

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
COMMITTEE OF THE BOARD MEETING
Administration Building
360 Colborne Street

April 11, 2017
6:00 PM

A G E N D A

I. CALL TO ORDER

A. Introductions

II. AGENDA

A. FY 18 Budget Update

1. Introduction

2. Presentation

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3. Discussion

4. Action ()

B. Standing Item: FMP Update

1. Update to FMP Implementation Plan

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2. Demographic/Enrollment Trend Update

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C. Standing Item: Policy Update

D. Standing Item: SEAB Report

E. Standing Item: SSSC 2.0 Update

F. Work Session

III. ADJOURNMENT



FY 2017-2018 General Fund Budget Update Committee of the Board Meeting

April 11, 2017

Marie Schrul, Chief Financial Officer

Purpose

- To provide an update on the FY2017-18 General Fund budget to the Committee of the Board

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Agenda

- FY 2017-18 General Fund budget update
- School & Program budget update
- Budget Adoption calendar

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FY 2017-18 General Fund Preliminary Big Picture

	FY17 Adopted (in millions)	FY18 Preliminary (in millions)	Difference
Revenue (current law)	\$518.2	\$514.2	(\$4.0)
Use of Fund Balance	0	0	0
Expenditures	518.2	541.5	(23.3)
Balance	\$0	(\$27.3)	

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FY 2017-18 General Fund

Factors Impacting Projected Shortfall

Item	Amount \$M
Inflationary impact of “rolling over” FY 2016-17 budget “as is” without any changes	(\$23.3)
⁹ Net revenue decrease due to enrollment & Compensatory Education	(4.0)
Total Projected Shortfall*	(\$27.3)

*Projected as of 2/19/17 – subject to change



FY 2017-18 General Fund

Areas of Consideration for Reductions

Programs	Sites
Reduced Inflationary allocations	Eliminate 1x only FY17 allocations of \$85/per pupil & SSSC 2.0 program additions
Enrollment related service/staffing reductions	Enrollment related service/staffing reductions
Vacant positions, staff attrition/retirements, negotiated contracts	Vacant positions, staff attrition/retirements, negotiated contracts
Targeted & 2% reductions	

FY 2017-18 Potential Revenue Increases

- 1% Formula increase = \$3.2 m
Governor's Proposal 2%
- Special Education State increase = \$1.2 m
- QComp (or ATPPS) = up to \$9.0 m

FY2017-18 School & Program Budget Update

- School allocations were sent out on March 31
- Meetings over next 2 weeks, due back Apr 24
- 6 • Program allocations will be sent out Apr 14 and due date will be communicated to program administrators

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FY 2017-18

Budget Adoption Calendar

Date	Description
March 1, 2017	REA Office provides final FY18 enrollment projections
March 7, 2017	Presentation of FY18 Budget Guidelines & Preliminary FY18 General Fund budget at the Committee of the Board meeting
March 8, 2017	Presentation of Preliminary FY18 Budget to Principals
March 31, 2017	Distribute school allocations
April 14, 2017	Distribute General Fund program allocations
March 27- April 21, 2017	Joint budget & staffing meetings (Principals, Human Resources & Finance)
March – June 2017	Community review and input
April 24, 2017	School budgets returned Program budgets returned (extension TBD) HR Staffing worksheets due
June 20, 2017	FY 2017-18 Budget adopted by Board of Education



Questions?

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Facilities Master Planning

FMP Update

Tom Parent, AIA, LEED AP

Director, Facilities Department

Committee of the Board: April 11, 2017

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Agenda

- Updating the 5-Year FMP Implementation Plan



Updating the 5-Year Implementation Plan

FMP Governance

- **Defined by:** BOE's 5-Year Facilities Maintenance and Capital Plan resolution
- **Purpose:** FMP-C annually reviews and updates next 5 years of projects
- **Parameters:** Upholds integrity of FMP engagement process:
 - Adheres to FMP [Vision](#), [Principles](#) and [Standards](#)
 - Use [agreed upon criteria](#) to guide decisions
 - Criteria is student centered, impactful and efficient

FMP Governance

- **Parameters, cont'd:** Considers emerging factors:
 - Enrollment projections; Demographic changes
 - Educational pathway/program realignment or changes
 - Technology advances
 - Changes to federal or state law impacting capital funding
- **FMP-C Membership:** Reflective of original FMP planning committee
 - Broad district perspectives, racial diversity and geographic distribution
 - Parents, students, teachers, district staff, local businesses, local government agencies, community partners, and neighborhood joint-use partners



FMP Committee Meetings

April – The “why”

- Re-ground the committee in the FMP **Vision, Principles, and Standards** of the FMP
- Discuss what has changed in SPPS since the original planning process
- Identify if / how our prioritization of work needs to evolve based on changing conditions

May – The “how”

- Share draft of updated 5-Year Implementation Plan, ensure it reflects committee input
- Celebrate the work that has been completed to date
- Discuss ways to undertake the work with the same spirit of transparency and inclusivity

Upcoming presentations/Next steps

- April COB:
 - Demographics (projected enrollment and capacity) update
- April BOE:
 - Changes to FMP Prioritization Criteria (if any), from FMP-C
- May COB / BOE:
 - New 5-Year FMP Implementation Plan (FY18-FY22)

QUESTIONS?

Facilities Department

651-744-1800 | facilities@spps.org | spps.org/fmp

SAINT PAUL PUBLIC SCHOOLS

ENROLLMENT PROJECTIONS

Hazel H. Reinhardt

April 11, 2017

ENROLLMENT DEFINED

- Students enrolled in the district's 43 elementary schools (K-5 and K-8), 5 middle schools (6-8) and 9 high schools (6-12 and 9-12)
- Excludes ALC students and students in specialized schools/programs; Early Childhood and Pre-K programs

PROJECTIONS VERSUS ACTUAL ENROLLMENT

- Projections made in early 2015, based on 2014-15 fall enrollment and enrollment history beginning with 2005-06, are too high based on past two years of enrollment

PROJECTIONS VERSUS ACTUAL ENROLLMENT

Year	Enrollment	Projection	Difference
2014-15	36,027	---	---
2015-16			
Total	35,798	36,150	+352
Kindergarten	3,125	3,182	+57
K-5	18,318	18,419	+101
6-8	7,278	7,404	+126
9-12	10,212	10,326	+124
2016-17			
Total	35,174	36,224	+1,050
Kindergarten	3,093	3,207	+114
K-5	18,010	18,410	+400
6-8	7,192	7,495	+303
9-12	9,972	10,319	+347

WHAT CHANGED

- Housing market
 - Largely recovered
 - More single-family detached units being built although still not at prerecession levels
 - Home prices are back to prerecession levels
- Economy
 - Unemployment rates are lower
 - Real income growth for first time since recession
- Population growth
 - Slowed in Twin Cities Metro Area

WHAT CHANGED

- Millennial generation remains delayed in
 - Getting married
 - Having children
 - Minnesota Demographic Center reduced the projected number of 0-year-olds, a proxy for births
 - Translates into nearly 300 fewer births per year in Saint Paul
 - Home ownership

WHAT CHANGED IN THE SAINT PAUL PUBLIC SCHOOLS

- After five consecutive years of enrollment increases (2010 through 2014-15), enrollment is decreasing again
- After three consecutive years of higher kindergarten to births ratios (2012-13, 2013-14 and 2014-15), ratios back to previous levels
- Net out migration lower 2008-09 through 2014-15, now higher again
 - Especially evident in transition from Grade 5 to Grade 6
- Students opting for other education options continues

WHAT CHANGED IN THE SAINT PAUL PUBLIC SCHOOLS

Year	Enrollment	Kindergarten to Births
2005-06	38,166	62.9%
2006-07	37,717	62.3%
2007-08	36,897	58.3%
2008-09	35,790	61.3%
2009-10	35,445	61.9%
2010-11	35,211	60.8%
2011-12	35,284	62.1%
2012-13	35,351	65.6%
2013-14	35,951	66.1%
2014-15	36,027	64.7%
2015-16	35,798	62.7%
2016-17	35,174	61.5%

WHAT CHANGED IN THE SAINT PAUL PUBLIC SCHOOLS

Oct. 1 to Oct. 1	Net Migration
05 to 06	-1,094
06 to 07	-1,231
07 to 08	-1,627
08 to 09	-882
09 to 10	-802
10 to 11	-619
11 to 12	-948
12 to 13	-557
13 to 14	-902
14 to 15	-1,057
15 to 16	-1,415

NET MIGRATION

OCTOBER 1 TO OCTOBER 1

	07 to 08	08 to 09	09 to 10	10 to 11	11 to 12	12 to 13	13 to 14	14 to 15	15 to 16
K-1	-47	-83	-31	-54	-29	-112	-176	-85	-185
1-2	-157	-77	-102	-67	-76	-75	-113	-112	-148
2-3	-109	-68	-43	-79	-86	-84	-90	-97	-143
3-4	-104	-77	-65	-48	-95	-83	-86	-115	-80
4-5	-168	-121	-116	-127	-125	-19	-94	-96	-130
5-6	-200	-141	-145	-106	-168	-164	-261	-320	-327
6-7	-174	-106	-64	-91	-111	-35	-34	-52	-24
7-8	-42	9	-4	13	-6	3	-11	-4	-43
8-9	62	88	119	158	97	223	146	189	121
9-10	-142	9	-58	5	-79	-36	0	1	-52
10-11	-269	-164	-135	-60	-116	-32	1	-157	-174
11-12	-277	-151	-158	-163	-154	-143	-184	-209	-230
Total	-1,627	-882	-802	-619	-948	-557	-902	-1,057	-1,415

NET MIGRATION

OCTOBER 1 TO OCTOBER 1

	07 to 08	08 to 09	09 to 10	10 to 11	11 to 12	12 to 13	13 to 14	14 to 15	15 to 16
K-5	-585	-426	-357	-375	-411	-373	-559	-505	-686
6-8	-416	-238	-213	-184	-285	-196	-306	-376	-394
9-12	-626	-218	-232	-60	-252	12	-37	-176	-335
Total	-1,627	-882	-802	-619	-948	-557	-902	-1,057	-1,415

SURVIVAL RATES

OCTOBER 1 TO OCTOBER 1

	07 to 08	08 to 09	09 to 10	10 to 11	11 to 12	12 to 13	13 to 14	14 to 15	15 to 16
K-1	0.984	0.973	0.990	0.983	0.991	0.967	0.950	0.975	0.941
1-2	0.950	0.973	0.966	0.978	0.975	0.977	0.966	0.966	0.955
2-3	0.965	0.977	0.985	0.973	0.972	0.972	0.971	0.970	0.955
3-4	0.964	0.974	0.978	0.983	0.967	0.972	0.970	0.962	0.974
4-5	0.940	0.957	0.960	0.955	0.954	0.993	0.967	0.966	0.955
5-6	0.927	0.947	0.946	0.962	0.938	0.937	0.905	0.885	0.880
6-7	0.934	0.958	0.974	0.964	0.958	0.986	0.986	0.979	0.990
7-8	0.984	1.004	0.998	1.005	0.998	1.001	0.996	0.998	0.982
8-9	1.023	1.035	1.048	1.065	1.040	1.091	1.057	1.076	1.050
9-10	0.953	1.003	0.978	1.002	0.970	0.956	1.000	1.000	0.981
10-11	0.909	0.943	0.950	0.976	0.956	0.987	1.000	0.941	0.936
11-12	0.904	0.944	0.941	0.937	0.938	0.943	0.926	0.917	0.909

STUDENTS ENROLLED IN EDUCATION OPTIONS

	GAIN		LOSS				
Year	Open Enrollment		Nonpublic Schools	Home Schools	Tuition Agreements	Open Enrollment	Charter Schools
2005-06	n.a.		8,909	224	823	575	4,134
2006-07	2,253		8,771	221	808	688	4,240
2007-08	2,168		8,381	214	780	612	4,508
2008-09	1,831		8,353	215	911	997	5,116
2009-10	1,640		8,178	220	959	1,447	5,720
2010-11	1,508		7,856	237	955	1,852	6,257
2011-12	1,454		7,644	251	1,027	2,210	6,624
2012-13	1,340		7,514	286	1,254	2,560	7,201
2013-14	1,491		7,219	304	495	2,730	7,936
2014-15	1,538		6,991	255	396	2,662	8,717
2015-16	1,561		7,159	296	423	3,056	9,272
2016-17	1,555		7,007	307	353	3,154	9,814

EDUCATION CHOICES

2015-16

	Minnesota	Saint Paul Public Schools
Nonpublic settings	9.1%	13.3%
Traditional schools	7.1%	12.7%
Home schools	2.0%	0.5%
Public Options		
Open enrollment	8.1%	
In		4.4%
Out		5.4%
Charter schools	5.4%	16.5%
Capture Rate	77.4%	60.0%



NEW PROJECTIONS

SUMMARY

- From 2007-08 to 2016-17
 - Saint Paul Public Schools' enrollment (excluding Early Childhood, ALC and specialized schools/programs) decreased by -1,723 students or -4.7 percent
 - The only net in migration occurs between Grade 8 and Grade 9
 - Resident enrollment decreased by -1,110 students of -3.2 percent
 - Nonresident enrollment decreased from 2,168 to 1,555 or -28.3 percent
 - Nonresidents are 4.4 percent of enrollment in 2016-17

SUMMARY

- The market share of the Saint Paul Public Schools is 60.0 percent in 2015-16
 - Charter Schools, especially, depress enrollment in the Saint Paul Public Schools

SUMMARY

- In ten years, enrollment is projected to decrease from 35,174 today to 32,201 to 33,733 or -8.5 percent or -4.1 percent
 - The kindergarten to resident birth ratio is back to “historic” percentages
 - Lower survival rates used in the projections
 - Net migration assumptions have a larger influence on the differences among the projections than the kindergarten assumptions

SUMMARY

- What could occur to make these projections too high
 - Ever more students selecting other education options
- OR too low
 - More kindergarten students
 - Fewer students leaving for other education options

RESIDENT BIRTHS

Year	Minnesota	Saint Paul	% of MN
2001	66,617	5,115	7.7%
2002	68,037	5,036	7.4%
2003	70,053	5,108	7.3%
2004	70,614	5,036	7.1%
2005	70,920	5,165	7.3%
2006	73,515	5,216	7.1%
2007	73,675	5,234	7.1%
2008	72,382	5,297	7.3%
2009	70,617	5,093	7.2%
2010	68,407	4,936	7.2%
2011	68,416	5,071	7.4%
2012	68,783	5,196	7.6%
2013	69,183	5,210	7.5%
2014	69,916	5,100	7.3%
2015	69,835	5,079	7.3%

SAINT PAUL'S KINDERGARTEN AS A PERCENTAGE OF THE KINDERGARTEN POOL

Birth Years	Kindergarten Pool	Percentage	Kindergarten Year
2001; 2002	5,062	58.3%	2007-08
2002; 2003	5,084	61.3%	2008-09
2003; 2004	5,060	61.9%	2009-10
2004; 2005	5,123	60.8%	2010-11
2005; 2006	5,199	62.1%	2011-12
2006; 2007	5,229	65.6%	2012-13
2007; 2008	5,276	66.1%	2013-14
2008; 2009	5,160	64.7%	2014-15
2009; 2010	4,988	62.7%	2015-16
2010; 2011	5,027	61.5%	2016-17
2011; 2012	5,154		2017-18
2012; 2013	5,207		2018-19
2013; 2014	5,136		2019-20
2014; 2015	5,086		2020-21

KINDERGARTEN/BIRTH RATIOS

- Cohort survival method
 - Kindergarten assumptions
 - Low is 62.1% (average of the past two years)
 - High is 62.5% (average since 2005-06)
 - Longer-term
 - Minnesota's annual rate of change was applied to the Saint Paul Pool

PROJECTED MINNESOTA 0-YEAR OLDS

Year	Number
2015 Actual*	69,835
2015	69,821
2016	70,149
2017	70,312
2018	70,395
2019	70,373
2020	70,325
2021	70,274
2022	70,227
2023	70,191
2024	70,164
2025	70,164
*Actual births	

KINDERGARTEN PROJECTIONS

Year	@62.1%	@62.5%
2016-17	3,093	3,093
2017-18	3,201	3,221
2018-19	3,254	3,254
2019-20	3,189	3,210
2020-21	3,158	3,179
2021-22	3,173	3,194
2022-23	3,181	3,201
2023-24	3,180	3,201
2024-25	3,179	3,199
2025-26	3,178	3,199
2026-27	3,177	3,198
Total	31,850	32,056

Past ten years 32,012 Kindergarten students

PROJECTED SURVIVAL RATES

Grade	Low (past year)	High (past 3 years)
K to 1	0.941	0.955
1 to 2	0.955	0.962
2 to 3	0.955	0.965
3 to 4	0.974	0.969
4 to 5	0.955	0.963
5 to 6	0.880	0.890
6 to 7	0.990	0.985
7 to 8	0.982	0.992
8 to 9	1.050	1.061
9 to 10	0.981	0.994
10 to 11	0.936	0.959
11 to 12	0.909	0.917

EFFECT OF SURVIVAL RATES ON A KINDERGARTEN CLASS OF 1,000

Survival Rates	By Grade 6		By Grade 8		By Grade 12	
	#	%	#	%	#	%
Past 3 yrs.	-269	-26.9	-286	-28.6	-338	-33.8
Past yr.	-290	-29.0	-310	-31.0	-396	-39.6

ENROLLMENT PROJECTIONS

Year	Low K Low Mig	High K Low Mig	Low K High Mig	High K High Mig
2016-17	35,174	35,174	35,174	35,174
2017-18	34,691	34,711	34,975	34,995
2018-19	34,259	34,277	34,789	34,808
2019-20	33,852	33,891	34,568	34,607
2020-21	33,564	33,622	34,432	34,491
2021-22	33,359	33,435	34,350	34,428
2022-23	33,158	33,251	34,247	34,341
2023-24	32,990	33,098	34,188	34,298
2024-25	32,747	32,871	34,019	34,146
2025-26	32,443	32,581	33,762	33,904
2026-27	32,201	32,355	33,575	33,733

ENROLLMENT PROJECTIONS

Year	K-5	6-8	9-12	Total
2016-17	18,010	7,192	9,972	35,174
2021-22				
Low K/Low Mig	16,948	7,030	9,381	33,359
High K/Low Mig	17,024	7,030	9,381	33,435
Low K/High Mig	17,312	7,199	9,839	34,350
High K/High Mig	17,390	7,199	3,839	34,428
2026-27				
Low K/Low Mig	16,945	6,659	8,597	32,201
High K/Low Mig	17,056	6,688	8,612	32,355
Low K/High Mig	17,310	6,979	9,286	33,575
High K/High Mig	17,422	7,010	9,301	33,733

2015 PROJECTIONS VERSUS 2017 PROJECTIONS

2024-25				
	K-5	6-8	9-12	Total
2015 Projections				
Low K/Low Mig	18,969	7,721	10,862	37,551
Low K/High Mig	19,304	7,949	10,931	38,183
High K/Low Mig	19,474	7,927	10,933	38,335
High K/High Mig	19,818	8,162	11,003	38,983
2017 Projections				
Low K/Low Mig	16,939	6,624	9,184	32,747
High K/Low Mig	17,049	6,638	9,187	32,871
Low K/High Mig	17,303	6,943	9,774	34,019
High K/High Mig	17,415	6,957	9,774	34,146