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Prior Lake American/Savage Pacer
Column run date: February 17, 2024

PLSAS School Board approves budget reductions for 2024/25 school year

On Monday, the School Board approved the preliminary budget for the upcoming 2024/25 school year, which includes nearly \$5 million in cuts, marking a crucial step in our ongoing challenge of balancing our budget.

This decision was not made lightly; it's the culmination of weeks of discussion and a thorough examination of our current financial situation, the factors influencing it and the difficult approaches we are taking to help ensure we have a budget for next school year within our means.

Revenue Realities

The backbone of our district's financial support stems from the state, primarily through general education aid. A significant portion of this aid is determined by enrollment and in PLSAS enrollment figures have plateaued, with little growth anticipated in the next five years.

Last year, the Minnesota Legislature allocated substantial funding for schools, however, this funding brought with it dozens of new mandates with revenue earmarked for specific purposes. While the new funding is widely appreciated, school districts still have to find ways to cover some current and historical mandates that are underfunded or even unfunded by the state.

Expense Pressures

On the flip side, our expenses continue to outpace revenue growth. While we anticipate a revenue increase of 2.5 – 3%, our expenditures are projected to increase about 5%. Our most valuable asset, our dedicated teachers and support staff, represent our most significant expense. Yet, the General Education formula allowance, critical for adequately compensating our personnel, has not kept pace with inflation since 2003. If it had, we would have received at least \$9 million more last year alone.

Addressing the Imbalance

To address the budget imbalance, we must reduce expenses by \$4.6 - \$5 million. In response, the School Board has approved implementing several reductions, including right-sizing K-8 classrooms which would mean class section reductions that result in fewer teaching positions.

It's important to clarify that this adjustment does not equate to increasing class sizes targets. Instead, it focuses on maintaining current student-teacher ratio guidelines. Currently, many K-8 sections fall below class-size target and discussion caps, while Prior Lake High School is either meeting or nearing class-size target and discussion caps.

Additionally, we will reduce administrative roles by eliminating the MNCAPS Coordinator position. The responsibilities of overseeing the program will be absorbed by one of the PLHS

Assistant Principals. Also, we will not fill a retiring middle school principal position and begin working with staff to look for ways we can restructure administration at the middle school level. We will also implement targeted staff reductions and corresponding service cutbacks outside of the classroom.

In Special Education, we will realign costs along with reducing administration, teacher and paraeducator positions.

In terms of software expenses, we will be eliminating Smore and SMART Notebook, along with replacing Schoology and Seesaw with the more cost-effective alternative, Google Classroom.

Finally, we will reallocate some of our overhead costs to Food Services and Community Education, which are not part of the General Fund, reduce professional development for the School Board and administration, and reduce costs for test facilitation of the PreACT for 9th graders.

Revenue Augmentation

While expense reduction is crucial, we're also exploring avenues to bolster revenue streams such as increasing activities and parking fees at Prior Lake High School and introducing charges for certain services, like the ACT.

For more detailed information about the approved budget reductions, please view the February 12 School Board meeting at www.plsas.org

Next Steps

During its retreat March 4 the School Board will discuss the potential for a levy referendum this fall. Moving forward, the budget will be finalized in May, with the School Board taking action on the 2024/25 budget in June. These decisions are pivotal, shaping the educational landscape for the year ahead.

While the financial terrain may present challenges, our resolve remains steadfast. Together, we'll navigate these fiscal complexities, ensuring that we continue to support the educational needs of our students and the sustainability of our district.