restructured.
  - 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. Math tutorial will be differentiated to address individual student needs.
- Math will implement a spiral review of topics.
- Language Arts will be modified. The rigor will be increased.
- There will be an increased, purposeful emphasis on vocabulary.
- PLCs will focus on common formative and summative assessments centered on reading, EUs, etc. Common assessments will be developed and utilized.
- Liaisons added to staff.
  - Data driven decisions regarding students they will work with. Liaisons will be matched to students to provide academic support.
  - Liaisons assist in building a bridge to families.
- Monthly meetings with Hispanic and Somali families. (EL Family Nights)
  - Explanation regarding school events and opportunities.

- Discuss importance of testing and data.
- Present at every meeting will be the principal, EL teacher, liaisons, and social worker.
- All Teaching and Learning meetings will focus on teaching strategies, literacy, and school culture.
- Extended Day program will be implemented to provide additional support.
- Reduce the number of Out-of-School Suspensions.
- Late bus for APP homework help and activities. This will make it so that ALL students are able to participate in homework help and co-curricular activities.
- Do not stretch special education teachers between houses. One special education teacher per house so that they can establish a stronger connection and collaborate more.

Other initiatives included bringing the entire staff under the one umbrella of both eSTEM and Leadership Foundation programs. In addition, the entire staff has implemented the Junior Achievement program into their curriculum.

We continue to refine our instructional model to improve both core and intervention instruction. Both math and language arts 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.

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, we will continue to do work to improve upon our implementation of both eSTEM and Leadership. We feel strongly that all students benefit from both experiences. 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 \$6,067 per pupil. Willow Creek will experience a decrease in revenue. This decrease is mainly due to the fact that Willow Creek will not qualify for Title I services for 16-17.

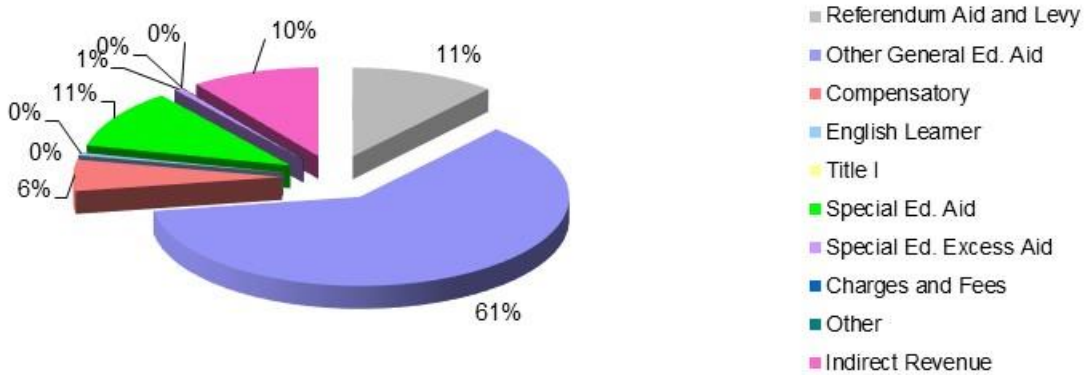
#### Willow Creek Revenues

Description	2013-14	2014-15	2015-16	2016-17	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Referendum Aid and Levy	\$ 235,133	\$ 383,244	\$ 385,409	\$ 385,189	-0.1%	\$ (220)
Other General Ed. Aid	1,804,059	2,064,174	2,106,808	2,093,115	-0.6%	(13,693)
Compensatory	191,879	199,480	178,863	194,325	8.6%	15,462
English Learner	41,501	19,208	18,181	16,919	-6.9%	(1,262)
Title I	114,295	122,929	124,165	-	-100.0%	(124,165)
Special Ed. Aid	200,722	294,626	316,262	369,562	16.9%	53,300
Special Ed. Excess Aid	25,291	20,744	20,744	20,744	0.0%	-
Charges and Fees	1,754	-	-	-	#DIV/0!	-
Other	46,299	-	7,454	-	-100.0%	(7,454)
Indirect Revenue	252,454	385,258	366,967	340,466	-7.2%	(26,501)
<b>Total</b>	<b>\$ 2,913,387</b>	<b>\$ 3,489,663</b>	<b>\$ 3,524,853</b>	<b>\$ 3,420,320</b>	<b>-3.0%</b>	<b>\$ (104,533)</b>



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.

### 2016-17 Willow Creek Revenue Budget



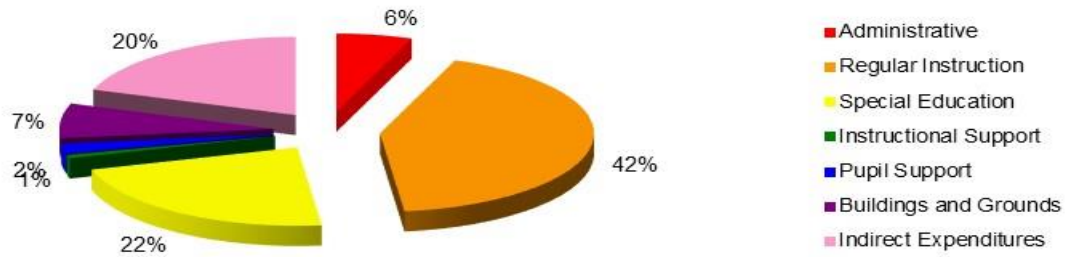
Expenditures are projected to increase by 1.6%. The largest increase will be in the areas of special education instruction.

#### Willow Creek Expenditures

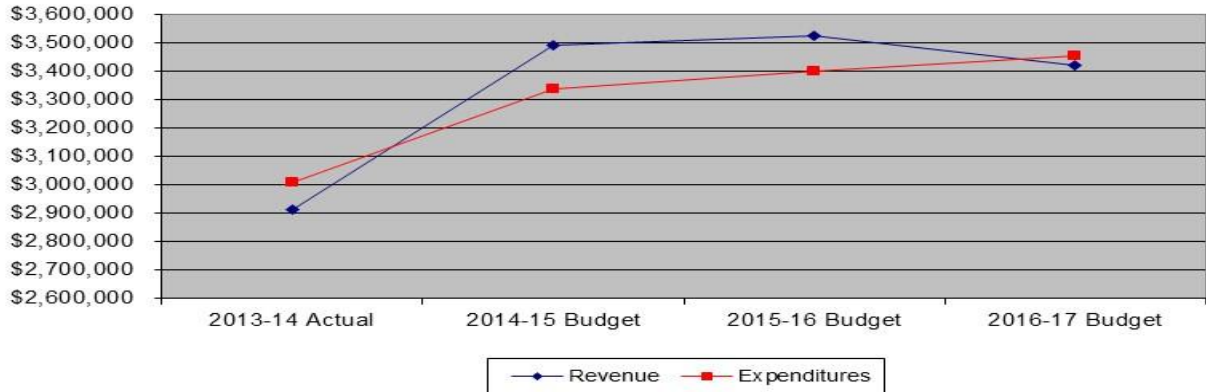
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change %	Change Amount
Administrative	\$ 175,785	\$ 185,915	\$ 192,088	\$ 198,213	3.2%	\$ 6,125
Regular Instruction	1,337,305	1,467,503	1,554,415	1,466,030	-5.7%	(88,385)
Special Education	516,640	623,256	658,070	768,062	16.7%	109,992
Instructional Support	19,892	24,782	19,738	25,682	30.1%	5,944
Pupil Support	33,379	62,878	62,625	67,443	7.7%	4,818
Buildings and Grounds	256,794	308,465	243,228	247,612	1.8%	4,384
Indirect Expenditures	437,669	662,908	671,184	681,519	1.5%	10,335
<b>Total</b>	<b>\$ 2,777,464</b>	<b>\$ 3,335,707</b>	<b>\$ 3,401,348</b>	<b>\$ 3,454,561</b>	<b>1.6%</b>	<b>\$ 53,213</b>

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.

## 2016-17 Willow Creek Expenditure Budget



The total amount of revenue allocated per pupil at Willow Creek totals \$10,038. The total expenditures per pupil are \$10,040. This relationship over the past three years is shown in the following graph.



**Owatonna Junior High School** will be home to approximately 715 7<sup>th</sup> and 8<sup>th</sup> grade students and over sixty (60) staff for the 16-17 school year. The building demographics reflect a free and reduced population of approximately 40.0%, an LEP population of approximately 9%, and a special education population of 11%. During the 2015-2016 school year we established a mission for our school and developed eight commitments that all of us operate under. During this school year we have also begun the initial implementation of Husky Pride, which is a positive behavioral intervention system aimed at creating and supporting clear expectations for all of our students in all areas of our school. The summer of 2016 afforded us an opportunity to have three days of STEM training for all of our staff. Furthermore, during the spring/summer of 2016, two different committees have been meeting to discuss building modifications and programming for the new middle school. The 2016-2017 school year will be quite the year as we continue with our mission and commitments, as we fully implement Husky Pride and STEM and as we finalize the designs and programming for the middle school. Each of these activities will provide more support, direction and engagement for our junior high students. Finally, the 2016-2017 school year will see transition in administration as Julie Sullivan will become the new principal in preparation for the new middle school. The 2015-2016 school year has been great and the future of OJHS has never looked brighter.

### Owatonna Junior High’s Economic Outlook

The general education aid per pupil increased to \$6,067 for 2016-17. 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

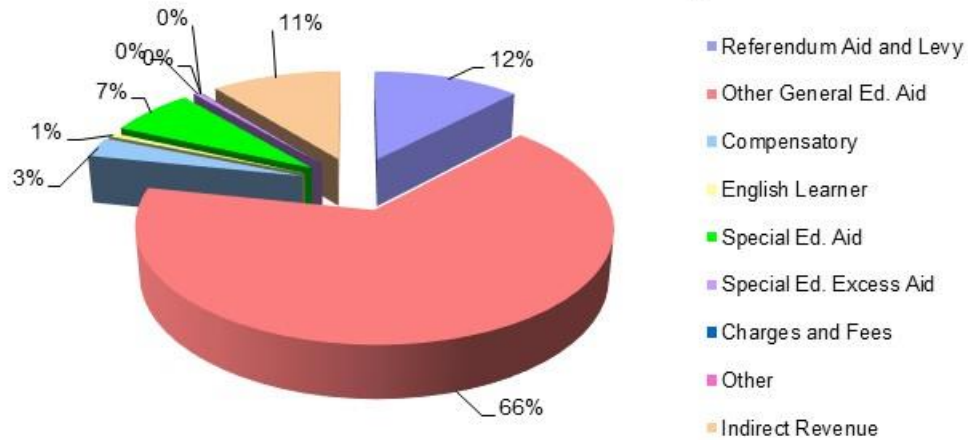
industrial technology, science, and family consumer science. The Junior High will see a decrease in the compensatory aid

**OJHS Revenues**

Description	2013-14	2014-15	2015-16	2016-17	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Referendum Aid and Levy	\$ 644,118	\$ 862,624	\$ 863,923	\$ 983,404	13.8%	\$ 119,481
Other General Ed. Aid	4,941,994	4,646,141	4,722,564	5,343,814	13.2%	621,250
Compensatory	274,834	316,343	370,956	238,031	-35.8%	(132,925)
English Learner	29,536	37,252	27,531	47,735	73.4%	20,204
Special Ed. Aid	428,603	471,520	493,718	567,853	15.0%	74,135
Special Ed. Excess Aid	54,004	42,894	42,894	42,894	0.0%	-
Charges and Fees	4,805	-	5,500	-	-100.0%	(5,500)
Other	124,365	-	15,486	-	-100.0%	(15,486)
Indirect Revenue	691,570	867,157	822,583	869,224	5.7%	46,641
<b>Total</b>	<b>\$ 7,193,829</b>	<b>\$ 7,243,931</b>	<b>\$ 7,365,155</b>	<b>\$ 8,092,955</b>	<b>9.9%</b>	<b>\$ 727,800</b>

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 12% of the revenue used to support our junior high programs.

**2016-17 OJHS Revenue Budget**



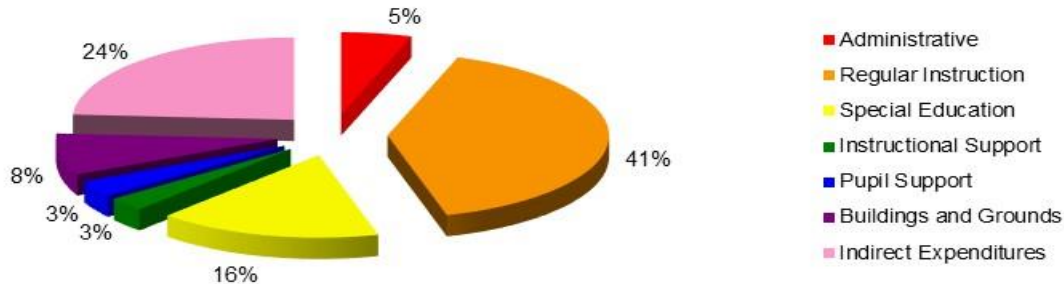
The table below shows how the revenue is allocated across the various expenditure categories. There is an anticipated increase of 10.3%. Indirect expenditures are the largest increase which relates to the increase in students at the site. Buildings and grounds will have an offsetting decrease.

**OJHS Expenditures**

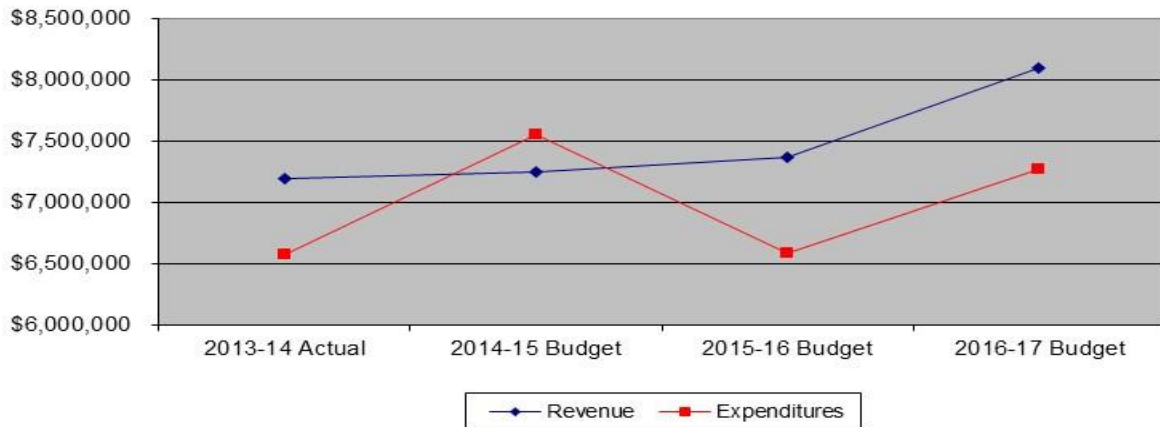
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change %	Change Amount
Administrative	\$ 223,545	\$ 218,210	\$ 223,545	\$ 374,451	67.5%	\$ 150,906
Regular Instruction	2,859,266	3,648,072	2,885,228	2,943,404	2.0%	58,176
Special Education	951,022	1,080,286	1,038,957	1,181,259	13.7%	142,302
Instructional Support	156,302	166,665	174,141	198,282	13.9%	24,141
Pupil Support	138,625	154,257	167,749	235,475	40.4%	67,726
Buildings and Grounds	589,394	785,953	589,394	589,589	0.0%	195
Indirect Expenditures	1,198,941	1,492,104	1,504,508	1,739,948	15.6%	235,440
<b>Total</b>	<b>\$ 6,117,095</b>	<b>\$ 7,545,547</b>	<b>\$ 6,583,522</b>	<b>\$ 7,262,408</b>	<b>10.3%</b>	<b>\$ 678,886</b>

The graph below shows the proportionate allocation of revenues across the various expenditure categories. Administrative costs remain at the 5% level. Regular instruction, special education, instructional support, and pupil support total approximately 63% of the operating budget.

**2016-17 OJHS Expenditure Budget**



The total amount of revenue allocated per pupil at Owatonna Junior High School totals \$9,321. The total expenditures per pupil are \$9,926. 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: 81% Caucasian, 9.8% Hispanic, 7% African-American and 2% Asian descent. Approximately 11% of our students receive special education services and 32% 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 and tenth Grade Academies," a "school within a school" for less than one-fourth of our ninth and tenth grade students. Working with these students 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 9<sup>th</sup> grade being reduced by two-thirds – significantly less than the national and state average. 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 six 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 eighth 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!

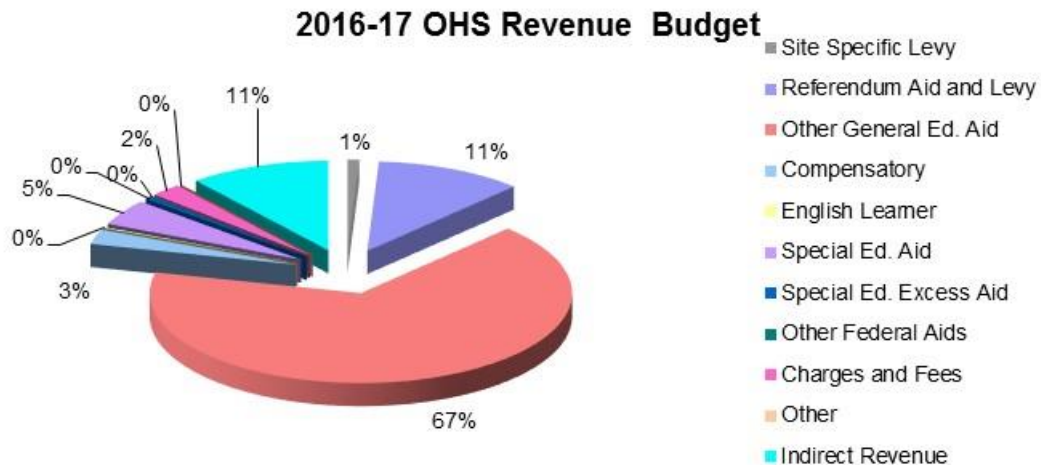
### Owatonna High School’s Economic Outlook

Revenue from the state’s general education aid formula is calculated at a rate of 1.20 of the basic student count times \$6,067. The revenue for the High School will decrease by approximately 1.5%. This decrease is mainly due to a decline in enrollment.

#### OHS Revenues

Description	2013-14	2014-15	2015-16	2016-17	Change %	Change Amount
	Actual	Actual	Budget	Budget		
Site Specific Levy	\$ 52,800	\$ 138,229	\$ 184,582	\$ 138,229	-25.1%	\$ (46,353)
Referendum Aid and Levy	1,310,696	1,752,008	1,730,339	1,769,629	2.3%	39,290
Other General Ed. Aid	10,056,303	10,180,926	10,467,758	10,367,290	-1.0%	(100,468)
Compensatory	419,297	410,292	485,971	412,489	-15.1%	(73,482)
English Learner	28,568	37,252	34,283	29,004	-15.4%	(5,279)
Special Ed. Aid	568,267	621,520	632,791	731,165	15.5%	98,374
Special Ed. Excess Aid	71,602	60,287	60,287	60,287	0.0%	-
Other Federal Aids	34,000	-	30,000	30,000	0.0%	-
Charges and Fees	345,999	382,584	341,995	370,756	8.4%	28,761
Other	258,477	-	39,617	-	-100.0%	(39,617)
Indirect Revenue	1,407,252	1,900,171	1,823,289	1,686,343	-7.5%	(136,946)
<b>Total</b>	<b>\$14,553,261</b>	<b>\$15,483,269</b>	<b>\$15,830,912</b>	<b>\$15,595,192</b>	<b>-1.5%</b>	<b>\$ (235,720)</b>

A graphic illustration of the projected revenues in the High School is shown in the following chart. Approximately 67% 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.



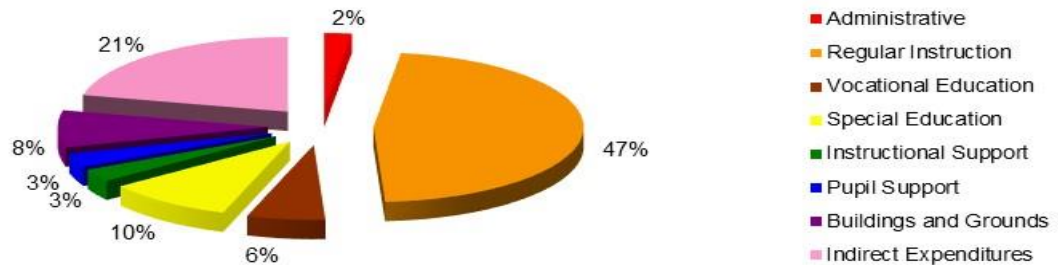
The OHS expenditure budget represents the largest site budget in the District. For the 2016-17 school year, the projected increase in expenditures will be 2.8%. The largest areas of increase are regular and special education due mainly to changes in employee contracts.

**OHS Expenditures**

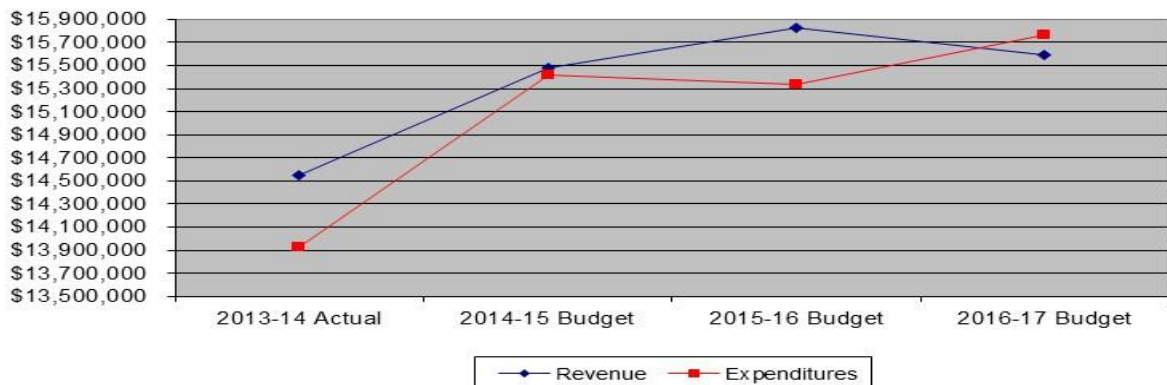
Description	2013-14	2014-15	2015-16	2016-17	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Administrative	\$ 311,085	\$ 333,123	\$ 335,856	\$ 331,984	-1.2%	\$ (3,872)
Regular Instruction	6,618,776	6,867,392	7,072,044	7,411,154	4.8%	339,110
Vocational Education	867,846	905,302	1,093,535	947,367	-13.4%	(146,168)
Special Education	1,352,366	1,333,149	1,357,766	1,532,582	12.9%	174,816
Instructional Support	408,939	417,470	425,459	433,901	2.0%	8,442
Pupil Support	421,306	426,266	449,018	465,311	3.6%	16,293
Buildings and Grounds	1,623,185	1,867,826	1,263,165	1,267,511	0.3%	4,346
Indirect Expenditures	2,439,686	3,269,596	3,334,805	3,375,595	1.2%	40,790
<b>Total</b>	<b>\$14,043,189</b>	<b>\$15,420,124</b>	<b>\$15,331,648</b>	<b>\$15,765,405</b>	<b>2.8%</b>	<b>\$ 433,757</b>

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, and 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 68%.

**2016-17 OHS Expenditure Budget**



The total revenue per pupil allocated to the senior high school is \$9,250 while the total expenditure is \$9,252. 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 2015-2016 school year we provided educational services to 182+ students at Vine Street (ALC & ACTIONS) and 61 students in our ALC Math program at the OJHS.

The percentage of ALC students served at Vine Street who were eligible to participate in free and reduced lunch was 71.8%. About 39.7% of the ALC students at Vine St. are Hispanic, 7.7% Black, and 52.6% Caucasian. During the 2015-2016 school year we plan to graduate 25 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 Public Schools 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 15<sup>th</sup> Annual Downtown Cleanup, Fundraiser for our Social Studies Teacher who has Cancer, Toys for Tots, Tree Fluff Program, and the library garden. One of our senior students will also receive a scholarship from the Morning Rotary. We have also expanded our programming for ALC students to take PSEO (Post Secondary Enrollment Options) in the Owatonna REACH (Reaching Education and Career Heights) at Riverland Community College. 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. We continued Read 180 (reading intervention) and have added some additional elective course options in a pilot program called Edynamics. The next two years, we are continuing to implement a personalized digital curriculum format using a Moodle platform to increase rigor, access, and student engagement. This educational design provides both face-to-face learning and digital instruction. This use of technology brings new options for students to learn at their own pace with high level support from their teachers. This format also allows us to address the various reading and math levels of students and access their learning needs in real time. We successfully incorporated a consistent set of behavioral expectations resulting in a reduction of the number of student behavior referrals and completed the first year training 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 has met the requirement to identify a team, attended the first year of the nine training sessions over two years and regularly collected information on outcomes, implementation and efforts. We also continue to provide an Independent Study Program and 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 (\$6,067 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

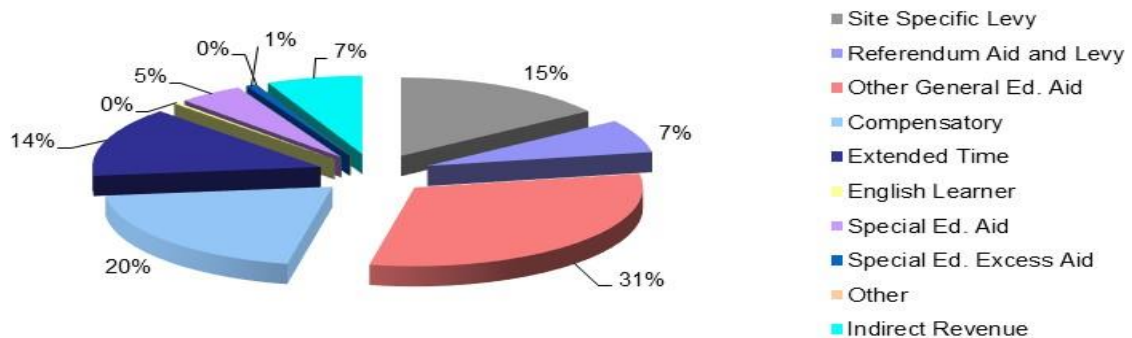
the regular revenue calculation for the other sites. General education aid is calculated based on the actual formula at 90% of what is allowed to be applied to area learning centers. About one-half of the ALC students are “extended time” students that receive a lower per pupil funding rate of \$4,605 versus \$6,067 for regular time pupil units. The ALC moved into a leased space in 2009-10. 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	2013-14	2014-15	2015-16	2016-17	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Site Specific Levy	\$ 201,272	\$ 194,800	\$ 201,272	\$ 194,800	-3.2%	\$ (6,472)
Referendum Aid and Levy	58,393	88,341	84,444	87,086	3.1%	2,642
Other General Ed. Aid	448,019	396,508	461,604	394,355	-14.6%	(67,249)
Compensatory	166,247	177,516	191,643	254,656	32.9%	63,013
Extended Time	306,887	182,795	275,928	182,795	-33.8%	(93,133)
English Learner	506	-	948	4,229	346.1%	3,281
Special Ed. Aid	21,462	54,478	54,873	58,687	7.0%	3,814
Special Ed. Excess Aid	2,704	8,553	8,553	8,553	0.0%	-
Other	11,460	-	1,450	-	-100.0%	(1,450)
Indirect Revenue	62,695	88,806	80,403	86,641	7.8%	6,238
<b>Total</b>	<b>\$ 1,279,645</b>	<b>\$ 1,191,797</b>	<b>\$ 1,361,118</b>	<b>\$ 1,271,802</b>	<b>-6.6%</b>	<b>\$ (89,316)</b>

From the graph below, it can be seen the ALC operates under fewer revenue sources. Compensatory and general education aid are the two largest sources of income. This is approximately 51%.

**2016-17 ALC Revenue Budget**



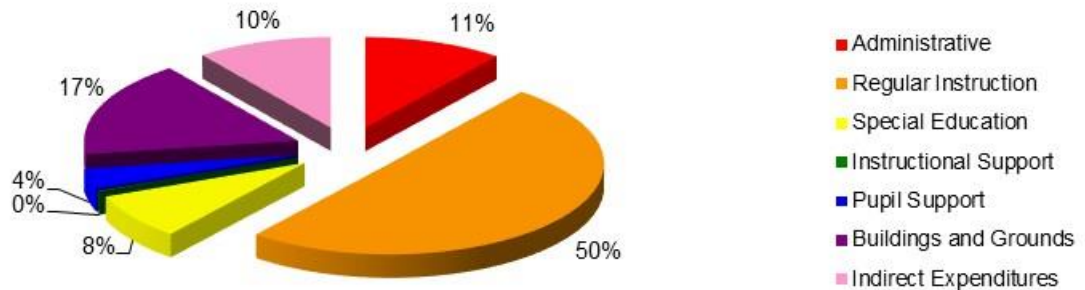
The following expenditure budget projects an increase of 12.8% for the coming year. This increase is primarily due to an increase in regular instruction. See the expenditure detail below.

**ALC Expenditures**

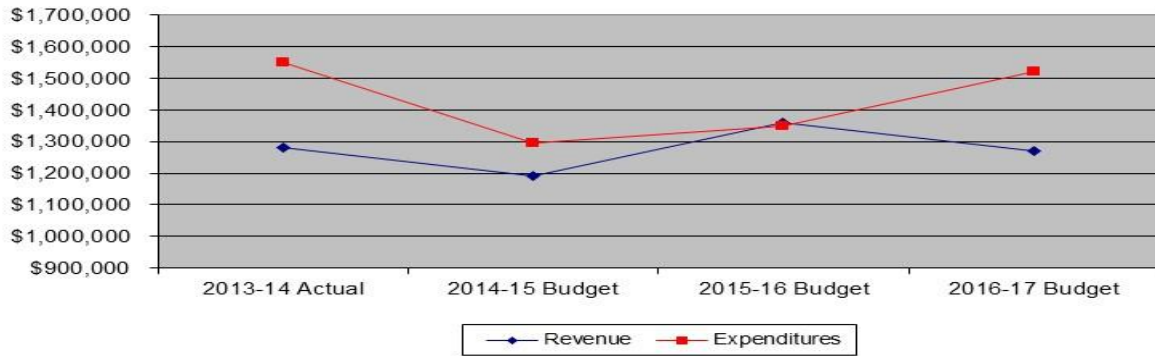
Description	2013-14	2014-15	2015-16	2016-17	Change	Change
	Actual	Actual	Budget	Budget	%	Amount
Administrative	\$ 116,256	\$ 138,234	\$ 115,720	\$ 160,280	38.5%	\$ 44,560
Regular Instruction	430,262	577,489	628,480	763,706	21.5%	135,226
Special Education	141,952	115,759	110,582	124,898	12.9%	14,316
Instructional Support	19,126	22,216	22,512	1,596	-92.9%	(20,916)
Pupil Support	9,734	48,238	50,969	54,180	6.3%	3,211
Buildings and Grounds	255,732	241,978	273,422	260,475	-4.7%	(12,947)
Indirect Expenditures	108,691	152,806	146,648	156,137	6.5%	9,489
<b>Total</b>	<b>\$ 1,081,753</b>	<b>\$ 1,296,720</b>	<b>\$ 1,348,333</b>	<b>\$ 1,521,272</b>	<b>12.8%</b>	<b>172,939</b>

Based on the graph below, the ALC spends approximately 62% 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.

### 2016-17 ALC Expenditure Budget



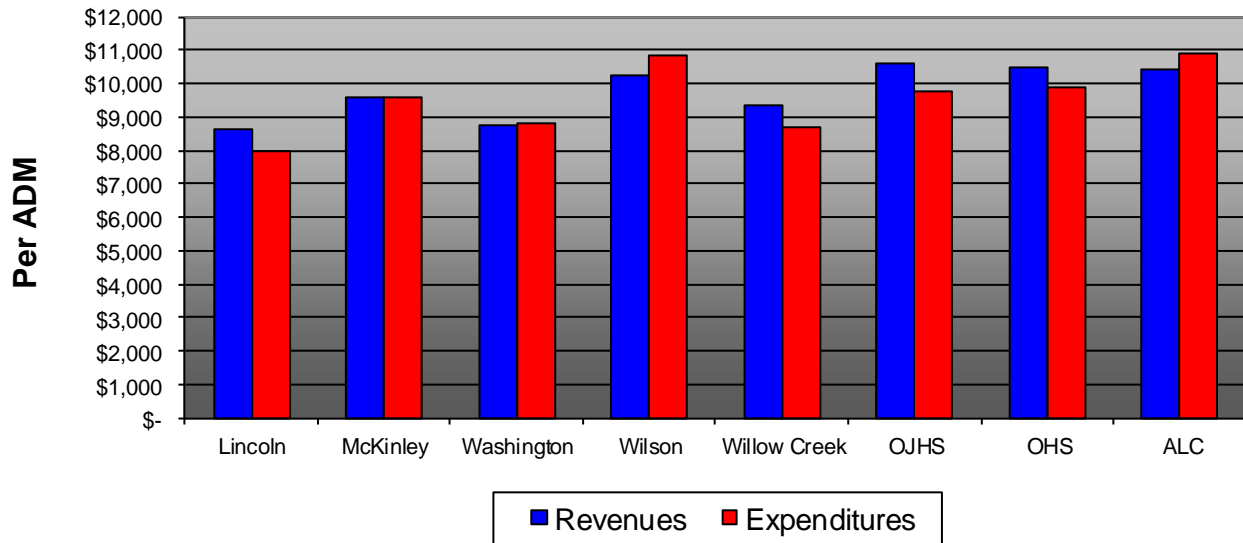
The total revenue per pupil allocated to the Area Learning Center is \$11,458 while the total expenditure per pupil is \$12,131. The relationship between revenues and expenditures over the last three years can be shown in the table below.



### K-12 Summary Cost Comparison

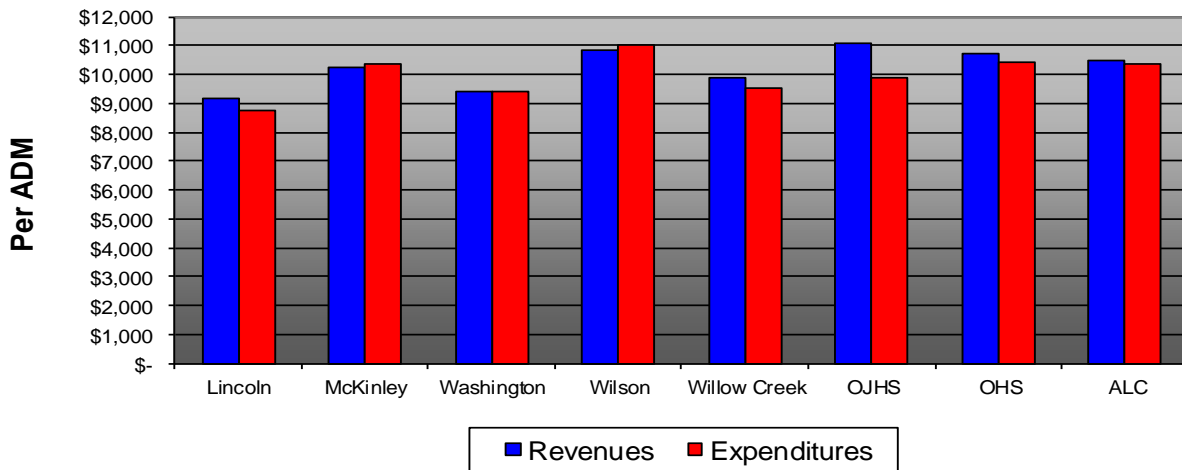
When looking at each building site collectively, the comparison between revenues and expenditures per adjusted daily membership (ADM) in 2014-15 can be seen in the graph below. The 'gaps' represent a redistribution of revenue across the District in order to balance learning expectations, such as elementary class sizes and student needs.

**2014-15 Preliminary Budget per ADM**



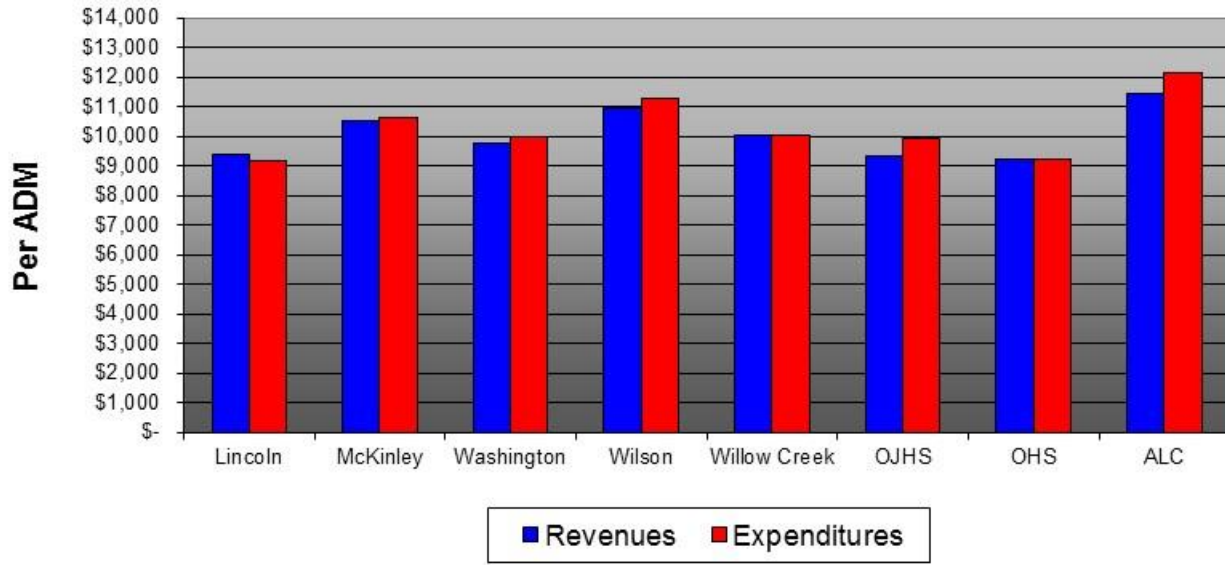
The graph below shows the same comparison as the above graphs between revenues and expenditures per ADM for 2015-16.

**2015-16 Preliminary Budget per ADM**



The graph below shows the same comparison as the above graphs between revenues and expenditures per ADM for 2016-17.

2016-17 Preliminary Budget per ADM



# CHAPTER SIX - ACTIVITIES PROGRAM REPORT

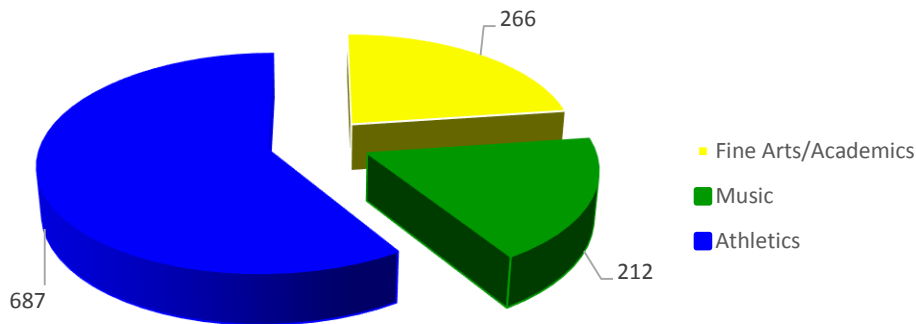
The Owatonna School District has an extensive array of activities designed to complement and enhance the learning experience for our senior high students. The tradition of excellence in arts and activities is one of the benchmarks against which our school district is measured.

### Activities Overview

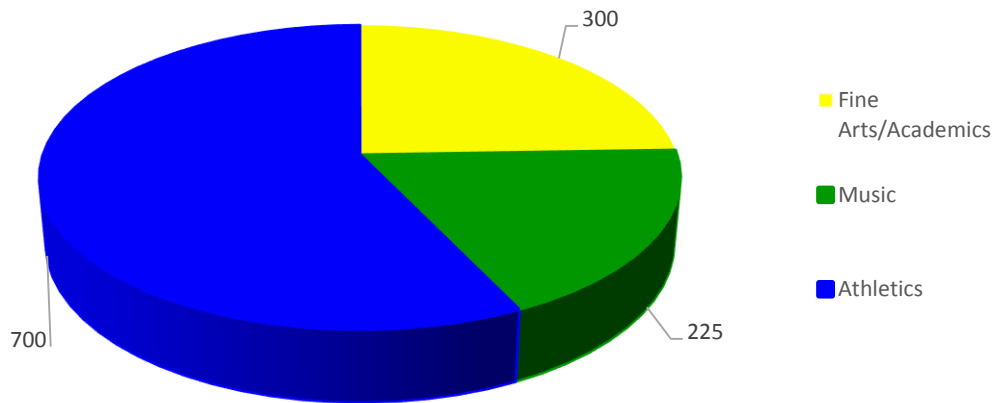
The breadth in curricular opportunities is important to our ability to provide a wide range of opportunities for students in Owatonna High School's extra-curricular program; helping them to cultivate and expand upon their personal growth and development. This past year, students could choose to participate 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.

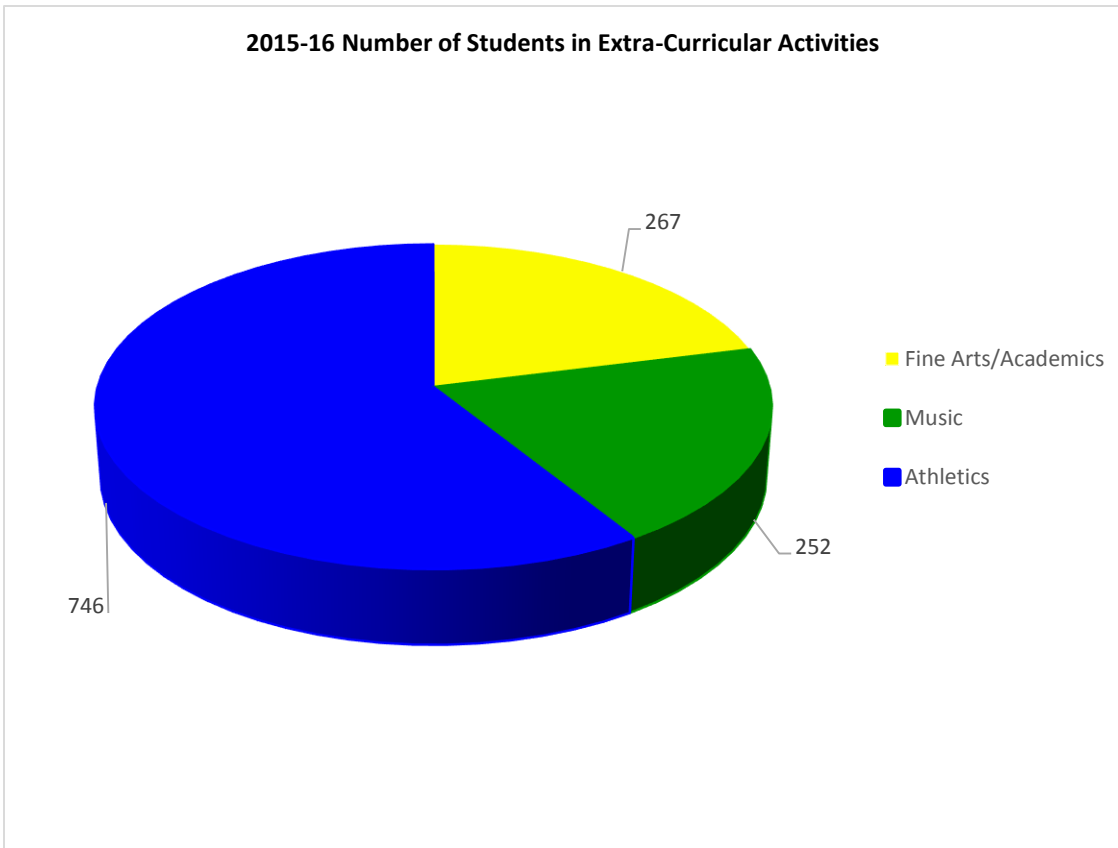
The graphs below illustrate the number of students who chose to participate in our various extra-curricular programs. There is three years of history included. For each category, students are counted only once. However, if a student participated in both music and athletics that student would appear in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

**2013-14 Number of Students in Extra-Curricular Activities**



**2014-15 Number of Students in Extra-Curricular Activities**





The graph suggests that approximately 1,265 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 2013-14 and 2014-15 and the budgeted expenditures for 2015-2016 and 2016-17 are shown in the table on the next page.



**OHS Activities Expenditure Budget**

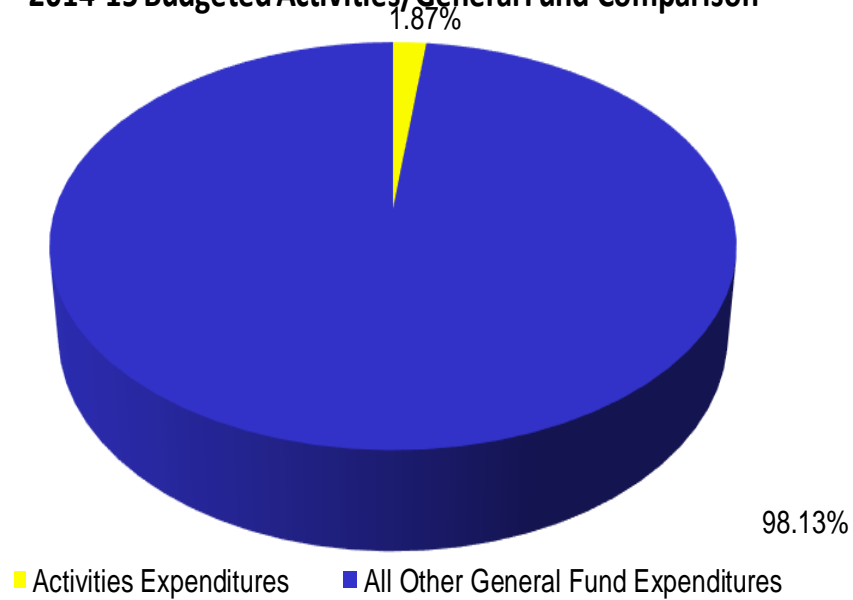
	<u>2013-14 Actual</u>	<u>2014-15 Actual</u>	<u>2015-16 Budget</u>	<u>2016-17 Budget</u>
Adaptive Athletics	14,069	13,927	12,085	12,175
<u>Boys Athletics</u>				
Baseball	27,179	27,642	24,127	24,941
Basketball *	38,691	42,891	45,143	41,990
Cross Country	11,305	13,736	12,067	12,390
Football *	66,430	69,428	61,508	72,787
Soccer	24,907	26,028	24,907	24,733
Golf	19,438	15,318	10,500	10,375
Hockey *	32,611	40,802	30,385	28,975
Swimming *	20,585	23,113	21,801	22,766
Tennis	10,941	12,027	10,126	10,244
Track	22,169	21,242	19,391	18,552
Wrestling *	34,281	42,221	28,228	27,930
LaCrosse *	8,794	17,189	17,887	19,134
<b>Total Boys Athletics</b>	<b>317,331</b>	<b>351,637</b>	<b>306,070</b>	<b>314,817</b>
<u>Girls Athletics</u>				
Basketball *	33,853	34,721	43,177	41,177
Cross Country	12,414	11,612	12,248	13,462
Soccer	23,577	27,729	28,628	28,062
Golf	11,976	13,209	10,897	11,804
Hockey *	23,544	42,339	27,179	32,959
Swimming *	20,352	23,987	21,545	22,621
Tennis	13,099	13,326	11,130	11,356
Track	22,812	23,556	24,857	21,432
Softball	20,584	23,506	22,459	23,376
Gymnastics *	17,087	17,921	17,286	17,493
Volleyball *	31,510	30,820	28,890	31,157
Cheerleading	16,500	16,557	17,174	17,860
LaCrosse *	8,473	19,833	17,746	17,432
<b>Total Girls Athletics</b>	<b>255,781</b>	<b>299,116</b>	<b>283,216</b>	<b>290,191</b>
<u>Activities</u>				
Publishing	4,729	4,843	4,997	5,135
Culinary	-	1,312	1,339	1,386
Link Crew	2,286	1,932	1,979	2,037
Magnet (Newspaper)	15,373	13,033	19,299	16,641
Yearbook	5,904	6,033	6,333	6,514
Robotics	-	1,939	1,852	2,056
Speech	10,102	12,216	10,750	11,621
Drama *	37,253	29,458	30,473	35,628
Other	22,295	24,575	21,220	26,334
<b>Total Activities</b>	<b>97,942</b>	<b>95,341</b>	<b>98,242</b>	<b>107,352</b>
<u>Other</u>				
Auditorium Management	2,752	4,921	1,680	3,836
Weight Room	-	2,600	4,500	4,500
Athletic Training	9,450	26,704	26,350	27,650
Operating Capital	10,469	10,838	9,000	10,000
Activities Admin., Office Support, Etc.	223,871	224,606	244,912	218,188
<b>Total Other</b>	<b>246,542</b>	<b>269,669</b>	<b>286,442</b>	<b>264,174</b>
<b>TOTAL ACTIVITIES BUDGET</b>	<b>931,665</b>	<b>1,029,690</b>	<b>986,055</b>	<b>988,709</b>

\* Revenue generating activities

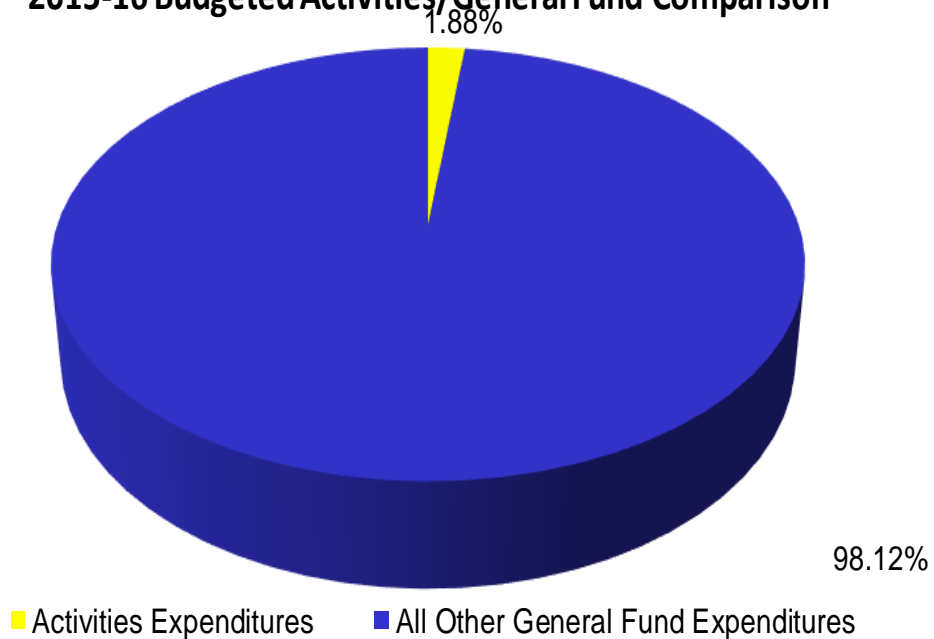
The projected increase in the budget for next year is reflective of historical and anticipated expenditures for these programs.

The activities expenditure budget was approximately \$ \$990,000 for the 2015-16 school year and 2016-17 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.

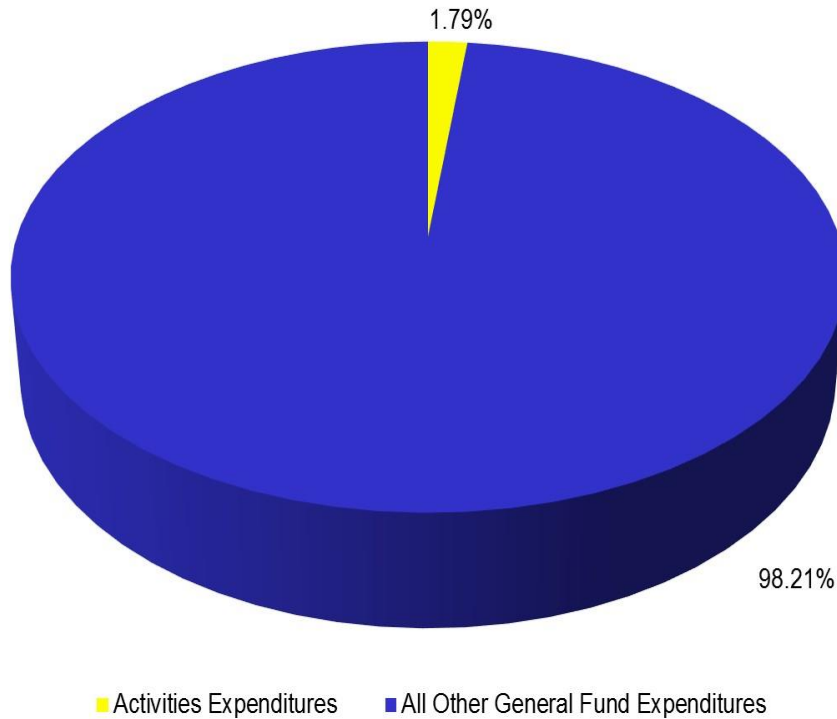
**2014-15 Budgeted Activities/General Fund Comparison**



**2015-16 Budgeted Activities/General Fund Comparison**



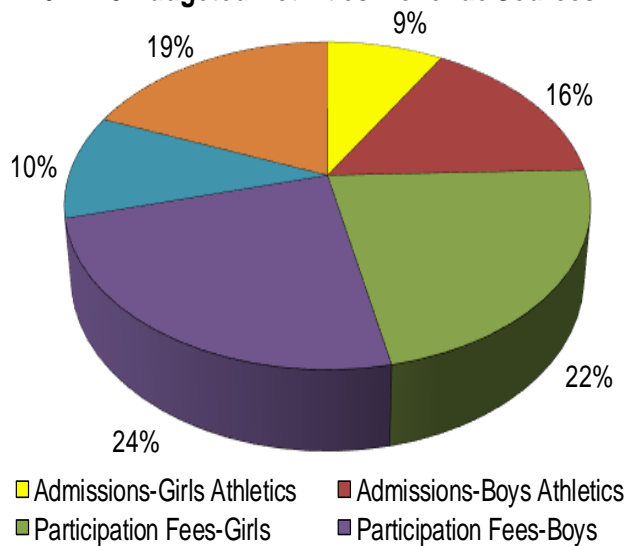
### 2016-17 Budgeted Activities/General Fund Comparison



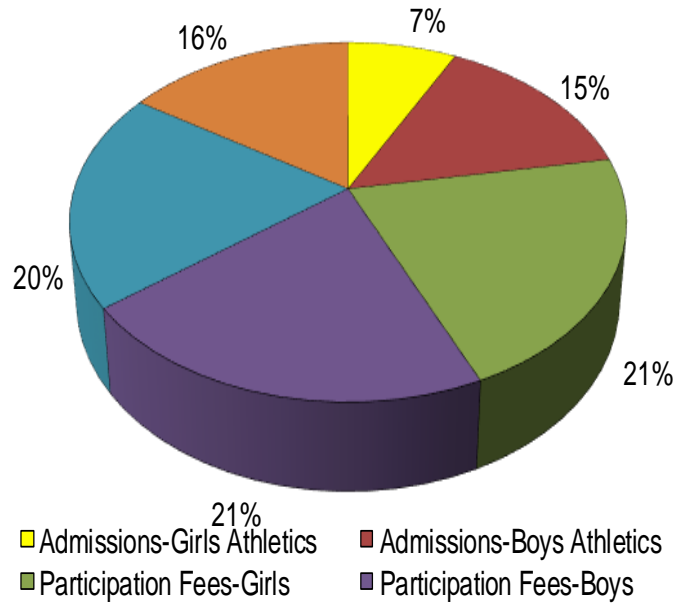
These costs in relation to the overall budget have remained fairly consistent over the past several years and are projected to remain with little change in the upcoming year.

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.

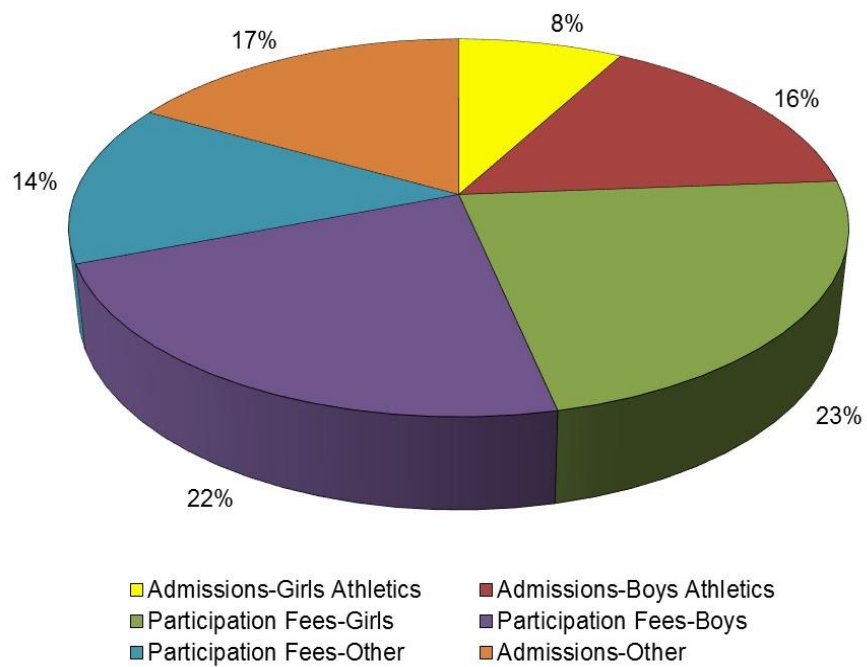
### 2014-15 Budgeted Activities Revenue Sources



### 2015-16 Budgeted Activities Revenue Sources

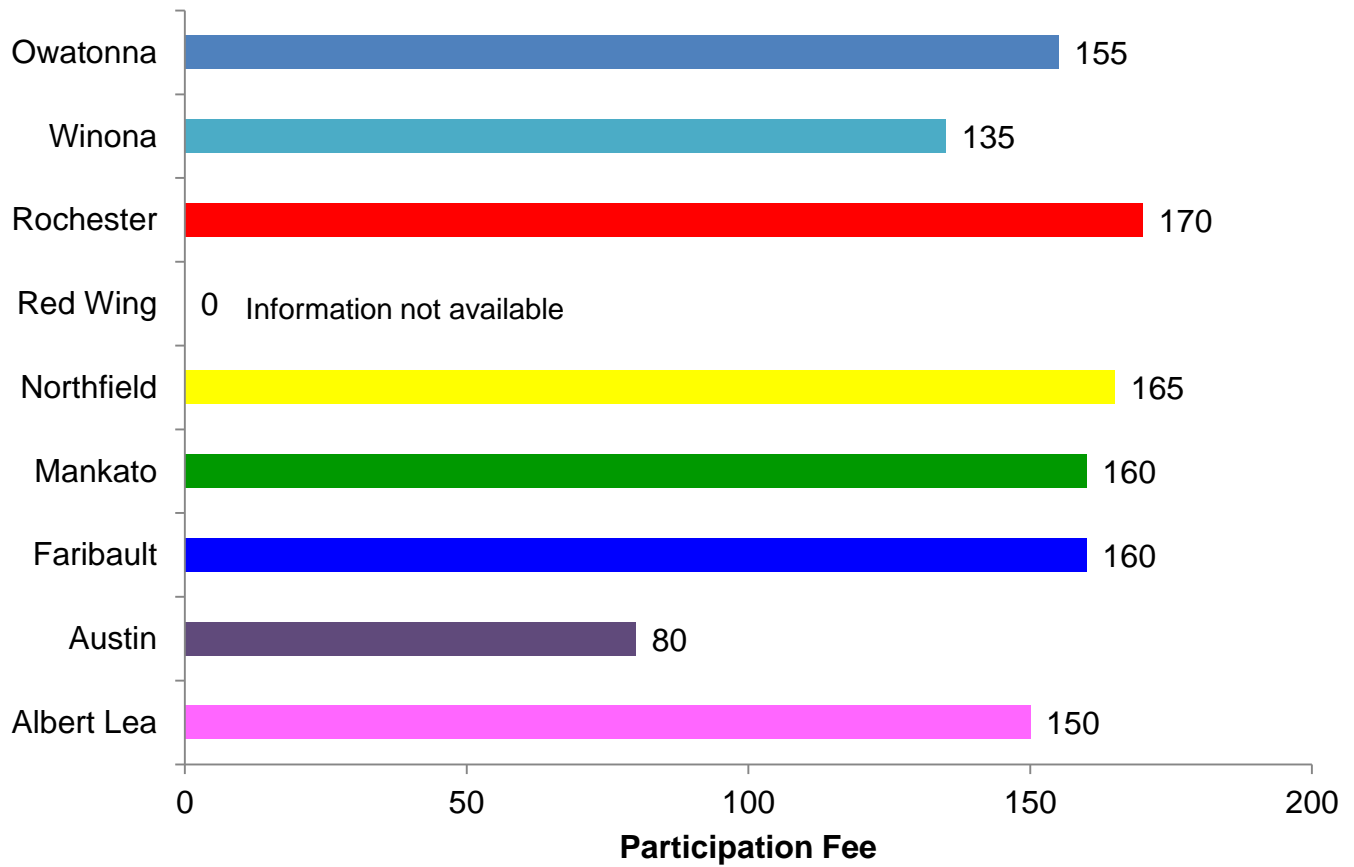


### 2016-17 Budgeted Activities Revenue Sources



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%).

### 2016-17 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, 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. Special education staff continue to be effective members of Professional Learning Communities in the District, and work with general education counterparts to 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. 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 evaluation. 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 in our Actions, Elementary Actions, and Junior High behavioral support programs. The agency provides a Mental Health Professional, Mental Health Practitioners and Behavioral Aides, at a cost that provides a 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 Evaluation Team process insures that our building special education teachers are able to work directly with student instruction. The Evaluation Team members conduct all initial special education evaluations. 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 effective 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 community day cares, community preschools, or in school-based preschools. We continue the collaboration we started several years ago with a local child care/preschool 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/preschool center.

Owatonna continues to capture revenue through third party billing 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.

Title I services are provided in schools with increased Free and Reduced student populations. Teachers funded through Title I provide Tier 2 instruction for learners who need more time and support to learn grade level standards and foundational skills. This year, we were able to provide five intervention 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, such as dedicated staff well versed in practice. Opportunities to improve were also noted, such as greater parental involvement. A Coordinator was put in place to guide the work of this department during the 2015-16 school year. The compliance report is providing work direction for program improvements. EL teachers are 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.

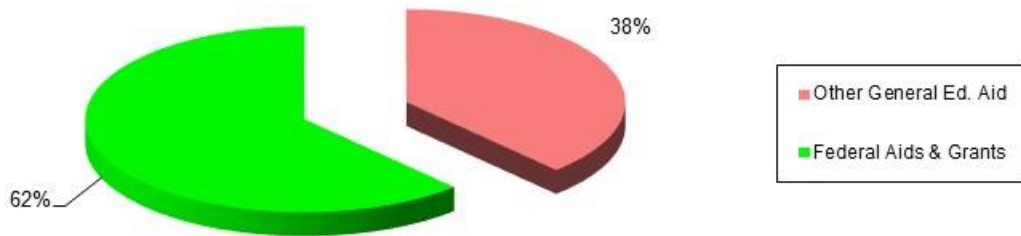
**Special Services Revenues by Source**

Source	Description	2013-14 Actual	2014-15 Budget	2015-16 Budget	2016-17 Budget	Change %	Change Amount
211	Other General Ed. Aid	\$ 467,712	\$ 441,979	\$ 472,348	\$ 431,137	-8.7%	\$ (41,211)
400	Federal Aids & Grants	816,455	839,332	769,789	916,941	19.1%	147,152
<b>Special Services Totals</b>		<b>\$ 1,284,167</b>	<b>\$ 1,281,311</b>	<b>\$ 1,242,137</b>	<b>\$ 1,348,078</b>	<b>8.5%</b>	<b>\$ 105,941</b>

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.

**2016-17 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**

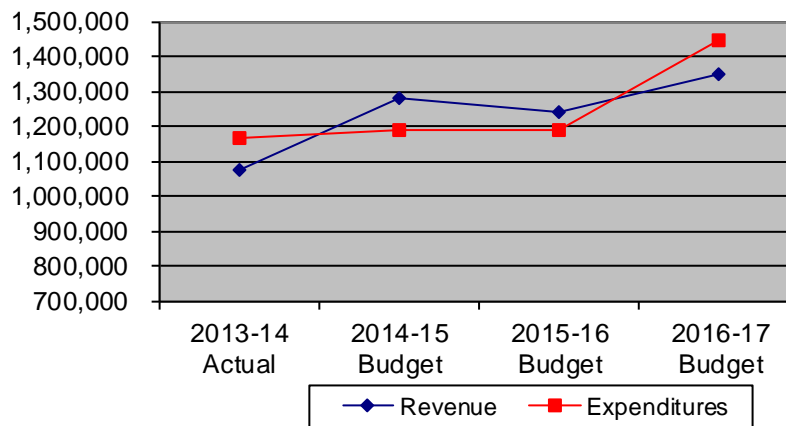
<u>Program</u>	<u>Description</u>	<u>2013-14 Actual</u>	<u>2014-15 Budget</u>	<u>2015-16 Budget</u>	<u>2016-17 Budget</u>	<u>Change %</u>	<u>Change Amount</u>
201	Elem Ed - Kindergarten	\$ 5,462	\$ 13,513	\$ 13,513	\$ -	-100.0%	\$ (13,513)
203	Elem Ed Grades 1-6	207,702	139,061	165,703	229,898	38.7%	64,195
204	Title II, Part A	133,678	123,738	128,903	120,769	-6.3%	(8,134)
205	Title III, Part A	11,696	38,242	48,346	52,715	9.0%	4,369
211	Secondary Ed. - General	12,996	57,673	57,736	-	-100.0%	(57,736)
216	Title I, Migrant	671,081	596,646	558,365	743,457	33.1%	185,092
219	English Learner	218,420	218,472	218,075	298,919	37.1%	80,844
<b>Special Services Total</b>		<b>\$ 1,261,035</b>	<b>\$ 1,187,345</b>	<b>\$ 1,190,641</b>	<b>\$ 1,445,758</b>	<b>21.4%</b>	<b>\$ 255,117</b>

Based on the above, Title I is the largest expenditure program in special services. This accounts for over 52% 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. 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.

	<u>2013-14 Actual</u>	<u>2014-15 Budget</u>	<u>2015-16 Budget</u>	<u>2016-17 Budget</u>
Revenues	1,075,757	1,281,311	1,242,137	1,348,078
Expenditures	1,164,079	1,187,345	1,190,641	1,445,758

**Special Services Revenue and Expenditure Comparison**



## Special Education Economic Outlook

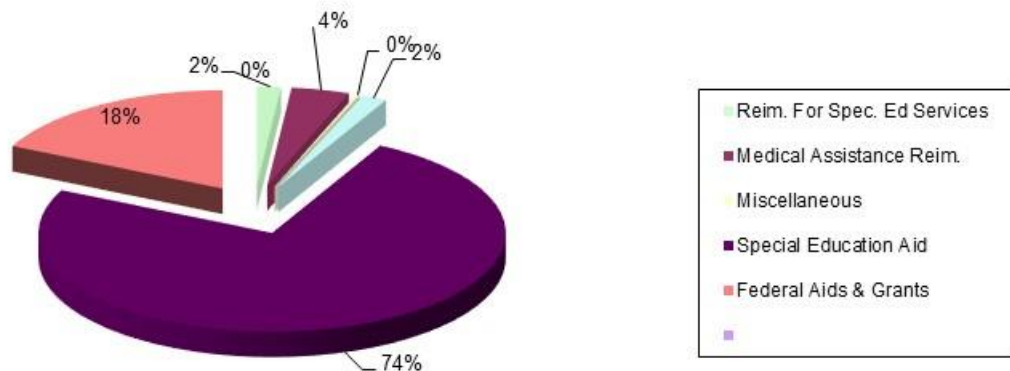
The special education budget includes those revenues and expenditures directly related to special education programs, like speech, visually impaired, emotional/behavioral disorder, and autism. The special education budget generates revenues from a variety of federal, state, and local sources. The expenditure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

### Special Education Revenues by Source

Source	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change %	Change Amount
022	Reim. For Spec. Ed Services	\$ 95,000	\$ 87,477	\$ 95,000	\$ 95,000	0.0%	\$ -
071	Medical Assistance Reim.	300,000	182,098	225,000	228,375	1.5%	3,375
099	Miscellaneous	67,600	4,600	67,000	15,000	-77.6%	(52,000)
211	Other General Ed. Aid	187,097	88,958	180,078	97,450	-45.9%	(82,628)
360	Special Education Aid	3,820,532	4,872,334	4,772,856	4,430,604	-7.2%	(342,252)
400	Federal Aids & Grants	928,069	882,655	1,061,457	1,015,218	-4.4%	(46,239)
<b>Special Education Totals</b>		<b>\$ 5,398,298</b>	<b>\$ 6,118,122</b>	<b>\$ 6,401,391</b>	<b>\$ 5,881,647</b>	<b>-8.12%</b>	<b>\$ (519,744)</b>

Special education services is expecting a decrease from prior year due to the District's current Actions Program moving to the Cannon Valley Special Education Cooperative in the 16-17 school year. The funding categories are shown in the following graph.

### 2016-17 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**

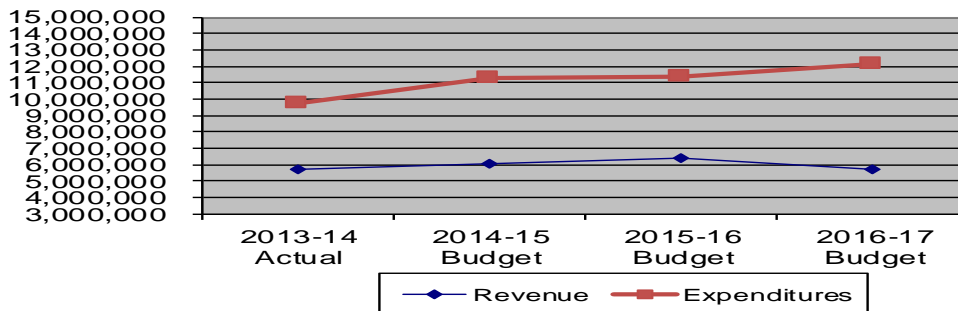
Program	Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change %	Change Amount
030	Instructional Administration	24,016	\$ 26,811	\$ 24,239	\$ 32,482	34.0%	\$ 8,243
211	Secondary Ed. - General	20,651	20,669	8,861	-	-100.0%	(8,861)
400	General Special Ed.	146,994	179,791	254,188	239,965	-5.6%	(14,223)
401	Speech/Lang. Impaired	627,980	673,788	722,942	765,891	5.9%	42,949
402	Mild-Mod. Mentally Imp.	916,115	934,481	932,509	1,055,020	13.1%	122,511
403	Mod.-Severe Mentally Imp.	503,927	642,864	750,080	718,455	-4.2%	(31,625)
404	Physically Impaired	377,124	394,175	423,544	449,123	6.0%	25,579
405	Deaf - Hard of Hearing	87,540	97,547	83,664	100,138	19.7%	16,474
406	Visually Impaired	123,272	127,755	126,489	135,902	7.4%	9,413
407	Specific Learning Disability	1,318,013	1,561,617	1,570,067	1,700,619	8.3%	130,552
408	Emot/Behavioral Disorder	1,310,533	1,387,930	1,397,519	1,813,960	29.8%	416,441
409	Deaf - Blind	16,252	15,999	6,600	16,600	151.5%	10,000
410	Other Health Impaired	146,070	167,125	177,571	150,451	-15.3%	(27,120)
411	Autism	671,977	803,440	859,696	888,883	3.4%	29,187
412	Early Childhood Spec. Ed.	722,249	754,345	879,070	1,017,510	15.7%	138,440
414	Traumatic Brain Inj	-	-	1,000	1,000	0.0%	-
416	Multiple Handicap	76,147	43,923	114,287	62,588	-45.2%	(51,699)
420	Special Education General	1,397,592	1,572,567	1,631,226	1,526,402	-6.4%	(104,824)
422	Special Ed Students w/o Disabilities	506,838	559,556	767,235	624,786	-18.6%	(142,449)
640	Staff Development	5,710	-	42	-	-100.0%	(42)
720	Health Services	-	-	-	-	#DIV/0!	-
740	Social Work Services	-	-	1,500	1,500	0.0%	-
760	Pupil Transportation	641,215	735,441	822,106	842,658	2.5%	20,552
850	Capital Facilities	47,000	43,350	48,410	-	-100.0%	(48,410)
<b>Special Education Totals</b>		<b>\$9,687,215</b>	<b>\$10,743,174</b>	<b>\$11,602,845</b>	<b>\$12,143,933</b>	<b>4.7%</b>	<b>\$ 541,088</b>

Overall, the special education budget is expected to increase by 4.7%. 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.

	2013-14 Actual	2014-15 Budget	2015-16 Budget	2016-17 Budget
Revenues	5,670,505	6,024,820	6,401,391	5,681,647
Expenditures	9,687,215	11,291,313	11,347,490	12,143,933

**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 high-quality and 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 525,625 student lunches, 7,022 adult lunches, and 301,938 student breakfasts, totaling 834,585 meals during the 2015-16 school year.

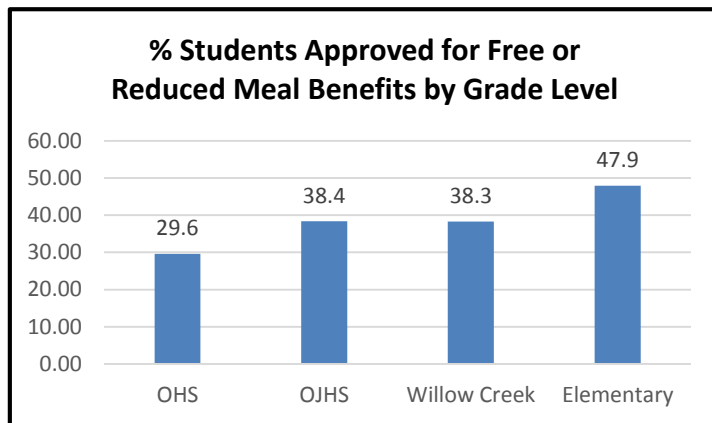
**The Food and Nutrition Services Department** not only provides nutritious school meals to the students and staff of Owatonna Public Schools, it also provides an interactive nutrition learning environment for our students. The forty department staff members that prepare and serve the meals reinforce 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 \$400,000 are projected to be collected in ala carte revenue during the 2015-16 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**

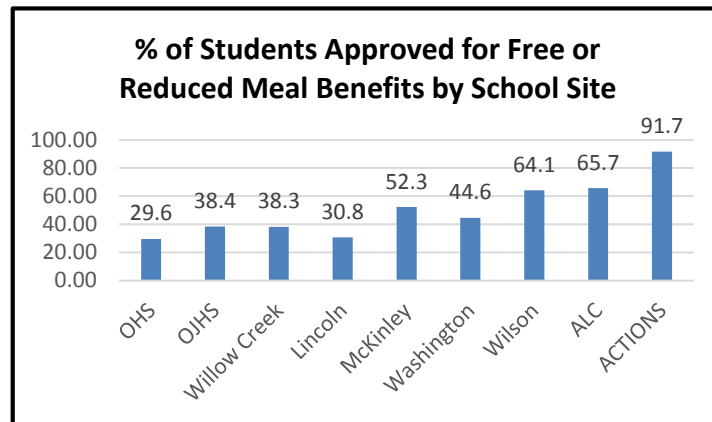
OHS	29.6%
OJHS	38.4%
Willow Creek	38.3%
Elementary	47.9%

***District Average***      **41.08%**



**Free & Reduced Stats by School Site**

OHS	29.6%
OJHS	38.4%
Willow Creek	38.3%
Lincoln Elementary	30.8%
McKinley Elementary	52.3%
Washington Elementary	44.6%
Wilson Elementary	64.1%
ALC	65.7%
Actions	91.7%



**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 \$2.78 on average for paid lunches in school year (SY) 2015-2016 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) 2016-2017 be increased by at least \$.10. Food & Nutrition Services is recommending the following meal price increases:

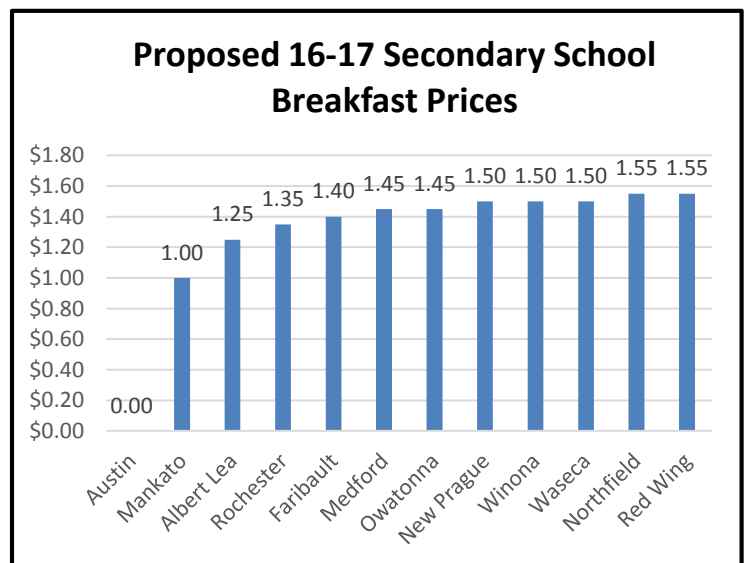
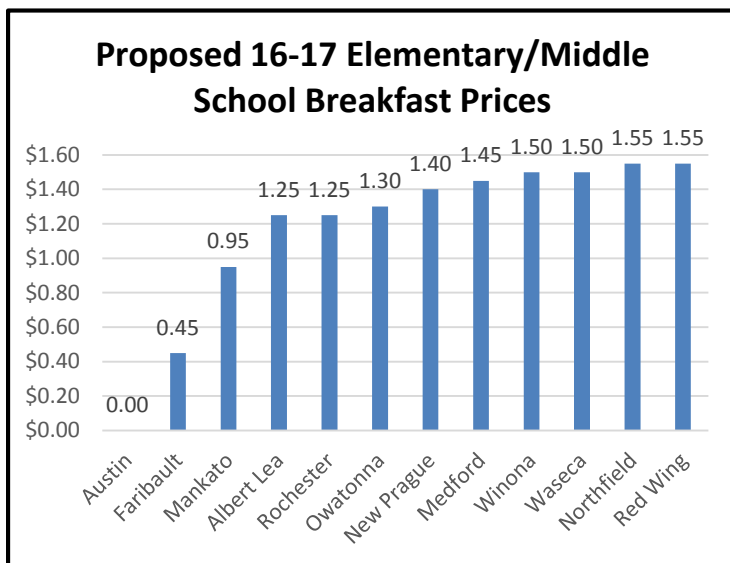
- Increase paid lunch prices by \$.05 and utilize non-federal funds to cover the difference.
- Increase paid breakfast prices by \$.05.
- Students that are eligible for free or reduced-priced meals will not be impacted by this price increase.

Increasing our meal prices will also allow us to:

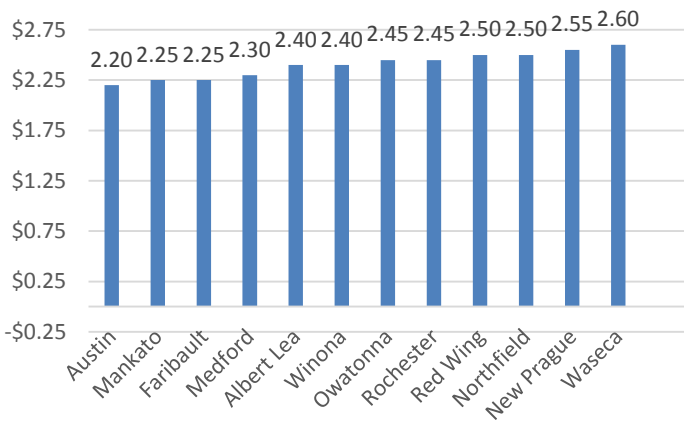
- stay closely aligned with surrounding district meal prices;
- continue to serve higher quality foods;
- keep pace with the rising costs of food, milk, supplies, labor and benefits;
- continue to move our meal programs forward by completing capital improvements as necessary (i.e. replacement of kitchen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

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

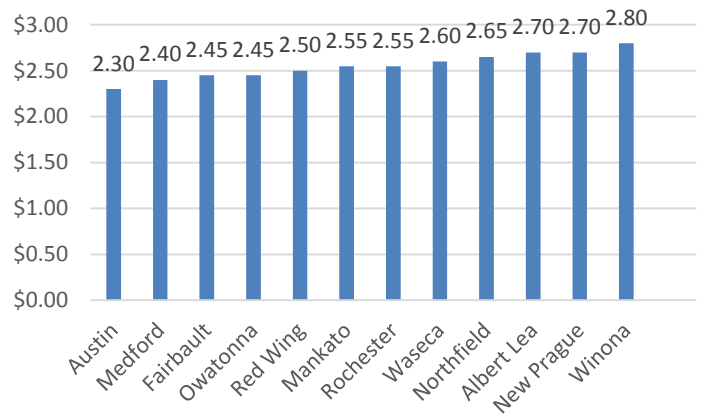
**BREAKFAST, LUNCH AND MILK PRICE COMPARISONS TO SURROUNDING DISTRICTS:**



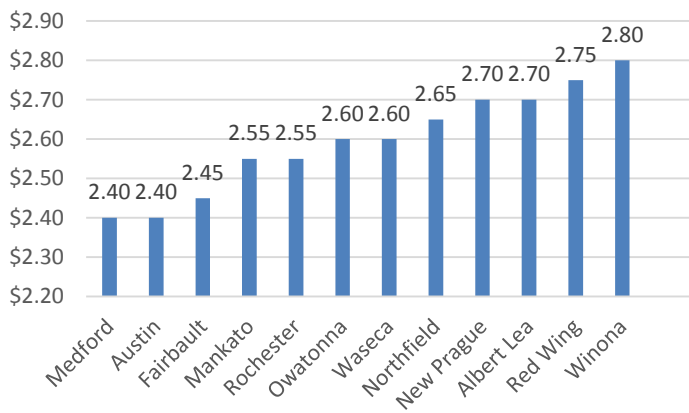
### Proposed 16-17 Elementary Lunch Prices



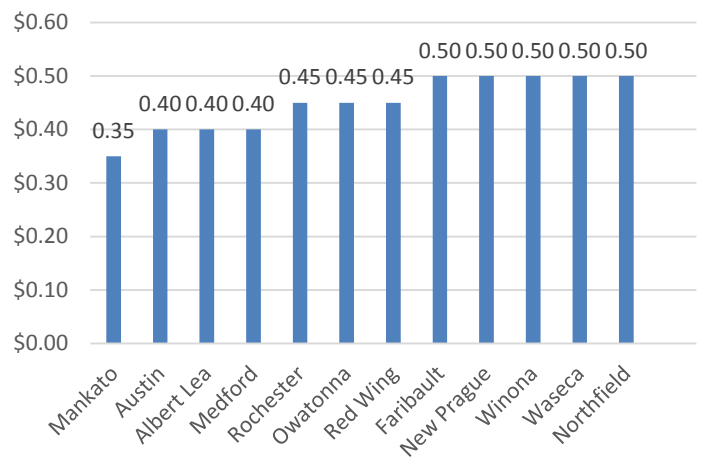
### Proposed 16-17 Middle School Lunch Prices



### Proposed 16-17 High School Lunch Prices



### Proposed 16-17 Milk Prices





## Food Service Economic Outlook

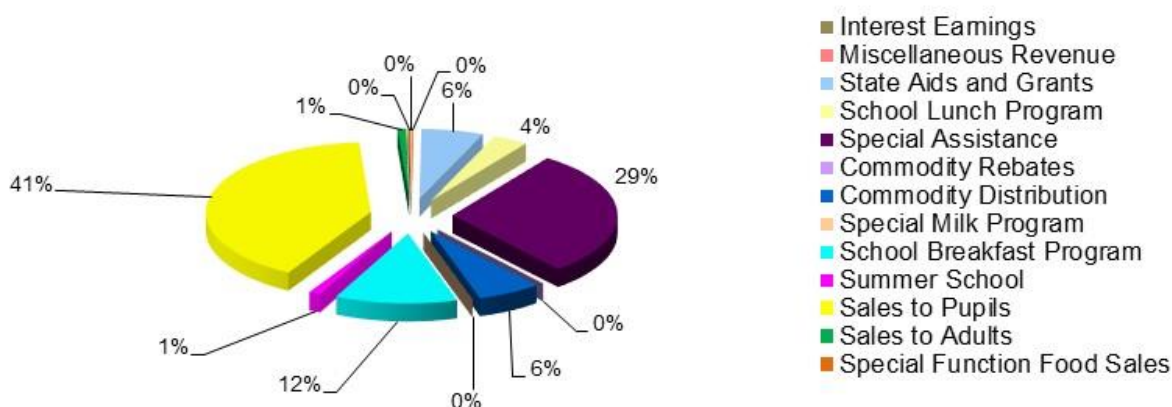
The projected revenue between 2015-16 and 2016-17 as shown in the table below shows a decrease. There are decreases in a majority of the areas with the exception of the state aids and grants, special assistance, and commodity distribution. The increase in special assistance is due to the revenue we receive from the Federal Free and Reduced Lunch Program.

### Food Service Revenues

Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change Percent	Change Amount
Interest Earnings	\$ 197	\$ 454	\$ 150	150	0.00%	\$ -
Miscellaneous Revenue	101,866	12,098	6,000	5,000	-16.67%	(1,000)
State Aids and Grants	121,883	186,792	159,900	169,400	5.94%	9,500
School Lunch Program	304,523	171,777	128,107	96,713	-24.51%	(31,394)
Special Assistance	483,185	725,814	776,650	811,378	4.47%	34,728
Commodity Rebates	2,872	73	-	-	#DIV/0!	-
Commodity Distribution	122,474	118,500	142,533	172,825	21.25%	30,292
Special Milk Program	4,341	162	160	160	0.00%	-
School Breakfast Program	294,772	387,178	344,541	332,228	-3.57%	(12,313)
Summer School	17,932	36,612	32,000	32,000	0.00%	-
Sales to Pupils	1,134,319	1,197,764	1,171,079	1,126,402	-3.82%	(44,677)
Sales to Adults	26,345	30,137	25,627	23,794	-7.15%	(1,833)
Special Function Food Sales	15,782	23,539	12,000	8,000	-33.33%	(4,000)
<b>Total</b>	<b>\$ 2,630,491</b>	<b>\$ 2,890,900</b>	<b>\$ 2,798,747</b>	<b>\$ 2,778,050</b>	<b>-0.7%</b>	<b>\$ (20,697)</b>

The largest source of funds is sales to pupils (41%). The next largest source is for special assistance. This accounts for 29% of total revenue. See the following pie chart for the breakdown of revenue for the Food Service Fund.

### 2016-17 Food Service Revenue Budget

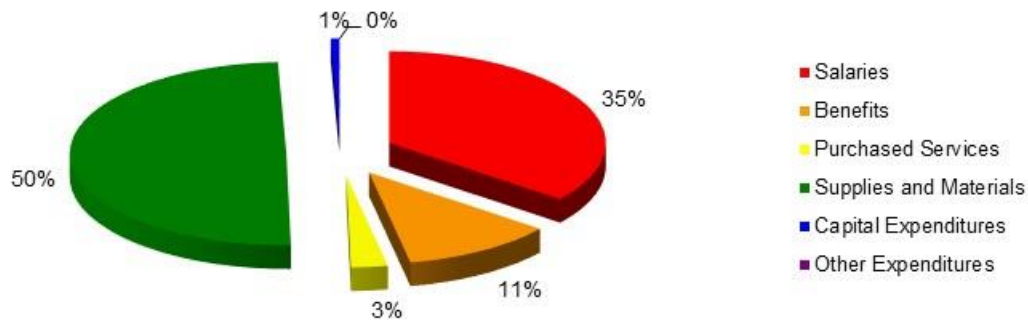


Expenditure changes in 2015-16 and 2016-17, as shown on the next page, varied because of certain items. The projected expenditures for 2016-17 increased from 2015-16 largely due to the changes in employee contracts. The decrease in capital expenditures is related to the decrease in new equipment that will need to be purchased in FY 17.

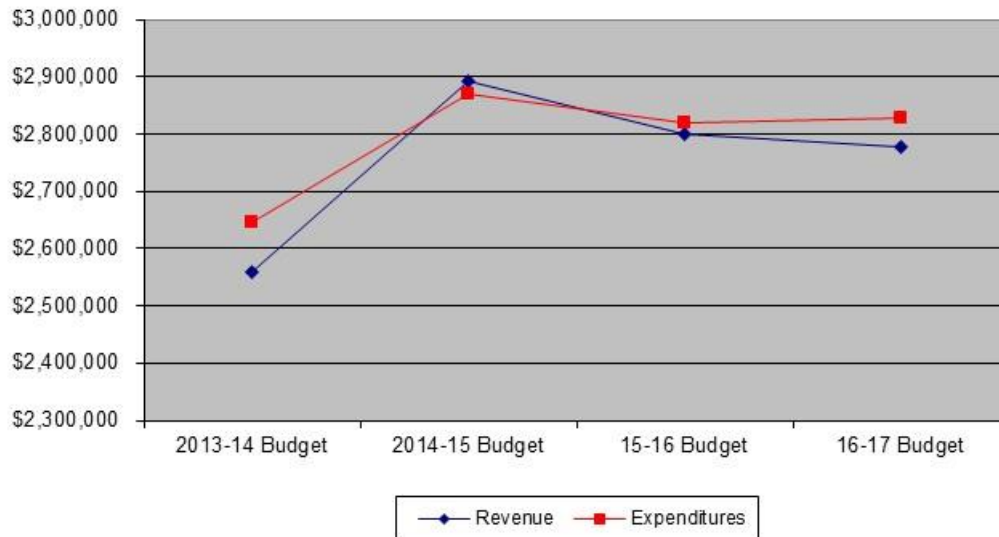
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change Percent	Change Amount
Salaries	\$ 821,513	\$ 932,123	\$ 984,312	\$ 1,004,431	2.04%	\$ 20,119
Benefits	281,306	295,959	316,414	322,400	1.89%	5,986
Purchased Services	62,430	71,345	81,348	77,198	-5.10%	(4,150)
Supplies and Materials	152,225	1,515,653	1,402,348	1,404,927	0.18%	2,579
Capital Expenditures	556	55,064	33,000	17,000	-48.48%	(16,000)
Other Expenditures	194,556	718	1,000	1,000	0.00%	-
<b>Total</b>	<b>\$ 1,512,586</b>	<b>\$ 2,870,862</b>	<b>\$ 2,818,422</b>	<b>\$ 2,826,956</b>	<b>0.30%</b>	<b>\$ 8,534</b>

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

### 2016-17 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. Programs that serve 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 the 2016-17 year will not be fully developed until after Community Education’s Spring Results Workshop on May 23rd; however, early discussion is being generated around the following themes:

- Continued support of the Owatonna Early Childhood Initiative and its current projects focusing on preschool transportation, home visiting and IGDI’s expansion;
- Continued enhancement of PreK/K alignment work with emphasis on expanding the participation in a community-wide PreK report card to help inform kindergarten placement and supports and common use of formative assessments;
- Research and create an implementation model for Preschool Montessori program to serve as a feeder program into the district’s E1 and E2 program at Lincoln and provide an alternative learning model for our community’s preschool children. The model chosen will seek School Board approval by capitalizing on assets of current preschool and support systems as a means to sustainability;
- Expand early learning slots in School Readiness to help accommodate the displaced learning opportunity created with the FY’17 downsizing of Head Start;
- 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 meet new WIOA standards for addressing the 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. These changes will be articulated in preparation for a funding “recompete process” in FY’17 as directed by the federal office of OVAE;
- Provide leadership for the SE ABE Consortium through fiscal hosting, implementation of the Five-Year Authorization Narrative, training and implementation of operational and instructional changes mandated through new WIOA legislation;
- 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'16 did not launch as planned, making them a priority for our efforts in FY'17;
- 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.
- Succession planning for community education program positions is becoming increasingly critical to the long-term sustainability of programs. ABE will experience a 100% turnover in educator positions at the close of FY'16. Other key positions are within a 5-year threshold for retirement.
- Security improvements to Roosevelt will necessitate a new staffing model in the Front Office to ensure a welcoming environment to the EC and ABE programs that primarily operate from Roosevelt.

### Community Education Economic Outlook

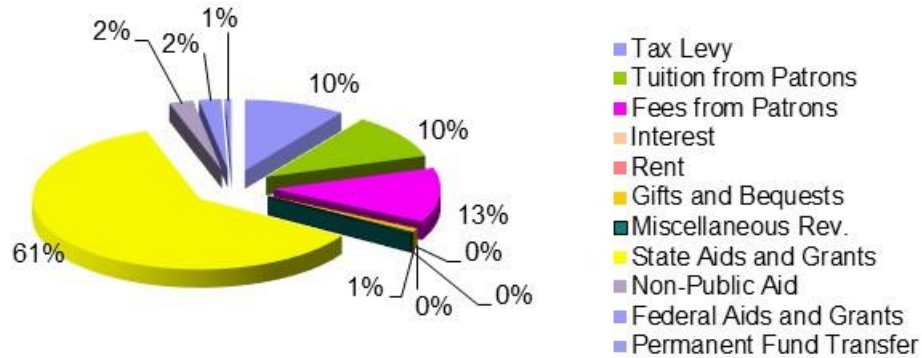
The projected revenue for 2015-16 and 2016-17 as shown in the table below shows an increase. Owatonna participates in an Adult Basic Education Consortium where Owatonna is the fiscal host. The consortium includes Albert Lea, Winona, Faribault, Caledonia Adult Pathways and Austin Public Schools. ABE funding 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	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change %	Change Amount
Tax Levy	\$ 162,237	\$ 315,111	\$ 312,385	\$ 308,563	-1.22%	\$ (3,822)
Tuition from Patrons	339,277	337,100	326,000	326,000	0.00%	-
Fees from Patrons	394,283	378,000	392,000	392,000	0.00%	-
Interest	455	700	700	700	0.00%	-
Rent	-	700	-	-	#DIV/0!	-
Gifts and Bequests	200	300	24,200	24,200	0.00%	-
Miscellaneous Rev.	14,360	5,100	11,150	11,150	0.00%	-
State Aids and Grants	1,704,170	1,574,750	1,791,163	1,922,178	7.31%	131,015
Non-Public Aid	64,569	78,167	73,812	73,812	0.00%	-
Federal Aids and Grants	69,151	59,880	91,081	68,193	-25.13%	(22,888)
Permanent Fund Transfer	14,000	14,000	19,000	19,000	0.00%	-
	<u>\$ 2,762,702</u>	<u>\$ 2,763,808</u>	<u>\$ 3,041,491</u>	<u>\$ 3,145,796</u>	<u>3.77%</u>	<u>\$ 104,305</u>

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.

## 2016-17 Community Service Revenue Budget



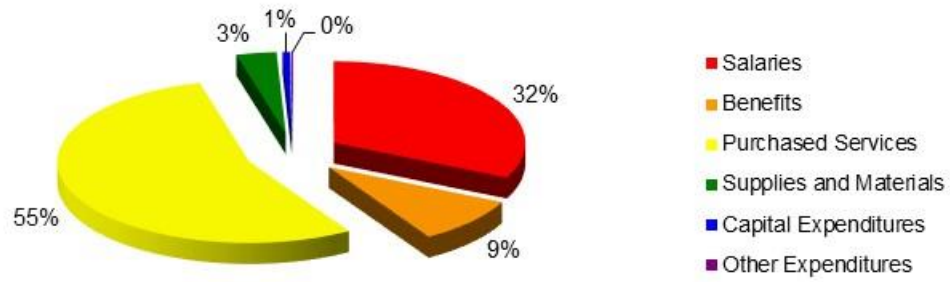
Expenditure increases from 2015-16 to 2016-17, as shown below, are in response changes in employee contracts and programming. Each community education program is considered on its own, so programs are offered based on the revenues coming in for the program and the anticipated fund balance.

### Community Service Expenditures

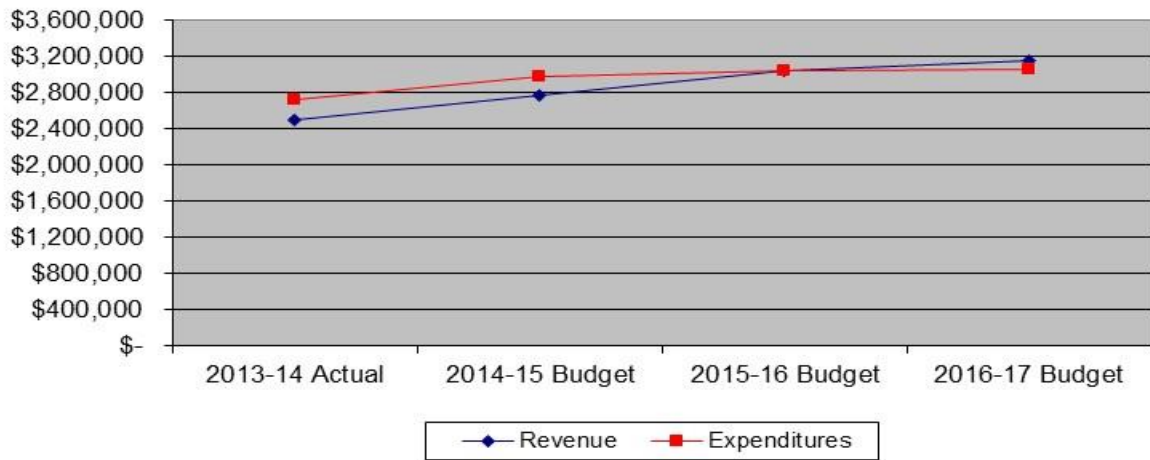
Description	2013-14 Actual	2014-15 Actual	2015-16 Budget	2016-17 Budget	Change %	Change Amount
Salaries	\$ 821,513	\$ 926,041	\$ 987,847	\$ 977,654	-1.03%	\$ (10,193)
Benefits	281,306	306,272	259,944	280,955	8.08%	21,011
Purchased Services	1,668,184	1,597,514	1,666,286	1,662,743	-0.21%	(3,543)
Supplies and Materials	110,371	91,809	96,359	103,277	7.18%	6,918
Capital Expenditures	556	59,000	20,694	19,010	-8.14%	(1,684)
Other Expenditures	194,556	1,000	4,400	4,400	0.00%	-
	<b><u>\$ 3,076,486</u></b>	<b><u>\$ 2,981,636</u></b>	<b><u>\$ 3,035,530</u></b>	<b><u>\$ 3,048,039</u></b>	<b><u>0.42%</u></b>	<b><u>\$ 12,509</u></b>

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 (55%). Of the \$1,662,743 budgeted for purchased services, \$1,114,352 is Adult Basic Education money passed on to the other districts.

## 2016-17 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 \$1,500,000 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.

<b>OWATONNA PUBLIC SCHOOLS</b>				
<b>OPERATING CAPITAL EXPENDITURES (FIN 302)</b>				
<b>FISCAL YEAR 2016-17</b>				
<b>Projected Beginning Balance</b>				\$ 43,196
<b>Revenue</b>				
Operating Capital - Aid			794,558	
Operating Capital - Levy			445,814	
Lease Levy			51,000	
Advanced Recognition - Lease Levy			286,096	
<b>Total Revenue</b>				<b>1,577,468</b>
<b>Expenditures</b>				
<b>Fixed</b>				
Taxes/Assessments			30,346	
Four Seasons Lease			51,000	
Gymnastic's Lease			4,800	
Actions Lease - EBD Program			22,027	
ALC Lease			172,773	
Portable Lease			76,494	
COP - Roof Project			258,538	
Copiers				
- District wide			39,865	
- Lincoln			3,403	
- McKinley			3,403	
- Washington			3,403	
- Wilson			3,403	
- Willow Creek			3,403	
- OJHS			6,771	
- OHS			19,249	
- ALC			1,896	
- Special Services			1,885	
Postage Machine			1,428	
District Van			4,680	
<b>Total Fixed Expense</b>			<b>708,767</b>	
<b>Operating Capital Allocation</b>				
OHS	\$ 15.00	1,708.80	25,632	
OJHS	\$ 15.00	880.80	13,212	
All Elementary Specialists			3,600	
Grade 6			4,697	
K-5			30,658	
ALC	\$ 15.00	156.00	2,340	
<b>Total Building Operating Capital Allocations</b>			<b>80,139</b>	
<b>Program Operating Capital Allocations</b>				
Athletics			16,000	
Curriculum			155,000	
District Administration			10,000	
Finance System			11,000	
Operations & Maintenance/ Safety			30,000	
Special Services			3,000	
Infinite Campus			62,000	
Technology - LCM			455,000	
Technology - Instructional Software			33,000	
<b>Total Program Operating Capital Allocations</b>			<b>775,000</b>	
<b>Total Expenditures</b>				<b>1,563,906</b>
<b>Addition ( Reduction) To Fund Balance</b>				<b>13,562</b>
<b>Projected Ending Balance</b>				<b>\$ 56,757</b>



## Health and Safety, Deferred Maintenance, and Capital Budgets for 2016-17

The majority of the Facilities & Infrastructure work in FY 17 will occur in health and safety (\$415,114) and deferred maintenance (\$354,456). These expenses are met through the board approved levy certification process.

<b>Facilities and Infrastructure 16-17 Plans</b>			
<b>Health and Safety</b>			
Resources Available:	\$415,114.00	Projects:	Expenses:
		Playground Resurfacing and other hazards	\$12,000.00
		District Wide OSHA Corrections	\$34,500.00
		Food Code Safety - MDH Health Code Requirements	\$9,500.00
		Elevator and Lift Inspections	\$23,000.00
		Personal Protective Equipment	\$14,000.00
		Hazardous / Infectious Waste Management & Disposal	\$18,000.00
		Lead in Water - Testing & Mitigation	\$4,000.00
		Boiler - Main Supply Backflow Preventor and .....	\$8,000.00
		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
		Three Year Fire Inspection	\$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	\$12,500.00
		Asbestos - Staff Training	\$7,000.00
		Asbestos Worker Required Health Physicals	\$3,000.00
		Fire Alarm Equipment	\$50,000.00
		District Wide Hood Exhaust Cleaning	\$5,000.00
		Fire Extinguisher Inspection & Maintenance	\$7,000.00
		Lighting - Emergency and Egress	\$10,500.00
		<b>TOTAL</b>	<b>\$415,114.00</b>
<b>Deferred Maintenance</b>			
Resources Available:	\$354,456.00	Projects:	Expenses:
		District Wide Flooring Needs	\$124,456.00
		District Wide Parking Lot Repairs	\$30,000.00
		District Wide Concrete Repairs	\$30,000.00
		District Wide Misc. Repairs	\$100,000.00
		Unexpected Needs	\$70,000.00
		<b>TOTAL</b>	<b>\$354,456.00</b>
<b>Capital</b>			
Resources Available:	\$30,000.00	Projects:	Expenses:
		Unexpected Needs/On-going Maintenance	\$30,000.00
		<b>TOTAL</b>	<b>\$30,000.00</b>

## **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 and district assessments and stakeholder surveys. This chapter contains an overview of the District's student achievement based on the results from the 2015 state assessments. The District Strategic Roadmap key initiatives were implemented by the District and Schools over the course of the 2014-2015 school year to improve student achievement as measured on the 2015 state assessments. This information is included in each School's narrative.



## **Owatonna Public Schools Strategic Roadmap**

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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. Developing Core 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 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 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 2015 administration of the math and reading assessments. Current year results will not be available until summer of 2016.

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 and spring of each school year, with winter assessments optional. 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 approximately 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) student count (students of low socio-economic status) was within a range of 3-9%.

## 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.

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:

**Figure 1: Comprehensive Assessment Plan for Owatonna Public Schools**

	<b>Assessment:</b>	<b>Grade Level(s):</b>	<b>Purpose:</b>	<b>Date Assessed:</b>
<b>Summative Assessments</b>	Minnesota Comprehensive Assessment (MCA III) <ul style="list-style-type: none"> <li>• Reading</li> <li>• Math</li> <li>• Science</li> </ul>	Math: Grades 3,4,5,6,7,8,11  Reading: Grades 3,4,5,6,7,8,10  Science: Grades 5,8,HS-after biology course	To guide & evaluate instruction against the Minnesota State Standards in Language Arts, Math, and Science	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	Winter Feb.-March
	Measures of Academic Progress (MAP) <ul style="list-style-type: none"> <li>• Reading</li> <li>• Math</li> </ul>	Grades 2-8	To measure growth in student learning and help plan instructional decisions	Fall (New to district students) 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
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 5, 8, 9, 11	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



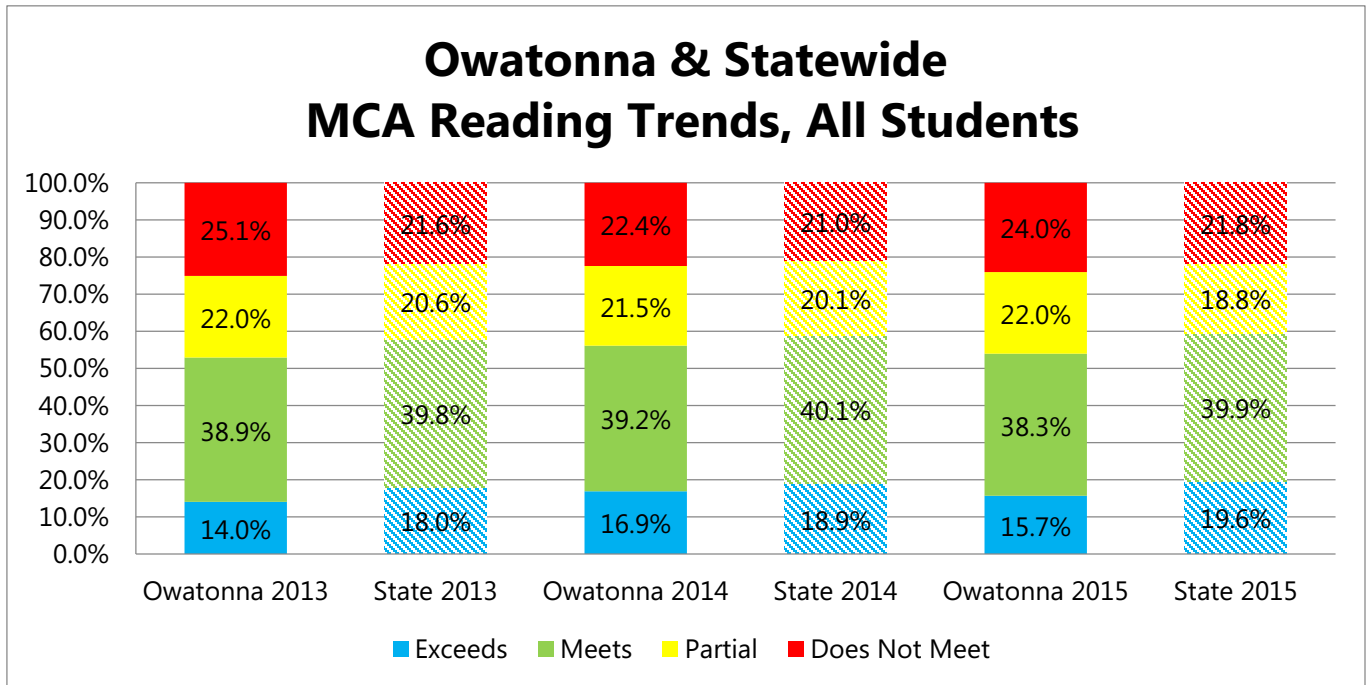
Owatonna Public Schools follows a comprehensive program for student assessment which includes a variety of assessments that serve different purposes, to ultimately improve student learning. Assessment data is an essential component of the student achievement planning process for all levels of the district 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 compared to the state average from 2013 to 2015 in the area of reading. Note: In 2013, state testing transitioned from MCA II to MCA III testing.

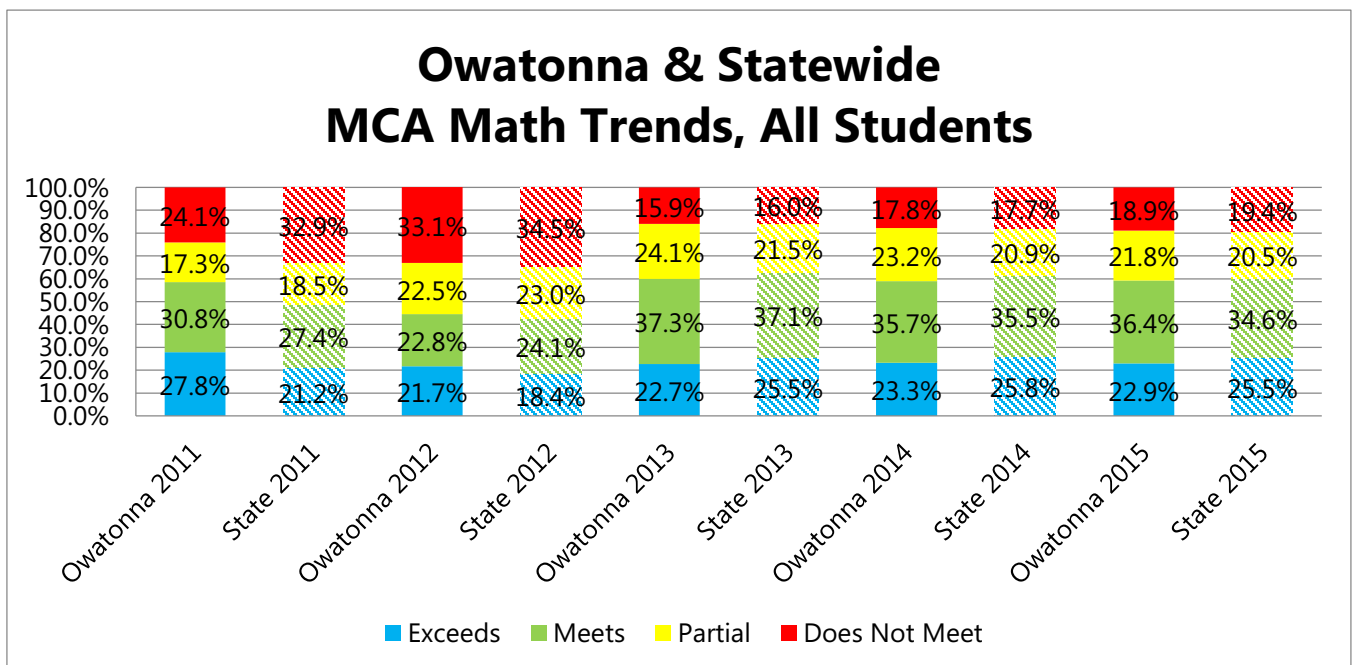
**Figure 2: Owatonna Public Schools Reading MCA District Results & Trends**



Below, Figure 3 shows the District Results and Trends compared to the state average from 2011 to 2015 in the area of math.

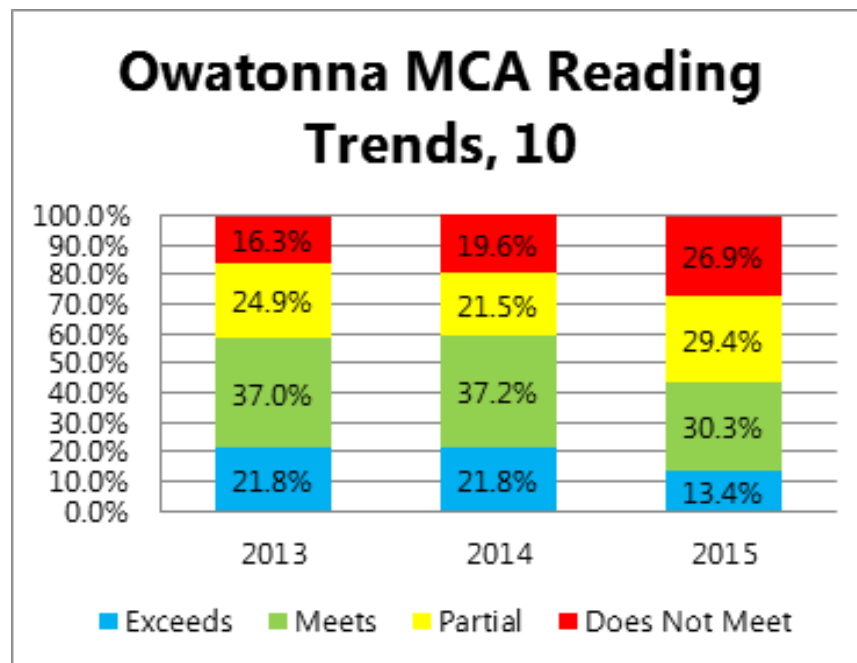
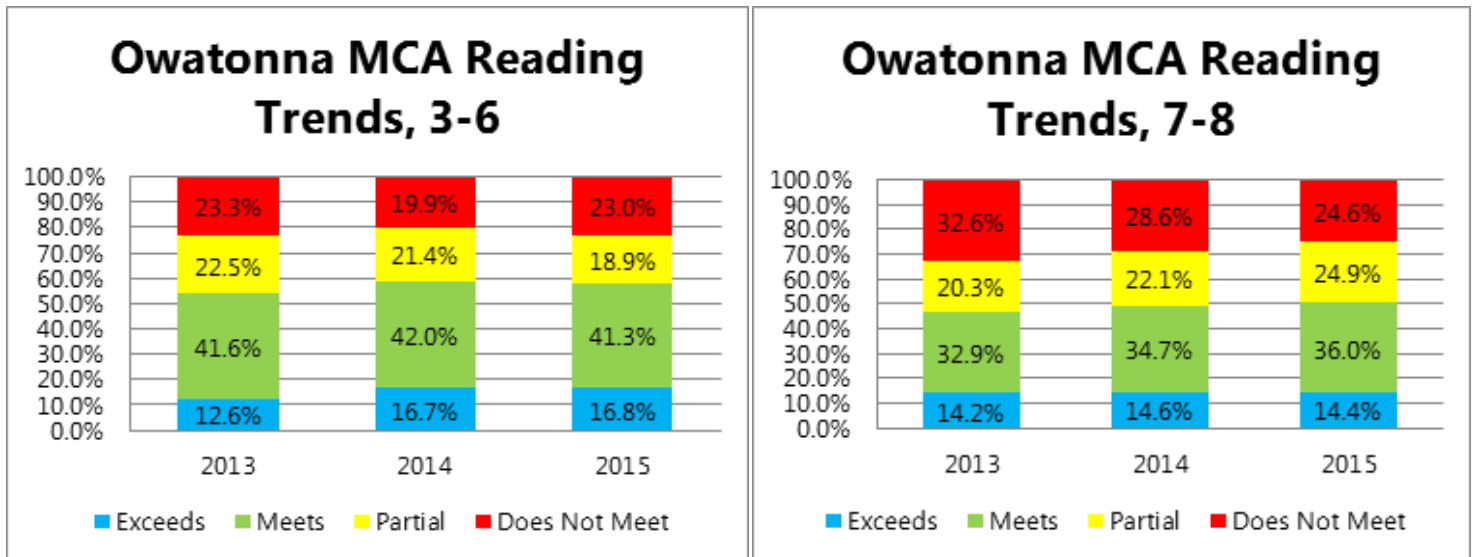
Note: In 2011, state testing transitioned from MCA II to MCA III testing.

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



Below, Figure 4 shows grade band trends from 2013-2015 in the area of reading from MCA III.

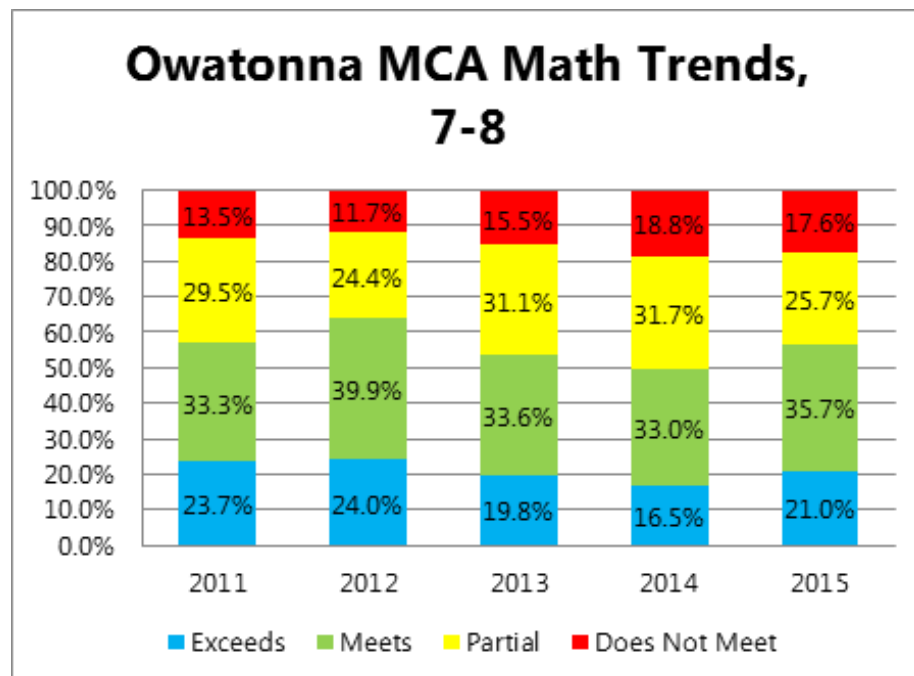
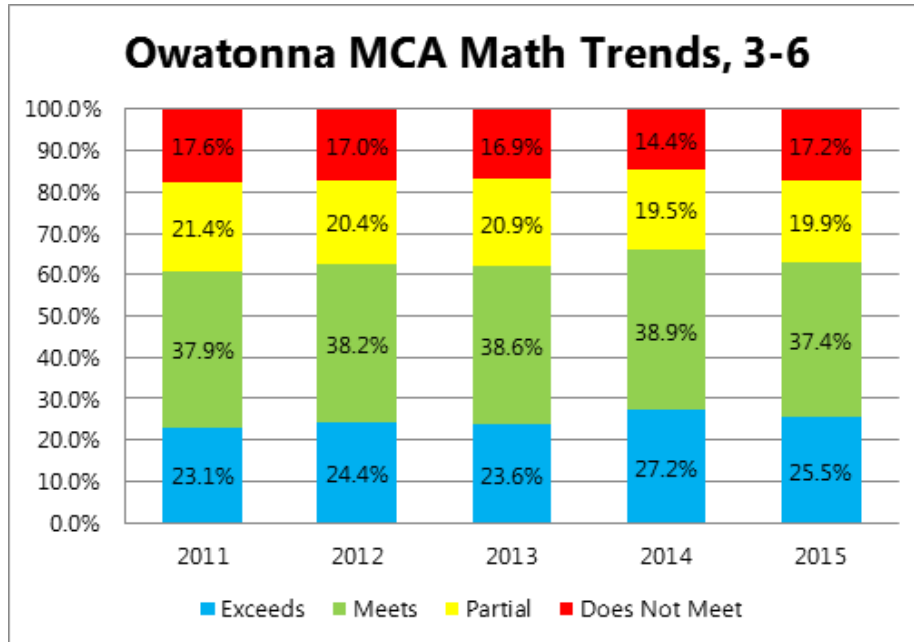
**Figure 4: Owatonna Public Schools Reading MCA District Results & Trends**

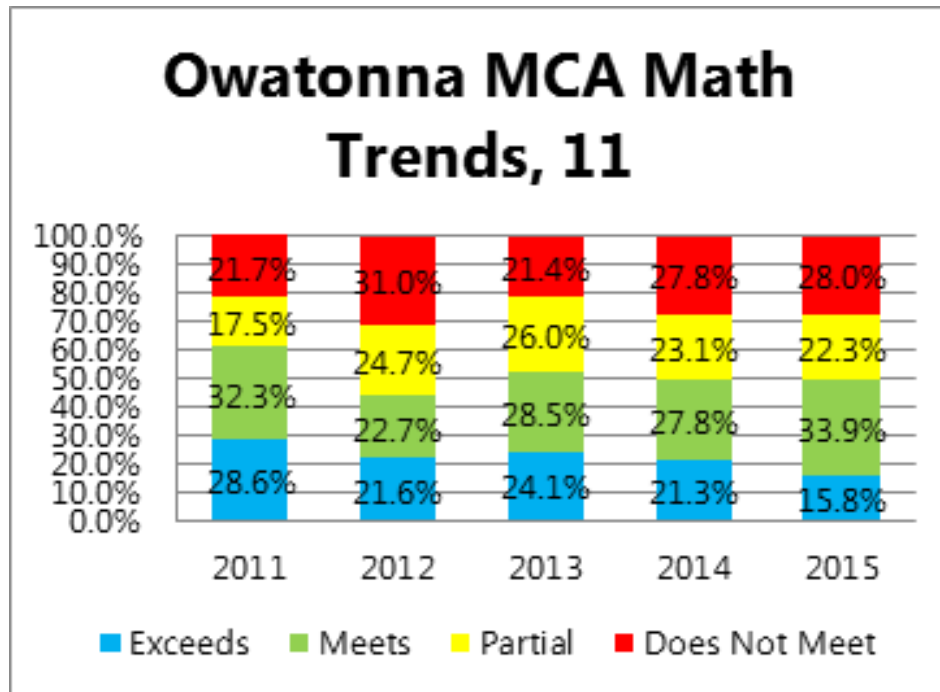




Below, Figure 5 shows each grade band trends from 2011-2015 in the area of math from MCAIII.

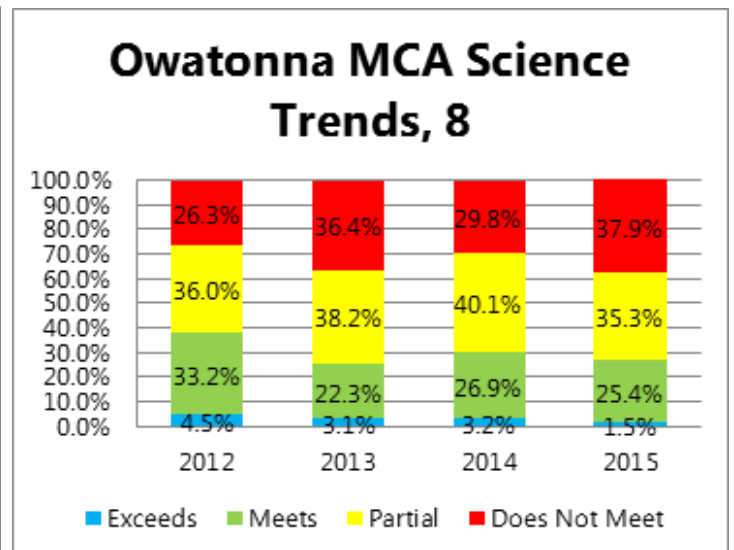
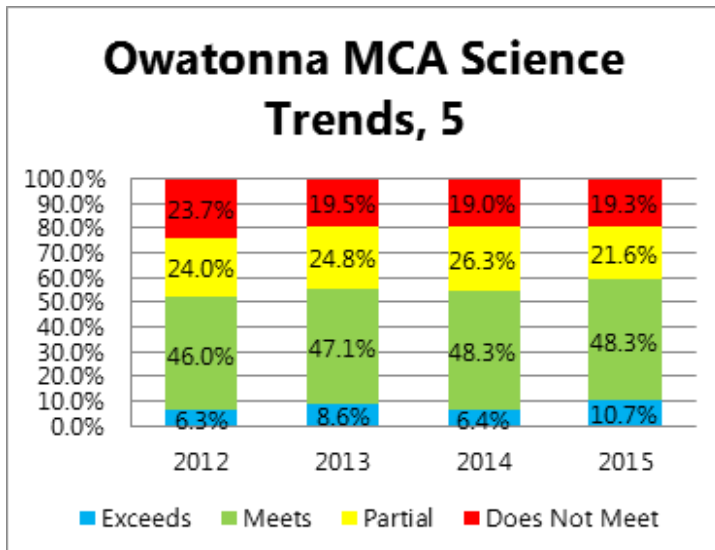
**Figure 5: Owatonna Public Schools Math MCA District Results & Trends**

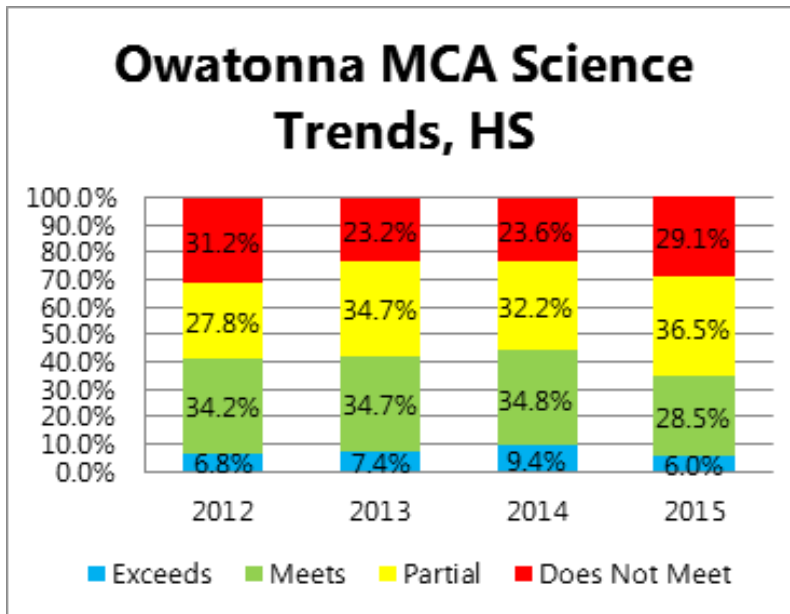




Below, Figure 6 shows grade level results for 2012-2015 in the area of science from MCA III (grade levels tested- grade 5, 8, and 11).

**Figure 6: Owatonna Public Schools Science MCA Grade Level Results**

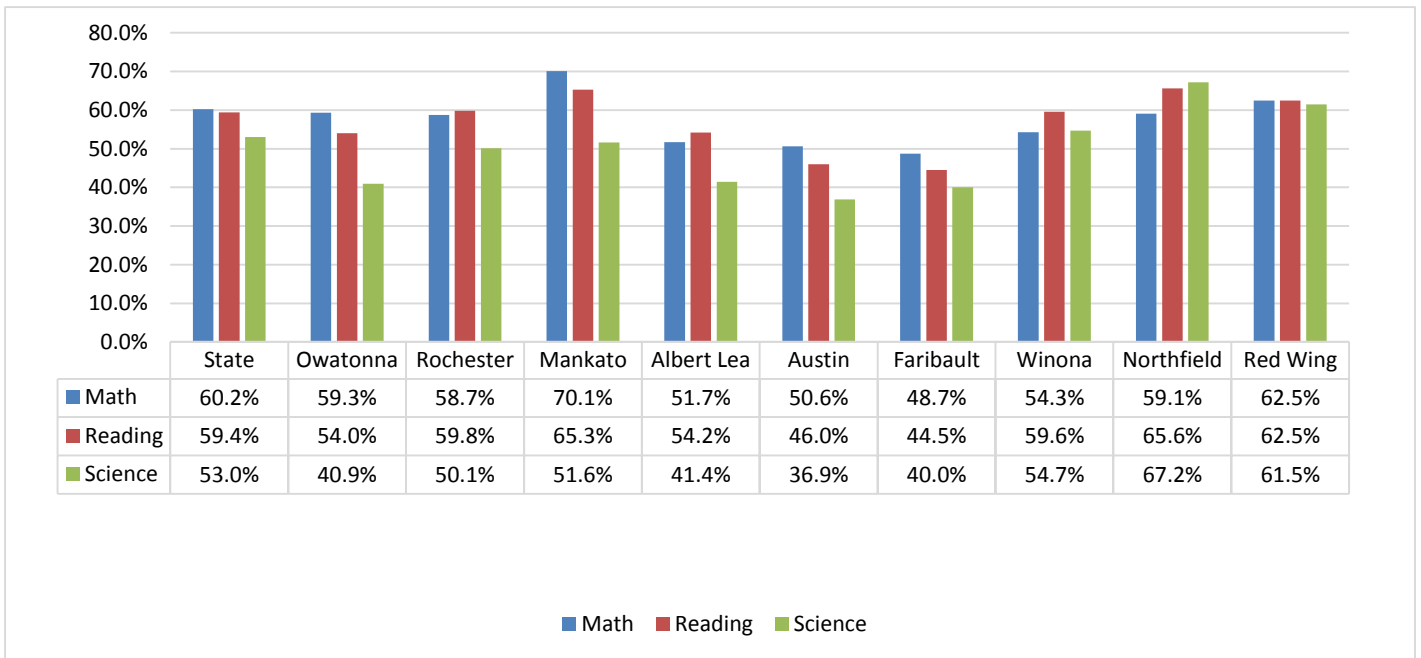




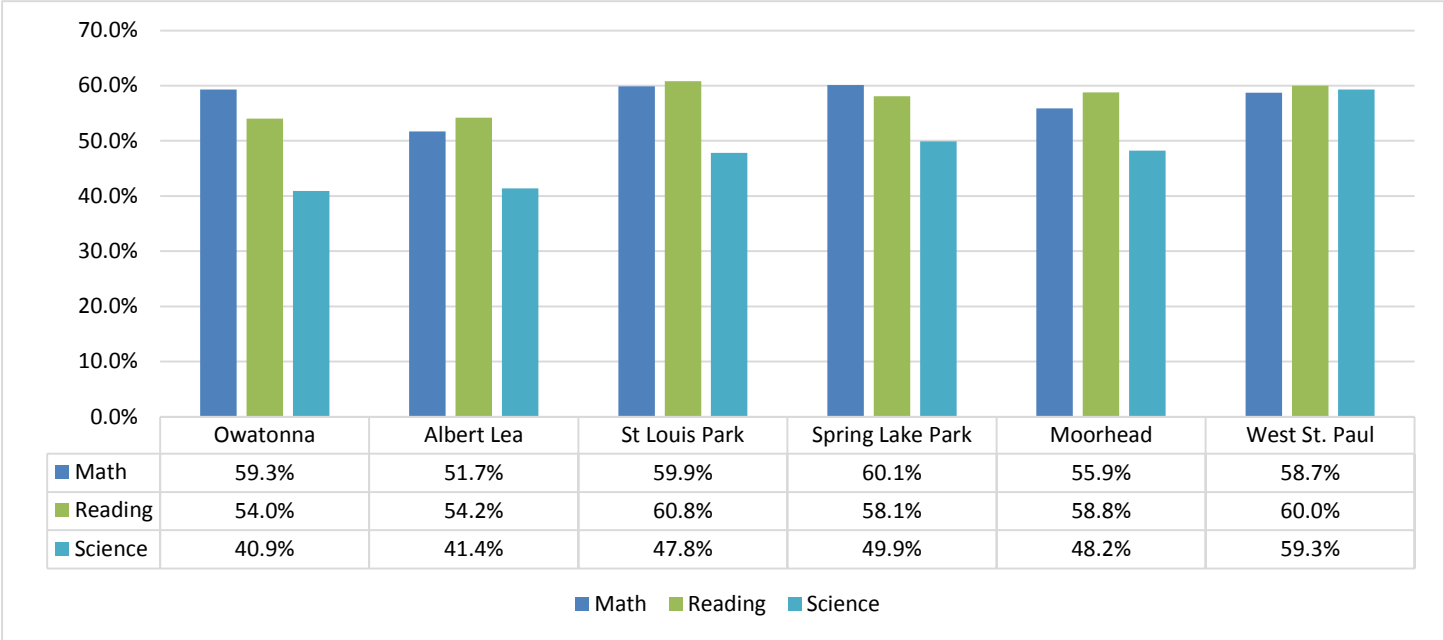
Below, Figure 7 shows our 2015 Reading, Math and Science Proficiency on the MCA III in relation to other Big 9 districts, as well as comparable districts to ISD 761.

**Figure 7: Owatonna Public Schools Proficiency Comparisons**

### Big 9 Percent Proficiency- MCA III



# Comparable Districts to ISD 761: 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 race). The school must also meet state goals in test participation, attendance and graduation rates. The AYP target for graduation rate is 90%.

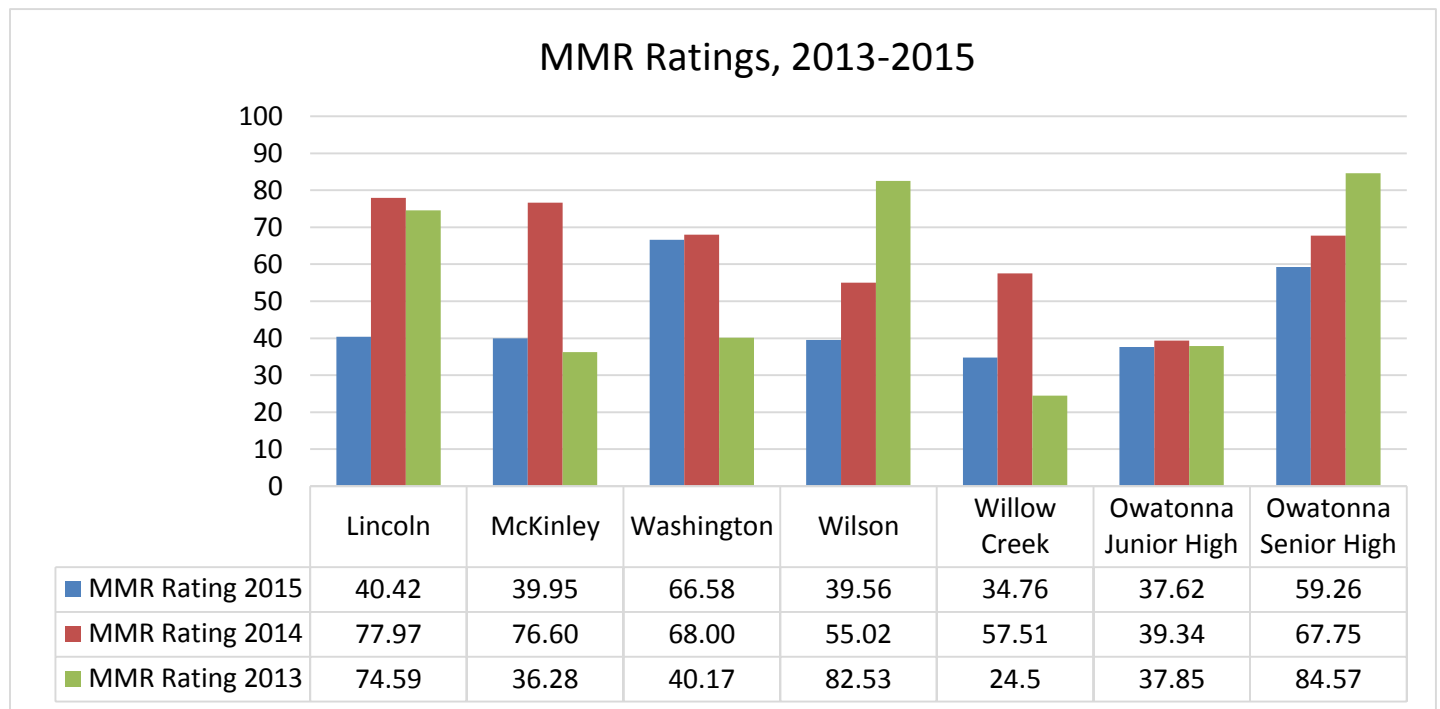
The State of Minnesota moved from an accountability system focused on proficiency to one that also includes growth, achievement gap reduction, and graduation rate. This system is called Multiple Measurement Rating (MMR). 2011 results served as a baseline. The overarching goal of MDE is to reduce the 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 (2015):**

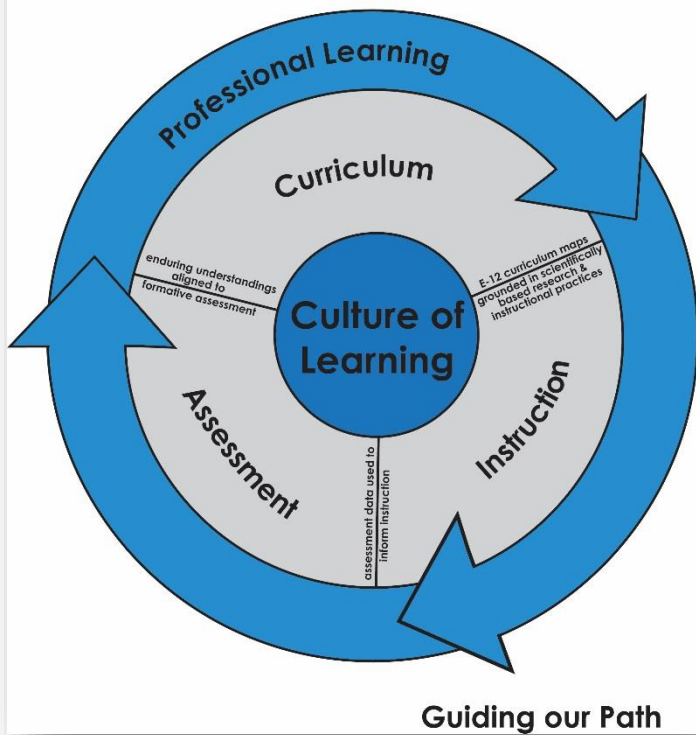
	MMR 2015	Proficiency 2015	Growth 2015	Achievement Gap 2015
Lincoln	40.42%	9.58	12.18	8.56
McKinley	39.95%	4.56	13.61	11.78
Washington	66.58%	19.92	16.30	13.72
Wilson	39.56%	4.48	12.13	13.06
Willow Creek	34.76%	7.08	9.64	9.34
OJHS	37.62%	0.87	14.32	13.01
OHS	59.26%	11.96	9.69	12.61

Figure 9 shows our 2013-2015 Multiple Measurement Ratings as identified by the State of Minnesota.

**Figure 9: Owatonna Public Schools Multiple Measurement Ratings**



## Focus for Teaching and Learning



## 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?

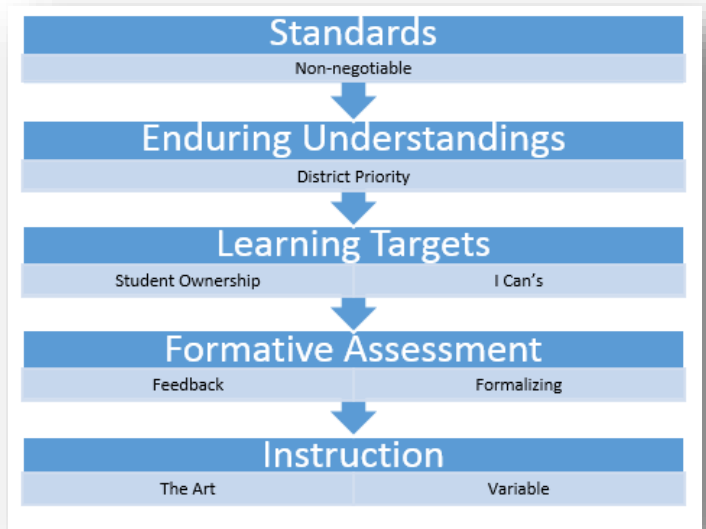
## Development Process

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.

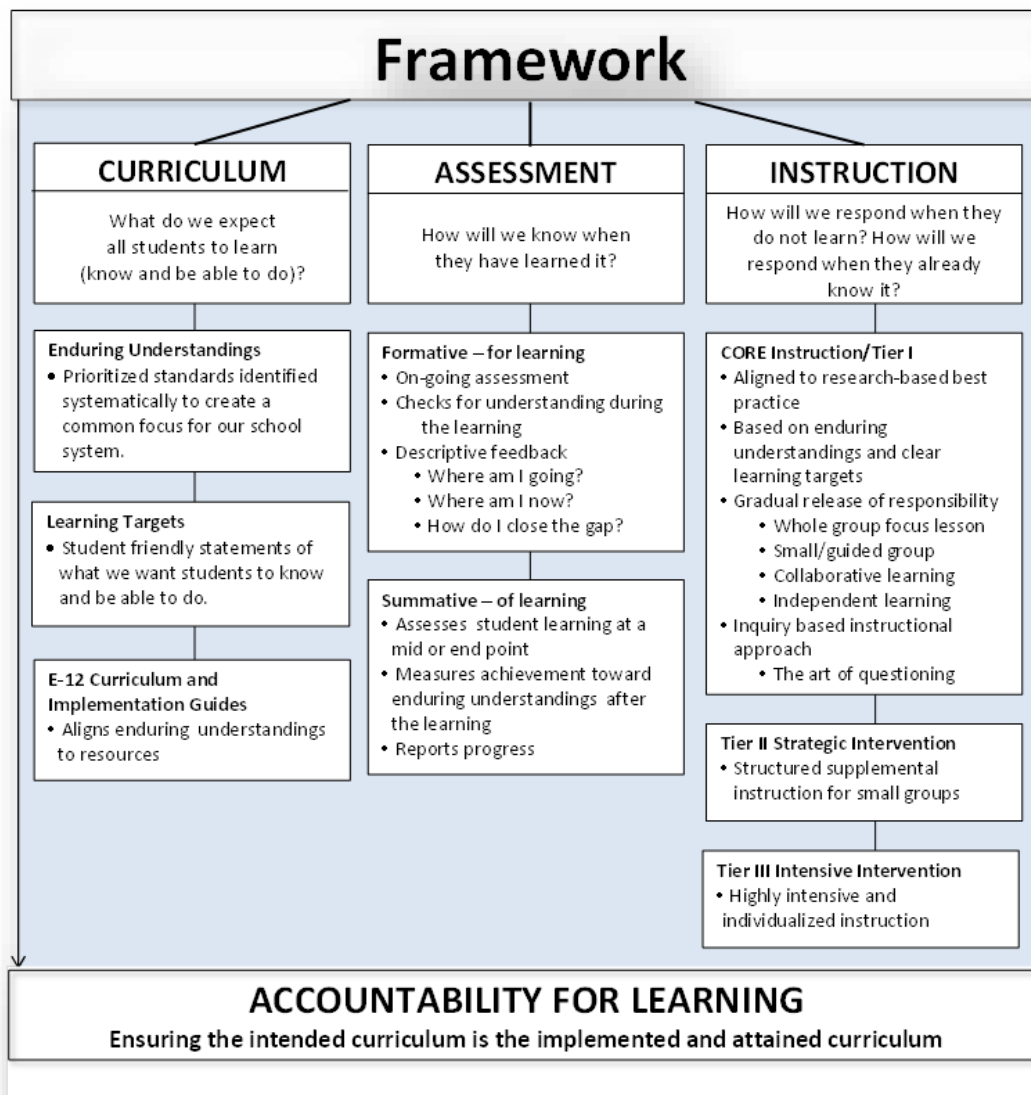
**Instruction** must be directly connected to enduring understandings, aligned to research based best practices, engage students in learning, be differentiated to reach all students, and be informed by formative assessments.

**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

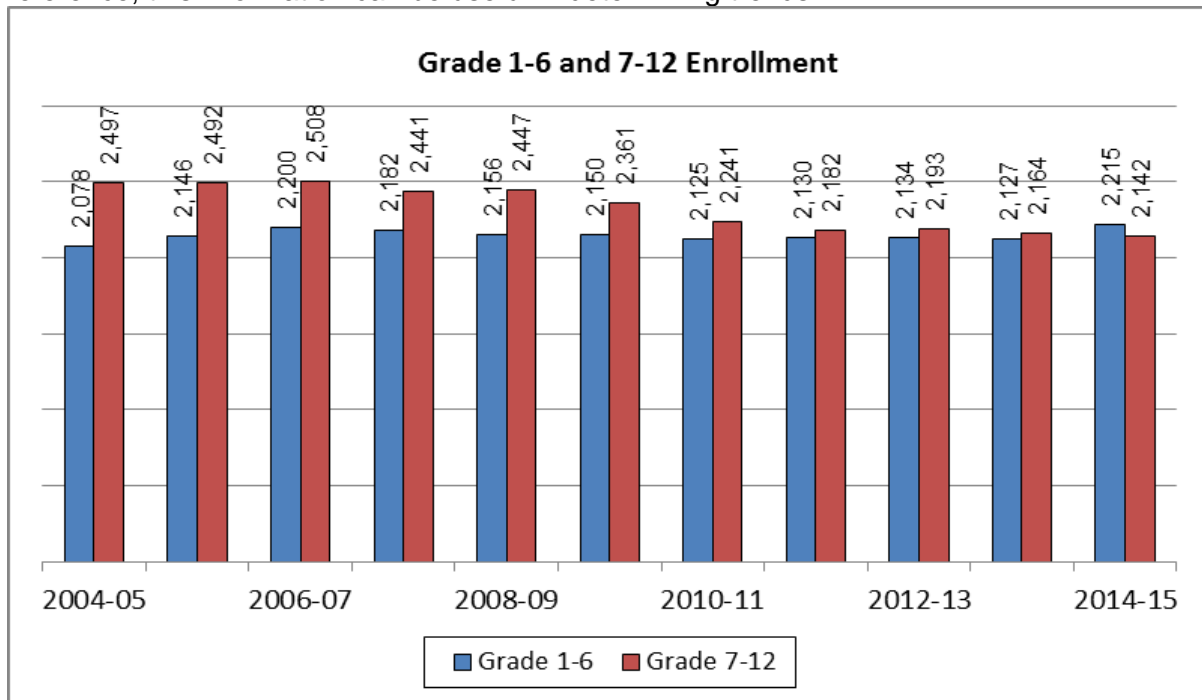
As a means of comparing performance in areas such as finance, the Owatonna School District compares student achievement and school finance data with similarly sized schools across the state. The graphs listed in this document are the most recent data available on the Minnesota Department of Education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



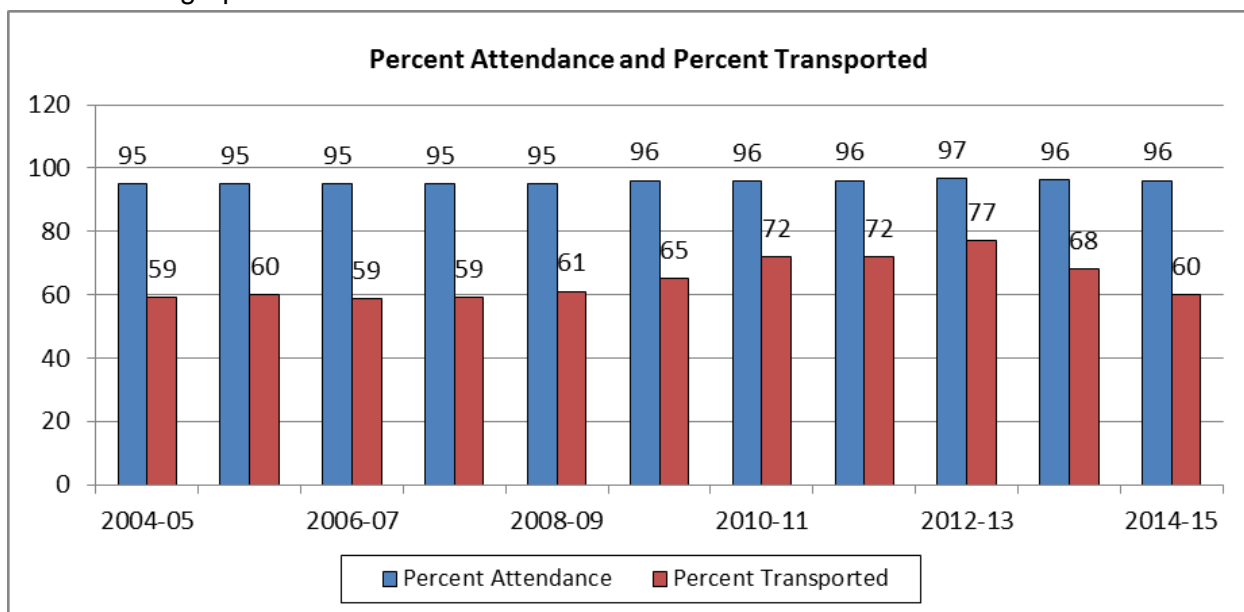
**Working to Improve-**

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.

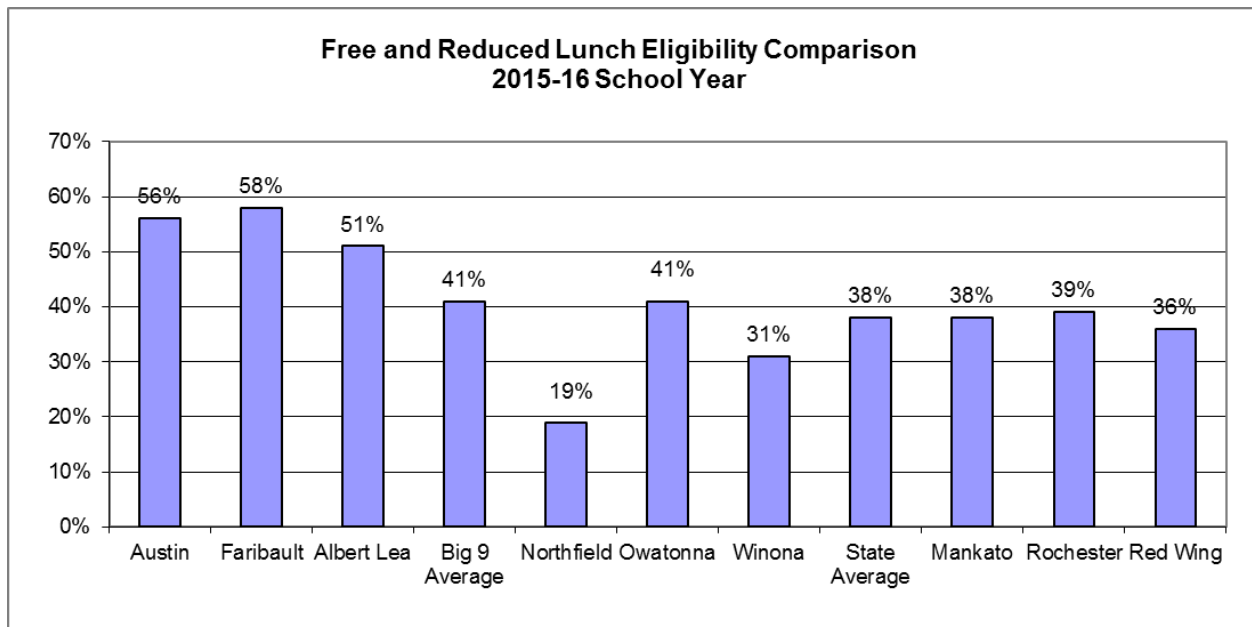
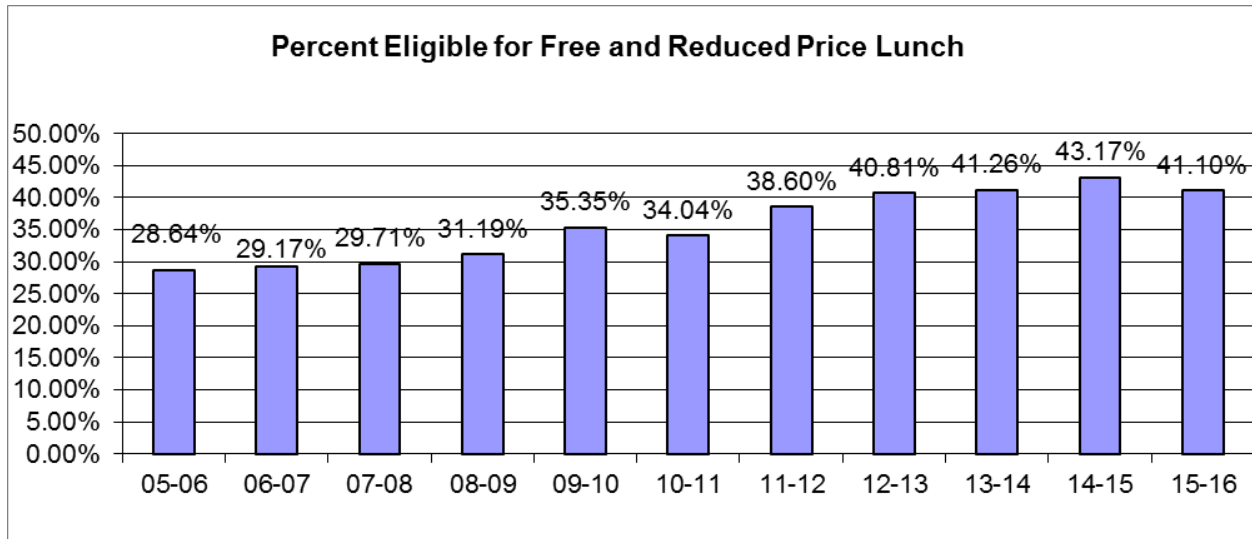
The graph below suggests that there is a difference between those students who reside in Owatonna and those who attend the Owatonna Public Schools. Certainly a large share of that disparity can be attributed to the existence of open enrollment options to other districts, faith-based schools, and other 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.

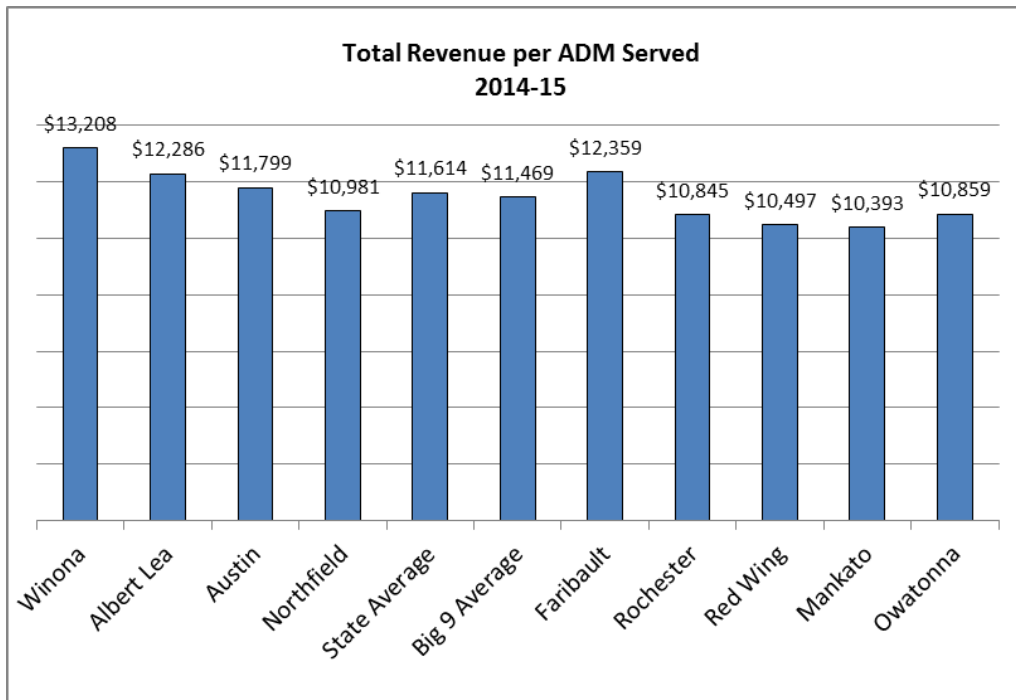


The graphs on this page illustrate the trend in the number of students attending the Owatonna Public Schools and eligible for free and/or reduced lunch and how Owatonna compares with the other Big 9 schools. While F&R percentages have risen in recent years, the district remains consistent the Big 9 average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

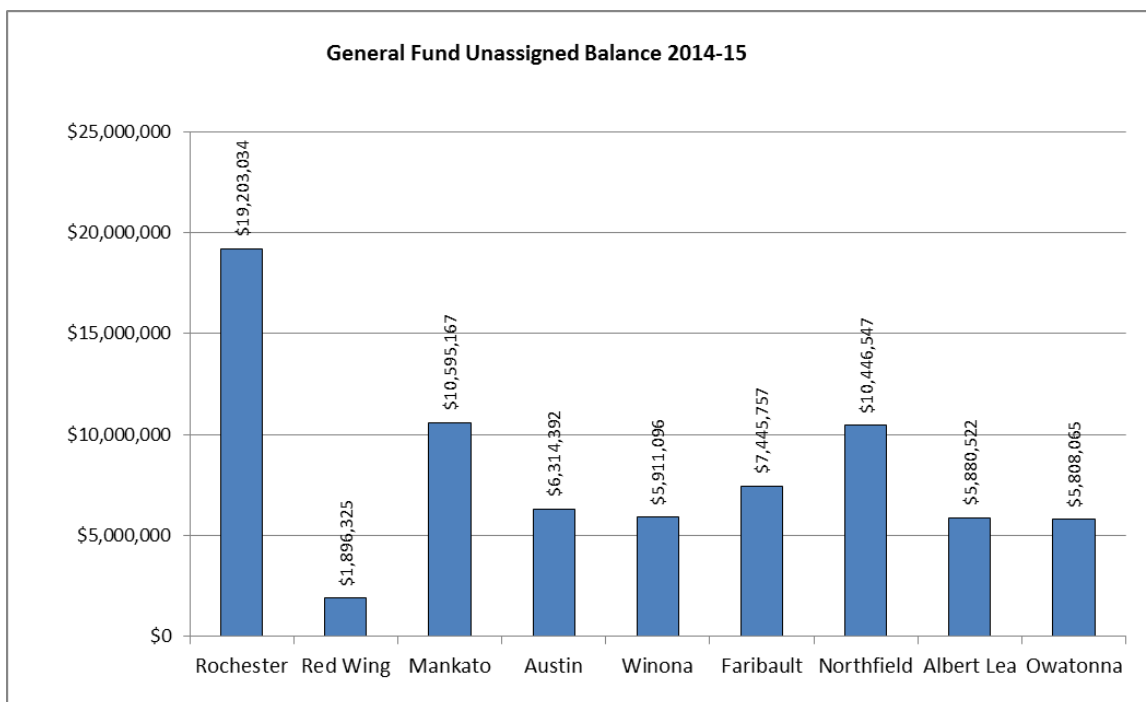


From the graph below, it can be shown that the revenue generated through state and federal aid, along with the local referendum, is relatively low when compared to other school districts in the Big 9. Winona's high ranking is because of their operating levy, which is \$1,945 per pupil as compared to Owatonna's \$1,094 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.



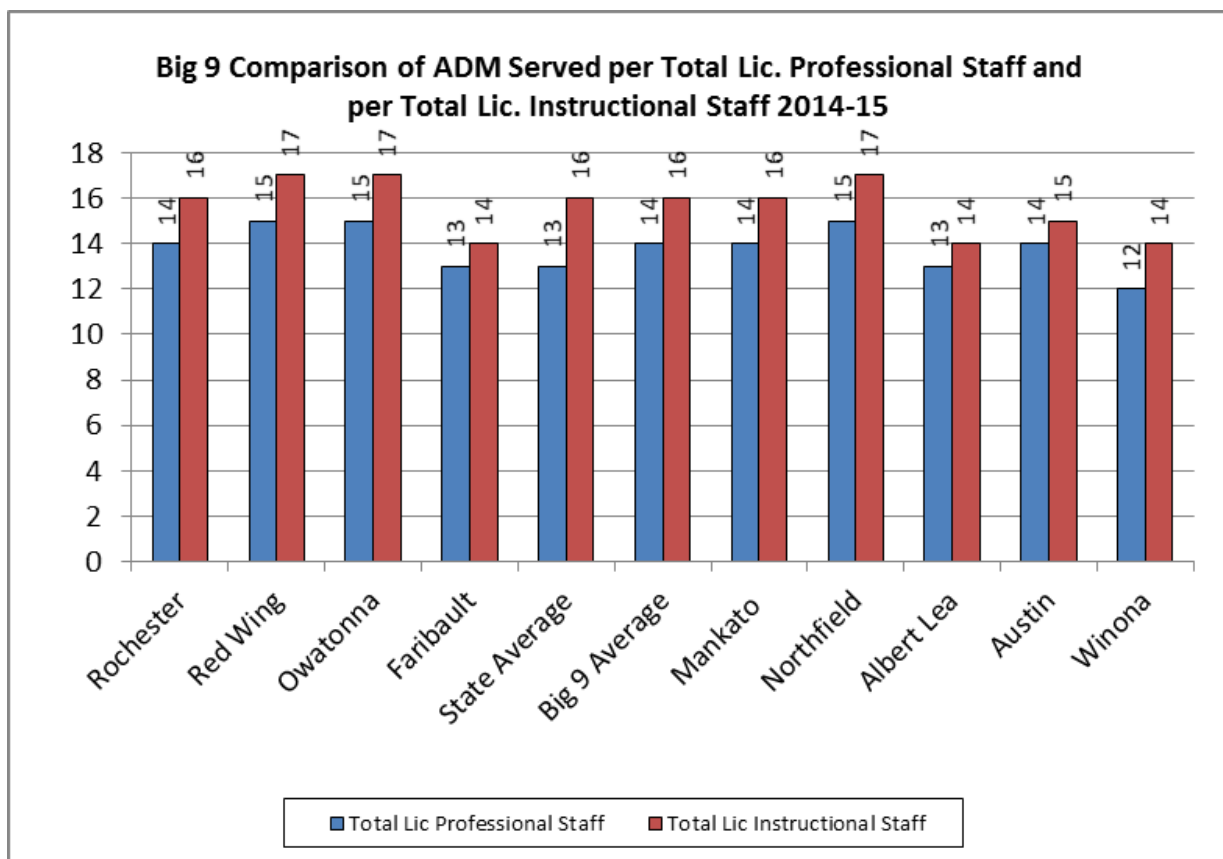
The size of our 'unassigned' fund balance, when compared to other Big 9 schools is comparable. While the district's fund balance appears to be healthy, due to several consecutive years of deficit spending, the district is on the lower end of the Big 9, in real dollars, and as a percentage of total budget,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

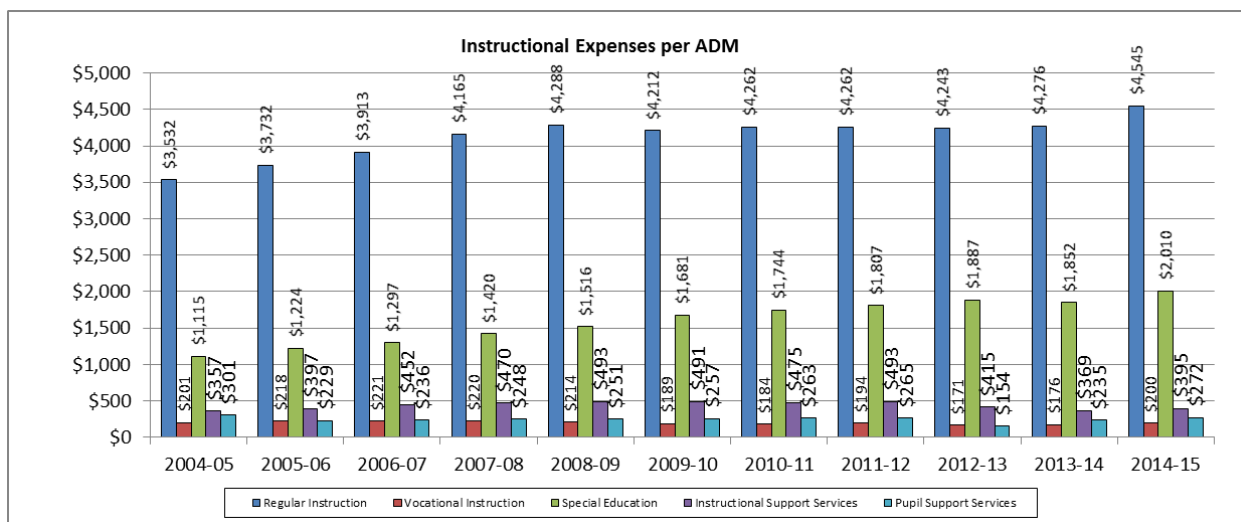


The graph suggests that little real change has occurred over the past several years. The graph below is a comparison of Big 9 schools.



Owatonna is among the highest ranking in serving the most students per licensed staff member in Big 9 schools in FY15.

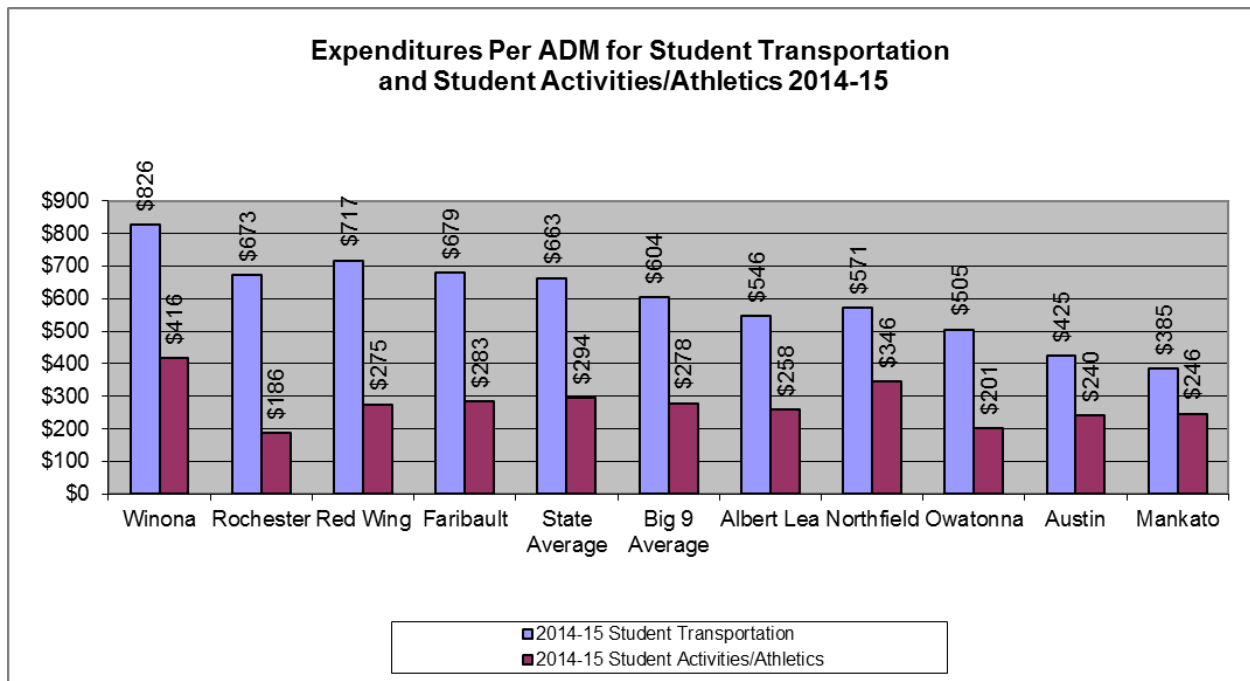
Below, it can be seen that over the past several years there has been little or no change in the relationship between budget allocations to various instructional areas. Although, regular instruction has increased on average 2.9 percent per year. Special education has increased by 8.0 percent per year over the past nine years.



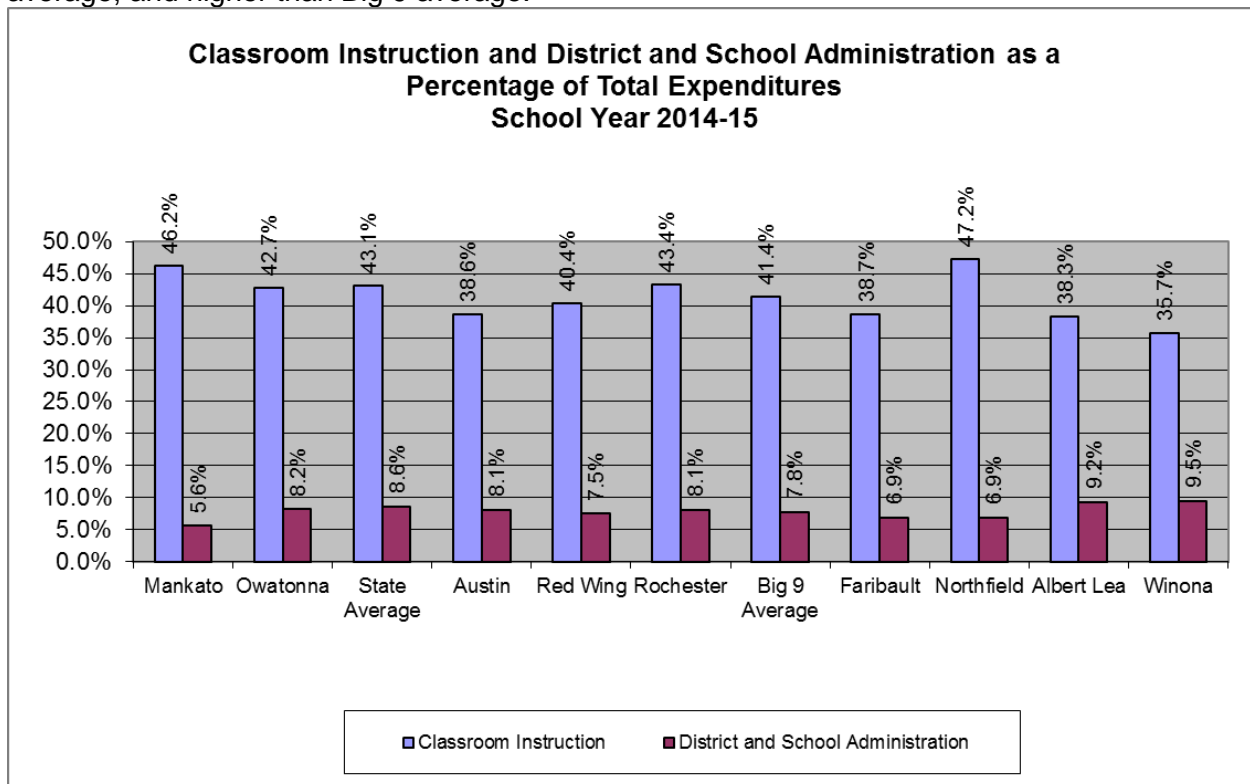
Critical data such as this is important to maintain as decisions are made related to budget development. The information provided suggests that no dramatic shifts in program have taken place in the District over the last eight years. It also indicates that the current level of allocation across various 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.

2014-15	Total PPU	District & School Administration	Student Instruction (Includes Sp. Ed.)	Special Education	Regular / Technical Instruction
Mankato	11,569	578	6,942	2,039	4,903
Albert Lea	13,766	1,142	8,401	3,191	4,850
Austin	15,137	997	7,386	2,446	4,940
Rochester	12,132	927	7,158	2,059	5,099
Red Wing	11,809	866	7,119	2,284	5,011
Faribault	13,805	843	7,436	2,643	4,802
Owatonna	12,108	869	6,755	2,010	4,745
Northfield	11,491	799	7,774	2,244	5,599
Winona	14,828	1,033	8,084	3,218	4,866
Big 9 Average	13,181	895	7,438	2,458	4,980
State Average	12,825	991	7,162	2,050	5,112

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 15 Owatonna is lower than state averages. In classroom instruction for FY 15, Owatonna ranks slightly below state average, and higher than Big 9 average.



In FY 15, Owatonna's expense per ADM in operations and maintenance was below Big 9 averages. Capital expenses per ADM were slightly above Big 9 and state averages.

