St. Louis Park Public Schools
School Board Meeting Agenda

Tuesday, February 13, 2024 at 6:30 PM
Regular Business Meeting
Central Community Center, Room 21
6300 Walker Street
St. Louis Park, Minnesota 55416

MMKR
CERTIFIED PUBLIC ACCOUNTANTS

MALLOY
MONTAGUE
KARNOWSKI
RADOSEVICH
& CO., P.A.

website: www.mmkr.com

Independent School District No. 283
St. Louis Park Schools
Audit Report

Year Ended June 30, 2023

Auditor’s Role

- Opinion on Financial Statements
  - District Audit
- Internal Controls and Compliance
  - Financial Statement Audit
  - State Laws and Regulations
- Single Audit of Federal Awards
  - Schedule of Expenditures of Federal Awards
  - Internal Controls and Compliance

Audit Results

- Clean Opinion on Basic Financial Statements
  - Unmodified Opinion
  - Emphasis of a Matter – Implementation of GASB Statement #96 on Subscription-Based IT Arrangements (SBITA)
- Internal Control and Compliance Report
  - No Findings

Audit Results

Minnesota Legal Compliance Audit

- Collateral
- Prompt Payment of Bills
- Quote Requirements

Audit Results

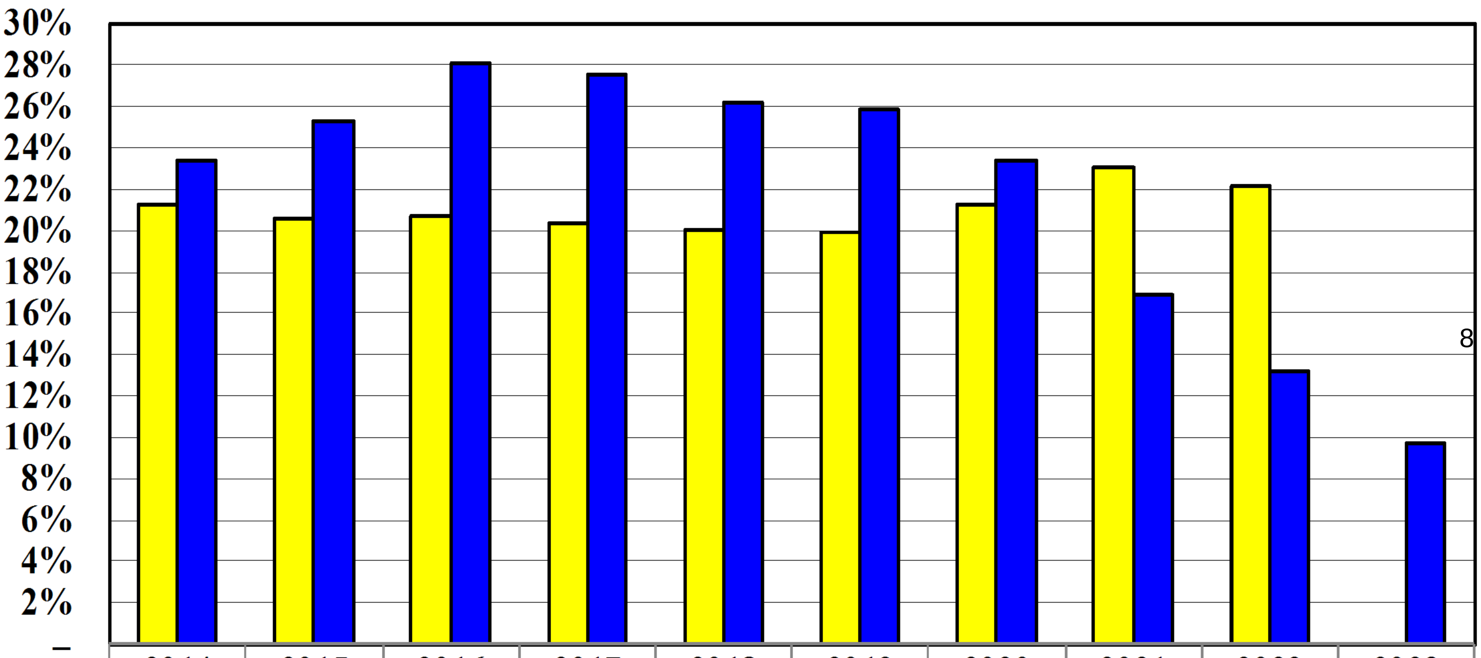
Single Audit of Federal Awards

- In Progress
- Scheduled to be Completed by March 31, 2024

General Education Aid—Basic Formula Allowance

Fiscal Year Ended June 30,	Formula Allowance	
	Amount	Percent Increase
2014	$ 5,302	1.50 %
2015	$ 5,831	2.00 %
2016	$ 5,948	2.00 %
2017	$ 6,067	2.00 %
2018	$ 6,188	2.00 %
2019	$ 6,312	2.00 %
2020	$ 6,438	2.00 %
2021	$ 6,567	2.00 %
2022	$ 6,728	2.45 %
2023	$ 6,863	2.00 %
2024	$ 7,138	4.00 %
2025	$ 7,281	2.00 %

State-Wide Unrestricted Operating Fund Balance as a Percentage of Operating Expenditures



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State-Wide	21.2%	20.6%	20.7%	20.3%	20.0%	19.9%	21.3%	23.0%	22.2%	–
ISD No. 283	23.4%	25.3%	28.1%	27.6%	26.2%	25.9%	23.4%	16.9%	13.2%	9.7%

Revenue Per ADM Served

Governmental Funds Revenue per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2021	2022	2021	2022	2021	2022	2023
General Fund							
Property taxes	$ 2,576	$ 2,645	$ 3,411	$ 3,506	$ 4,603	$ 4,432	$ 4,931
Other local sources	438	571	323	446	225	210	396
State	10,514	10,504	10,517	10,536	10,043	10,350	10,755
Federal	992	1,335	956	1,397	995	1,662	735
Total General Fund	14,520	15,055	15,207	15,885	15,866	16,654	16,817
Special revenue funds							
Food Service	576	803	568	770	343	646	540
Community Service	612	731	684	836	1,561	1,661	1,838
Debt Service Fund	1,512	1,508	1,549	1,537	2,642	2,817	2,921
Total revenue	$ 17,220	$ 18,097	$ 18,008	$ 19,028	$ 20,412	$ 21,778	$ 22,116
ADM served per MDE School District Profiles Report (current year estimated)					4,486	4,493	4,384

Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

Expenditures Per ADM Served

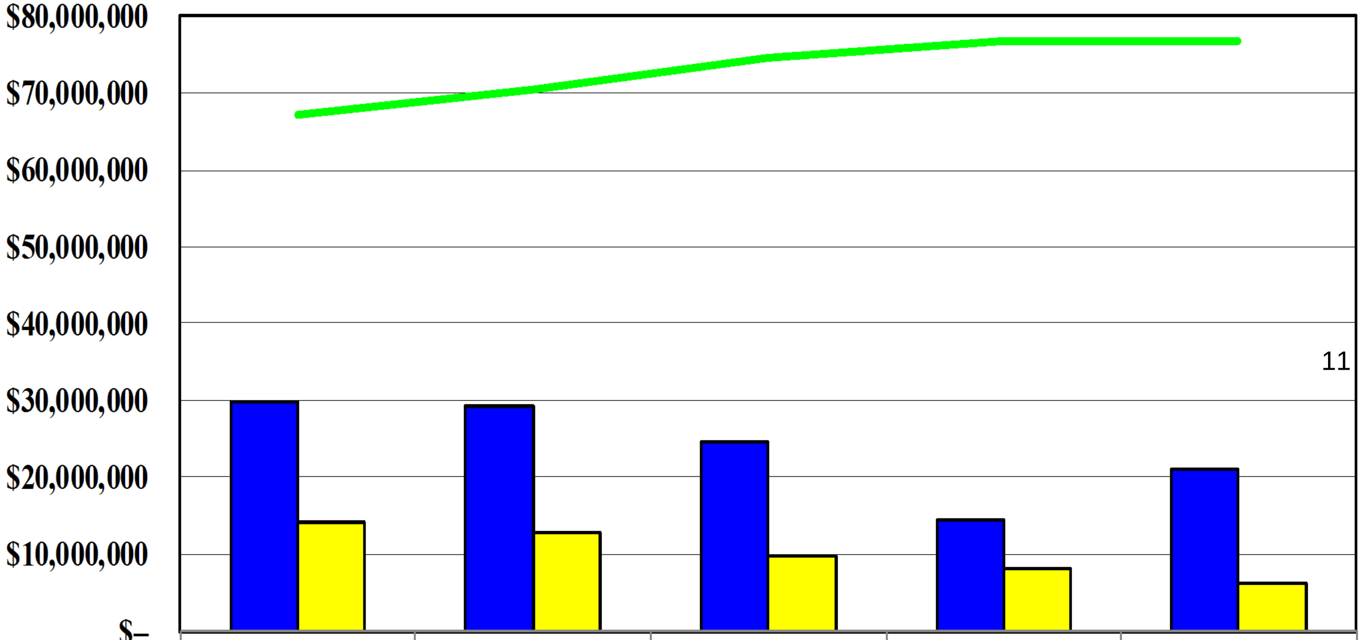
Governmental Funds Expenditures per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2021	2022	2021	2022	2021	2022	2023
General Fund							
Administration and district support	$ 1,184	$ 1,249	$ 1,205	$ 1,300	$ 1,700	$ 1,593	$ 1,786
Elementary and secondary regular instruction	6,198	6,494	6,527	6,838	7,204	7,556	7,753
Career and technical instruction	197	210	179	191	158	138	140
Special education instruction	2,626	2,724	2,792	2,883	2,940	2,766	3,101
Instructional support services	812	816	917	939	1,008	993	993
Pupil support services	1,228	1,429	1,285	1,558	1,457	1,913	1,833
Sites, buildings, and other	1,083	1,113	1,052	1,076	1,620	1,636	1,599
Total General Fund – noncapital	13,328	14,035	13,957	14,785	16,087	16,595	17,205
General Fund capital expenditures	793	876	815	897	534	474	326
Total General Fund	14,121	14,911	14,772	15,682	16,621	17,069	17,531
Special revenue funds							
Food Service	532	670	522	659	363	458	526
Community Service	610	689	682	774	1,564	1,658	1,726
Debt Service Fund	1,576	1,599	1,609	1,561	2,629	2,707	2,821
Total expenditures	$ 16,839	$ 17,869	$ 17,585	$ 18,676	$ 21,177	$ 21,892	$ 22,604
ADM served per MDE School District Profiles Report (current year estimated)					4,486	4,493	4,384

Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

General Fund Financial Position
Year Ended June 30,



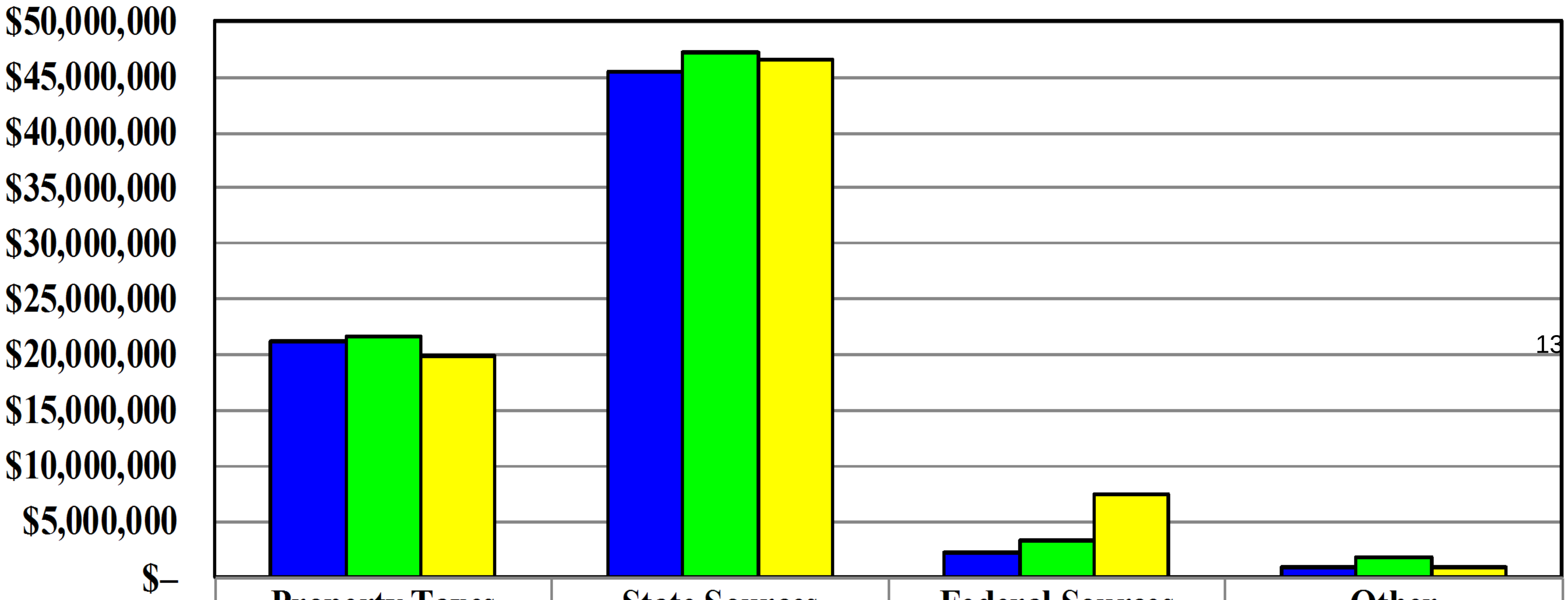
	2019	2020	2021	2022	2023
Cash and Inv. (net of borrowing)	$29,787,327	$29,264,490	$24,623,836	$14,428,319	$21,037,329
Unrestricted Fund Bal.	$14,061,705	$12,692,970	$9,698,327	$8,232,819	$6,231,719
Expenditures	$67,071,026	$70,377,881	$74,565,879	$76,698,481	$76,852,977

General Fund Financial Position (cont.)

	June 30,				
	2019	2020	2021	2022	2023
Nonspendable fund balances	$ 160,802	$ 209,734	$ 196,545	$ 294,027	$ 62,719
Restricted fund balances (1)	5,979,060	6,766,821	6,384,229	6,593,328	5,763,951
Unrestricted fund balances					
Assigned	3,422,803	4,239,796	2,763,949	3,853,266	1,174,285
Unassigned	10,638,902	8,453,174	6,934,378	4,379,553	5,057,434
Total fund balance	$ 20,201,567	$ 19,669,525	$ 16,279,101	$ 15,120,174	$ 12,058,389
Unrestricted fund balances as a percentage of expenditures	21.0%	18.0%	13.0%	10.7%	8.1%

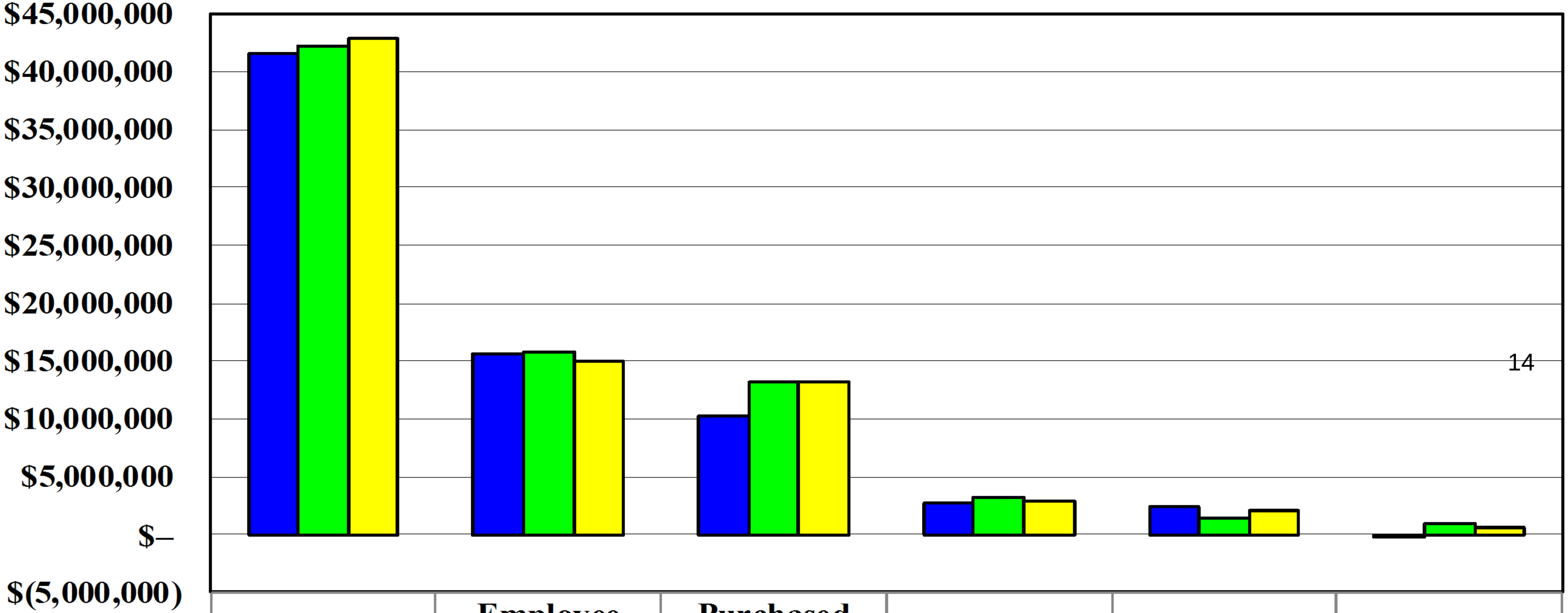
(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

General Fund Revenue



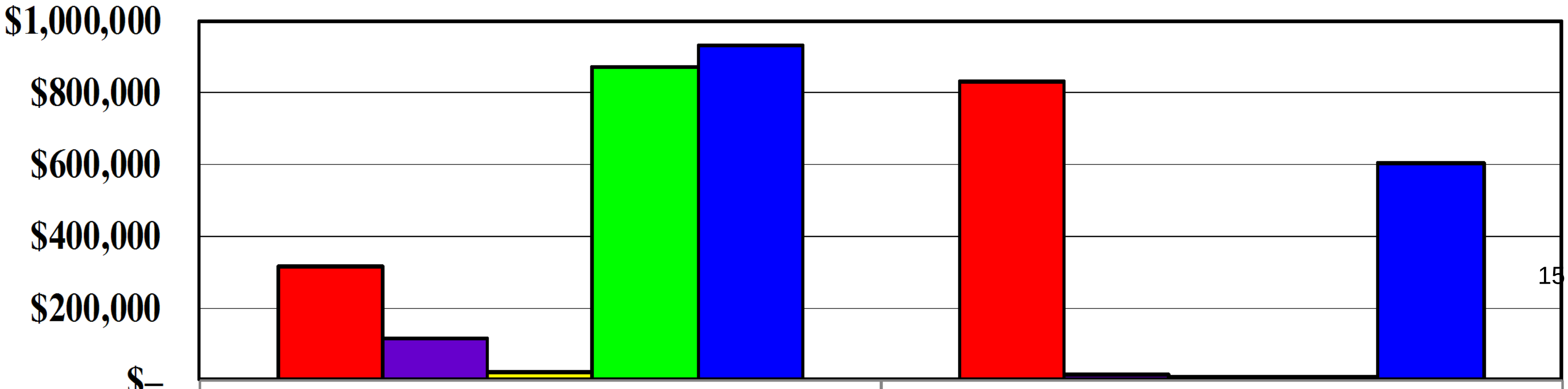
	Property Taxes	State Sources	Federal Sources	Other
Budget	$21,195,200	$45,481,800	$2,120,072	$866,600
Actual	$21,615,813	$47,149,379	$3,223,299	$1,733,933
Prior Year	$19,914,370	$46,502,457	$7,467,476	$945,395

General Fund Expenditures



	Salaries	Employee Benefits	Purchased Services	Supplies	Capital	Other
Budget	$41,578,336	$15,664,019	$10,160,701	$2,706,877	$2,378,154	$(38,860)
Actual	$42,230,450	$15,849,322	$13,126,469	$3,265,175	$1,427,266	$954,295
Prior Year	$42,915,021	$14,914,030	$13,240,872	$2,898,025	$2,131,283	$599,250

Other Operating Funds
Total Fund Balances



	Food Service	Community Service
2019	$319,851	$831,373
2020	$114,675	$15,320
2021	$23,771	$2,110
2022	$870,105	$12,801
2023	$930,838	$603,683

Summary

- Clean Opinion on Basic Financial Statements
- Implementation of GASB #96 on SBITA's
- Three MN Legal Compliance Findings
- Declining General Fund Balance
- District Met Fund Balance Policy Requirements
- District Committed to Audit Process

Management Report

for

Independent School District No. 283
St. Louis Park, Minnesota

June 30, 2023

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MMKR
CERTIFIED PUBLIC ACCOUNTANTS

To the School Board and Management of
Independent School District No. 283
St. Louis Park, Minnesota

We have prepared this management report in conjunction with our audit of Independent School District No. 283, St. Louis Park, Minnesota's (the District) financial statements for the year ended June 30, 2023. We have organized this report into the following sections:

- Audit Summary
- Financial Trends in Public Education in Minnesota
- Financial Trends of Your District
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the District, management, and those with responsibility for oversight of the District's financial reporting process comments resulting from our audit and information relevant to school district financing in Minnesota. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
February 9, 2024

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
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AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the School Board, administration, or those charged with governance of the District.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA, *GOVERNMENT AUDITING STANDARDS*, AND TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS* (UNIFORM GUIDANCE)

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

The District is subject to a Single Audit of its federal awards expenditures for the year ended June 30, 2023, which is required to be performed in accordance with the Uniform Guidance. It was originally planned that the Single Audit would be completed and issued along with the District's financial statements audit. Due to the significant increase in pandemic-related federal funding received by Minnesota school districts this year, the Minnesota Department of Education (MDE) has extended the due date for Single Audits to coincide with the federal deadline of March 31, 2024. The District plans to issue its audited Schedule of Expenditures of Federal Awards and the related reports separately by this deadline.

AUDIT OPINION AND FINDINGS

Based on our audit of the District's financial statements for the year ended June 30, 2023:

- We have issued unmodified opinions on the District's basic financial statements. Our report included a paragraph emphasizing the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year. Our opinion was not modified with respect to this matter.

- We reported no deficiencies in the District's internal control over financial reporting that we considered to be material weaknesses. It should be understood that internal controls are never perfected, and those controls, which protect the District's funds from such things as fraud and accounting errors, need to be continually reviewed by management and modified as necessary.

- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.

- We reported three findings based on our testing of the District's compliance with Minnesota laws and regulations:

    1. Minnesota Statutes § 118A.03 requires that if the District's deposits exceed federal deposit insurance coverage, excess deposits must be covered by corporate surety bonds or collateral that has a market value of at least 110 percent of such excess. This requirement was not met for the District's accounts at one time we tested during the year ended June 30, 2023. This requirement was met on June 30, 2023.

    2. Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month. We noted 3 of 40 disbursements tested were not paid within the statutory timeline.

    3. Minnesota Statutes require that each contract with an estimated value from $25,000 to $175,000, be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. For one of three purchases tested to which this requirement applied, the District did not follow this process or retain documentation to support that proper procedures were completed. While this purchase was for a piece of equipment for which the District wished to maintain brand and maintenance consistency, the requirement for additional quotes was not met.

FOLLOW-UP ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS

As a part of our audit of the District's financial statements for the year ended June 30, 2023, we performed procedures to follow-up on any findings and recommendations that resulted from the prior year audit. We reported the following finding that was corrected by the District in the current year:

- In the prior year, we reported a Minnesota legal compliance finding for Minnesota Statutes that require unclaimed property held for more than three years to be reported and paid to the state Commissioner of Commerce each year.

OTHER RECOMMENDATIONS

During the audit procedures for the year ended June 30, 2023, we noted the District's internal controls over purchasing card (P-card) transactions need improvement. During our testing, we noted numerous P-card transactions submitted for payment that lacked appropriate back-up documentation, including purchase receipts. We also noted formal approval of P-card transactions was not documented on invoices submitted for payment. We recommend the District continue its review of internal controls in this area and continue its enforcement of improved internal controls to assure proper documentation of all P-card transactions (are on file) and all transactions are being approved by an appropriate level of management.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 of the notes to basic financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2023. However, the District implemented the following governmental accounting standard during the year:

> As described in Note 1 of the notes to the basic financial statements, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), during fiscal year ended June 30, 2023. This standard changed the way SBITA transactions are reported by the District, but did not result in a restatement of beginning net position in the current year.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

General education revenue and certain other revenues are computed by applying an allowance per student to the number of students served by the District. Student attendance is accumulated in a state-wide database—MARSS. Because of the complexity of student accounting and because of certain enrollment options, student information is input by other school districts and the MARSS data for the current fiscal year is not finalized until after the District has closed its financial records. General education revenue and certain other revenues are computed using preliminary information on the number of students served in the resident district and also utilizing some estimates, particularly in the area of enrollment options.

Special education state aid includes an adjustment related to tuition billings to and from other school districts for special education services, which are computed using formulas derived by the MDE. Because of the timing of the calculations, this adjustment for the current fiscal year is not finalized until after the District has closed its financial records. The impact of this adjustment on the receivable and revenue recorded for state special education aid is calculated using preliminary information available to the District.

The District has recorded a liability in the Statement of Net Position for compensated absences payable for which it is probable employees will be compensated. The "vesting method" used by the District to calculate this liability is based on assumptions involving the probability of employees becoming eligible to receive the benefits (vesting), the potential use of accumulated sick leave prior to termination, and the age at which such employees are likely to retire.

The District has recorded activity for other post-employment benefits (OPEB) and pension benefits. These obligations are calculated using actuarial methodologies primarily described in GASB Statement Nos. 68, 73, and 75. These actuarial calculations include significant assumptions, including projected changes, healthcare insurance costs, investment returns, retirement ages, proportionate share, and employee turnover.

The depreciation/amortization of capital assets involves estimates pertaining to useful lives.

The District's self-insured activities require recording a liability for claims incurred, but not yet reported, which are based on estimates.

We evaluated the key factors and assumptions used by management to develop the estimates discussed above in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures included in the notes to the basic financial statements related to OPEB and pension benefits are particularly sensitive, due to the materiality of the liabilities, and the large and complex estimates involved in determining the disclosures.

The financial statement disclosures are neutral, consistent, and clear.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated February 9, 2024.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to the management's discussion and analysis and the pension and OPEB-related required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information accompanying the financial statements, and the separately issued Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompanies the financial statements, but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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FINANCIAL TRENDS IN PUBLIC EDUCATION IN MINNESOTA

This section provides some state-wide funding and financial trends in public education in Minnesota.

BASIC GENERAL EDUCATION REVENUE

The largest single funding source for Minnesota school districts is basic general education aid. Each year, the Legislature sets a basic formula allowance. Total basic general education revenue is calculated by multiplying the formula allowance by the number of pupil units for which a district is entitled to aid. Pupil units are calculated using a legislatively determined weighting system applied to average daily membership (ADM). Over the years, various modifications have been made to this calculation, including changes in weighting and special consideration for declining enrollment districts.

The table below presents a summary of the formula allowance for the past decade and as approved for the next two fiscal years. The 2023 Legislature approved per pupil increases of $275 for fiscal 2024 and $143 for fiscal 2025. The amount of the formula allowance and the percentage change from year-to-year excludes temporary funding changes, the "roll-in" of aids that were previously funded separately, and changes that may vary dependent on actions taken by individual districts. The $529 increase in 2015 was offset by changes to pupil weightings and the general education aid formula that resulted in an increase equivalent to approximately $105, or 2.00 percent, state-wide.

	Formula Allowance	
Fiscal Year Ended June 30,	Amount	Percent Increase
2014	$ 5,302	1.50 %
2015	$ 5,831	2.00 %
2016	$ 5,948	2.00 %
2017	$ 6,067	2.00 %
2018	$ 6,188	2.00 %
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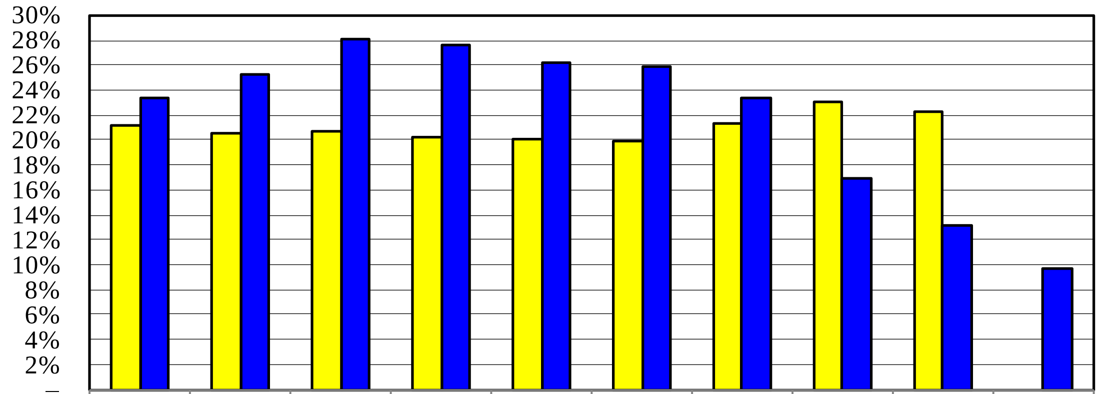
2021	$ 6,567	2.00 %
2022	$ 6,728	2.45 %
2023	$ 6,863	2.00 %
2024	$ 7,138	4.00 %
2025	$ 7,281	2.00 %

For fiscal 2026 and beyond, the actual increase will be equal to the Consumer Price Index-Urban (CPI-U), with a floor of 2.00 percent and a cap of 3.00 percent. CPI-U is determined based upon the prior two fourth-quarter totals. The inclusion of inflationary increases to this formula does not prevent future legislative increases from being approved.

STATE-WIDE SCHOOL DISTRICT FINANCIAL HEALTH

One of the most common and comparable statistics used to evaluate school district financial health is the unrestricted operating fund balance as a percentage of operating expenditures.

State-Wide Unrestricted Operating Fund Balance
as a Percentage of Operating Expenditures



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
State-Wide	21.2%	20.6%	20.7%	20.3%	20.0%	19.9%	21.3%	23.0%	22.2%	–
ISD No. 283	23.4%	25.3%	28.1%	27.6%	26.2%	25.9%	23.4%	16.9%	13.2%	9.7%

Note: State-wide information is not available for fiscal 2023.

The calculation above reflects only the unrestricted fund balance of the General Fund, and the corresponding expenditures, which is the same method the state uses for the calculation of statutory operating debt. We have also included the comparable percentages for your district.

The average unrestricted fund balance as a percentage of operating expenditures maintained by Minnesota school districts decreased gradually from 21.2 percent at the end of fiscal 2014 to 19.9 percent at the end of fiscal 2019, a period of relative stability in the state's economic condition and school funding. This ratio began rising again during the fiscal years impacted by the COVID-19 pandemic, increasing to 23.0 percent at the end of fiscal 2021. In 2022, the state-wide ratio decreased to 22.2 percent, as districts returned to more traditional learning models and program operations with the relaxation of pandemic restrictions.

The District's unrestricted operating fund balance as a percentage of operating expenditures was 9.7 percent at the end of the current year, as compared to 13.2 percent at June 30, 2022.

Having an appropriate fund balance is an important factor in assessing the District's financial health because a government, like any organization, requires a certain amount of equity to operate. It is important to review fund balance levels on an ongoing basis to ensure a sufficient equity reserve is available to support programs and cash flow of the District.

The table below shows a comparison of governmental fund revenue per ADM received by Minnesota school districts and your district. Revenues for all governmental funds are included, except for the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing sources, such as proceeds from sales of capital assets, insurance recoveries, bond sales, loans, and interfund transfers, are also excluded.

Governmental Funds Revenue per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2021	2022	2021	2022	2021	2022	2023
General Fund							
Property taxes	$ 2,576	$ 2,645	$ 3,411	$ 3,506	$ 4,603	$ 4,432	$ 4,931
Other local sources	438	571	323	446	225	210	396
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Federal	992	1,335	956	1,397	995	1,662	735
Total General Fund	14,520	15,055	15,207	15,885	15,866	16,654	16,817
Special revenue funds							
Food Service	576	803	568	770	343	646	540
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Debt Service Fund	1,512	1,508	1,549	1,537	2,642	2,817	2,921
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ADM served per MDE School District Profiles Report (current year estimated)					4,486	4,493	4,384

Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

ADM used in the table above and on the next page is based on enrollments consistent with those used in the MDE School District Profiles Report, which include extended time ADM, and may differ from ADM reported in other tables. Changes in enrollment also impact comparisons in the table above and on the next page when revenue and expenditures are based on fixed costs, such as debt levies and principal and interest on outstanding indebtedness.

The mix of local and state revenues vary from year-to-year primarily based on funding formulas and the state's financial condition. The mix of revenue components from district to district varies, due to factors such as the strength of property values, mix of property types, operating and bond referendums, enrollment trends, density of population, types of programs offered, and countless other criteria.

The District earned approximately $96.9 million in the governmental funds reflected above in fiscal 2023, which is a decrease of about $0.9 million from the prior year. Total revenue per ADM served increased by $338 per student with the decrease in enrollment. Property tax revenue in the General Fund increased $499 per student, due to an increased levy. General Fund state aid revenues were $405 per student higher than last year, mainly due to the per pupil unit increase in the general education formula allowance, as well as increases in special education state aids. The increases were offset by a decrease from federal sources of $927 per student, due to the spend down of COVID-19 stimulus-related grant funds.

The following table reflects similar comparative data available from the MDE for all governmental fund expenditures, excluding the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds. Other financing uses, such as bond refundings and transfers, are also excluded.

Governmental Funds Expenditures per Student (ADM) Served

	State-Wide		Metro Area		ISD No. 283 – St. Louis Park		
	2021	2022	2021	2022	2021	2022	2023
General Fund							
Administration and district support	$ 1,184	$ 1,249	$ 1,205	$ 1,300	$ 1,700	$ 1,593	$ 1,786
Elementary and secondary regular instruction	6,198	6,494	6,527	6,838	7,204	7,556	7,753
Career and technical instruction	197	210	179	191	158	138	140
Special education instruction	2,626	2,724	2,792	2,883	2,940	2,766	3,101
Instructional support services	812	816	917	939	1,008	993	993
Pupil support services	1,228	1,429	1,285	1,558	1,457	1,913	1,833
Sites, buildings, and other	1,083	1,113	1,052	1,076	1,620	1,636	1,599
Total General Fund – noncapital	13,328	14,035	13,957	14,785	16,087	16,595	17,205
General Fund capital expenditures	793	876	815	897	534	474	326
Total General Fund	14,121	14,911	14,772	15,682	16,621	17,069	17,531
Special revenue funds							
Food Service	532	670	522	659	363	458	526
Community Service	610	689	682	774	1,564	1,658	1,726
Debt Service Fund	1,576	1,599	1,609	1,561	2,629	2,707	2,821
Total expenditures	$ 16,839	$ 17,869	$ 17,585	$ 18,676	$21,177	$21,892	$ 22,604
ADM served per MDE School District Profiles Report (current year estimated)					4,486	4,493	4,384

Note: Excludes the Capital Projects – Building Construction and Post-Employment Benefits Debt Service Funds.

Source of state-wide and metro area data: School District Profiles Report published by the MDE

Expenditure patterns vary from district to district for various reasons. Factors affecting the comparison include the growth cycle or maturity of the District, average employee experience, availability of funding, population density, and even methods of allocating costs.

The District's expenditures per ADM have been above the metro area average in recent years, mainly in General Fund operating, Community Service Special Revenue Fund, and Debt Service Fund expenditures.

The District spent approximately $99.1 million in the governmental funds reflected above in fiscal 2023, an increase of $727,440 (0.7 percent) from the prior year. On a per student basis, this represents an increase of $712. General Fund operating expenditures (excluding capital) increased $610 per student, mainly in elementary and secondary regular instruction ($197) for employee benefits and supplies and materials and special education instruction ($335 per pupil), mainly due to an increase in salaries and benefits.

SUMMARY

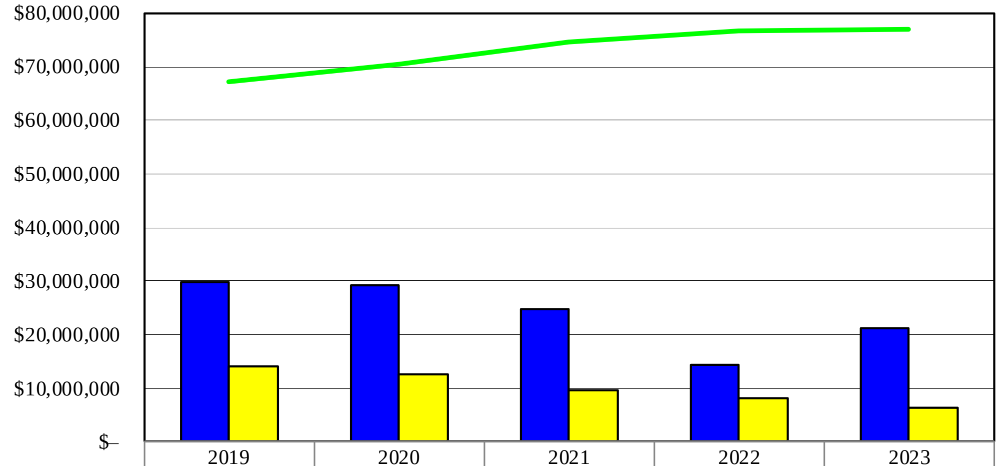
The COVID-19 pandemic caused numerous financial and operational challenges for districts in recent years; creating instability in student populations, requiring numerous shifts in the delivery of educational services, and resulted in substantial new and unfamiliar federal revenue streams, to name a few. Challenges remain, with tight labor markets, inflationary increases, and the end of many federal pandemic-related funding programs. District school boards, administrators, and employees continue to manage these issues, as districts strive to provide a safe and effective learning experience for their students.

FINANCIAL TRENDS OF YOUR DISTRICT

GENERAL FUND FINANCIAL POSITION

The following graph displays the District's General Fund trends of financial position and changes in the volume of financial activity. Unrestricted fund balance and cash balance are two indicators of financial health, while annual expenditures are often used to measure the size of the operation.

General Fund Financial Position
Year Ended June 30,



	2019	2020	2021	2022	2023
Cash and Inv. (net of borrowing)	$29,787,327	$29,264,490	$24,623,836	$14,428,319	$21,037,329
Unrestricted Fund Bal.	$14,061,705	$12,692,970	$9,698,327	$8,232,819	$6,231,719
Expenditures	$67,071,026	$70,377,881	$74,565,879	$76,698,481	$76,852,977

The District ended fiscal year 2023 with a General Fund cash balance of $21,037,329 (net of borrowing and interfund receivables and payables), an increase of $6,609,010 from the previous year. This increase is related to the change in salaries payable at June 30, 2023. Unrestricted fund balance (consisting of any assigned or unassigned fund balances) at year-end totaled $6,231,719, a decrease of $2,001,100.

In total, General Fund revenue and other financing sources were less than expenditures by $3,061,785. This compares to a budget that projected a decline in fund balance of $2,785,555. Revenues were higher than budget projections by $4,058,752, expenditures were higher than budget by $4,403,750, and other financing sources were higher than budget by $68,768.

GENERAL FUND COMPONENTS OF FUND BALANCE

The following table presents the components of the General Fund balance for the past five years:

	June 30, 2019	2020	2021	2022	2023
Nonspendable fund balances	$ 160,802	$ 209,734	$ 196,545	$ 294,027	$ 62,719
Restricted fund balances (1)	5,979,060	6,766,821	6,384,229	6,593,328	5,763,951
Unrestricted fund balances					
Assigned	3,422,803	4,239,796	2,763,949	3,853,266	1,174,285
Unassigned	10,638,902	8,453,174	6,934,378	4,379,553	5,057,434
Total fund balance	$ 20,201,567	$ 19,669,525	$ 16,279,101	$ 15,120,174	$ 12,058,389
Unrestricted fund balances as a percentage of expenditures	21.0%	18.0%	13.0%	10.7%	8.1%

(1) Includes deficits in restricted fund balance accounts allowed to accumulate deficits under UFARS, which are part of unassigned fund balance on the accounting principles generally accepted in the United States of America-based financial statements.

The table above reflects the total General Fund unrestricted fund balance and percentages, which differs from those used in the previous discussion of state-wide fund balances, which are based on a state formula. The resources represented by this fund balance are critical to a district's ability to maintain adequate cash flow throughout the year, to retain its programs, and to cushion against the impact of unexpected costs or funding shortfalls.

Minimum Fund Balance Policy

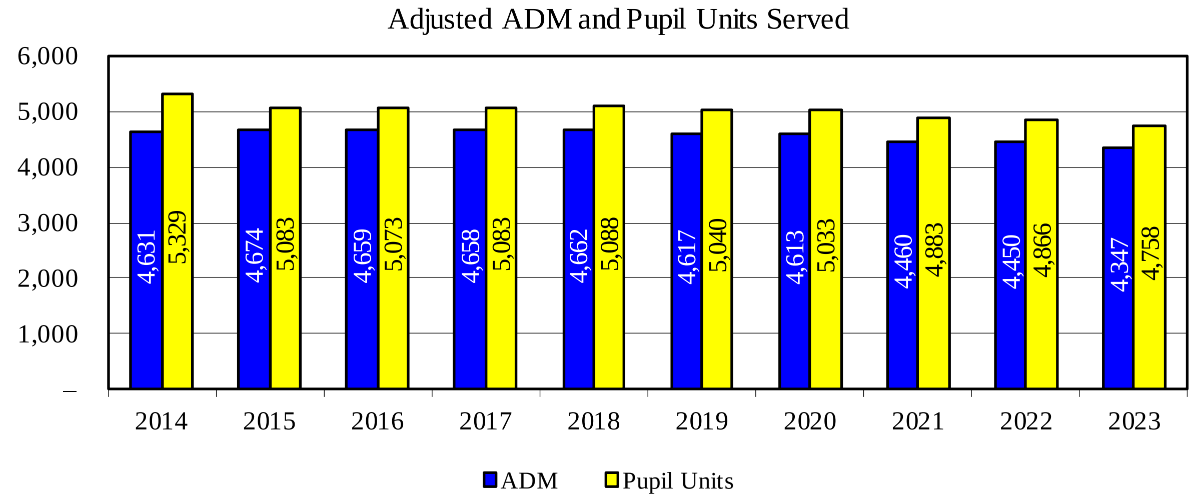
The School Board has a formally adopted a fund balance policy that establishes a desired unassigned General Fund balance. The policy states the District establishes a year-end minimum unassigned fund balance of 6.0 percent of subsequent year's General Fund noncategorical expenditures.

The unrestricted portion of the year-end fund balance (assigned and unassigned) was $6,231,719, which represents 8.1 percent of annual General Fund expenditures based on fiscal 2023 expenditure levels.

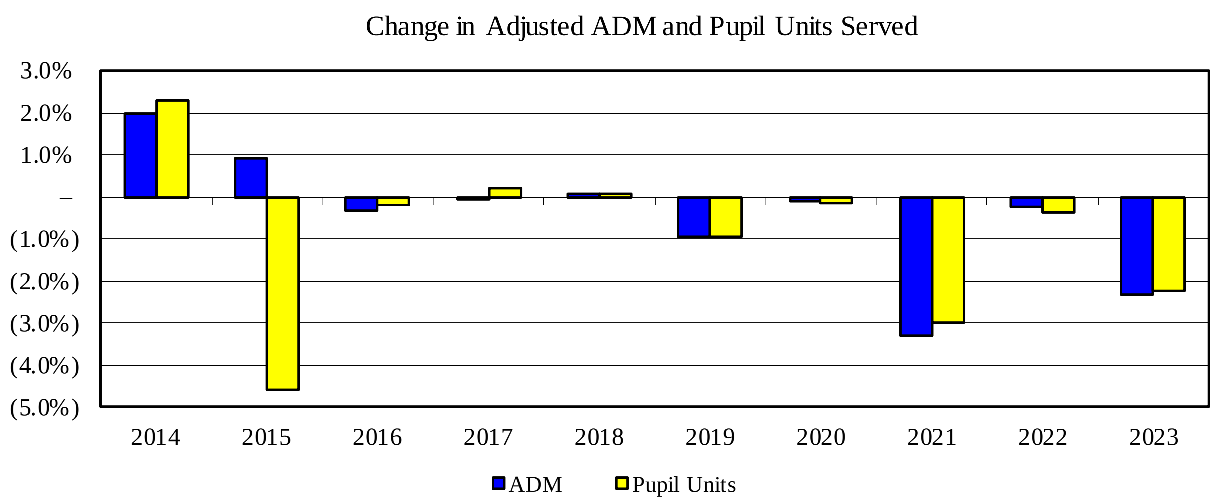
The unassigned fund balance, including assigned for subsequent year's budget, was 8.4 percent of General Fund noncategorical expenditures (per district policy) and is above the District's policy for year-end minimum amounts of unassigned fund balance of 6.0 percent.

AVERAGE DAILY MEMBERSHIP (ADM) AND PUPIL UNITS

The following graph presents the District's adjusted ADM and pupil units served for the past 10 years:



The following graph shows the rate of change in ADM served by the District from year-to-year, along with the change in the resulting pupil units:



The change in pupil units for 2015 includes the effect of legislative reductions to pupil units.

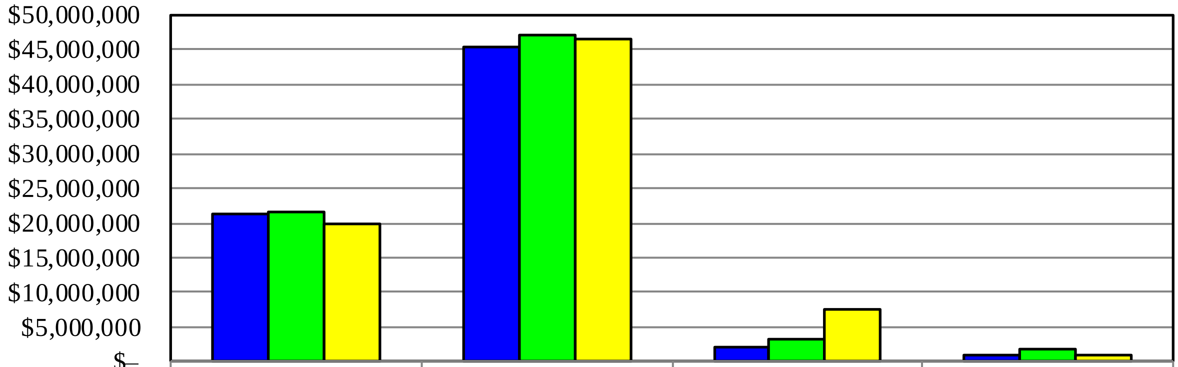
ADM is a measure of students attending class, which is then converted to pupil units (the base for determining revenue) using a statutory formula. Not only is the original budget based on ADM estimates, the final audited financial statements are based on updated, but still estimated, ADM since the counts are not finalized until around January of the following year. When viewing revenue budget variances, one needs to consider these ADM changes, the impact of the prior year final adjustments, which affect this year's revenue, and also the final adjustments caused by open enrollment gains and losses.

The District served an estimated adjusted ADM of 4,347 in 2023, a decrease of 103 from the previous year. The number of pupil units served by the District for fiscal 2023 was 4,758, a decrease of 108 from the prior year.

GENERAL FUND REVENUES

The following graph summarizes the District's General Fund revenue for 2023:

General Fund Revenue



	Property Taxes	State Sources	Federal Sources	Other
Budget	$21,195,200	$45,481,800	$2,120,072	$866,600
Actual	$21,615,813	$47,149,379	$3,223,299	$1,733,933
Prior Year	$19,914,370	$46,502,457	$7,467,476	$945,395

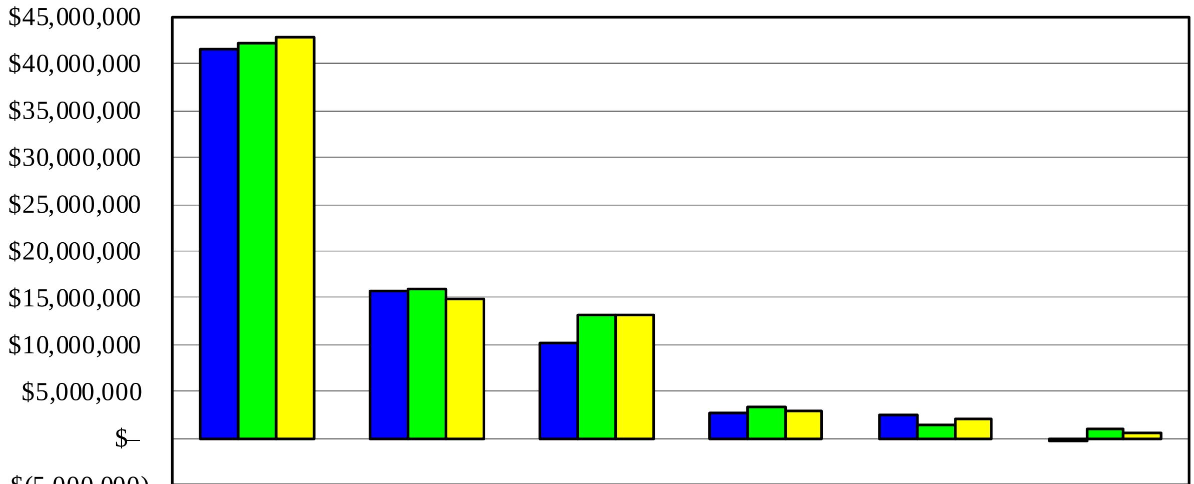
Total General Fund revenues were $73,722,424 for the year ended June 30, 2023, which was $4,058,752 (5.8 percent) over the final budget. The majority of this variance was due to conservative budgeting and receiving additional grants not anticipated in the final budget. State aid revenue was higher than budget by $1,667,579, mainly in special education state aid. Other revenue exceeded budgeted amounts by $503,614, the result of conservative budgeting. Property taxes exceeded budgeted amounts by $420,613, the result of miscellaneous tax-related collections exceeding projections. Lastly, investment earnings exceeded budgeted amounts, due to improved market conditions.

General Fund total revenues were $1,107,274 less than the previous year. The decrease in 2023 actual revenues was due to federal revenue decreasing $4,244,177, as a result of the decline in available COVID-19 stimulus-related entitlements in the current year. Property taxes increased $1,701,443 in the current year, the result of an increased levy and other tax-related collections. State aid revenue was $646,922 more than the prior year, mainly in special education state aid. Investment earnings were higher than the prior year by $546,666, due to improved market conditions.

GENERAL FUND EXPENDITURES

The following graph presents the District's General Fund expenditures for 2023:

General Fund Expenditures



	Salaries	Employee Benefits	Purchased Services	Supplies	Capital	Other
Budget	$41,578,336	$15,664,019	$10,160,701	$2,706,877	$2,378,154	$(38,860)
Actual	$42,230,450	$15,849,322	$13,126,469	$3,265,175	$1,427,266	$954,295
Prior Year	$42,915,021	$14,914,030	$13,240,872	$2,898,025	$2,131,283	$599,250

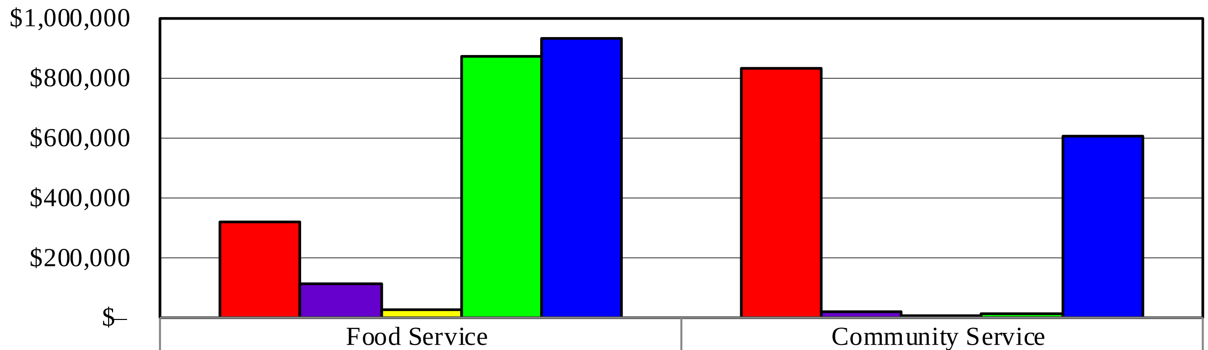
Total General Fund expenditures were $76,852,977 for the year ended June 30, 2023, which was $4,403,750 (6.1 percent) over the final budget. This was mainly for purchased services, which exceeded budget by $2,965,768, mainly in elementary and secondary regular instruction for substitute teacher costs and pupil support services for transportation. Salaries exceeded budgeted amounts by $652,114, spread across multiple program areas with the highest variance for special education services. Supplies and materials exceeded budgeted amounts by $558,298, mainly for sites and buildings related costs.

Total General Fund expenditures were $154,496 (0.2 percent) more than the prior year. Expenditure increases were mainly in benefits, which increased $935,292, the result of increased costs of health insurance, due to fiscal 2022 being lower from a one-time change in charges by the District's Medical Self-Insurance Internal Service Fund. Capital expenditures were lower than the prior year by $704,017, due to the timing of projects.

OTHER FUNDS OF THE DISTRICT

The following graph shows what is referred to as the other operating funds. The remaining nonoperating funds are only included in narrative form below, since their level of fund balance can fluctuate significantly, due to such things as issuing and spending the proceeds of refunding or building bonds and, therefore, the trend of fund balance levels is not necessarily a key indicator of financial health. It does not mean that these funds cannot experience financial trouble or that their fund balances are unimportant.

Other Operating Funds
Total Fund Balances



	Food Service	Community Service
2019	$319,851	$831,373
2020	$114,675	$15,320
2021	$23,771	$2,110
2022	$870,105	$12,801
2023	$930,838	$603,683

Food Service Special Revenue Fund

The District's Food Service Special Revenue Fund ended fiscal 2023 with a fund balance increase of $60,733, compared to a budgeted increase of $4,967. Food service revenue was $2,365,761, which was over budget by $363,269, mainly in federal revenue. Expenditures were $2,305,475, and over budget by $307,950. The ending fund balance of $930,838 in this fund represents 40.4 percent of current year expenditures.

Community Service Special Revenue Fund

The District's Community Service Special Revenue Fund ended fiscal 2023 with a fund balance increase of $487,370, compared to an increase of $650,446 projected in the budget. Revenues were $8,055,783, which were over budget by $802,364, mainly in program fees. Expenditures were $7,568,413, which were over budget by $965,440, mainly in salaries. This fund also reported a prior period adjustment increasing fund balance by $103,512 to properly record custodial arrangements. The ending fund balance of $603,683 in this fund represents 8.0 percent of current year expenditures.

Over the years, we have emphasized to our clients that food service and community service operations should be self-sustaining, and should not become an additional burden on general education funds.

Capital Projects – Building Construction Fund

The Capital Projects – Building Construction Fund ended the year with a fund balance increase of $128,743,781 as the District issued bonds in the current year. At June 30, 2023, the fund balance is $133,585,189 and is restricted for capital project needs.

Debt Service Fund

The District's Debt Service Fund ended fiscal 2023 with a fund balance increase of $436,564, compared to a budgeted increase of $419,029. Revenues were $12,804,098, which were more than budget by $13,098. Expenditures were $12,367,534, and under budget by $4,437. The funding of debt service is controlled in accordance with each outstanding debt issue's financing plan.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains three internal service funds. These funds are used to account for the District's self-insured dental insurance, self-insured medical insurance, and OPEB Revocable Trust Fund functions.

Dental Self-Insurance – Operating revenues for fiscal 2023 totaled $542,416, while expenses totaled $580,417. The net position as of June 30, 2023 was $435,109, which represents 75.0 percent of annual operating expenses of this fund.

Medical Self-Insurance – Operating revenues for fiscal 2023 totaled $9,325,172, while expenses totaled $8,240,988. The net position as of June 30, 2023 was $2,862,343, which represents 34.7 percent of annual operating expenses of this fund.

Other Post-Employment Benefits (OPEB) Fund – Revenues for fiscal 2023 totaled $0, while expenses totaled $88,475. The net position (deficit) as of June 30, 2023 was ($3,145,914).

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's financial statements include fund-based information that focuses on budgetary compliance, and the sufficiency of the District's current assets to finance its current liabilities. The governmental reporting model also requires the inclusion of two government-wide financial statements designed to present a clear picture of the District as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering educational services, including capital assets and long-term liabilities.

Theoretically, net position represents district resources available for providing services after its debts are settled. However, those resources are not always in expendable form, or there may be restrictions on how some of those resources can be used. Therefore, this statement divides net position into three components: net investment in capital assets, restricted, and unrestricted. The following table presents a summarized reconciliation of the District's governmental fund balances to net position, and the separate components of net position for the last two years:

	June 30, 2023	June 30, 2022	Change
Net position – governmental activities			
Total fund balances – governmental funds	$ 149,863,203	$ 23,093,028	$ 126,770,175
Total capital assets, net of depreciation/amortization	175,701,118	167,646,047	8,055,071
Bonds, financed purchases, leases, and subscriptions, net of premiums	(262,550,926)	(130,247,155)	(132,303,771)
Pensions, net of deferred outflows and inflows	(56,146,257)	(65,642,829)	9,496,572
Other adjustments	(9,241,476)	(7,141,576)	(2,099,900)
Total net position – governmental activities	$ (2,374,338)	$ (12,292,485)	$ 9,918,147
Net position			
Net investment in capital assets	$ 46,735,381	$ 42,240,300	$ 4,495,081
Restricted	7,313,548	8,454,783	(1,141,235)
Unrestricted	(56,423,267)	(62,987,568)	6,564,301
Total net position	$ (2,374,338)	$ (12,292,485)	$ 9,918,147

Some of the District's fund balances translate into restricted net position by virtue of external restrictions (statutory restrictions) or by the nature of the fund they are in (e.g., Food Service Special Revenue Fund balance can only be spent for Food Service Program costs). The unrestricted net position category consists mainly of the General Fund unrestricted fund balances, offset against noncapital long-term obligations, such as vacation payable, severance payable, net pension, and net OPEB liabilities.

Unrestricted net position increased $6,564,301 in fiscal 2023. The change is the result of a decline in the General Fund balance offset by an increase in the internal service fund balance and a decrease in the District's proportionate share of the Public Employees Retirement Association and the Teachers Retirement Association state-wide pension liabilities and related deferments.

The District's net investment in capital assets increased $4,495,081. This change generally relates to the relationship between the rate capital assets are being added and depreciated/amortized, and the rate at which the District is repaying the debt issued to purchase or construct those assets. The increase in the current year was also impacted by capital additions financed with available resources and capital-related levies, which does not result in additional capital-related debt.

Restricted net position decreased $1,141,235, mainly in capital purchase and debt service related restrictions.

ACCOUNTING AND AUDITING UPDATES

The following is a summary of Governmental Accounting Standards Board (GASB) standards expected to be implemented in the next few years.

GASB STATEMENT NO. 100, *ACCOUNTING CHANGES AND ERROR CORRECTIONS—AN AMENDMENT OF GASB STATEMENT NO. 62*

The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

The requirements of this statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB STATEMENT NO. 101, *COMPENSATED ABSENCES*

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used, but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

This statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used, but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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INDEPENDENT SCHOOL DISTRICT NO. 283
ST. LOUIS PARK, MINNESOTA

Financial Statements and
Supplementary Information

Year Ended
June 30, 2023

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Table of Contents

Table of Contents (continued)

INTRODUCTORY SECTION

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INDEPENDENT SCHOOL DISTRICT NO. 283

School Board and Superintendent's Cabinet
As of June 30, 2023

SCHOOL BOARD

	Position
Anne Casey	Chairperson
Heather Wilsey	Vice Chairperson
Kenneth Morrison	Treasurer
C. Colin Cox	Clerk
Sarah Davis	Director
Abdihakim Ibrahim	Director
Virginia Mancini	Director

SUPERINTENDENT'S CABINET

Astein Osei	Superintendent
Patricia Magnuson	Director of Business Services
Tami Reynolds	Director of Student Services
Richard Kreyer	Director of Human Resources
Dr. Patrick Duffy	Director of Curriculum and Instruction
Patrice Howard	Director of Community Education
Rachel Hicks	Director of Communications and Community Relations
Tom Marble, CETL	Director of Information Services
Andrew Ewald	Director of Athletics
Freida Bailey	Principal on Special Assignment
Silvy Lafayette	Director of Assessment, Research, and Evaluation

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FINANCIAL SECTION

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PRINCIPALS
Thomas A. Karnowski, CPA
Paul A. Radosevich, CPA
William J. Lauer, CPA
James H. Eichten, CPA
Aaron J. Nielsen, CPA
Victoria L. Holinka, CPA/CMA
Jaclyn M. Huegel, CPA
Kalen T. Karnowski, CPA

INDEPENDENT AUDITOR'S REPORT

To the School Board and Management of
Independent School District No. 283
St. Louis Park, Minnesota

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINIONS

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Independent School District No. 283 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

EMPHASIS OF MATTER

Change in Accounting Principle

As described in Note 1 of the notes to basic financial statements, in fiscal 2023, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

(continued)

Malloy, Montague, Karnowski, Radosevich & Co., P.A.
5353 Wayzata Boulevard • Suite 410 • Minneapolis, MN 55416 • Phone: 952-545-0424 • Fax: 952-545-0569 • www.mmkr.com

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

(continued)

REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER INFORMATION

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PRIOR YEAR COMPARATIVE INFORMATION

We have previously audited the District's 2022 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated December 27, 2022. In our opinion, the partial comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

(continued)

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
February 9, 2024

As management of Independent School District No. 283 (the District), we have provided readers of the District's financial statements with this narrative overview and analysis of the District's financial activities during the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the other components of the District's financial statements.

FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at June 30, 2023 by $2,374,338 (deficit net position). Government-wide revenues totaled $101,914,638, and expenses were $92,666,520. As a result, the District's change in net position increased by $9,248,118 during the fiscal year ended June 30, 2023.

- The District reported two prior period adjustments related to accounting for capital assets and the reporting of assets held as a custodian for others increasing net position by $670,029.

- The District's General Fund, its primary operating fund, ended the most recent fiscal year with a total fund balance of $12,058,389, a decrease of $3,061,785 from the prior year. The unrestricted portion of the year-end fund balance (assigned and unassigned) was $6,231,719, which represents 8.1 percent of annual General Fund expenditures based on fiscal 2023 expenditure levels. The unassigned fund balance, including assigned for subsequent year's budget, was 8.4 percent of General Fund noncategorical expenditures and is above the District's policy for year-end minimum amounts of unassigned fund balance of 6.0 percent.

- The District implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, which did not change the beginning net position. This change is further described in Note 1 of the notes to basic financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual financial statements consists of the following parts:

- Independent Auditor's Report;

- Management's discussion and analysis;

- Basic financial statements, including the government-wide financial statements, fund financial statements, and the notes to basic financial statements;

- Required supplementary information; and

- Supplementary information consisting of combining and individual fund statements and schedules.

The following explains the two types of statements included in the basic financial statements:

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information about the District as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Position includes *all* of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, except for the fiduciary funds. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report the District's *net position* and how it has changed. Net position—the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources—is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are indicators of whether its financial position is improving or deteriorating, respectively.

- To assess the overall health of the District requires consideration of additional nonfinancial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements the District's activities are all shown in one category titled "governmental activities." These activities, including regular and special education instruction, transportation, administration, food services, and community education, are primarily financed with state aids and property taxes.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds, rather than the District as a whole. Governmental funds (Food Service and Community Service Special Revenue Funds) that do not meet the threshold to be classified as major funds are called "nonmajor" funds. Detailed financial information for nonmajor funds is presented as supplementary information.

Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. For Minnesota schools, funds are established in accordance with Uniform Financial Accounting and Reporting Standards in accordance with statutory requirements and accounting principles generally accepted in the United States of America.

The District maintains the following kinds of funds:

Governmental Funds – The District's basic services are included in governmental funds, which generally focus on: 1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. Consequently, the governmental fund financial statements provide a detailed *short-term* view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide additional information (reconciliation schedules) immediately following the governmental fund financial statements that explain the relationship (or differences) between these two types of financial statement presentations.

Proprietary Funds – The District maintains one type of proprietary fund. Internal service funds are used as an accounting device to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its self-insured dental plan, self-insured medical plan, and its other post-employment benefits (OPEB) obligations financed by an OPEB Revocable Trust Fund. These services have been included within governmental activities in the government-wide financial statements. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds – The District is the trustee, or fiduciary, for assets that belong to other organizations. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. We exclude these activities from the government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1 is a summarized view of the District's Statement of Net Position:

Table 1
Summary of Net Position
as of June 30, 2023 and 2022

	2023	2022
Assets		
Current and other assets	$ 206,861,384	$ 64,250,958
Capital assets, net of depreciation/amortization	175,701,118	167,646,047
Total assets	$ 382,562,502	$ 231,897,005
Deferred outflows of resources		
Pension plan deferments	$ 20,624,617	$ 18,886,811
Single-employer pension plan deferments	539,145	555,946
OPEB plan deferments	1,559,264	829,399
Total deferred outflows of resources	$ 22,723,026	$ 20,272,156
Liabilities		
Current and other liabilities	$ 17,600,193	$ 7,086,600
Long-term liabilities, including due within one year	338,572,243	174,859,165
Total liabilities	$ 356,172,436	$ 181,945,765
Deferred inflows of resources		
Property taxes levied for subsequent year	$ 39,329,488	$ 31,436,300
Pension plan deferments	10,416,313	49,916,819
Single-employer pension plan deferments	565,294	152,428
OPEB plan deferments	1,176,335	1,010,334
Total deferred inflows of resources	$ 51,487,430	$ 82,515,881
Net position		
Net investment in capital assets	$ 46,735,381	$ 42,240,300
Restricted	7,313,548	8,454,783
Unrestricted	(56,423,267)	(62,987,568)
Total net position	$ (2,374,338)	$ (12,292,485)

The District's financial position is the product of many factors. For example, the determination of the District's net investment in capital assets involves many assumptions and estimates, such as depreciation/amortization estimates and capitalization policies. Another major factor in determining net position is the inclusion of liabilities for long-term compensated absences, severance, OPEB, and pension benefits, which are not included in fund balances.

Total net position increased by $9,918,147 in 2023. The changes in the District's proportionate share of the state-wide pension plans contributed to the increase in unrestricted net position, the changes in deferred inflows and outflows of resources, and the change in long-term liabilities. The issuance of bonds for building construction contributed to the increases in current and other assets and long-term liabilities in the current year. The increase in capital assets relates to the use of bond proceeds for building construction in the current year. The increase in current and other liabilities relates to the timing of the payment on salaries payable and increased payables in the Capital Projects – Building Construction Fund in the current year. The increase on property taxes levied for subsequent year relates to an increase in the fiscal 2024 levy. The increase in net investment in capital assets mostly relates to payments on debt being greater than depreciation/amortization on capital assets they financed.

Table 2 presents a condensed version of the change in net position of the District:

Table 2
Change in Net Position
for the Years Ended June 30, 2023 and 2022

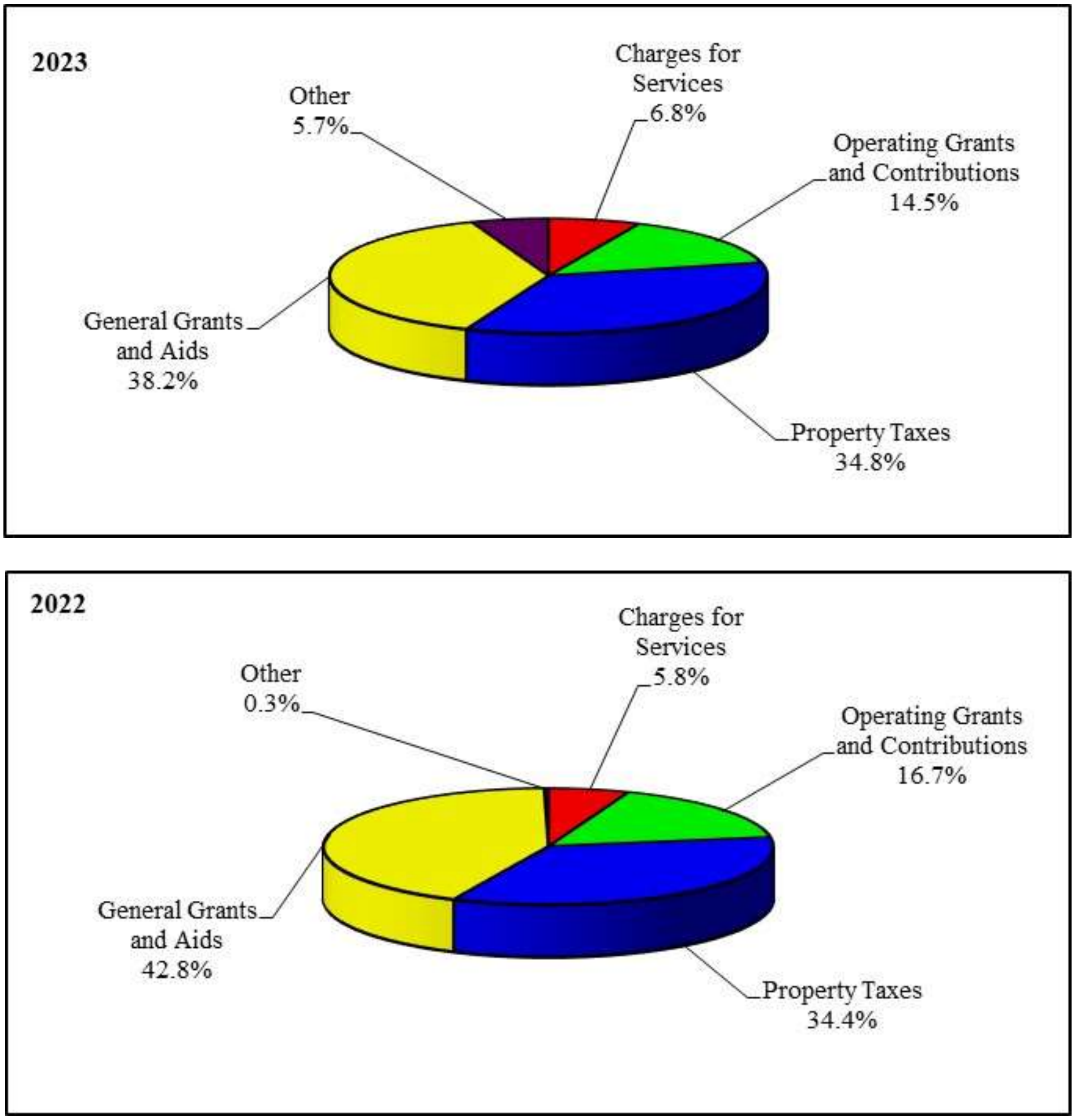
	2023	2022
Revenues		
Program revenues		
Charges for services	$ 6,884,030	$ 5,694,719
Operating grants and contributions	14,834,075	16,340,857
General revenues		
Property taxes	35,457,216	33,574,152
General grants and aids	38,916,479	41,801,976
Other	5,822,838	275,976
Total revenues	101,914,638	97,687,680
Expenses		
Administration	2,454,741	2,588,977
District support services	5,805,951	5,252,628
Elementary and secondary regular instruction	27,104,491	32,192,722
Vocational education instruction	463,611	572,398
Special education instruction	11,445,266	11,776,054
Instructional support services	4,057,532	4,451,285
Pupil support services	7,520,609	8,497,173
Sites and buildings	9,780,086	5,803,661
Fiscal and other fixed cost programs	525,733	414,162
Food service	2,334,225	1,997,953
Community service	7,508,359	7,057,386
Unallocated depreciation/amortization	5,254,797	3,849,116
Interest and fiscal charges	8,411,119	4,409,693
Total expenses	92,666,520	88,863,208
Change in net position	9,248,118	8,824,472
Net position – beginning, as previously reported	(12,292,485)	(21,116,957)
Prior period adjustments	670,029	–
Net position – beginning, as restated	(11,622,456)	(21,116,957)
Net position – ending	$ (2,374,338)	$ (12,292,485)

This table is presented on an accrual basis of accounting, and includes all governmental activities of the District. This statement includes depreciation/amortization expense, but excludes capital asset purchase costs, debt proceeds, and the repayment of debt principal.

Total revenues for fiscal year 2023 were $4,226,958 higher than last year, mainly due to an increase in investment earnings, due to an increase in cash balances in the Capital Projects – Building Construction Fund and an improvement in market performance. Total expenses increased $3,803,312, compared to fiscal year 2022 levels. Elementary and secondary regular instruction expenses decreased, due to a decrease in expenses from the District's proportionate share of the state-wide pension plans. Sites and buildings increased, related to capital spending activity that fell below the District's capitalization thresholds. Interest and fiscal charges increased as a result of the issuance of bonds in the current year.

Figures A and B show further analysis of these revenue sources and expense functions:

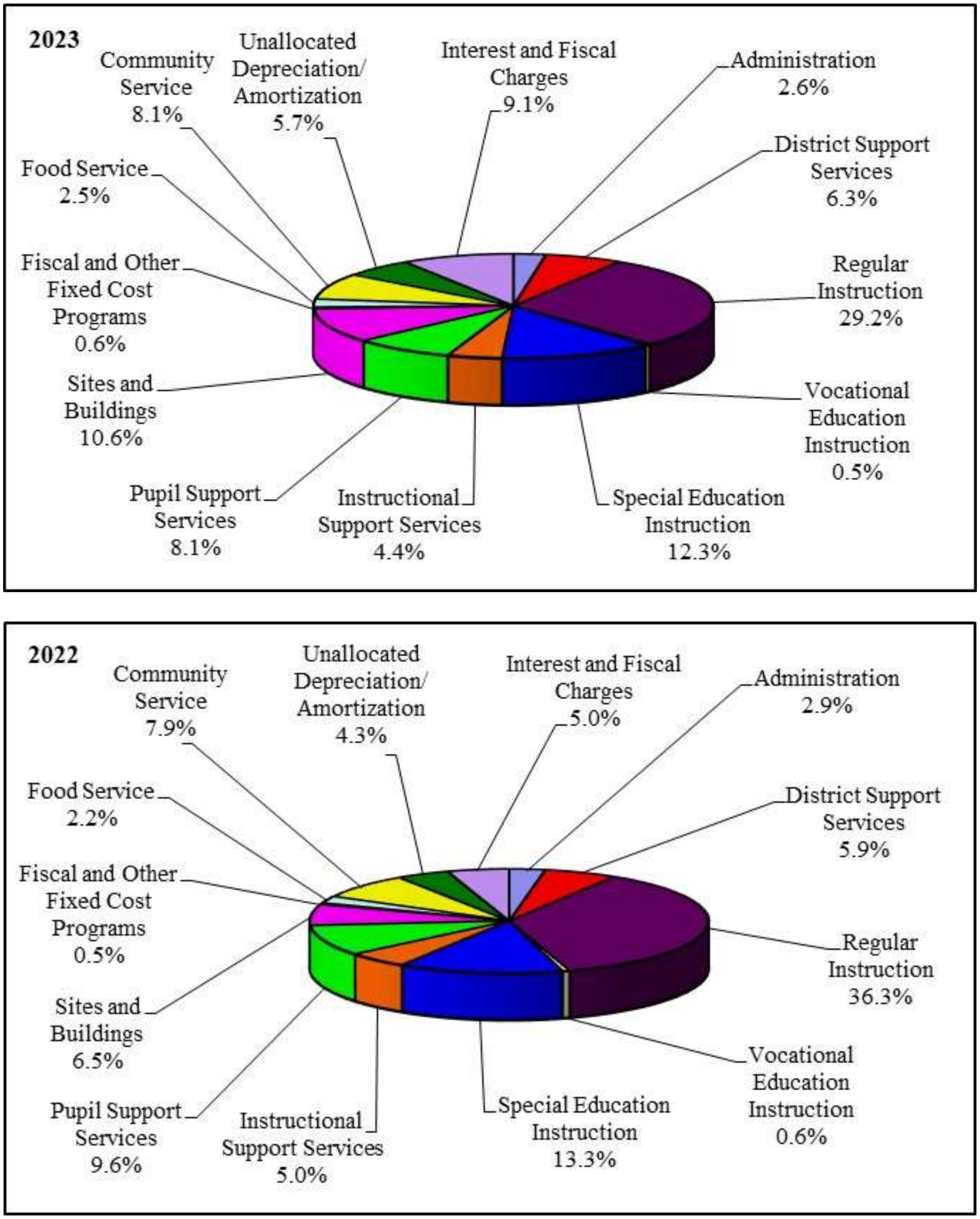
Figure A – Sources of Revenue for Fiscal Years 2023 and 2022



The largest share of the District's revenue is received from the state, including the general education aid formula and most of the operating grants. This significant reliance on the state for funding has placed pressure on local school districts, as a result of limited funding increases in recent years.

Property taxes are generally the next largest source of funding. The level of revenue property tax sources provide is not only dependent on district taxpayers by way of operating and building referenda, but also by decisions made by the Legislature in the mix of state aid and local effort in a variety of funding formulas.

Figure B – Expenses for Fiscal Years 2023 and 2022



The District's expenses are predominately related to educating students. Programs (or functions), such as elementary and secondary regular instruction, vocational education instruction, special education instruction, and instructional support services are directly related to classroom instruction, while the rest of the programs support instruction and other necessary costs to operate the District.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in its governmental funds. Table 3 shows the change in total fund balances of each of the District's governmental funds:

Table 3
Governmental Fund Balances
as of June 30, 2023 and 2022

	2023	2022	Change
Major funds			
General	$ 12,058,389	$ 15,120,174	$ (3,061,785)
Capital Projects – Building Construction	133,585,189	4,841,408	128,743,781
Debt Service	2,685,104	2,248,540	436,564
Nonmajor funds			
Food Service Special Revenue	930,838	870,105	60,733
Community Service Special Revenue	603,683	12,801	590,882
Total governmental funds	$ 149,863,203	$ 23,093,028	$ 126,770,175

In 2023, the General Fund balance decreased $3,061,785 from the prior year. This compares to a final budget that anticipated a decline in fund balance of $2,785,555.

The Capital Projects – Building Construction Fund increased $128,743,781 from the prior year, due to the issuance of school building bonds during the fiscal year.

The Debt Service Fund increased $436,564, consistent with property tax levies and debt service payment schedules in this fund.

The increase in the Food Service Special Revenue Fund of $60,733 exceeded budgeted amounts by $55,766.

The Community Service Special Revenue Fund experienced a net change in fund balance increase of $487,370, which was $163,076 lower than budgeted amounts. The District also reported a prior period adjustment in this fund related to a change in the reporting of assets held as a custodian for others, increasing beginning fund balance by $103,512.

Analysis of the General Fund

Table 4 summarizes the amendments to the General Fund budget:

Table 4
General Fund
Budget

	Original Budget	Final Budget	Change	Percent Change
Revenue and other financing sources	$ 69,128,372	$ 69,663,672	$ 535,300	0.8%
Expenditures	$ 72,949,227	$ 72,449,227	$ (500,000)	(0.7%)

The District was required to adopt an operating budget prior to the beginning of its fiscal year, referred to above as the original budget. It is the District's practice to amend the General Fund budget during the year for known significant changes in circumstances, such as: updated enrollment estimates, legislation changes, new or additional funding, staffing changes, employee contract settlements, adjustments to health insurance premiums, special education tuition changes, or utility rate changes.

Table 5 summarizes the operating results of the General Fund:

Table 5
General Fund
Operating Results

		Over (Under) Final Budget		Over (Under) Prior Year	
	2023 Actual	Amount	Percent	Amount	Percent
Revenue	$ 73,722,424	$ 4,058,752	5.8%	$ (1,107,274)	(1.5%)
Expenditures	76,852,977	$ 4,403,750	6.1%	$ 154,496	0.2%
Other financing sources	68,768	$ 68,768	100.0%	$ (641,088)	(90.3%)
Net change in fund balances	$ (3,061,785)				

General Fund revenues exceeded budgeted amounts by $4,058,752. Federal revenues were over budget by $1,103,227. The majority of this variance was due to conservative budgeting and receiving additional grants not anticipated in the final budget. State aid revenue was higher than budget by $1,667,579, mainly in special education state aid. Other revenue exceeded budgeted amounts by $503,614, the result of conservative budgeting. Property taxes exceeded budgeted amounts by $420,613, the result of miscellaneous tax-related collections exceeding projections. Lastly, investment earnings exceeded budgeted amounts due to improved market conditions.

Expenditures were over budget by $4,403,750. This was mainly for purchased services, which exceeded budget by $2,965,768, mainly in elementary and secondary regular instruction for substitute teacher costs and pupil support services for transportation. Salaries exceeded budgeted amounts by $652,114, spread across multiple program areas, with the highest variance for special education services. Supplies and materials exceeded budgeted amounts by $558,298, mainly for sites and buildings related costs.

The decrease in 2023 actual revenues was due to federal revenue decreasing $4,244,177 as a result of the decline in available COVID-19 stimulus-related entitlements in the current year. Property taxes increased $1,701,443, the result of an increased levy and other tax-related collections in the current year. State aid revenue was $646,922 more than the prior year, mainly in special education state aid. Investment earnings were higher than the prior year by $546,666, due to improved market conditions.

Expenditure increases were mainly in benefits, which increased $935,292, the result of increased costs of health insurance due to fiscal 2022 being lower from a one-time change in charges by the District's Medical Self-Insurance Internal Service Fund. Capital expenditures were lower than the prior year by $704,017, due to the timing of projects.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency of a government to other departments or agencies on a cost-reimbursement basis. The District currently maintains three internal service funds. These funds are used to account for the District's self-insured dental insurance, medical insurance, and OPEB Revocable Trust functions.

- **Dental Self-Insurance**

  Operating revenues for fiscal 2023 totaled $542,416, while expenses totaled $580,417. The net position as of June 30, 2023 was $435,109, which represents 75.0 percent of annual operating expenses of this fund.

- **Medical Self-Insurance**

  Operating revenues for fiscal 2023 totaled $9,325,172, while expenses totaled $8,240,988. The net position as of June 30, 2023 was $2,862,343, which represents 34.7 percent of annual operating expenses of this fund.

- **Other Post-Employment Benefits**

  Expenses in fiscal 2023 totaled $88,475. The net position as of June 30, 2023 was a deficit $3,145,914.

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

Table 6 shows the District's capital assets, together with changes from the previous year. The table also shows the total depreciation/amortization expense for fiscal years ended June 30, 2023 and 2022:

Table 6
Capital Assets

	2023	2022	Change
Land	$ 7,812,500	$ 7,812,500	$ –
Construction in progress	9,949,221	1,749,484	8,199,737
Land improvements	264,344	264,344	–
Buildings and improvements	181,996,442	178,814,154	3,182,288
Furniture and equipment	58,225,906	56,496,107	1,729,799
Technology subscriptions	544,941	–	544,941
Buildings and improvements – leased	1,290,949	1,290,949	–
Furniture and equipment – leased	359,301	359,301	–
Less accumulated depreciation/amortization	(84,742,486)	(79,140,792)	(5,601,694)
Total	$ 175,701,118	$ 167,646,047	$ 8,055,071
Depreciation/amortization expense	$ 5,668,650	$ 4,163,706	$ 1,504,944

The increase in construction in progress is related to ongoing projects at year-end. The increase in buildings and improvements and furniture and equipment is related to capital spending for various improvement projects at district sites from the issuance of debt in fiscal 2018, 2020, and 2023. The increase in technology subscriptions is related to the implementation of GASB Statement No. 96, as previously mentioned. The increase in accumulated depreciation/amortization is related to the completion of capital projects over the past several years that are now placed into service.

Long-Term Liabilities

Table 7 shows the components of the District's long-term liabilities and the change from the prior year:

Table 7
Outstanding Long-Term Liabilities

	2023	2022	Change
General obligation bonds	$ 247,260,000	$ 118,895,000	$ 128,365,000
Unamortized premiums	13,366,824	9,257,992	4,108,832
Financed purchases	406,898	673,679	(266,781)
Lease liabilities	1,179,051	1,420,484	(241,433)
Subscription liabilities	338,153	–	338,153
Net pension liability	62,984,021	31,076,711	31,907,310
Single-employer pension liability	3,344,391	3,939,628	(595,237)
Total OPEB liability	5,512,598	5,067,292	445,306
Compensated absences	873,624	756,387	117,237
Severance benefits	3,306,683	3,771,992	(465,309)
Total	$ 338,572,243	$ 174,859,165	$ 163,713,078

The increase in general obligation bonds and unamortized premiums, as shown in Table 7, is related to the issuance of school building bonds in the current year. The change in subscription liabilities is related to the implementation of GASB Statement No. 96. The change in net pension liability is related to changes in the District's proportionate share of the state-wide pension plans.

The state limits the amount of general obligation debt the District can issue to 15.0 percent of the market value of all taxable property within the District's corporate limits (see Table 8).

Table 8
Limitations on Debt

District's market value	$ 8,997,645,350
Limit rate	15.0%
Legal debt limit	$ 1,349,646,803

Additional details of the District's capital assets and long-term liabilities activity can be found in the notes to basic financial statements.

FACTORS BEARING ON THE DISTRICT'S FUTURE

With the exception of the voter-approved operating referendum, the District is dependent on the state of Minnesota for a majority of its revenue authority.

The general education program is the method by which school districts receive the majority of their financial support. This source of funding is primarily state aid and, as such, school districts rely heavily on the state of Minnesota for educational resources. The Legislature has added $275, or 4.00 percent, per pupil to the basic general education funding formula for fiscal year 2024, and an additional $143, or 2.00 percent, per pupil to the formula for fiscal year 2025.

The amount of funding a district receives is also dependent on the number of students it serves, meaning attracting and retaining students is critical to the District's financial well-being.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

These financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about these statements, or need additional financial information, contact the Business Office, Independent School District No. 283, 6300 Walker Street, St. Louis Park, Minnesota 55416.

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BASIC FINANCIAL STATEMENTS

INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Net Position
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	Governmental Activities	
	2023	2022
Assets		
Cash and temporary investments	$ 38,874,681	$ 27,910,631
Receivables		
Current taxes	22,207,056	16,604,638
Delinquent taxes	269,071	303,982
Accounts and interest	473,156	234,424
Due from fiduciary fund	121,444	–
Due from other governmental units	6,152,892	11,107,132
Inventory	46,091	21,496
Prepaid items	221,169	297,640
Restricted assets – temporarily restricted		
Cash and investments for building construction	133,503,293	5,443,047
Interest receivable for building construction	2,824,119	–
Cash and investments for OPEB	2,168,412	2,327,968
Capital assets		
Not depreciated	17,761,721	9,561,984
Depreciated, net of accumulated depreciation/amortization	157,939,397	158,084,063
Total capital assets, net of accumulated depreciation/amortization	175,701,118	167,646,047
Total assets	382,562,502	231,897,005
Deferred outflows of resources		
Pension plan deferments	20,624,617	18,886,811
Single-employer pension plan deferments	539,145	555,946
OPEB plan deferments	1,559,264	829,399
Total deferred outflows of resources	22,723,026	20,272,156
Total assets and deferred outflows of resources	$ 405,285,528	$ 252,169,161
Liabilities		
Salaries payable	$ 4,850,427	$ 673,288
Accounts and contracts payable	4,051,723	1,964,414
Accrued interest payable	5,679,994	1,970,613
Due to other governmental units	707,561	124,777
Severance payable	455,524	19,314
Unearned revenue	1,088,527	1,097,508
Claims incurred, but not reported	766,437	1,236,686
Long-term liabilities		
Due within one year	8,874,633	9,535,350
Due in more than one year	329,697,610	165,323,815
Total long-term liabilities	338,572,243	174,859,165
Total liabilities	356,172,436	181,945,765
Deferred inflows of resources		
Property taxes levied for subsequent year	39,329,488	31,436,300
Pension plan deferments	10,416,313	49,916,819
Single-employer pension plan deferments	565,294	152,428
OPEB plan deferments	1,176,335	1,010,334
Total deferred inflows of resources	51,487,430	82,515,881
Net position		
Net investment in capital assets	46,735,381	42,240,300
Restricted for		
Capital asset acquisition	4,255,628	4,769,907
Debt service	–	374,798
Food service	930,838	870,105
Community service	618,759	602,136
Other purposes (state funding restrictions)	1,508,323	1,837,837
Unrestricted	(56,423,267)	(62,987,568)
Total net position	(2,374,338)	(12,292,485)
Total liabilities, deferred inflows of resources, and net position	$ 405,285,528	$ 252,169,161

See notes to basic financial statements

Statement of Activities
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	2023				2022
		Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Governmental Activities
Governmental activities					
Administration	$ 2,454,741	$ –	$ –	$ (2,454,741)	$ (2,588,977)
District support services	5,805,951	98,058	74,972	(5,632,921)	(5,102,773)
Elementary and secondary regular instruction	27,104,491	406,425	690,601	(26,007,465)	(30,954,402)
Vocational education instruction	463,611	–	–	(463,611)	(572,398)
Special education instruction	11,445,266	72,952	10,401,023	(971,291)	(2,872,837)
Instructional support services	4,057,532	–	–	(4,057,532)	(4,451,104)
Pupil support services	7,520,609	39,023	589,893	(6,891,693)	(6,101,068)
Sites and buildings	9,780,086	–	–	(9,780,086)	(5,803,661)
Fiscal and other fixed cost programs	525,733	–	–	(525,733)	(414,162)
Food service	2,334,225	789,659	1,549,818	5,252	905,131
Community service	7,508,359	5,477,913	1,527,768	(502,678)	(612,572)
Unallocated depreciation/amortization	5,254,797	–	–	(5,254,797)	(3,849,116)
Interest and fiscal charges	8,411,119	–	–	(8,411,119)	(4,409,693)
Total governmental activities	$ 92,666,520	$ 6,884,030	$ 14,834,075	(70,948,415)	(66,827,632)
General revenue					
Taxes					
Property taxes, levied for general purposes				21,710,659	19,911,930
Property taxes, levied for community service				1,040,697	1,014,578
Property taxes, levied for debt service				12,705,860	12,647,644
General grants and aids				38,916,479	41,801,976
Other general revenues				729,675	354,546
Investment earnings (charges)				5,093,163	(78,570)
Total general revenues				80,196,533	75,652,104
Change in net position				9,248,118	8,824,472
Net position – beginning, as previously reported				(12,292,485)	(21,116,957)
Prior period adjustments				670,029	–
Net position – beginning, as restated				(11,622,456)	(21,116,957)
Net position – ending				$ (2,374,338)	$ (12,292,485)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 283

Balance Sheet
Governmental Funds
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Assets			
Cash and temporary investments	$ 20,709,102	$ –	$ 12,048,691
Cash and investments held for building construction	–	133,503,293	–
Receivables			
Current taxes	11,793,228	–	9,868,692
Delinquent taxes	174,779	–	85,344
Accounts and interest	124,384	3,024,254	–
Due from other governmental units	5,734,933	–	–
Due from other funds	328,227	–	–
Inventory	–	–	–
Prepaid items	62,719	–	–
Total assets	$ 38,927,372	$ 136,527,547	$ 22,002,727
Liabilities			
Salaries payable	$ 4,615,349	$ 40,945	$ –
Accounts and contracts payable	772,020	2,901,413	950
Due to other governmental units	703,194	–	–
Severance payable	455,524	–	–
Unearned revenue	916,099	–	–
Total liabilities	7,462,186	2,942,358	950
Deferred inflows of resources			
Property taxes levied for subsequent year	19,114,747	–	19,156,512
Unavailable revenue – delinquent taxes	292,050	–	160,161
Total deferred inflows of resources	19,406,797	–	19,316,673
Fund balances			
Nonspendable	62,719	–	–
Restricted	5,763,951	133,585,189	2,685,104
Assigned	1,174,285	–	–
Unassigned	5,057,434	–	–
Total fund balances	12,058,389	133,585,189	2,685,104
Total liabilities, deferred inflows of resources, and fund balances	$ 38,927,372	$ 136,527,547	$ 22,002,727

See notes to basic financial statements

Nonmajor Funds	Total Governmental Funds 2023	Total Governmental Funds 2022
$ 1,895,107	$ 34,652,900	$ 24,268,977
–	133,503,293	5,443,047
545,136	22,207,056	16,604,638
8,948	269,071	303,982
126,511	3,275,149	223,572
417,959	6,152,892	11,107,132
–	328,227	188,432
46,091	46,091	21,496
750	63,469	297,640
$ 3,040,502	$ 200,498,148	$ 58,458,916
$ 194,133	$ 4,850,427	$ 673,288
65,910	3,740,293	1,714,229
205	703,399	121,267
–	455,524	19,314
172,428	1,088,527	1,097,508
432,676	10,838,170	3,625,606
1,058,229	39,329,488	31,436,300
15,076	467,287	303,982
1,073,305	39,796,775	31,740,282
46,841	109,560	318,917
1,487,680	143,521,924	15,135,136
–	1,174,285	3,853,266
–	5,057,434	3,785,709
1,534,521	149,863,203	23,093,028
$ 3,040,502	$ 200,498,148	$ 58,458,916

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INDEPENDENT SCHOOL DISTRICT NO. 283

Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds as of June 30, 2023

(With Partial Comparative Information as of June 30, 2022)

	2023	2022
Total fund balances – governmental funds	$ 149,863,203	$ 23,093,028
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.		
Cost of capital assets	260,443,604	246,786,839
Accumulated depreciation/amortization	(84,742,486)	(79,140,792)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable. Debt issuance premiums are excluded from net position until amortized, but are included in fund balances upon issuance.		
General obligation bonds	(247,260,000)	(118,895,000)
Unamortized premiums	(13,366,824)	(9,257,992)
Financed purchases	(406,898)	(673,679)
Lease liabilities	(1,179,051)	(1,420,484)
Subscription liabilities	(338,153)	–
Net pension liabilities	(62,984,021)	(31,076,711)
Single-employer pension liability	(3,344,391)	(3,939,628)
Compensated absences	(873,624)	(756,387)
Severance benefits	(3,306,683)	(3,771,992)
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	20,624,617	18,886,811
Deferred outflows of resources – single-employer pension plan deferments	539,145	555,946
Deferred inflows of resources – pension plan deferments	(10,416,313)	(49,916,819)
Deferred inflows of resources – single-employer pension plan deferments	(565,294)	(152,428)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in the governmental activities in the Statement of Net Position.	151,538	(946,566)
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	(5,679,994)	(1,970,613)
Certain revenues (including delinquent property taxes) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.	467,287	303,982
Total net position – governmental activities	$ (2,374,338)	$ (12,292,485)

Statement of Revenue, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund
Revenue			
Local sources			
Property taxes	$ 21,615,813	$ –	$ 12,642,570
Investment earnings (charges)	488,719	4,266,443	156,747
Other	1,245,214	31,704	–
State sources	47,149,379	–	–
Federal sources	3,223,299	–	4,781
Total revenue	73,722,424	4,298,147	12,804,098
Expenditures			
Current			
Administration	2,834,889	–	–
District support services	5,714,069	–	–
Elementary and secondary regular instruction	34,173,817	–	–
Vocational education instruction	612,344	–	–
Special education instruction	13,593,777	–	–
Instructional support services	4,422,279	–	–
Pupil support services	8,050,878	–	–
Sites and buildings	6,261,220	–	–
Fiscal and other fixed cost programs	550,162	–	–
Food service	–	–	–
Community service	–	–	–
Capital outlay	–	15,770,301	–
Debt service			
Principal	563,235	–	7,635,000
Interest and fiscal charges	76,307	678,225	4,732,534
Total expenditures	76,852,977	16,448,526	12,367,534
Excess (deficiency) of revenue over expenditures	(3,130,553)	(12,150,379)	436,564
Other financing sources (uses)			
Bonds issued	–	136,000,000	–
Premium on bonds issued	–	4,894,160	–
Sale of assets	68,768	–	–
Transfers in	–	–	–
Transfers (out)	–	–	–
Total other financing sources (uses)	68,768	140,894,160	–
Net change in fund balances	(3,061,785)	128,743,781	436,564
Fund balances			
Beginning of year, as previously reported	15,120,174	4,841,408	2,248,540
Prior period adjustment	–	–	–
Beginning of year, as restated	15,120,174	4,841,408	2,248,540
End of year	$ 12,058,389	$ 133,585,189	$ 2,685,104

See notes to basic financial statements

	Total Governmental Funds	
Nonmajor Funds	2023	2022
$ 1,035,528	$ 35,293,911	$ 33,573,622
40,858	4,952,767	(27,300)
6,267,572	7,544,490	6,302,455
1,433,190	48,582,569	47,986,448
1,644,396	4,872,476	10,156,385
10,421,544	101,246,213	97,991,610
–	2,834,889	2,737,482
–	5,714,069	5,470,034
–	34,173,817	34,315,182
–	612,344	622,407
–	13,593,777	12,428,809
–	4,422,279	4,756,289
–	8,050,878	8,649,036
–	6,261,220	6,589,810
–	550,162	419,690
2,305,475	2,305,475	2,056,750
7,561,811	7,561,811	7,425,883
6,602	15,776,903	8,614,902
–	8,198,235	7,823,868
–	5,487,066	5,046,223
9,873,888	115,542,925	106,956,365
547,656	(14,296,712)	(8,964,755)
–	136,000,000	709,856
–	4,894,160	–
447	69,215	–
–	–	149,613
–	–	(149,613)
447	140,963,375	709,856
548,103	126,666,663	(8,254,899)
882,906	23,093,028	31,347,927
103,512	103,512	–
986,418	23,196,540	31,347,927
$ 1,534,521	$ 149,863,203	$ 23,093,028

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INDEPENDENT SCHOOL DISTRICT NO. 283

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	2023	2022
Total net change in fund balances – governmental funds	$126,666,663	$ (8,254,899)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are recorded as net position and the cost is allocated over their estimated useful lives as depreciation and amortization expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase. A gain or loss on disposal of capital assets is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.		
Capital outlays	12,764,030	9,759,851
Depreciation/amortization expense	(5,668,650)	(4,163,706)
A loss on the disposal of capital assets, including the difference between the carrying value and any related sale proceeds, is included in the change in net position. However, only the sale proceeds are included in the change in fund balances.	–	(678)
The amount of debt issued including the related premiums/discounts are reported in the governmental funds as a source of financing. Debt obligations are not revenues in the Statement of Activities, but rather constitute long-term liabilities.		
General obligation bonds	(136,000,000)	–
Unamortized premiums	(4,894,160)	
Financed purchases	–	(549,375)
Lease liabilities	–	(160,481)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in net position of the internal service funds is included in the governmental activities in the Statement of Activities.	1,098,104	278,935
Repayment of long-term debt does not affect the change in net position. However, it reduces fund balances. Debt issuance premiums are included in the change in net position as they are amortized over the life of the debt. However, they are included in the change in fund balances upon issuance.		
General obligation bonds	7,635,000	7,180,000
Unamortized premiums	785,328	536,092
Financed purchases	266,781	414,102
Lease liabilities	241,433	229,766
Subscription liabilities	55,021	–
Certain expenses are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances.		
Net pension liability	(31,907,310)	19,595,834
Single-employer pension liability	595,237	109,102
Compensated absences	(117,237)	40,209
Severance benefits	465,309	(234,487)
Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due.	(3,709,381)	100,438
The recognition of certain revenues and expenses/expenditures differ between the full accrual governmental activities financial statements and the modified accrual governmental fund financial statements.		
Deferred outflows of resources – pension plan deferments	1,737,806	(2,237,844)
Deferred outflows of resources – single-employer pension plan deferments	(16,801)	(74,367)
Deferred inflows of resources – pension plan deferments	39,500,506	(13,778,734)
Deferred inflows of resources – single-employer pension plan deferments	(412,866)	34,184
Deferred inflows of resources – unavailable revenue – delinquent taxes	163,305	530
Change in net position – governmental activities	$ 9,248,118	$ 8,824,472

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
Year Ended June 30, 2023

	Budgeted Amounts			Over (Under)
	Original	Final	Actual	Final Budget
Revenue				
Local sources				
Property taxes	$ 20,050,000	$ 21,195,200	$ 21,615,813	$ 420,613
Investment earnings	125,000	125,000	488,719	363,719
Other	741,600	741,600	1,245,214	503,614
State sources	46,091,700	45,481,800	47,149,379	1,667,579
Federal sources	2,120,072	2,120,072	3,223,299	1,103,227
Total revenue	69,128,372	69,663,672	73,722,424	4,058,752
Expenditures				
Current				
Administration	2,871,720	2,711,720	2,834,889	123,169
District support services	5,833,707	5,833,707	5,714,069	(119,638)
Elementary and secondary regular instruction	32,782,376	32,692,376	34,173,817	1,481,441
Vocational education instruction	555,606	555,606	612,344	56,738
Special education instruction	13,019,001	13,019,001	13,593,777	574,776
Instructional support services	4,547,273	4,547,273	4,422,279	(124,994)
Pupil support services	6,508,887	6,508,887	8,050,878	1,541,991
Sites and buildings	6,197,472	5,947,472	6,261,220	313,748
Fiscal and other fixed cost programs	552,000	552,000	550,162	(1,838)
Debt service				
Principal	81,185	81,185	563,235	482,050
Interest and fiscal charges	–	–	76,307	76,307
Total expenditures	72,949,227	72,449,227	76,852,977	4,403,750
Excess (deficiency) of revenue over expenditures	(3,820,855)	(2,785,555)	(3,130,553)	(344,998)
Other financing sources				
Sale of assets	–	–	68,768	68,768
Net change in fund balances	$ (3,820,855)	$ (2,785,555)	(3,061,785)	$ (276,230)
Fund balances				
Beginning of year			15,120,174	
End of year			$ 12,058,389	

See notes to basic financial statements

Statement of Net Position
Proprietary Funds
Internal Service Funds
as of June 30, 2023
(With Partial Comparative Information as of June 30, 2022)

	2023	2022
Assets		
Current assets		
Cash and temporary investments	$ 4,221,781	$ 3,641,654
Cash and investments – held by trustee	2,168,412	2,327,968
Accounts and interest receivable	22,126	10,852
Prepaid items	157,700	–
Total current assets	6,570,019	5,980,474
Deferred outflows of resources		
OPEB plan deferments	1,559,264	829,399
Liabilities		
Current liabilities		
Claims payable	311,430	250,185
Claims incurred, but not reported	766,437	1,236,686
Due to other governmental units	4,162	3,510
Due to other funds	206,783	188,432
Total OPEB liability – due within one year	613,345	328,232
Total current liabilities	1,902,157	2,007,045
Long-term liabilities		
Total OPEB liability – due in more than one year	4,899,253	4,739,060
Total liabilities	6,801,410	6,746,105
Deferred inflows of resources		
OPEB plan deferments	1,176,335	1,010,334
Net position		
Unrestricted	$ 151,538	$ (946,566)

See notes to basic financial statements

INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Revenue, Expenses, and Changes in Net Position
Proprietary Funds
Internal Service Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	2023	2022
Operating revenue		
Contributions from governmental funds	$ 9,867,588	$ 10,236,601
Operating expenses		
Dental benefit claims	580,417	607,165
Medical benefit claims	8,240,988	9,210,345
OPEB	88,475	88,886
Total operating expenses	8,909,880	9,906,396
Operating income	957,708	330,205
Nonoperating revenue		
Investment earnings (charges)	140,396	(51,270)
Change in net position	1,098,104	278,935
Net position		
Beginning of year	(946,566)	(1,225,501)
End of year	$ 151,538	$ (946,566)

See notes to basic financial statements

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INDEPENDENT SCHOOL DISTRICT NO. 283

Statement of Cash Flows
Proprietary Funds
Internal Service Funds
Year Ended June 30, 2023
(With Partial Comparative Information for the Year Ended June 30, 2022)

	2023	2022
Cash flows from operating activities		
Contributions from governmental funds	$ 9,867,588	$ 9,027,981
Payments for dental claims	(579,298)	(611,970)
Payments for medical claims	(8,808,159)	(8,463,630)
Payments for OPEB	(207,033)	(189,410)
Net cash flows from operating activities	273,098	(237,029)
Cash flows from noncapital financing activities		
Payments from (to) other funds	18,351	(198,918)
Cash flows from investing activities		
Investment income received (paid)	129,122	(48,712)
Net change in cash and cash equivalents	420,571	(484,659)
Cash and cash equivalents		
Beginning of year	5,969,622	6,454,281
End of year	$ 6,390,193	$ 5,969,622
Presented on Statement of Net Position as follows:		
Cash and temporary investments	$ 4,221,781	$ 3,641,654
Cash and investments – held by trustee	2,168,412	2,327,968
Total cash and cash equivalents	$ 6,390,193	$ 5,969,622
Reconciliation of operating income to net cash flows from operating activities		
Operating income	$ 957,708	$ 330,205
Adjustments to reconcile operating income to cash provided by operating activities		
Changes in assets, deferred inflows of resources, liabilities, and deferred outflows of resources		
Prepaid items	(157,700)	–
Deferred outflows of resources	(729,865)	(109,322)
Total OPEB liability	445,306	157,124
Claims payable	61,245	122,018
Unearned revenue	–	(1,208,620)
Deferred inflows of resources	166,001	(148,326)
Claims incurred, but not reported	(470,249)	619,725
Due to other governmental units	652	167
Net cash flows from operating activities	$ 273,098	$ (237,029)

See notes to basic financial statements

Statement of Fiduciary Net Position
Fiduciary Fund
as of June 30, 2023

		Scholarship and Other Custodial Funds
Assets		
Accounts and interest receivable	$	165,468
Liabilities		
Due to other funds		121,444
Net position		
Restricted for scholarships and other custodial purposes	$	44,024

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2023

		Scholarship and Other Custodial Funds
Additions		
Contributions		
Private donations	$	356,231
Investment earnings		4,058
Total additions		360,289
Deductions		
Scholarships and other deductions		353,135
Change in net position		7,154
Net position		
Beginning of year, as previously reported		140,382
Prior period adjustment		(103,512)
Beginning of year, as restated		36,870
End of year	$	44,024

See notes to basic financial statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Independent School District No. 283 (the District) was formed and operates pursuant to applicable Minnesota laws and statutes. The District is governed by a seven-member School Board elected by the voters of the District. The District's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

The accompanying financial statements include all funds, departments, agencies, boards, commissions, and other organizations that comprise the District, along with any component units.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no organizations considered to be component units of the District.

C. Government-Wide Financial Statement Presentation

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all the financial activities of the District, except for the fiduciary funds. Generally, the effect of material interfund activity has been removed from the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally directed revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are generally recognized as revenues in the fiscal year for which they are levied, except for amounts advance recognized in accordance with a statutory tax shift described later in these notes. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

For capital assets that can be specifically identified with, or allocated to functional areas, depreciation/amortization expense is included as a direct expense in the functional areas that utilize the related capital assets. For capital assets that essentially serve all functional areas, depreciation/amortization expense is reported as "unallocated depreciation/amortization." Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental, proprietary, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental funds is reported in a single column in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, transactions are recorded in the following manner:

1. **Revenue Recognition** – Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues, including property taxes, to be available if they are collected within 60 days after year-end. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met. State revenue is recognized in the year to which it applies according to Minnesota Statutes (which include state aid funding formulas for specific years) and accounting principles generally accepted in the United States of America. Proceeds of long-term debt and acquisitions using financed purchases, leases, and subscription-based information technology arrangements **(**SBITAs) are reported as other financing sources.

2. **Recording of Expenditures** – Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt and other long-term liabilities, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. In the General Fund, capital outlay expenditures are included within the applicable functional areas.

Internal service funds are presented in the proprietary fund financial statements. Internal service funds account for the financing of goods or services provided by one department to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the District's internal service funds are charges to customers (other district funds) for services. Operating expenses for the internal service funds include the cost of services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary funds are presented in the fiduciary fund financial statements by type. Since, by definition, fiduciary fund assets are being held for the benefit of a third party and cannot be used for activities or obligations of the District, these funds are excluded from the government-wide financial statements.

Proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting as described earlier in these notes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

The existence of the various district funds has been established by the Minnesota Department of Education. Each fund is accounted for as an independent entity. Descriptions of the funds included in this report are as follows:

Major Governmental Funds

General Fund – The General Fund is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects – Building Construction Fund – The Capital Projects – Building Construction Fund is used to account for financial resources used for the acquisition or construction of major capital facilities authorized by bond issue or the long-term facilities maintenance program.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and payment of, general obligation debt principal, interest, and related costs.

Nonmajor Governmental Funds

Food Service Special Revenue Fund – The Food Service Special Revenue Fund is primarily used to account for the District's child nutrition program.

Community Service Special Revenue Fund – The Community Service Special Revenue Fund is used to account for services provided to residents in the areas of recreation, civic activities, nonpublic pupils, adult or early childhood programs, or other similar services.

Proprietary Funds

Internal Service Funds – The District has established internal service funds to account for dental and medical benefits provided to employees as self-insured plans and OPEB Revocable Trust Fund activities.

Fiduciary Fund

Scholarship and Other Custodial Funds – The Scholarship and Other Custodial Funds is used to account for resources held in trust to be used by various other third parties to award scholarships to former students of the District and account for grants and donations made for specific purposes to these third parties.

E. Budgetary Information

The School Board adopts an annual budget for all governmental funds on the same basis of accounting as the fund financial statements. Legal budgetary control is at the fund level. Budgeted expenditure appropriations lapse at year-end. Actual expenditures exceeded budgeted amounts in the General Fund, Food Service Special Revenue Fund, Community Service Special Revenue Fund, and the Capital Projects – Building Construction Fund by $4,403,750, $307,950, $965,440, and $16,098,526, respectively. Revenues and other financing sources in excess of budget and available fund balance covered these variances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Cash and Temporary Investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund. Bond proceeds recorded in the Capital Projects – Building Construction Fund are not pooled, and earnings on these proceeds are allocated directly to the fund.

Cash and investments held by trustee include balances held in segregated accounts established for specific purposes. In the Other Post-Employment Benefits Internal Service Fund, these assets represent amounts contributed to an irrevocable trust established to finance the District's liability for post-employment insurance benefits. Earnings from all trust fund investments are allocated directly to the respective funds.

Investments are generally stated at fair value, except for investments in external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less may also be reported at amortized cost. Investment income is accrued at the Balance Sheet date.

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

See Note 2 for the District's recurring fair value measurements as of year-end.

For purposes of the Statement of Cash Flows, all highly liquid debt instruments with an original maturity from the time of purchase of three months or less are considered to be cash equivalents. The proprietary fund's equity in the government-wide cash and investments pool is considered to be cash equivalent.

G. Receivables

When necessary, the District utilizes an allowance for uncollectible accounts to value its receivables. However, the District considers all of its current receivables to be collectible. The only receivables not expected to be fully collected within one year are property taxes receivable.

H. Inventories

Inventories are recorded using the consumption method of accounting and consist of purchased food, supplies, and surplus commodities received from the federal government. Food and supply purchases are recorded at invoice cost, computed on a first-in, first-out basis. Surplus commodities are stated at standardized costs, as determined by the U.S. Department of Agriculture.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

J. Property Taxes

The majority of district revenue is determined annually by statutory funding formulas. The total revenue allowed by these formulas is allocated between property taxes and state aids by the Minnesota Legislature based on education funding priorities.

Generally, property taxes are recognized as revenue by the District in the fiscal year that begins midway through the calendar year in which the tax levy is collectible. To help balance the state budget, the Minnesota Legislature utilizes a tool referred to as the "tax shift," which periodically changes the District's recognition of property tax revenue. The tax shift advance recognizes cash collected for the subsequent year's levy as current year revenue, allowing the state to reduce the amount of aid paid to the District. Currently, the mandated tax shift recognizes $2,406,637 of the property tax levy collectible in 2023 as revenue to the District in fiscal year 2022–2023. The remaining portion of the taxes collectible in 2023 is recorded as a deferred inflow of resources (property taxes levied for subsequent year).

Property tax levies are certified to the County Auditor in December of each year for collection from taxpayers in May and October of the following calendar year. In Minnesota, counties act as collection agents for all property taxes. The county spreads all levies over taxable property. Such taxes become a lien on property on the following January 1. The county generally remits taxes to the District at periodic intervals as they are collected.

Taxes which remain unpaid are classified as delinquent taxes receivable. Revenue from these delinquent property taxes that is not collected within 60 days of year-end is reported as a deferred inflow of resources (unavailable revenue) in the fund financial statements because it is not known to be available to finance the operations of the District in the current year.

K. Capital Assets

Capital assets are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated acquisition value at the date of donation. Leased capital assets are recorded based on the measurement of payments applicable to the lease term. Technology subscriptions are recorded based on the measurement of any subscription liability plus the payments due to a SBITA vendor at the commencement of the subscription term, including any applicable initial implementation costs as defined in the standard. Generally, the District defines capital assets as those with an initial, individual cost of $5,000 or more, which benefit more than one fiscal year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Capital assets are depreciated/amortized using the straight-line method over their estimated useful lives. Since assets are generally sold for an immaterial amount or scrapped when declared as no longer fit or needed for public school purposes by the District, no salvage value is taken into consideration for depreciation/amortization purposes. Useful lives vary from 20 to 40 years for land improvements, buildings, and building improvements and 5 to 15 years for furniture and equipment. Leased assets are amortized over the term of the lease or over the useful life of the applicable asset class previously described if future ownership is anticipated. Technology subscriptions are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology (IT) assets. Land and construction in progress are not depreciated/amortized.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks or parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively.

M. Subscription-Based Information Technology Arrangements (SBITAs)

A SBITA is a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The District has entered into certain technology subscriptions for education solutions and other purposes. Capital assets associated with SBITAs are presented separately from other capital assets in Note 3. SBITAs are reported in Note 4 to include the terms and related disclosures associated with any subscription liabilities.

N. Compensated Absences

Eligible employees accrue vacation and sick leave at varying rates as specified by contract, portions of which may be carried over to future years. Employees are reimbursed for any unused accrued vacation upon termination. Unused sick leave enters into the calculation of severance benefits for some employees upon termination. Compensated absences are accrued in the governmental fund financial statements only to the extent they have been used or otherwise matured prior to year-end. Unused vacation is accrued as it is earned in the government-wide financial statements.

O. Severance Benefits

The District provides lump sum severance benefits to eligible employees in accordance with provisions of certain collectively bargained contracts, calculated by converting a portion of an eligible employee's unused accumulated sick leave. Eligibility for these benefits is based on years of service and/or minimum age requirements. No individual can receive severance benefits that exceed one year's salary.

Severance pay based on convertible sick leave is recorded as a liability in the government-wide financial statements as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements as the liability matures prior to year-end.

P. State-Wide Pension Plans

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and the Teachers Retirement Association (TRA) and additions to/deductions from the PERA's and the TRA's fiduciary net positions have been determined on the same basis as they are reported by the PERA and the TRA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The TRA has a special funding situation created by direct aid contributions made by the state of Minnesota, City of Minneapolis, and Minneapolis School District. The direct aid is a result of the merger of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006. A second direct aid source is from the state of Minnesota for the merger of the Duluth Teachers Retirement Fund Association in 2015.

Q. Risk Management

1. **General Insurance** – The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and workers' compensation for which it carries commercial insurance. Settled claims exceeded commercial coverage in fiscal 2022 related to a legal settlement, but the District did not have claims in excess of coverage in fiscal 2023 and 2021. There were no significant reductions in the District's insurance coverage in fiscal year 2023.

2. **Self-Insurance** – The District has established internal service funds to account for and finance its uninsured risk of loss for its employee medical and dental insurance plans. Under these plans, the internal service funds provide coverage to participating employees and their dependents for various medical and dental costs as described in the plan. The District makes premium payments to the internal service funds on behalf of program participants based on provisional rates determined by insurance company estimates of monthly claims paid for each coverage class, plus the stop-loss insurance premium costs and administrative service charges.

   Liabilities include an amount for claims that have been incurred, but not reported. District claims incurred but not reported liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Because actual claim liabilities depend on complex factors, such as inflation, changes in legal doctrines, and damage awards, the process used in computing a claim liability does not necessarily result in an exact amount. Claims incurred but not reported liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

   Changes in the balance for dental insurance claims incurred but not reported for the last two years were:

Fiscal Year Ended June 30,	Balance Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance End of Year
2022	$ 9,181	$ 613,337	$ 611,970	$ 10,548
2023	$ 10,548	$ 581,163	$ 579,298	$ 12,413

   Changes in the balance for medical insurance claims incurred but not reported for the last two years were:

Fiscal Year Ended June 30,	Balance Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance End of Year
2022	$ 607,780	$ 9,081,988	$ 8,463,630	$ 1,226,138
2023	$ 1,226,138	$ 8,336,045	$ 8,808,159	$ 754,024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, statements of financial position or balance sheets will sometimes report separate sections for deferred outflows or inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) or an inflow of financial resources (revenue) until then.

The District reports deferred outflows and inflows of resources related to pensions and OPEB in the government-wide and proprietary fund Statements of Net Position. These deferred outflows and inflows result from differences between expected and actual experience, changes in proportion, changes of assumptions, differences between projected and actual earnings on pension and OPEB Plan investments, and contributions to the plan subsequent to the measurement date and before the end of the reporting period. These amounts are deferred and amortized as required under pension and OPEB standards.

Property taxes levied for subsequent years, which represents property taxes received or reported as a receivable before the period for which the taxes are levied, are reported as a deferred inflow of resources in both the government-wide Statement of Net Position and the governmental funds Balance Sheet. Property taxes levied for subsequent years are deferred and recognized as an inflow of resources in the government-wide financial statements in the year for which they are levied, and in the governmental fund financial statements during the year for which they are levied, if available.

Unavailable revenue from property taxes arises under a modified accrual basis of accounting and is reported only in the governmental funds Balance Sheet. Delinquent property taxes not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

S. Net Position

In the government-wide, proprietary, and fiduciary fund financial statements, net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation/amortization, reduced by any outstanding debt attributable to acquire capital assets.

- **Restricted** – Consists of net position restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

- **Unrestricted** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The District applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.

- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.

- **Committed** – Consists of internally imposed constraints that are established by resolution of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority. Pursuant to School Board resolution, the District's superintendent or the superintendent's designee are authorized to establish assignments of fund balance.

- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the District's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

U. Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the amounts reported in the financial statements during the reporting period. Actual results could differ from those estimates.

V. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total, but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2022, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

W. Restricted Assets

Restricted assets are cash and cash equivalents and interest accrued thereon whose use is limited by legal requirements, such as a bond indenture. Restricted assets are reported only in the government-wide financial statements. In the fund financial statements, these assets have been reported as "cash and investments held by trustee" or "cash and investments held for building construction."

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

X. Change in Accounting Principle

During the year ended June 30, 2023, the District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset—and intangible asset—and a corresponding subscription liability. Certain amounts necessary to fully restate fiscal year 2022 financial information are not determinable; therefore, prior year comparative amounts have not been restated. The implementation of this new GASB statement in the current year resulted in the District reporting new capital assets and long-term liabilities for SBITAs. Beginning net position was unchanged from the implementation of this standard in the current year. See Notes 3 and 4 for additional details on this change in the current year.

Y. Prior Period Adjustments

During the year ended June 30, 2023, the District recorded two prior period adjustments. The first adjustment was to restate beginning balances for the District's capital assets in the government-wide financial statements for corrections made to prior year activity discovered in the current fiscal year. The second adjustment was to reclassify certain activities in the Community Service Special Revenue Fund to the Scholarship and Other Custodial Funds to properly reflect these activities as custodial arrangements of the District for other outside entities. The impact on the government-wide, governmental fund, and fiduciary fund financial statements, had these been properly recorded in the prior year, is as follows:

	Government-Wide	Governmental Funds	Fiduciary Funds
Impact on net position/fund balance			
Beginning of year net position/fund balance, as previously reported	$ (12,292,485)	$ 23,093,028	$ 140,382
Prior period adjustments			
Capital assets	566,517	–	–
Reclass to Scholarship and Other Custodial Funds	103,512	103,512	(103,512)
Total	670,029	103,512	(103,512)
Beginning of year net position/fund balance, as restated	$ (11,622,456)	$ 23,196,540	$ 36,870

NOTE 2 – DEPOSITS AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	$	108,315,895
Investments		66,228,991
Cash on hand		1,500
Total	$	174,546,386

Cash and investments are presented in the financial statements as follows:

Government-Wide Statement of Net Position		
Cash and temporary investments	$	38,874,681
Restricted assets – temporarily restricted		
Cash and investments for building construction		133,503,293
Cash and investments for OPEB		2,168,412
Total	$	174,546,386

B. Deposits

In accordance with applicable Minnesota Statutes, the District maintains deposits at depository banks authorized by the School Board, including checking accounts, savings accounts, and nonnegotiable certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated "A" or better; revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The District's deposit policies do not further limit depository choices.

At year-end, the carrying amount of the District's deposits was $108,315,895, while the balance on the bank records was $108,315,895. At June 30, 2023, all deposits were insured or collateralized by securities held by the District's agent in the District's name. The District's deposits exceeded available insurance and pledged collateral coverage at one time during the year ended June 30, 2023.

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Investments

The District has the following investments at year-end:

	Credit Risk		Fair Value Measurements	Interest Rate Risk – Maturity Duration in Years			
Investment Type	Rating	Agency	Using	Less Than 1	1 to 5	6 to 10	Total
General obligation bonds							
State and local bonds	AAA	S&P	Level 2	$ 249,023	$ –	$ –	$ 249,023
State and local bonds	AA	S&P	Level 2	$ 2,152,010	$ 1,825,018	$ –	3,977,028
State and local bonds	Aa	Moody's	Level 2	$ 1,494,330	$ 5,659,312	$ –	7,153,642
Negotiable certificates of deposit	N/R	N/A	Level 2	$ 1,452,955	$ 240,963	$ –	1,693,918
U.S. treasuries	N/A	N/A	Level 2	$ 587,956	$ 560,450	$ –	1,148,405
Investment pools/mutual funds							
MNTrust Investment Shares Portfolio	AAA	S&P	Amortized Cost	N/A	N/A	N/A	40,955,373
MNTrust Full Flex	N/R	N/A	Amortized Cost	N/A	N/A	N/A	2,596,439
MNTrust Limited Term Duration	N/R	N/A	Amortized Cost	N/A	N/A	N/A	8,455,163
Total investments							$ 66,228,991

N/A – Not Applicable
N/R – Not Rated

The Minnesota Trust (MNTrust) Investment Shares Portfolio, MNTrust Full Flex, and MNTrust Limited Term Duration are external investment pools regulated by Minnesota Statutes not registered with the Securities and Exchange Commission. The District's investment in these pools is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. For these investment pools there are no restriction or limitations on withdrawals, there are no unfunded commitments, redemption frequency is daily, and there is no redemption notice. MNTrust Full Flex investments can be withdrawn weekly with one day advance notice. Investments in the MNTrust Limited Term Duration must be deposited for a minimum of 30 calendar days.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the District would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the District's investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments, or by the control of who holds the securities.

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the District's investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated "A" or better; revenue obligations rated "AA" or better; general obligations of the Minnesota Housing Finance Agency rated "A" or better; bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. For assets held in the Post-Employment Benefits Trust Fund, the investment options available to the District are expanded to include the investment types specified in Minnesota Statutes § 356A.06, Subd. 7. The District's investment policies do not further restrict investing in specific financial instruments.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The District's investment policies do not limit the maturities of investments; however, when purchasing investments, the District considers such things as interest rates and cash flow needs.

Concentration Risk – This is the risk associated with investing a significant portion of the District's investments (considered 5.0 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The District's investment policies do not address concentration risk.

NOTE 3 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023 is as follows:

	Balance – Beginning of Year – as Previously Reported	Prior Period Adjustment*	Balance – Beginning of Year – as Restated	Change in Accounting Principle**	Additions	Deletions	Completed Construction	Balance – End of Year
Capital assets, not depreciated/amortized								
Land	$ 7,812,500	$ –	$ 7,812,500	$ –	$ –	$ –	$ –	$ 7,812,500
Construction in progress	1,749,484	(837,521)	911,963	–	12,174,162	–	(3,136,904)	9,949,221
Total capital assets, not depreciated/amortized	9,561,984	(837,521)	8,724,463	–	12,174,162	–	(3,136,904)	17,761,721
Capital assets, depreciated/amortized								
Land improvements	264,344	–	264,344	–	–	–	–	264,344
Buildings and improvements	178,814,154	(23,232)	178,790,922	–	68,616	–	3,136,904	181,996,442
Furniture and equipment	56,496,107	1,403,995	57,900,102	–	369,485	(43,681)	–	58,225,906
Technology subscriptions	–	–	–	393,174	151,767	–	–	544,941
Buildings and improvements – leased	1,290,949	–	1,290,949	–	–	–	–	1,290,949
Furniture and equipment – leased	359,301	–	359,301	–	–	–	–	359,301
Total capital assets, depreciated/amortized	237,224,855	1,380,763	238,605,618	393,174	589,868	(43,681)	3,136,904	242,681,883
Less accumulated depreciation/amortization for								
Land improvements	(177,840)	–	(177,840)	–	–	–	–	(177,840)
Buildings and improvements	(28,656,431)	60,008	(28,596,423)	–	(4,689,250)	–	–	(33,285,673)
Furniture and equipment	(50,055,892)	(36,733)	(50,092,625)	–	(648,028)	43,681	–	(50,696,972)
Technology subscriptions	–	–	–	–	(80,743)	–	–	(80,743)
Buildings and improvements – leased	(184,421)	–	(184,421)	–	(184,421)	–	–	(368,842)
Furniture and equipment – leased	(66,208)	–	(66,208)	–	(66,208)	–	–	(132,416)
Total accumulated depreciation/amortization	(79,140,792)	23,275	(79,117,517)	–	(5,668,650)	43,681	–	(84,742,486)
Net capital assets, depreciated/amortized	158,084,063	1,404,038	159,488,101	393,174	(5,078,782)	–	3,136,904	157,939,397
Total capital assets, net	$ 167,646,047	$ 566,517	$ 168,212,564	$ 393,174	$ 7,095,380	$ –	$ –	$ 175,701,118

* The prior period adjustment is further described in Note 1 of the notes to basic financial statements.
** The change in accounting principle was the result of the implementation of GASB Statement No. 96 in the current year.

Depreciation/amortization expense was charged to the following governmental functions:

Administration	$ 594
District support services	116,117
Elementary and secondary regular instruction	2,108
Vocational education instruction	350
Special education instruction	3,327
Instructional support services	87,433
Pupil support services	18,489
Sites and buildings	184,421
Community service	1,014
Unallocated depreciation/amortization	5,254,797
Total depreciation/amortization expense	$ 5,668,650

NOTE 4 – LONG-TERM LIABILITIES

A. General Obligation Bonds

The District currently has the following general obligation bonds outstanding:

Issue	Issue Date	Interest Rate	Face/Par Value	Final Maturity	Principal Outstanding
Facilities bonds					
2010A Capital Facilities Bonds	07/15/2010	1.75–5.30%	$ 885,000	02/01/2025	$ 130,000
2019A Facilities Maintenance Bonds	07/18/2019	3.00–5.00%	$ 22,795,000	02/01/2036	20,555,000
School building bonds					
2018A School Building Bonds	02/15/2018	3.13–5.00%	$ 92,950,000	02/01/2038	90,575,000
2022A School Building Bonds	11/03/2022	4.00–5.00%	$ 136,000,000	02/01/2043	136,000,000
Total general obligation bonds					$ 247,260,000

These bonds were issued to finance the acquisition or construction of capital facilities or to finance the retirement (refunding) of prior general obligation bond issues. Assets of the Debt Service Fund, together with future ad valorem tax levies, are dedicated for the retirement of these bonds. Future annual debt service levies authorized are equal to 105 percent of the principal and interest due each year. These levies are subject to reduction if fund balance amounts exceed limitations imposed by Minnesota law.

B. Financed Purchase

The District has entered into an agreement for the financing of the following capital asset purchase. The financed purchase agreement is being paid by the General Fund.

Asset Description	Asset Value Capitalized	Interest Rate	Financed Purchase Date	Final Maturity	Principal Outstanding
Peter Hobart Elementary School remodeling	$ 964,000	3.15 %	07/24/2013	08/01/2028	$ 406,898

Failure by the District to pay any payments under this agreement, or upon the occurrence of and continuation of an event of default, the lender, without any further demand or notice, may take one or any combination of the following steps: 1) the lender, with or without terminating the agreement, may declare all payments due, or become due, during the fiscal year in effect when the default occurs; 2) the lender may repossess the facility or equipment by giving the District written notice to surrender the facility or equipment to the lender and; 3) the lender will thereafter use its best efforts to sell or lease its interest in the facility or equipment, or any portion thereof, in a commercially reasonable manner, in accordance with applicable state laws. The lender may also pursue any other remedy available to require the District to perform any of its obligations in this agreement.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Lease Liabilities

The District has obtained the use of certain equipment and building space through lease financing agreements. The total amount of underlying lease assets by major classes and the related accumulated amortization is presented in Note 3 to the basic financial statements. Annual principal and interest on these agreements will be paid from the General Fund. The agreements are secured by the original property. The lessor also may repossess the property and seek full recovery of the losses upon default.

The District currently has the following lease liability obligations outstanding:

Lease Description	Interest Rate	Lease Date	Final Maturity	Principal Outstanding
Office building	3.50 %	02/01/2018	06/30/2028	$ 970,946
Copiers	3.50 %	11/20/2016	07/04/2027	62,514
Copiers	3.50 %	08/01/2019	07/01/2024	37,428
Copiers	3.50 %	10/07/2021	09/07/2026	108,163
Total				$ 1,179,051

D. Subscription Liabilities

The District entered into an agreement to finance the use of finance software, which calls for monthly principal and interest payments through June 2027. This subscription liability is paid by the General Fund. The amount of the underlying technology subscription asset and the related accumulated amortization is presented in Note 3 to the basic financial statements.

Description	Interest Rate	Subscription Date	Final Maturity	Principal Outstanding
Software	4.00 %	03/23/2021	06/30/2027	$ 338,153

E. Other Long-Term Liabilities

The District offers a number of benefits to its employees, including severance benefits, compensated absences, pension benefits, and OPEB. The details of these various benefit liabilities are discussed elsewhere in these notes. Such benefits are paid from the General Fund, Food Service Special Revenue Fund, Community Service Special Revenue Fund, and Other Post-Employment Benefits Internal Service Fund.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

District employees participate in three defined benefit pension plans, including two state-wide, cost-sharing, multiple-employer plans administered by the PERA and the TRA, and one single-employer plan administered by the District. The following is a summary of the pension liabilities, deferred outflows and inflows of resources, and pension expense reported for these plans as of and for the year ended June 30, 2023:

Pension Plans	Net/Total Pension Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
State-wide, multiple-employer – PERA	$ 14,755,023	$ 5,130,783	$ 276,861	$ 2,055,127
State-wide, multiple-employer – TRA	48,228,998	15,493,834	10,139,452	(7,372,636)
Single-employer – District	3,344,391	539,145	565,294	190,968
Total	$ 66,328,412	$ 21,163,762	$ 10,981,607	$ (5,126,541)

F. Minimum Debt Payments

Minimum annual principal and interest payments to maturity for general obligation bonds, financed purchases, lease liabilities, and subscription liabilities are as follows:

Year Ending	General Obligation Bonds		Financed Purchases		Lease Liabilities		Subscription Liabilities	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 6,320,000	$ 12,127,584	$ 68,902	$ 12,284	$ 253,675	$ 37,223	$ 69,103	$ 13,777
2025	8,450,000	10,307,051	71,089	10,096	234,047	28,610	86,127	10,961
2026	8,945,000	9,884,356	73,346	7,839	243,565	20,314	89,635	7,453
2027	9,920,000	9,437,106	75,675	5,511	229,785	11,893	93,288	3,801
2028	10,490,000	8,941,106	78,077	3,108	217,979	4,132	–	–
2029–2033	60,940,000	36,608,631	39,809	629	–	–	–	–
2034–2038	65,940,000	23,794,675	–	–	–	–	–	–
2039–2043	76,255,000	10,062,213	–	–	–	–	–	–
	$ 247,260,000	$ 121,162,722	$ 406,898	$ 39,467	$ 1,179,051	$ 102,172	$ 338,153	$ 35,992

G. Changes in Long-Term Liabilities

	June 30, 2022	Change in Accounting Principle*	Additions	Retirements	June 30, 2023	Due Within One Year
General obligation bonds	$ 118,895,000	$ –	$ 136,000,000	$ 7,635,000	$ 247,260,000	$ 6,320,000
Unamortized premiums	9,257,992	–	4,894,160	785,328	13,366,824	–
Financed purchases	673,679	–	–	266,781	406,898	68,902
Lease liabilities	1,420,484	–	–	241,433	1,179,051	253,675
Subscription liabilities	–	393,174	–	55,021	338,153	69,103
Net pension liability	31,076,711	–	36,059,968	4,152,658	62,984,021	–
Single-employer pension liability	3,939,628	–	190,968	786,205	3,344,391	370,805
Total OPEB liability	5,067,292	–	445,306	–	5,512,598	613,345
Compensated absences	756,387	–	1,060,146	942,909	873,624	873,624
Severance benefits	3,771,992	–	136,436	601,745	3,306,683	305,179
	$ 174,859,165	$ 393,174	$ 178,786,984	$ 15,467,080	$ 338,572,243	$ 8,874,633

* The change in accounting principle is related to the implementation of GASB Statement No. 96 in the current year.

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds defined earlier in this report. Any such restrictions, which have an accumulated deficit balance at June 30, are included in unassigned fund balance in the District's financial statements in accordance with accounting principles generally accepted in the United States of America. However, a description of these deficit balance restrictions is included herein since the District has specific authority to use future resources for such deficits.

A. Classifications

At June 30, 2023, a summary of the District's governmental fund balance classifications are as follows:

	General Fund	Capital Projects – Building Construction Fund	Debt Service Fund	Nonmajor Funds	Total
Nonspendable					
Inventory	$ –	$ –	$ –	$ 46,091	$ 46,091
Prepaid items	62,719	–	–	750	63,469
Total nonspendable	62,719	–	–	46,841	109,560
Restricted					
Student activities	169,387	–	–	–	169,387
Operating capital	2,276,047	–	–	–	2,276,047
Capital projects levy	1,979,581	–	–	–	1,979,581
Food service	–	–	–	884,747	884,747
Early childhood family education programs	–	–	–	68,776	68,776
Community service	–	–	–	287,491	287,491
School readiness	–	–	–	107,735	107,735
Community education	–	–	–	138,931	138,931
Long-term facilities maintenance	1,338,936	–	–	–	1,338,936
Capital projects	–	133,585,189	–	–	133,585,189
Debt service	–	–	2,685,104	–	2,685,104
Total restricted	5,763,951	133,585,189	2,685,104	1,487,680	143,521,924
Assigned					
Subsequent year's budget	261,686	–	–	–	261,686
Severance payments	868,899	–	–	–	868,899
Donations/gifts/local grants	43,700	–	–	–	43,700
Total assigned	1,174,285	–	–	–	1,174,285
Unassigned	5,057,434	–	–	–	5,057,434
Total	$ 12,058,389	$ 133,585,189	$ 2,685,104	$ 1,534,521	$ 149,863,203

B. Minimum Unassigned Fund Balance Policy

The School Board has formally adopted a fund balance policy that establishes a desired unassigned General Fund. The policy states the District establishes a year-end minimum unassigned fund balance of 6.0 percent of current year's General Fund noncategorical expenditures.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Descriptions

The District participates in the following cost-sharing, multiple-employer defined benefit pension plans administered by the PERA and the TRA. The PERA's and the TRA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes. The PERA's and the TRA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code (IRC).

1. General Employees Retirement Fund (GERF)

The PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

Certain full-time and part-time employees of the District other than teachers are covered by the GERF. GERF members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

2. Teachers Retirement Association (TRA)

The TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. The TRA is a separate statutory entity, administered by a Board of Trustees. The Board of Trustees consists of four active members, one retired member, and three statutory officials.

Educators employed in Minnesota's public elementary and secondary schools, charter schools, and certain other TRA-covered educational institutions maintained by the state are required to be TRA members (except those employed by St. Paul Public Schools or Minnesota State Colleges and Universities (MnSCU)). Educators first hired by MnSCU may elect either TRA coverage or coverage through the Defined Contribution Plan administered by Minnesota State.

B. Benefits Provided

The PERA and the TRA provide retirement, disability, and death benefits. Benefit provisions are established by state statutes and can only be modified by the State Legislature.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. GERF Benefits

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for the PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated Plan members is 1.2 percent for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated Plan members is 1.7 percent for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at age 66.

Benefit increases are provided to benefit recipients each January. The post-retirement increase is equal to 50.0 percent of the cost of living adjustment announced by the Social Security Administration, with a minimum increase of at least 1.0 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase, will receive the full increase. For recipients receiving the annuity or benefit for at least one month, but less than a full year as of the June 30 before the effective date of the increase, will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

2. TRA Benefits

The TRA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by Minnesota Statutes and vest after three years of service credit. The defined retirement benefits are based on a member's highest average salary for any five consecutive years of allowable service, age, and a formula multiplier based on years of credit at termination of service.

Two methods are used to compute benefits for the TRA's Coordinated and Basic Plan members. Members first employed before July 1, 1989, receive the greater of the Tier I or Tier II benefits as described.

Tier I Benefits

Step-Rate Formula	Percentage per Year
Basic Plan	
First 10 years of service	2.2 %
All years after	2.7 %
Coordinated Plan	
First 10 years if service years are up to July 1, 2006	1.2 %
First 10 years if service years are July 1, 2006 or after	1.4 %
All other years of service if service years are up to July 1, 2006	1.7 %
All other years of service if service years are July 1, 2006 or after	1.9 %

With these provisions:

(a) Normal retirement age is 65 with less than 30 years of allowable service and age 62 with 30 or more years of allowable service.

(b) Three percent per year early retirement reduction factor for all years under normal retirement age.

(c) Unreduced benefits for early retirement under a Rule of 90 (age plus allowable service equals 90 or more).

Tier II Benefits

For years of service prior to July 1, 2006, a level formula of 1.7 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. For years of service July 1, 2006 and after, a level formula of 1.9 percent per year for Coordinated Plan members and 2.7 percent per year for Basic Plan members applies. Beginning July 1, 2015, the early retirement reduction factors are based on rates established under Minnesota Statutes. Smaller reductions, more favorable to the member, will be applied to individuals who reach age 62 and have 30 years or more of service credit.

Members first employed after June 30, 1989, receive only the Tier II benefit calculation with a normal retirement age that is their retirement age for full Social Security retirement benefits, but not to exceed age 66.

Six different types of annuities are available to members upon retirement. The No Refund Life Plan is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. A retiring member may also choose to provide survivor benefits to a designated beneficiary(ies) by selecting one of the five plans that have survivorship features. Vested members may also leave their contributions in the TRA Fund upon termination of service in order to qualify for a deferred annuity at retirement age. Any member terminating service is eligible for a refund of their employee contributions plus interest.

The benefit provisions stated apply to active plan participants. Vested, terminated employees who are entitled to benefits, but not yet receiving them, are bound by the plan provisions in effect at the time they last terminated their public service.

C. Contributions

Minnesota Statutes set the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature.

1. GERF Contributions

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. Coordinated Plan members were required to contribute 6.5 percent of their annual covered salary in fiscal year 2023 and the District was required to contribute 7.5 percent for Coordinated Plan members. The District's contributions to the GERF for the year ended June 30, 2023, were $1,012,935. The District's contributions were equal to the required contributions as set by state statutes.

2. TRA Contributions

Minnesota Statutes, Chapter 354 sets the rates for employer and employee contributions. Rates for each fiscal year were:

	Year Ended June 30,					
	2021		2022		2023	
	Employee	Employer	Employee	Employer	Employee	Employer
Basic Plan	11.00 %	12.13 %	11.00 %	12.34 %	11.00 %	12.55 %
Coordinated Plan	7.50 %	8.13 %	7.50 %	8.34 %	7.50 %	8.55 %

The District's contributions to the TRA for the plan's fiscal year ended June 30, 2023, were $2,426,513. The District's contributions were equal to the required contributions for each year as set by state statutes.

The following is a reconciliation of employer contributions in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position to the employer contributions used in the Schedule of Employer and Nonemployer Pension Allocations:

	in thousands
Employer contributions reported in the TRA's Annual Comprehensive Financial Report Statement of Changes in Fiduciary Net Position	$ 482,679
Add employer contributions not related to future contribution efforts	(2,178)
Deduct the TRA's contributions not included in allocation	(572)
Total employer contributions	479,929
Total nonemployer contributions	35,590
Total contributions reported in the Schedule of Employer and Nonemployer Pension Allocations	$ 515,519

Amounts reported in the allocation schedules may not precisely agree with financial statement amounts or actuarial valuations, due to the number of decimal places used in the allocations. The TRA has rounded percentage amounts to the nearest ten thousandths.

D. Pension Costs

1. GERF Pension Costs

At June 30, 2023, the District reported a liability of $14,755,023 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the state of Minnesota's contribution of $16 million. The state of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the District totaled $432,434. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's contributions received by the PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022, relative to the total employer contributions received from all of the PERA's participating employers. The District's proportionate share was 0.1863 percent at the end of the measurement period and 0.1772 percent for the beginning of the period.

District's proportionate share of the net pension liability	$ 14,755,023
State's proportionate share of the net pension liability associated with the District	$ 432,434

For the year ended June 30, 2023, the District recognized pension expense of $1,990,478 for its proportionate share of the GERF's pension expense. In addition, the District recognized an additional $64,649 as pension expense (and grant revenue) for its proportionate share of the state of Minnesota's contribution of $16 million to the GERF.

At June 30, 2023, the District reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 123,245	$ 150,092
Changes in actuarial assumptions	3,181,143	57,821
Net collective difference between projected and actual investment earnings	510,944	–
Changes in proportion	302,516	68,948
District's contributions to the GERF subsequent to the measurement date	1,012,935	–
Total	$ 5,130,783	$ 276,861

The $1,012,935 reported as deferred outflows of resources related to pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	$ 1,371,731
2025	$ 1,416,146
2026	$ (281,262)
2027	$ 1,334,372

2. TRA Pension Costs

At June 30, 2023, the District reported a liability of $48,228,998 for its proportionate share of the TRA's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the TRA in relation to total system contributions, including direct aid from the state of Minnesota, City of Minneapolis, and Minneapolis School District. The District's proportionate share was 0.6023 percent at the end of the measurement period and 0.5372 percent for the beginning of the period.

The pension liability amount reflected a reduction due to direct aid provided to the TRA. The amount recognized by the District as its proportionate share of the net pension liability, the direct aid, and total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 48,228,998
State's proportionate share of the net pension liability associated with the District	$ 3,576,796

For the year ended June 30, 2023, the District recognized negative pension expense of $7,864,456. It also recognized $491,820 as an increase to pension expense for the support provided by direct aid.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

At June 30, 2023, the District had deferred resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 650,246	$ 378,581
Changes in actuarial assumptions	6,891,176	9,228,473
Net collective difference between projected and actual investment earnings on pension plan investments	3,116,700	–
Changes in proportion	2,409,199	532,398
District's contributions to the TRA subsequent to the measurement date	2,426,513	–
Total	$ 15,493,834	$ 10,139,452

A total of $2,426,513 reported as deferred outflows of resources related to pensions resulting from district contributions to the TRA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	$ (7,449,050)
2025	$ 2,001,317
2026	$ 1,326,850
2027	$ 6,539,919
2028	$ 508,833

E. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of the PERA and the TRA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages.

The target allocation and best-estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	33.50 %	5.10 %
International equity	16.50	5.30 %
Private markets	25.00	5.90 %
Fixed income	25.00	0.75 %
Total	100.00 %	

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

F. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Assumptions	GERF	TRA
Inflation	2.25%	2.50%
Wage growth rate		2.85% before July 1, 2028, and 3.25% thereafter
Projected salary increase	3.00%	2.85% to 8.85% before July 1, 2028, and 3.25% to 9.25% thereafter
Investment rate of return	6.50%	7.00%

1. GERF

The long-term rate of return on pension plan investments used in the determination of the total liability is 6.50 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.50 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the GERF Plan. Benefit increases after retirement are assumed to be 1.25 percent for the GERF Plan.

Salary growth assumptions in the GERF Plan range in annual increments from 10.25 percent after one year of service to 3.00 percent after 27 years of service.

Mortality rates for the GERF Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit the PERA's experience.

Actuarial assumptions for the GERF Plan are reviewed every four years. The most recent four-year experience study for the GERF Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

2. TRA

Salary increases were based on a service-related table.

	Mortality Assumptions Used in Valuation of Total Pension Liability
Pre-retirement	RP-2014 White Collar Employee Table, male rates set back five years and female rates set back seven years. Generational projection uses the MP-2015 Scale.
Post-retirement	RP-2014 White Collar Annuitant Table, male and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 Scale.
Post-disability	RP-2014 Disabled Retiree Mortality Table, without adjustment.

Cost of living benefit increases after retirement for retirees are assumed to be 1.00 percent for January 2019 through January 2023, then increasing by 0.10 percent each year, up to 1.50 percent annually.

Actuarial assumptions for the TRA Plan were based on the results of actuarial experience studies. The most recent experience study in the TRA Plan was completed in 2019, with economic assumptions updated in 2019.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

The following changes in actuarial assumptions occurred in 2022:

1. GERF

CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2. TRA

CHANGES IN ACTUARIAL ASSUMPTIONS

- None.

G. Discount Rate

1. GERF

The discount rate used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the GERF was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

2. TRA

The discount rate used to measure the total pension liability was 7.00 percent. There was no change in the discount rate since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the fiscal year 2023 contribution rate, contributions from school districts will be made at contractually required rates (actuarially determined), and contributions from the state will be made at current statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was not projected to be depleted and, as a result, the Municipal Bond Index Rate was not used in the determination of the Single Equivalent Interest Rate.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

H. Pension Liability Sensitivity

The following table presents the District's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed on the preceding page, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
GERF discount rate	5.50%	6.50%	7.50%
District's proportionate share of the GERF net pension liability	$ 23,306,329	$ 14,755,023	$ 7,741,629
TRA discount rate	6.00%	7.00%	8.00%
District's proportionate share of the TRA net pension liability	$ 76,030,389	$ 48,228,998	$ 25,440,526

I. Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org.

Detailed information about the plan's fiduciary net position is available in a separately-issued TRA financial report. That report can be obtained at www.minnesotatra.org, by writing to the TRA at 60 Empire Drive, Suite 400, St. Paul, MN, 55103-4000; or by calling 651-296-2409 or 800-657-3669.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT

A. Plan Description

The District provides pension benefits to certain eligible employees through its Pension Benefits Plan, a single-employer defined benefit plan administered by the District. All pension benefits are based on contractual agreements with employee groups, with eligibility based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are available to the following groups: building operations supervisors, clerical/secretarial association, director of information services, director of special services, principal and assistant principals, professional personnel, school nutrition personnel, supervisors/managers, student support personnel, and teachers.

B. Contributions and Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District. The District has not established a trust fund to finance these pension benefits.

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

C. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Active plan members	96
Retirees and beneficiaries receiving benefits	8
Total	104

D. Actuarial Methods and Assumptions

The total pension liability was determined by an actuarial valuation date of June 30, 2022 and a measurement date as of June 30, 2022, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.69%
20-year municipal bond yield	3.69%
Inflation rate	2.50%

Mortality rates were based on the RP-2014 Mortality Tables with projected mortality improvements based on MP-2015 Generational Improvement Scale for teachers and the Pub-2010 General Mortality Tables with projected mortality improvements based on MP-2021 Generational Improvement Scale for nonteachers.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies. Annual salary increases are based on the most recently disclosed assumption for the pension plan in which the employee participates.

E. Discount Rate

The discount rate used to measure the pension liability was 3.69 percent. Since the plan is not funded, the discount rate is equal to the 20-year municipal bond rate, which was set by considering published rate information for 20-year high quality, tax-exempt, general obligation municipal bonds as of the measurement date.

F. Changes in the Total Pension Liability

	Total Pension Liability
Beginning balance – July 1, 2022	$ 3,939,628
Changes for the year	
Service cost	174,663
Interest	75,784
Differences between expected and actual experience	(289,305)
Assumption changes	(221,976)
Benefit payments – employer-financed	(334,403)
Total net changes	(595,237)
Ending balance – June 30, 2023	$ 3,344,391

NOTE 7 – DEFINED BENEFIT PENSION PLAN – DISTRICT (CONTINUED)

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 1.92 percent to 3.69 percent based on updated 20-year municipal bond rates.
- Mortality rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan valuation to the rates used in the July 1, 2022 valuation.
- The inflation assumption was changed from 2.25 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

G. Total Pension Liability Sensitivity to Discount Rate Changes

The following presents the total pension liability of the District, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Pension discount rate	2.69%	3.69%	4.69%
Total pension liability	$ 3,471,966	$ 3,344,391	$ 3,213,593

H. Pension Expense and Related Deferred Outflows and Deferred Inflows of Resources

For the current year ended, the District recognized a pension expense of $190,968, and at year-end reported the following deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 30,210	$ 280,931
Changes in actuarial assumptions	159,751	284,363
District contributions subsequent to the measurement date	349,184	–
Total	$ 539,145	$ 565,294

A total of $349,184 reported as deferred outflows of resources related to contributions to the single-employer plan subsequent to the measurement date will be recognized as a reduction of total pension liability in the year ending June 30, 2024. These amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2024	$ (59,479)
2025	$ (59,479)
2026	$ (53,796)
2027	$ (43,533)
2028	$ (41,830)
Thereafter	$ (117,216)

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

A. Plan Description

The District provides post-employment insurance benefits to certain eligible employees through its OPEB Plan, a single-employer defined benefit plan administered by the District. Management of the plan is vested with the School Board of the District. All post-employment benefits are based on contractual agreements with employee groups. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

B. Benefits Provided

All retirees of the District have the option under state law to continue their medical insurance coverage through the District from the time of retirement until the employee reaches the age of eligibility for Medicare. For members of certain employee groups, the District pays the eligible retiree's premiums for medical, dental, and/or life insurance, for some period after retirement. The length of the benefits to be paid by the District differ by bargaining unit.

The District is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the District or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the District's younger and statistically healthier active employees.

C. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the District.

D. Membership

Membership in the plan consisted of the following as of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	27
Active plan members	659
Total members	686

E. Total OPEB Liability of the District

The District's total OPEB liability was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

F. Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial study with a valuation date as of June 30, 2022 and measurement date as of June 30, 2022, using the entry-age method, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.69%
20-year municipal bond yield	3.69%
Inflation rate	2.50%
Medical trend rate	6.80%, grading to 3.90% over 53 years

Mortality rates were based on the RP-2014 Mortality Tables with projected mortality improvements based on MP-2015 Generational Improvement Scale for teachers and Pub-2010 General Mortality Tables with projected mortality improvements based on MP-2021 Generational Improvement Scale for nonteachers.

The actuarial assumptions used in the latest valuation were based on those used to value pension liabilities for Minnesota school district employees. The state pension plans base their assumptions on periodic experience studies.

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-year municipal bond yield.

Economic assumptions are based on input from a variety of published sources of historical and projected future financial data. Each assumption was reviewed for reasonableness with the source information, as well as consistency with other economic assumptions. Annual salary increases are based on the most recently disclosed assumption for the pension plan in which the employee participates.

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Beginning balance – July 1, 2022	$ 5,067,292
Changes for the year	
Service cost	309,562
Interest	99,418
Differences between expected and actual experience	824,908
Assumption changes	(392,426)
Changes of benefit terms	1,510
Benefit payments	(397,666)
Total net changes	445,306
Ending balance – June 30, 2023	$ 5,512,598

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

Assumption changes since the prior measurement date include the following:

- The discount rate was changed from 1.92 percent to 3.69 percent based on updated 20-year municipal bond rates.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan valuation to the rates used in the July 1, 2022 valuation.
- The percent of future non-Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.
- The inflation assumption was changed from 2.25 percent to 2.50 percent based on an updated historical analysis of inflation rates and forward-looking market expectations.

H. Total OPEB Liability Sensitivity to Discount and Medical Cost Trend Rate Changes

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
OPEB discount rate	2.69%	3.69%	4.69%
Total OPEB liability	$ 5,760,024	$ 5,512,598	$ 5,266,873

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current medical cost trend rates:

	1% Decrease in Medical Cost Trend Rate	Medical Cost Trend Rate	1% Increase in Medical Cost Trend Rate
OPEB medical cost trend rate	5.80%, decreasing to 2.90% over 53 years	6.80%, decreasing to 3.90% over 53 years	7.80%, decreasing to 4.90% over 53 years
Total OPEB liability	$ 5,153,439	$ 5,512,598	$ 5,917,622

NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN (CONTINUED)

I. OPEB Expense and Related Deferred Outflows of Resources and Deferred Inflows of Resources

For the current year ended, the District recognized OPEB expense of $356,957. As of year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual liability	$ 919,407	$ 436,117
Changes in actuarial assumptions	126,314	740,218
District contributions subsequent to the measurement date	513,543	–
Total	$ 1,559,264	$ 1,176,335

A total of $513,543 reported as deferred outflows of resources related to contributions to the OPEB Plan subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the year ending June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	OPEB Expense Amount
2024	$ (53,533)
2025	$ (53,533)
2026	$ (48,076)
2027	$ (30,715)
2028	$ (5,383)
Thereafter	$ 60,626

NOTE 9 – FLEXIBLE BENEFIT PLAN

The District has established the St. Louis Park Employees' Flex-Benefits Plan (the Plan). The Plan is a flexible benefit plan classified as a "cafeteria plan" under § 125 of the IRC. Eligible employees can elect to participate by contributing pretax dollars withheld from payroll checks to the Plan for health insurance, healthcare, and dependent care benefits. Payments are made from the Plan to participating employees upon submitting a request for reimbursement of eligible expenses actually incurred by the participant.

Before the beginning of the Plan year, which is from July 1 to June 30, each participant designates a total amount of pretax dollars to be contributed to the Plan during the year. At June 30, the District is contingently liable for claims against the total amount of participants' annual medical expense contributions to the Plan, whether or not such contributions have been made.

NOTE 9 – FLEXIBLE BENEFIT PLAN (CONTINUED)

The employee portion of insurance premiums (health, dental, and disability) are withheld and paid by the District directly to the designated insurance companies. The dependent care and medical expense reimbursement portions of the Plan are administered by an independent contract administrator. All plan activity is accounted for in the General Fund and special revenue funds. All property of the Plan and income attributable to that property is solely the property of the District, subject to the claims of the District's general creditors. Participants' rights under the Plan are equal to those of general creditors of the District in an amount equal to the eligible healthcare and dependent care expenses incurred by the participants. The District believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. Legal Claims

The District has the usual and customary types of miscellaneous legal claims pending at year-end, mostly of a minor nature and usually covered by insurance carried for that purpose.

B. Federal and State Receivables

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

C. Construction Contracts

At June 30, 2023, the District had commitments totaling $44,370,654 under construction contracts for which the work was not yet completed.

D. Solar Power Purchase Commitment

The District has entered into solar subscription agreements with an outside company for each of the District buildings. The District is committed to purchasing 100 percent of the annual delivered energy from the solar systems for a period of 25 years from the commercial operation date to receive bill credits associated with the energy production.

NOTE 11 – INTERFUND BALANCES

The District's General Fund has a receivable of $206,783 at year-end due from the Post-Employment Benefits Internal Service Fund related to reimbursements of OPEB costs. The District's General Fund also has a receivable of $121,444 from the Scholarship and Other Custodial Funds related to grant activity awaiting reimbursement. Interfund receivables and payables reported in the fund financial statements are eliminated to the extent possible in the government-wide financial statements.

NOTE 12 – DEFICIT NET POSITION

At June 30, 2023, the District's Other Post-Employment Benefits Internal Service Fund reported a deficit net position of $3,145,914.

REQUIRED SUPPLEMENTARY INFORMATION

Public Employees Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2023

District Fiscal Year-End Date	PERA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.1889%	$ 8,873,576	$ –	$ 8,873,576	$11,746,254	75.54%	78.70%
06/30/2016	06/30/2015	0.1838%	$ 9,525,470	$ –	$ 9,525,470	$12,107,860	78.67%	78.20%
06/30/2017	06/30/2016	0.1856%	$15,069,799	$ 196,897	$15,266,696	$13,223,419	113.96%	68.90%
06/30/2018	06/30/2017	0.1878%	$11,989,028	$ 150,271	$12,139,299	$13,404,414	89.44%	75.90%
06/30/2019	06/30/2018	0.1816%	$10,074,423	$ 330,535	$10,404,958	$13,732,693	73.36%	79.50%
06/30/2020	06/30/2019	0.1787%	$ 9,879,923	$ 307,153	$10,187,076	$12,518,036	78.93%	80.20%
06/30/2021	06/30/2020	0.1795%	$10,761,845	$ 331,973	$11,093,818	$12,747,970	84.42%	79.10%
06/30/2022	06/30/2021	0.1772%	$ 7,567,233	$ 231,073	$ 7,798,306	$12,757,568	59.32%	87.00%
06/30/2023	06/30/2022	0.1863%	$14,755,023	$ 432,434	$15,187,457	$13,957,291	105.72%	76.70%

Public Employees Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2023

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 798,857	$ 798,857	$ –	$12,107,860	6.60%
06/30/2016	$ 860,304	$ 860,304	$ –	$13,223,419	6.51%
06/30/2017	$ 909,358	$ 909,358	$ –	$13,404,414	6.78%
06/30/2018	$ 915,421	$ 915,421	$ –	$13,732,693	6.67%
06/30/2019	$ 939,245	$ 939,245	$ –	$12,518,036	7.50%
06/30/2020	$ 955,918	$ 955,918	$ –	$12,747,970	7.50%
06/30/2021	$ 956,639	$ 956,639	$ –	$12,757,568	7.50%
06/30/2022	$ 1,046,468	$ 1,046,468	$ –	$13,957,291	7.50%
06/30/2023	$ 1,012,935	$ 1,012,935	$ –	$13,506,749	7.50%

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10-year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 283

Teachers Retirement Association Pension Benefits Plan
Schedule of District's and Nonemployer Proportionate Share of Net Pension Liability
Year Ended June 30, 2023

District Fiscal Year-End Date	TRA Fiscal Year-End Date (Measurement Date)	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Proportionate Share of the State of Minnesota's Proportionate Share of the Net Pension Liability	Proportionate Share of the Net Pension Liability and the District's Share of the State of Minnesota's Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/2015	06/30/2014	0.5456%	$ 25,140,855	$ 1,768,679	$ 26,909,534	$ 24,907,042	100.94%	81.50%
06/30/2016	06/30/2015	0.5156%	$ 31,894,959	$ 3,911,929	$ 35,806,888	$ 26,167,840	121.89%	76.80%
06/30/2017	06/30/2016	0.5340%	$127,371,741	$ 12,784,807	$140,156,548	$ 27,779,987	458.50%	44.88%
06/30/2018	06/30/2017	0.5527%	$110,328,946	$ 10,664,657	$120,993,603	$ 29,998,018	367.79%	51.57%
06/30/2019	06/30/2018	0.5446%	$ 34,205,978	$ 3,213,935	$ 37,419,913	$ 30,255,612	113.06%	78.07%
06/30/2020	06/30/2019	0.5391%	$ 34,362,347	$ 3,040,919	$ 37,403,266	$ 30,530,140	112.55%	78.21%
06/30/2021	06/30/2020	0.5402%	$ 39,910,700	$ 3,344,802	$ 43,255,502	$ 31,353,181	127.29%	75.48%
06/30/2022	06/30/2021	0.5372%	$ 23,509,478	$ 1,982,738	$ 25,492,216	$ 32,130,320	73.17%	86.63%
06/30/2023	06/30/2022	0.6023%	$ 48,228,998	$ 3,576,796	$ 51,805,794	$ 37,229,561	129.54%	76.17%

Teachers Retirement Association Pension Benefits Plan
Schedule of District Contributions
Year Ended June 30, 2023

District Fiscal Year-End Date	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
06/30/2015	$ 1,880,413	$ 1,880,413	$ –	$ 26,167,840	7.19%
06/30/2016	$ 2,159,961	$ 2,159,961	$ –	$ 27,779,987	7.78%
06/30/2017	$ 2,239,979	$ 2,239,979	$ –	$ 29,998,018	7.47%
06/30/2018	$ 2,268,034	$ 2,268,034	$ –	$ 30,255,612	7.50%
06/30/2019	$ 2,356,658	$ 2,356,658	$ –	$ 30,530,140	7.72%
06/30/2020	$ 2,485,617	$ 2,485,617	$ –	$ 31,353,181	7.93%
06/30/2021	$ 2,614,040	$ 2,614,040	$ –	$ 32,130,320	8.14%
06/30/2022	$ 3,105,037	$ 3,105,037	$ –	$ 37,229,561	8.34%
06/30/2023	$ 2,426,513	$ 2,426,513	$ –	$ 28,378,573	8.55%

Note: The District implemented GASB Statement No. 68 in fiscal 2015 (using a June 30, 2014 measurement date). This schedule is intended to present 10–year trend information. Additional years will be added as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 283

Pension Benefits Plan
Schedule of Changes in the District's Total
Pension Liability and Related Ratios
Year Ended June 30, 2023

	District Fiscal Year-End Date						
	2017	2018	2019	2020	2021	2022	2023
Total pension liability							
Service cost	$ 191,808	$ 198,521	$ 186,488	$ 154,407	$ 172,090	$ 155,692	$ 174,663
Interest	121,139	119,344	144,153	148,975	128,622	97,686	75,784
Differences between expected and actual experience	–	–	70,820	–	(44,888)	–	(289,305)
Assumption changes	–	(122,198)	(125,009)	77,443	102,616	71,973	(221,976)
Change of benefit terms	–	–	–	–	(3,622)	–	–
Benefit payments	(293,415)	(471,857)	(103,099)	(322,312)	(486,674)	(434,453)	(334,403)
Net change in total pension liability	19,532	(276,190)	173,353	58,513	(131,856)	(109,102)	(595,237)
Total pension liability – beginning of year	4,205,378	4,224,910	3,948,720	4,122,073	4,180,586	4,048,730	3,939,628
Total pension liability – end of year	$ 4,224,910	$ 3,948,720	$ 4,122,073	$ 4,180,586	$ 4,048,730	$ 3,939,628	$ 3,344,391
Covered-employee payroll	$12,064,057	$12,564,715	$11,789,415	$12,153,286	$10,602,032	$10,927,514	$ 8,615,873
Total pension liability as a percentage of covered-employee payroll	35.02%	31.43%	34.96%	34.40%	38.19%	36.05%	38.82%

Note 1: The District has not established a trust fund to finance GASB Statement No. 73 related benefits.

Note 2: The District implemented GASB Statement No. 73 for the year ended June 30, 2017. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

INDEPENDENT SCHOOL DISTRICT NO. 283

Other Post-Employment Benefits Plan
Schedule of Changes in the District's Total
OPEB Liability and Related Ratios
Year Ended June 30, 2023

	District Fiscal Year-End Date					
	2018	2019	2020	2021	2022	2023
Total OPEB liability						
Service cost	$ 298,346	$ 283,062	$ 272,916	$ 309,654	$ 277,698	$ 309,562
Interest	159,816	194,344	191,866	174,232	123,032	99,418
Differences between expected and actual experience	–	434,159	–	(629,621)	(32,679)	824,908
Changes in assumptions	(169,944)	(703,143)	129,192	(49,830)	121,374	(392,426)
Changes in benefit terms	–	–	–	14,045	–	1,510
Benefit payments	(341,220)	(408,795)	(398,420)	(330,327)	(332,301)	(397,666)
Net change in total OPEB liability	(53,002)	(200,373)	195,554	(511,847)	157,124	445,306
Total OPEB liability – beginning of year	5,479,836	5,426,834	5,226,461	5,422,015	4,910,168	5,067,292
Total OPEB liability – end of year	$ 5,426,834	$ 5,226,461	$ 5,422,015	$ 4,910,168	$ 5,067,292	$ 5,512,598
Covered-employee payroll	$ 42,960,575	$ 41,333,803	$ 41,888,500	$ 41,927,677	$ 44,102,506	$ 41,821,027
Total OPEB liability as a percentage of covered-employee payroll	12.63%	12.64%	12.94%	11.71%	11.49%	13.18%

Note 1: The District has not established an irrevocable trust fund to finance GASB Statement No. 75-related benefits.

Note 2: The District implemented GASB Statement No. 75 for the year ended June 30, 2018. The schedules within the RSI section require a 10-year presentation. Additional years will be presented as they become available.

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PERA – GENERAL EMPLOYEES RETIREMENT FUND

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 CHANGES IN PLAN PROVISIONS

- Augmentation for current privatized members was reduced to 2.00 percent for the period July 1, 2020 through December 31, 2023, and zero percent thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The price inflation assumption was decreased from 2.50 percent to 2.25 percent.
- The payroll growth assumption was decreased from 3.25 percent to 3.00 percent.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25 percent less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years two through five, and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 Table to the Pub-2010 General Mortality Table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 Disabled Annuitant Mortality Table to the Pub-2010 General/Teacher Disabled Annuitant Mortality Table, with adjustments.
- The mortality improvement scale was changed from MP-2018 to MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100.00 percent joint and survivor option changed from 35.00 percent to 45.00 percent. The assumed number of married female new retirees electing the 100.00 percent joint and survivor option changed from 15.00 percent to 30.00 percent. The corresponding number of married new retirees electing the life annuity option was adjusted accordingly.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2019 CHANGES IN PLAN PROVISIONS

- The employer supplemental contribution was changed prospectively, decreasing from $31.0 million to $21.0 million per year. The state's special funding contribution was changed prospectively, requiring $16.0 million due per year through 2031.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2017 to MP-2018.

2018 CHANGES IN PLAN PROVISIONS

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to zero percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00 percent per year, with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio, to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age. Does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044, and 2.50 percent per year thereafter, to 1.25 percent per year.

PERA – GENERAL EMPLOYEES RETIREMENT FUND (CONTINUED)

2017 CHANGES IN PLAN PROVISIONS

- The state's contribution for the Minneapolis Employees Retirement Fund equals $16.0 million in 2017 and 2018, and $6.0 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from $21.0 million to $31.0 million in calendar years 2019 to 2031. The state's contribution changed from $16.0 million to $6.0 million in calendar years 2019 to 2031.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The Combined Service Annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and nonvested deferred members. The revised CSA loads are now zero percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for nonvested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year for all years, to 1.00 percent per year through 2044, and 2.50 percent per year thereafter.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035, and 2.50 percent per year thereafter, to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate was changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth, and 2.50 percent for inflation.

2015 CHANGES IN PLAN PROVISIONS

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Retirement Fund, which increased the total pension liability by $1.1 billion and increased the fiduciary plan net position by $892.0 million. Upon consolidation, state and employer contributions were revised; the state's contribution of $6.0 million, which meets the special funding situation definition, was due September 2015.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2030, and 2.50 percent per year thereafter, to 1.00 percent per year through 2035, and 2.50 percent per year thereafter.

TEACHERS RETIREMENT ASSOCIATION (TRA)

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 7.50 percent to 7.00 percent.

2018 CHANGES IN PLAN PROVISIONS

- The cost of living adjustment (COLA) was reduced from 2.00 percent each January 1 to 1.00 percent, effective January 1, 2019. Beginning January 1, 2024, the COLA will increase 0.10 percent each year until reaching the ultimate rate of 1.50 percent on January 1, 2028.
- Beginning July 1, 2024, eligibility for the first COLA changes to normal retirement age (age 65 to 66, depending on date of birth). However, members who retire under Rule of 90 and members who are at least age 62 with 30 years of service credit, are exempt.
- The COLA trigger provision, which would have increased the COLA to 2.50 percent if the funded ratio was at least 90.00 percent for two consecutive years, was eliminated.
- Augmentation in the early retirement reduction factors is phased out over a five-year period beginning July 1, 2019 and ending June 30, 2024 (this reduces early retirement benefits). Members who retire and are at least age 62 with 30 years of service are exempt.
- Augmentation on deferred benefits will be reduced to zero percent beginning July 1, 2019. Interest payable on refunds to members was reduced from 4.00 percent to 3.00 percent, effective July 1, 2018. Interest due on payments and purchases from members, employers is reduced from 8.50 percent to 7.50 percent, effective July 1, 2018.
- The employer contribution rate is increased each July 1 over the next six years, (7.71 percent in 2018, 7.92 percent in 2019, 8.13 percent in 2020, 8.34 percent in 2021, 8.55 percent in 2022, and 8.75 percent in 2023). In addition, the employee contribution rate will increase from 7.50 percent to 7.75 percent on July 1, 2023. The state provides funding for the higher employer contribution rate through an adjustment in the school aid formula.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The investment return assumption was changed from 8.50 percent to 7.50 percent.
- The single discount rate changed from 5.12 percent to 7.50 percent.

TEACHERS RETIREMENT ASSOCIATION (TRA) (CONTINUED)

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The COLA was assumed to increase from 2.00 percent annually to 2.50 percent annually on July 1, 2045.
- The COLA was not assumed to increase to 2.50 percent, but remain at 2.00 percent for all future years.
- Adjustments were made to the CSA loads. The active load was reduced from 1.40 percent to zero percent, the vested inactive load increased from 4.00 percent to 7.00 percent, and the nonvested inactive load increased from 4.00 percent to 9.00 percent.
- The investment return assumption was changed from 8.00 percent to 7.50 percent.
- The price inflation assumption was lowered from 2.75 percent to 2.50 percent.
- The payroll growth assumption was lowered from 3.50 percent to 3.00 percent.
- The general wage growth assumption was lowered from 3.50 percent to 2.85 percent for 10 years, followed by 3.25 percent thereafter.
- The salary increase assumption was adjusted to reflect the changes in the general wage growth assumption.
- The single discount rate changed from 4.66 percent to 5.12 percent.

2016 CHANGES IN ACTUARIAL ASSUMPTIONS

- The single discount rate was changed from 8.00 percent to 4.66 percent.

2015 CHANGES IN PLAN PROVISIONS

- The Duluth Teachers Retirement Fund Association was merged into the TRA on June 30, 2015.

2015 CHANGES IN ACTUARIAL ASSUMPTIONS

- The annual COLA for the June 30, 2015 valuation assumed 2.00 percent. The prior year valuation used 2.00 percent, with an increase to 2.50 percent commencing in 2034.
- The discount rate used to measure the total pension liability was 8.00 percent. This is a decrease from the discount rate at the prior measurement date of 8.25 percent.

PENSION BENEFITS PLAN

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 1.92 percent to 3.69 percent.
- Mortality rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan valuation to the rates used in the July 1, 2022 valuation.
- The inflation assumption was changed from 2.25 percent to 2.50 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.45 percent to 1.92 percent.

2020 CHANGES IN BENEFIT TERMS

- Severance benefits were removed from several individual director and coordinator contracts.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.62 percent to 3.13 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.53 percent to 3.62 percent.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2015 PERA General Employees Retirement Plan and July 1, 2015 TRA valuations to the rates used in the July 1, 2018 valuations.
- The inflation assumption was changed from 2.72 percent to 2.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.85 percent to 3.53 percent based on updated 20-year municipal bond rates.

OTHER POST-EMPLOYMENT BENEFITS PLAN

2022 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 1.92 percent to 3.69 percent.
- Healthcare trend rates were reset to reflect updated cost increase expectations.
- Medical per capita claims costs were updated to reflect recent experience.
- Mortality rates were updated from the rates used in the July 1, 2020 PERA General Employees Plan valuation to the rates used in the July 1, 2022 valuation.
- The percent of future non-Medicare eligible retirees electing each medical plan changed to reflect recent plan experience.
- The inflation assumption was changed from 2.25 percent to 2.50 percent.

2021 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.45 percent to 1.92 percent.

2020 CHANGES IN BENEFIT TERMS

- Severance benefits were removed from several individual director, coordinator, and technical personnel contracts.

2020 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.13 percent to 2.45 percent.
- Healthcare trend medical and dental rates were reset to reflect updated cost increase expectations. Medical trend updates include the repeal of the Affordable Care Act's Excise Tax on high-cost health insurance plans.
- Withdrawal, retirement, mortality, and salary increase rates were updated from the rates used in the July 1, 2018 PERA General Employees Retirement Plan and July 1, 2018 TRA valuations to the rates used in the July 1, 2020 valuations.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.

2019 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.62 percent to 3.13 percent.

2018 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 3.53 percent to 3.62 percent based on updated 20-year municipal bond rates.
- Medical trend rates were changed to better anticipate short-term and long-term medical increases.
- The mortality tables were updated to RP-2014 White Collar Mortality Tables with MP-2015 Generational Improvement Scale for teachers and with MP-2017 Generational Scale for nonteachers to the rates used in the July 1, 2018 valuations.
- The inflation assumption was changed from 2.75 percent to 2.50 percent.

2017 CHANGES IN ACTUARIAL ASSUMPTIONS

- The discount rate was changed from 2.85 percent to 3.53 percent.

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SUPPLEMENTARY INFORMATION

INDEPENDENT SCHOOL DISTRICT NO. 283

Nonmajor Governmental Funds
Combining Balance Sheet
as of June 30, 2023

	Special Revenue Funds		
	Food Service	Community Service	Total
Assets			
Cash and temporary investments	$ 846,655	$ 1,048,452	$ 1,895,107
Receivables			
Current taxes	–	545,136	545,136
Delinquent taxes	–	8,948	8,948
Accounts and interest	113,511	13,000	126,511
Due from other governmental units	68,072	349,887	417,959
Inventory	46,091	–	46,091
Prepaid items	–	750	750
Total assets	$ 1,074,329	$ 1,966,173	$ 3,040,502
Liabilities			
Salaries payable	$ 53,273	$ 140,860	$ 194,133
Accounts and contracts payable	11,490	54,420	65,910
Due to other governmental units	–	205	205
Unearned revenue	78,728	93,700	172,428
Total liabilities	143,491	289,185	432,676
Deferred inflows of resources			
Property taxes levied for subsequent year	–	1,058,229	1,058,229
Unavailable revenue – delinquent taxes	–	15,076	15,076
Total deferred inflows of resources	–	1,073,305	1,073,305
Fund balances			
Nonspendable for inventory	46,091	–	46,091
Nonspendable for prepaid items	–	750	750
Restricted	884,747	602,933	1,487,680
Total fund balances	930,838	603,683	1,534,521
Total liabilities, deferred inflows of resources, and fund balances	$ 1,074,329	$ 1,966,173	$ 3,040,502

INDEPENDENT SCHOOL DISTRICT NO. 283

Nonmajor Governmental Funds
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2023

	Special Revenue Funds		
	Food Service	Community Service	Total
Revenue			
Local sources			
Property taxes	$ –	$ 1,035,528	$ 1,035,528
Investment earnings	26,284	14,574	40,858
Other	789,659	5,477,913	6,267,572
State sources	97,247	1,335,943	1,433,190
Federal sources	1,452,571	191,825	1,644,396
Total revenue	2,365,761	8,055,783	10,421,544
Expenditures			
Current			
Food service	2,305,475	–	2,305,475
Community service	–	7,561,811	7,561,811
Capital outlay	–	6,602	6,602
Total expenditures	2,305,475	7,568,413	9,873,888
Excess of revenue over expenditures	60,286	487,370	547,656
Other financing sources			
Sale of assets	447	–	447
Net change in fund balances	60,733	487,370	548,103
Fund balances			
Beginning of year, as previously reported	870,105	12,801	882,906
Prior period adjustment	–	103,512	103,512
Beginning of year, as restated	870,105	116,313	986,418
End of year	$ 930,838	$ 603,683	$ 1,534,521

General Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 20,709,102	$ 14,239,887
Receivables		
Current taxes	11,793,228	9,823,821
Delinquent taxes	174,779	197,204
Accounts and interest	124,384	53,098
Due from other governmental units	5,734,933	10,656,071
Due from other funds	328,227	188,432
Prepaid items	62,719	294,246
Total assets	$ 38,927,372	$ 35,452,759
Liabilities		
Salaries payable	$ 4,615,349	$ 496,564
Accounts and contracts payable	772,020	961,104
Due to other governmental units	703,194	121,267
Severance payable	455,524	19,314
Unearned revenue	916,099	940,115
Total liabilities	7,462,186	2,538,364
Deferred inflows of resources		
Property taxes levied for subsequent year	19,114,747	17,597,017
Unavailable revenue – delinquent taxes	292,050	197,204
Total deferred inflows of resources	19,406,797	17,794,221
Fund balances		
Nonspendable for prepaid items	62,719	294,027
Restricted for student activities	169,387	175,536
Restricted for staff development	–	4,982
Restricted for operating capital	2,276,047	3,050,954
Restricted for capital projects levy	1,979,581	1,718,953
Restricted for long-term facilities maintenance	1,338,936	1,475,189
Restricted for Medical Assistance	–	182,130
Assigned for subsequent year's budget	261,686	2,532,674
Assigned for severance payments	868,899	1,320,592
Assigned for donations/gifts/local grants	43,700	–
Unassigned – safe schools levy restricted account deficit	–	(14,416)
Unassigned	5,057,434	4,379,553
Total fund balances	12,058,389	15,120,174
Total liabilities, deferred inflows of resources, and fund balances	$ 38,927,372	$ 35,452,759

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 21,195,200	$ 21,615,813	$ 420,613	$ 19,914,370
Investment earnings (charges)	125,000	488,719	363,719	(57,947)
Other	741,600	1,245,214	503,614	1,003,342
State sources	45,481,800	47,149,379	1,667,579	46,502,457
Federal sources	2,120,072	3,223,299	1,103,227	7,467,476
Total revenue	69,663,672	73,722,424	4,058,752	74,829,698
Expenditures				
Current				
Administration				
Salaries	1,828,471	1,989,694	161,223	1,976,440
Employee benefits	693,229	775,656	82,427	661,692
Purchased services	43,400	20,008	(23,392)	40,971
Supplies and materials	9,000	9,206	206	12,977
Capital expenditures	100,000	–	(100,000)	150
Other expenditures	37,620	40,325	2,705	45,252
Total administration	2,711,720	2,834,889	123,169	2,737,482
District support services				
Salaries	2,256,787	2,338,104	81,317	2,325,997
Employee benefits	940,324	1,304,148	363,824	876,631
Purchased services	647,700	822,920	175,220	498,304
Supplies and materials	950,196	564,475	(385,721)	721,084
Capital expenditures	1,055,000	716,973	(338,027)	1,051,930
Other expenditures	(16,300)	(32,551)	(16,251)	(3,912)
Total district support services	5,833,707	5,714,069	(119,638)	5,470,034
Elementary and secondary regular instruction				
Salaries	21,622,345	21,817,152	194,807	22,455,622
Employee benefits	8,203,452	8,005,356	(198,096)	7,690,859
Purchased services	1,773,832	2,791,907	1,018,075	2,929,681
Supplies and materials	698,563	1,092,008	393,445	648,401
Capital expenditures	320,264	184,133	(136,131)	364,789
Other expenditures	73,920	283,261	209,341	225,830
Total elementary and secondary regular instruction	32,692,376	34,173,817	1,481,441	34,315,182

(continued)

INDEPENDENT SCHOOL DISTRICT NO. 283

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Vocational education instruction				
Salaries	385,348	345,375	(39,973)	432,374
Employee benefits	120,958	113,541	(7,417)	144,227
Purchased services	32,000	90,520	58,520	20,062
Supplies and materials	16,700	59,612	42,912	21,838
Capital expenditures	–	–	–	364
Other expenditures	600	3,296	2,696	3,542
Total vocational education instruction	555,606	612,344	56,738	622,407
Special education instruction				
Salaries	8,338,548	8,617,633	279,085	8,248,730
Employee benefits	2,975,448	3,163,584	188,136	2,799,222
Purchased services	1,605,623	1,666,499	60,876	1,662,715
Supplies and materials	99,382	94,320	(5,062)	59,168
Other expenditures	–	51,741	51,741	(341,026)
Total special education instruction	13,019,001	13,593,777	574,776	12,428,809
Instructional support services				
Salaries	2,719,547	2,818,247	98,700	2,804,513
Employee benefits	1,012,629	1,015,121	2,492	1,003,278
Purchased services	472,148	242,089	(230,059)	383,110
Supplies and materials	162,209	256,366	94,157	253,206
Capital expenditures	172,690	70,855	(101,835)	294,259
Other expenditures	8,050	19,601	11,551	17,923
Total instructional support services	4,547,273	4,422,279	(124,994)	4,756,289
Pupil support services				
Salaries	2,289,617	2,275,341	(14,276)	2,337,771
Employee benefits	834,048	762,992	(71,056)	836,966
Purchased services	3,097,945	4,715,468	1,617,523	5,079,046
Supplies and materials	255,727	269,095	13,368	316,437
Capital expenditures	30,800	13,918	(16,882)	52,996
Other expenditures	750	14,064	13,314	25,820
Total pupil support services	6,508,887	8,050,878	1,541,991	8,649,036

(continued)

General Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual (continued)
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Sites and buildings				
Salaries	2,137,673	2,028,904	(108,769)	2,333,574
Employee benefits	883,931	708,924	(175,007)	901,155
Purchased services	1,936,053	2,226,896	290,843	2,207,293
Supplies and materials	515,100	920,093	404,993	864,914
Capital expenditures	618,215	441,387	(176,828)	366,795
Other expenditures	(143,500)	(64,984)	78,516	(83,921)
Total sites and buildings	5,947,472	6,261,220	313,748	6,589,810
Fiscal and other fixed cost programs				
Purchased services	552,000	550,162	(1,838)	419,690
Debt service				
Principal	81,185	563,235	482,050	643,868
Interest and fiscal charges	–	76,307	76,307	65,874
Total debt service	81,185	639,542	558,357	709,742
Total expenditures	72,449,227	76,852,977	4,403,750	76,698,481
Excess (deficiency) of revenue over expenditures	(2,785,555)	(3,130,553)	(344,998)	(1,868,783)
Other financing sources				
Issuance of financed purchases	–	–	–	549,375
Issuance of lease liabilities	–	–	–	160,481
Sale of assets	–	68,768	68,768	–
Total other financing sources	–	68,768	68,768	709,856
Net change in fund balances	$ (2,785,555)	(3,061,785)	$ (276,230)	(1,158,927)
Fund balances				
Beginning of year		15,120,174		16,279,101
End of year		$ 12,058,389		$ 15,120,174

INDEPENDENT SCHOOL DISTRICT NO. 283

Food Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 846,655	$ 786,883
Receivables		
Accounts and interest	113,511	147,977
Due from other governmental units	68,072	14,006
Inventory	46,091	21,496
Total assets	$ 1,074,329	$ 970,362
Liabilities		
Salaries payable	$ 53,273	$ 3,088
Accounts and contracts payable	11,490	33,476
Unearned revenue	78,728	63,693
Total liabilities	143,491	100,257
Fund balances		
Nonspendable for inventory	46,091	21,496
Restricted for food service	884,747	848,609
Total fund balances	930,838	870,105
Total liabilities and fund balances	$ 1,074,329	$ 970,362

INDEPENDENT SCHOOL DISTRICT NO. 283

Food Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ –	$ 26,284	$ 26,284	$ –
Other – primarily meal sales	1,294,173	789,659	(504,514)	257,494
State sources	103,389	97,247	(6,142)	70,663
Federal sources	604,930	1,452,571	847,641	2,574,927
Total revenue	2,002,492	2,365,761	363,269	2,903,084
Expenditures				
Current				
Salaries	758,906	782,379	23,473	766,115
Employee benefits	298,701	288,642	(10,059)	265,457
Purchased services	15,300	87,171	71,871	12,622
Supplies and materials	766,618	943,495	176,877	830,872
Other expenditures	158,000	203,788	45,788	181,684
Total expenditures	1,997,525	2,305,475	307,950	2,056,750
Excess of revenue over expenditures	4,967	60,286	55,319	846,334
Other financing sources				
Sale of assets	–	447	447	–
Net change in fund balances	$ 4,967	60,733	$ 55,766	846,334
Fund balances				
Beginning of year		870,105		23,771
End of year		$ 930,838		$ 870,105

INDEPENDENT SCHOOL DISTRICT NO. 283

Community Service Special Revenue Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 1,048,452	$ 469,573
Receivables		
Current taxes	545,136	513,345
Delinquent taxes	8,948	9,907
Accounts and interest	13,000	13,423
Due from other governmental units	349,887	437,055
Prepaid items	750	3,394
Total assets	$ 1,966,173	$ 1,446,697
Liabilities		
Salaries payable	$ 140,860	$ 173,636
Accounts and contracts payable	54,420	108,936
Due to other governmental units	205	–
Unearned revenue	93,700	93,700
Total liabilities	289,185	376,272
Deferred inflows of resources		
Property taxes levied for subsequent year	1,058,229	1,047,717
Unavailable revenue – delinquent taxes	15,076	9,907
Total deferred inflows of resources	1,073,305	1,057,624
Fund balances (deficits)		
Nonspendable for prepaid items	750	3,394
Restricted for early childhood family education programs	68,776	187,395
Restricted for community service	287,491	395,200
Restricted for school readiness	107,735	6,240
Restricted for community education	138,931	–
Unassigned – community education programs restricted account deficit	–	(579,428)
Total fund balances	603,683	12,801
Total liabilities, deferred inflows of resources, and fund balances	$ 1,966,173	$ 1,446,697

Community Service Special Revenue Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 1,028,084	$ 1,035,528	$ 7,444	$ 1,014,669
Investment earnings	–	14,574	14,574	2,587
Other – primarily tuition and fees	4,792,034	5,477,913	685,879	4,930,131
State sources	1,371,301	1,335,943	(35,358)	1,413,328
Federal sources	62,000	191,825	129,825	101,355
Total revenue	7,253,419	8,055,783	802,364	7,462,070
Expenditures				
Current				
Salaries	3,876,655	4,436,198	559,543	4,457,752
Employee benefits	1,461,064	1,557,928	96,864	1,552,876
Purchased services	933,581	1,189,475	255,894	1,073,160
Supplies and materials	309,548	373,702	64,154	301,109
Other expenditures	11,425	4,508	(6,917)	40,986
Capital outlay	10,700	6,602	(4,098)	25,496
Total expenditures	6,602,973	7,568,413	965,440	7,451,379
Net change in fund balances	$ 650,446	487,370	$ (163,076)	10,691
Fund balances				
Beginning of year, as previously reported		12,801		2,110
Prior period adjustment		103,512		–
Beginning of year, as restated		116,313		2,110
End of year		$ 603,683		$ 12,801

INDEPENDENT SCHOOL DISTRICT NO. 283

Capital Projects – Building Construction Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments held for building construction	$ 133,503,293	$ 5,443,047
Accounts and interest receivable	3,024,254	9,074
Total assets	$ 136,527,547	$ 5,452,121
Liabilities		
Salaries payable	$ 40,945	$ –
Accounts and contracts payable	2,901,413	610,713
Total liabilities	2,942,358	610,713
Fund balances		
Restricted for capital projects	133,585,189	786,630
Restricted for long-term facilities maintenance	–	4,054,778
Total fund balances	133,585,189	4,841,408
Total liabilities and fund balances	$ 136,527,547	$ 5,452,121

Capital Projects – Building Construction Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Investment earnings	$ –	$ 4,266,443	$ 4,266,443	$ 28,060
Other	–	31,704	31,704	111,488
Total revenue	–	4,298,147	4,298,147	139,548
Expenditures				
Capital outlay				
Salaries	136,000	407,675	271,675	132,300
Employee benefits	43,635	131,264	87,629	43,402
Purchased services	170,365	5,097,610	4,927,245	1,757,610
Capital expenditures	–	10,133,752	10,133,752	6,656,094
Debt service				
Fiscal charges and other	–	678,225	678,225	–
Total expenditures	350,000	16,448,526	16,098,526	8,589,406
Excess (deficiency) of revenue over expenditures	(350,000)	(12,150,379)	(11,800,379)	(8,449,858)
Other financing sources				
Bonds issued	–	136,000,000	136,000,000	–
Premium on bonds issued	–	4,894,160	4,894,160	–
Total other financing sources	–	140,894,160	140,894,160	–
Net change in fund balances	$ (350,000)	128,743,781	$ 129,093,781	(8,449,858)
Fund balances				
Beginning of year		4,841,408		13,291,266
End of year		$ 133,585,189		$ 4,841,408

Debt Service Fund
Comparative Balance Sheet
as of June 30, 2023 and 2022

	2023	2022
Assets		
Cash and temporary investments	$ 12,048,691	$ 8,772,634
Receivables		
Current taxes	9,868,692	6,267,472
Delinquent taxes	85,344	96,871
Total assets	$ 22,002,727	$ 15,136,977
Liabilities		
Accounts and contracts payable	$ 950	$ –
Deferred inflows of resources		
Property taxes levied for subsequent year	19,156,512	12,791,566
Unavailable revenue – delinquent taxes	160,161	96,871
Total deferred inflows of resources	19,316,673	12,888,437
Fund balances		
Restricted for debt service	2,685,104	2,248,540
Total liabilities, deferred inflows of resources, and fund balances	$ 22,002,727	$ 15,136,977

INDEPENDENT SCHOOL DISTRICT NO. 283

Debt Service Fund
Schedule of Revenue, Expenditures, and Changes in Fund Balances
Budget and Actual
Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023			2022
	Budget	Actual	Over (Under) Budget	Actual
Revenue				
Local sources				
Property taxes	$ 12,791,000	$ 12,642,570	$ (148,430)	$ 12,644,583
Investment earnings	–	156,747	156,747	–
Federal sources	–	4,781	4,781	12,627
Total revenue	12,791,000	12,804,098	13,098	12,657,210
Expenditures				
Debt service				
Principal	7,635,000	7,635,000	–	7,180,000
Interest	4,729,471	4,729,471	–	4,970,521
Fiscal charges and other	7,500	3,063	(4,437)	9,828
Total expenditures	12,371,971	12,367,534	(4,437)	12,160,349
Excess of revenue over expenditures	419,029	436,564	17,535	496,861
Other financing sources (uses)				
Transfers in	–	–	–	149,613
Transfers (out)	–	–	–	(149,613)
Total other financing sources (uses)	–	–	–	–
Net change in fund balances	$ 419,029	436,564	$ 17,535	496,861
Fund balances				
Beginning of year		2,248,540		1,751,679
End of year		$ 2,685,104		$ 2,248,540

Internal Service Funds
Combining Statement of Net Position
as of June 30, 2023
(With Comparative Totals as of June 30, 2022)

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
Assets			
Current assets			
Cash and temporary investments	$ 471,923	$ 3,749,858	$ –
Cash and investments – held by trustee	–	–	2,168,412
Accounts and interest receivable	–	–	22,126
Prepaid items	–	157,700	–
Total current assets	471,923	3,907,558	2,190,538
Deferred outflows of resources			
OPEB plan deferments	–	–	1,559,264
Liabilities			
Current liabilities			
Claims payable	24,401	287,029	–
Claims incurred, but not reported	12,413	754,024	–
Due to other governmental units	–	4,162	–
Due to other funds	–	–	206,783
Total OPEB liability – due within one year	–	–	613,345
Total current liabilities	36,814	1,045,215	820,128
Long-term liabilities			
Total OPEB liability – due in more than one year	–	–	4,899,253
Total liabilities	36,814	1,045,215	5,719,381
Deferred inflows of resources			
OPEB plan deferments	–	–	1,176,335
Net position			
Unrestricted	$ 435,109	$ 2,862,343	$ (3,145,914)

Totals	
2023	2022
$ 4,221,781	$ 3,641,654
2,168,412	2,327,968
22,126	10,852
157,700	–
6,570,019	5,980,474
1,559,264	829,399
311,430	250,185
766,437	1,236,686
4,162	3,510
206,783	188,432
613,345	328,232
1,902,157	2,007,045
4,899,253	4,739,060
6,801,410	6,746,105
1,176,335	1,010,334
$ 151,538	$ (946,566)

Internal Service Funds
Combining Statement of Revenue, Expenses, and Changes in Net Position
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
Operating revenue			
Contributions from governmental funds	$ 542,416	$ 9,325,172	$ –
Operating expenses			
Dental benefit claims	580,417	–	–
Medical benefit claims	–	8,240,988	–
OPEB	–	–	88,475
Total operating expenses	580,417	8,240,988	88,475
Operating income (loss)	(38,001)	1,084,184	(88,475)
Nonoperating revenue			
Investment earnings (charges)	13,324	86,672	40,400
Change in net position	(24,677)	1,170,856	(48,075)
Net position			
Beginning of year	459,786	1,691,487	(3,097,839)
End of year	$ 435,109	$ 2,862,343	$ (3,145,914)

Totals	
2023	2022
$ 9,867,588	$ 10,236,601
580,417	607,165
8,240,988	9,210,345
88,475	88,886
8,909,880	9,906,396
957,708	330,205
140,396	(51,270)
1,098,104	278,935
(946,566)	(1,225,501)
$ 151,538	$ (946,566)

Internal Service Funds
Combining Statement of Cash Flows
Year Ended June 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Dental Self-Insurance	Medical Self-Insurance	Other Post-Employment Benefits
Cash flows from operating activities			
Contributions from governmental funds	$ 542,416	$ 9,325,172	$ –
Payments for dental claims	(579,298)	–	–
Payments for medical claims	–	(8,808,159)	–
Payments for OPEB	–	–	(207,033)
Net cash flows from operating activities	(36,882)	517,013	(207,033)
Cash flows from noncapital financing activities			
Payments from (to) other funds	–	–	18,351
Cash flows from investing activities			
Investment income received (paid)	13,324	86,672	29,126
Net change in cash and cash equivalents	(23,558)	603,685	(159,556)
Cash and cash equivalents			
Beginning of year	495,481	3,146,173	2,327,968
End of year	$ 471,923	$ 3,749,858	$ 2,168,412
Presented on statement of net position as follows:			
Cash and temporary investments	$ 471,923	$ 3,749,858	$ –
Cash and investments – held by trustee	–	–	2,168,412
Total cash and cash equivalents	$ 471,923	$ 3,749,858	$ 2,168,412
Reconciliation of operating income (loss) to net cash flows from operating activities			
Operating income (loss)	$ (38,001)	$ 1,084,184	$ (88,475)
Adjustments to reconcile operating income (loss) to cash flows from operating activities			
Changes in assets and liabilities			
Prepaid items	–	(157,700)	–
Deferred outflows of resources	–	–	(729,865)
Total OPEB liability	–	–	445,306
Claims payable	(746)	61,991	–
Unearned revenue	–	–	–
Deferred inflows of resources	–	–	166,001
Claims incurred, but not reported	1,865	(472,114)	–
Due to other governmental units	–	652	–
Net cash flows from operating activities	$ (36,882)	$ 517,013	$ (207,033)

Totals	
2023	2022
$ 9,867,588	$ 9,027,981
(579,298)	(611,970)
(8,808,159)	(8,463,630)
(207,033)	(189,410)
273,098	(237,029)
18,351	(198,918)
129,122	(48,712)
420,571	(484,659)
5,969,622	6,454,281
$ 6,390,193	$ 5,969,622
$ 4,221,781	$ 3,641,654
2,168,412	2,327,968
$ 6,390,193	$ 5,969,622
$ 957,708	$ 330,205
(157,700)	–
(729,865)	(109,322)
445,306	157,124
61,245	122,018
–	(1,208,620)
166,001	(148,326)
(470,249)	619,725
652	167
$ 273,098	$ (237,029)

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INDEPENDENT SCHOOL DISTRICT NO. 283
ST. LOUIS PARK, MINNESOTA

Special Purpose Audit Reports

Year Ended
June 30, 2023

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INDEPENDENT SCHOOL DISTRICT NO. 283

Special Purpose Audit Reports
Year Ended June 30, 2023

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CERTIFIED PUBLIC ACCOUNTANTS

PRINCIPALS
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the School Board and Management of
Independent School District No. 283
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 9, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

(continued)

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REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
February 9, 2024

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INDEPENDENT AUDITOR'S REPORT

ON MINNESOTA LEGAL COMPLIANCE

To the School Board and Management of
Independent School District No. 283
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 9, 2024.

MINNESOTA LEGAL COMPLIANCE

In connection with our audit, we noted that the District failed to comply with provisions of the claims and disbursements, depositories of public funds and public investments, and contracting – bid laws sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, promulgated by the State Auditor pursuant to Minnesota Statutes § 6.65, insofar as they relate to accounting matters as described in the Schedule of Findings and Questioned Costs as findings 2023-001, 2023-002, and 2023-003. Also, in connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the provisions of the conflicts of interest, public indebtedness, miscellaneous provisions, and uniform financial accounting and reporting standards sections of the *Minnesota Legal Compliance Audit Guide for School Districts*, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

DISTRICT'S RESPONSES TO FINDINGS

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the legal compliance findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the other auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on the responses.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
February 9, 2024

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Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

A. FINANCIAL STATEMENT FINDINGS

None.

B. MINNESOTA LEGAL COMPLIANCE FINDINGS

2023-001 COLLATERAL

Criteria – Minnesota Statutes § 118A.03.

Condition – Minnesota Statutes require that if a district's deposits exceed federal deposit insurance coverage, excess deposits must be covered by corporate surety bonds or collateral that has a market value of at least 110 percent of such excess. This requirement was not met for Independent School District No. 283's (the District) accounts at one time we tested during the year ended June 30, 2023.

Questioned Costs – Not applicable.

Context – The District had deposits during the year ended June 30, 2023 in excess of federal depository insurance that were not covered by corporate surety bonds or pledged collateral.

Repeat Finding – This is a current year finding.

Cause – This was an oversight by district personnel.

Effect – Deposits exceeding $250,000 federal deposit insurance coverage may be lost in the event of a bank failure.

Recommendation – We recommend that the District ensure its depositories pledge adequate corporate surety bonds or collateral that has a market value of at least 110 percent of the District's deposits in excess of federal deposit insurance coverage at all times during the fiscal year.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District will review its procedures in place to ensure compliance at all times during the year in the future.

B. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)

2023-002 UNTIMELY PAYMENT OF INVOICES

Criteria – Minnesota Statutes § 471.425, Subd. 2.

Condition – Minnesota Statutes require prompt payment of local government bills within a standard payment period of 35 days from receipt for governing boards that meet at least once a month.

Questioned Costs – Not applicable.

Context – We noted 3 of 40 disbursements tested were not paid within the statutory timeline. This was not a statistically valid sample.

Repeat Finding – This is a current year and prior year finding.

Cause – This was an oversight by district personnel.

Effect – The District did not pay three invoices selected for testing in a timely manner, based on statutory requirements.

Recommendation – We recommend that the District review its payment procedures to ensure that all bills are paid within the statutory time limit.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District intends to review its procedures relating to disbursements to ensure compliance in the future.

B. MINNESOTA LEGAL COMPLIANCE FINDINGS (CONTINUED)

2023-003 CONTRACTING AND BID LAW COMPLIANCE

Criteria – Minnesota Statutes § 471.345, Subd. 4.

Condition – Minnesota Statutes require that each contract with an estimated value from $25,000 to $175,000, be made either upon sealed bids or by direct negotiation, by obtaining two or more quotations for the purchase or sale when possible, and without advertising for bids or otherwise complying with the requirements of competitive bidding. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. For one purchase tested to which this requirement applied, the District did not follow this process or retain documentation to support that proper procedures were completed.

Questioned Cost – Not applicable.

Context – One quote of three tested was not in compliance. This was not a statistically valid sample.

Repeat Finding – This is a current year finding.

Cause – This was an oversight by district personnel.

Effect – The District did not obtain the required quotes or document that proper quote procedures were completed for one contract awarded during the year.

Recommendation – We recommend that the District review purchasing procedures in place to ensure future compliance with this statute.

View of Responsible Official and Planned Corrective Actions – The District agrees with the finding. The District will review its procedures in place to ensure future compliance with Minnesota Statutes.

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INDEPENDENT AUDITOR'S REPORT ON UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS COMPLIANCE TABLE

To the School Board and Management of
Independent School District No. 283
St. Louis Park, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Independent School District No. 283 (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 9, 2024.

Auditing standards referred to in the previous paragraph require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Uniform Financial Accounting and Reporting Standards (UFARS) Compliance Table is presented for purposes of additional analysis as required by the Minnesota Department of Education (MDE), and is not a required part of the basic financial statements of the District. The UFARS Compliance Table is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the UFARS Compliance Table is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(continued)

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The purpose of this report on the UFARS Compliance Table required by the MDE is solely to describe the scope of our testing of the UFARS Compliance Table and the results of that testing based on our audit. Accordingly, this report is not suitable for any other purpose.

Malloy, Montague, Karnowski, Radosevich & Co., P.A.

Minneapolis, Minnesota
February 9, 2024

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INDEPENDENT SCHOOL DISTRICT NO. 283

Uniform Financial Accounting and Reporting Standards
Compliance Table
June 30, 2023

		Audit	UFARS	Audit – UFARS
General Fund				
Total revenue		$ 73,722,424	$ 73,722,421	$ 3
Total expenditures		$ 76,852,977	$ 76,852,975	$ 2
Nonspendable				
460	Nonspendable fund balance	$ 62,719	$ 62,719	$ –
Restricted				
401	Student activities	$ 169,387	$ 169,387	$ –
402	Scholarships	$ –	$ –	$ –
403	Staff development	$ –	$ –	$ –
407	Capital projects levy	$ 1,979,581	$ 1,979,581	$ –
408	Cooperative revenue	$ –	$ –	$ –
413	Projects funded by COP	$ –	$ –	$ –
414	Operating debt	$ –	$ –	$ –
416	Levy reduction	$ –	$ –	$ –
417	Taconite building maintenance	$ –	$ –	$ –
424	Operating capital	$ 2,276,047	$ 2,276,047	$ –
426	$25 taconite	$ –	$ –	$ –
427	Disabled accessibility	$ –	$ –	$ –
428	Learning and development	$ –	$ –	$ –
434	Area learning center	$ –	$ –	$ –
435	Contracted alternative programs	$ –	$ –	$ –
436	State approved alternative program	$ –	$ –	$ –
438	Gifted and talented	$ –	$ –	$ –
440	Teacher development and evaluation	$ –	$ –	$ –
441	Basic skills programs	$ –	$ –	$ –
448	Achievement and integration	$ –	$ –	$ –
449	Safe schools levy	$ –	$ –	$ –
451	QZAB payments	$ –	$ –	$ –
452	OPEB liability not in trust	$ –	$ –	$ –
453	Unfunded severance and retirement levy	$ –	$ –	$ –
459	Basic skills extended time	$ –	$ –	$ –
467	Long-term facilities maintenance	$ 1,338,936	$ 1,338,936	$ –
472	Medical Assistance	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
475	Title VII – Impact Aid	$ –	$ –	$ –
476	PILT	$ –	$ –	$ –
Committed				
418	Committed for separation	$ –	$ –	$ –
461	Committed fund balance	$ –	$ –	$ –
Assigned				
462	Assigned fund balance	$ 1,174,285	$ 1,174,285	$ –
Unassigned				
422	Unassigned fund balance	$ 5,057,434	$ 5,057,434	$ –
Food Service				
Total revenue		$ 2,365,761	$ 2,365,761	$ –
Total expenditures		$ 2,305,475	$ 2,305,475	$ –
Nonspendable				
460	Nonspendable fund balance	$ 46,091	$ 46,091	$ –
Restricted				
452	OPEB liability not in trust	$ –	$ –	$ –
464	Restricted fund balance	$ 884,747	$ 884,747	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Community Service				
Total revenue		$ 8,055,783	$ 8,055,784	$ (1)
Total expenditures		$ 7,568,413	$ 7,568,413	$ –
Nonspendable				
460	Nonspendable fund balance	$ 750	$ 750	$ –
Restricted				
426	$25 taconite	$ –	$ –	$ –
431	Community education	$ 138,931	$ 138,931	$ –
432	ECFE	$ 68,776	$ 68,776	$ –
440	Teacher development and evaluation	$ –	$ –	$ –
444	School readiness	$ 107,735	$ 107,735	$ –
447	Adult basic education	$ –	$ –	$ –
452	OPEB liability not in trust	$ –	$ –	$ –
464	Restricted fund balance	$ 287,491	$ 287,491	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –

Uniform Financial Accounting and Reporting Standards
Compliance Table (continued)
June 30, 2023

		Audit	UFARS	Audit – UFARS
Building Construction				
Total revenue		$ 4,298,147	$ 4,298,148	$ (1)
Total expenditures		$ 16,448,526	$ 16,448,526	$ –
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
407	Capital projects levy	$ –	$ –	$ –
413	Projects funded by COP	$ –	$ –	$ –
467	Long-term facilities maintenance	$ –	$ –	$ –
464	Restricted fund balance	$ 133,585,189	$ 133,585,190	$ (1)
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Debt Service				
Total revenue		$ 12,804,098	$ 12,804,098	$ –
Total expenditures		$ 12,367,534	$ 12,367,534	$ –
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
425	Bond refundings	$ –	$ –	$ –
433	Maximum effort loan	$ –	$ –	$ –
451	QZAB payments	$ –	$ –	$ –
467	Long-term facilities maintenance	$ –	$ –	$ –
464	Restricted fund balance	$ 2,685,104	$ 2,685,104	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –
Trust				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
401	Student activities	$ –	$ –	$ –
402	Scholarships	$ –	$ –	$ –
422	Net position	$ –	$ –	$ –
Custodial Fund				
Total revenue		$ 360,289	$ 360,289	$ –
Total expenditures		$ 353,135	$ 353,135	$ –
401	Student activities	$ –	$ –	$ –
402	Scholarships	$ –	$ –	$ –
448	Achievement and integration	$ –	$ –	$ –
464	Restricted fund balance	$ 44,024	$ 44,024	$ –
Internal Service				
Total revenue		$ 9,967,584	$ 9,967,584	$ –
Total expenditures		$ 8,821,405	$ 8,821,406	$ (1)
422	Net position	$ 3,297,452	$ 3,297,450	$ 2
OPEB Revocable Trust Fund				
Total revenue		$ 40,400	$ 40,400	$ –
Total expenditures		$ 88,475	$ 88,475	$ –
422	Net position	$ (3,145,914)	$ (3,145,914)	$ –
OPEB Irrevocable Trust Fund				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
422	Net position	$ –	$ –	$ –
OPEB Debt Service Fund				
Total revenue		$ –	$ –	$ –
Total expenditures		$ –	$ –	$ –
Nonspendable				
460	Nonspendable fund balance	$ –	$ –	$ –
Restricted				
425	Bond refundings	$ –	$ –	$ –
464	Restricted fund balance	$ –	$ –	$ –
Unassigned				
463	Unassigned fund balance	$ –	$ –	$ –

Note: Statutory restricted deficits, if any, are reported in unassigned fund balances in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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Construction Update

February 13, 2024
School Board Meeting

Presented by

Jim Langevin, Facilities Manager

Dillon Theusch, Knutson Construction

St. Louis Park
Public Schools

Presentation Purpose

The purpose of this presentation is to:

- provide an update regarding ongoing construction projects
- prepare the school board to take action to accept bids at its February 28 meeting
  - Central Community Center Phase 3 remodel
  - High School music room renovations
  - High School Phase II classroom remodel
- share information about Aquila capacity project

St. Louis Park Public Schools

Safety Celebration

150 DAY SAFETY LUNCH

To celebrate 150 safe working days without a lost-time accident or injury, St. Louis Park and Knutson catered lunch for all site personnel, including subcontractors, SLP staff, and Design Team members.

Middle School Renovations Complete

Media Center Corridor

- Refresh of media center corridors (first and second level)
- New wall tile and paint

Band & Choir Rooms and Corridors

- Refresh of wall finishes, acoustic panels, duct work, lighting, ceiling tiles, and doors

Locker Room Renovations

- 3 rooftop units (HVAC) installed
- Refresh and new layout of offices, showers & bathrooms, locker rooms, and the corridor to pool
- New flooring, wall paint, acoustic ceiling panels, lockers, duct work, bathroom stalls, toilets & sinks, shower stalls, wall tile and doors

SLP Public Schools Middle School Renovations (Before/During Photos)

SLP Public Schools Middle School Renovations (Before/During Photos)

SLP Public Schools Middle School Renovations (Media Center Corridors)

SLP Public Schools Middle School Renovations (Band/Choir)

SLP Public Schools Middle School Renovations (Band/Choir)

SLP Public Schools Middle School Renovations (Locker Room)

SLP Public Schools Middle School Renovations (Locker Room)

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SLP Public Schools Middle School Renovations (Locker Room)

St Louis Park Middle School Locker Room Renovations (Budget Update)

Project Name: 2350005 - St. Louis Park Schools Middle School Locker Room
Contractor: Knutson Construction
Owner: SLP

Description of Work	Contract Value	CONTINGENCY USAGE ONLY Total Contingency Usage	LOCKED Current Contract Amount (LOCK THIS COLUMN)
General Conditions		$ -	$ -
General Conditions - Supervision	$609,665	$ -	$ 609,665.00
General Conditions - Commissioning	$27,000	$ -	$ 27,000.00
General Conditions - Special Inspections	$5,199	$ -	$ 5,199.00
General Conditions - Other GCs (incl Mult Vista)	$261,812	$ -	$ 261,812.00
Soft Costs		$ -	$ -
Abatement	$75,000	$ -	$ 75,000.00
Design Fee (ILG)	$320,000	$ -	$ 320,000.00
Builder's Risk	$12,699	$ -	$ 12,699.00
Other Costs		$ -	$ -
FF&E	$835,000	$ -	$ 835,000.00
Technology	$0	$ -	$ -
.1A Subjob - Hard Costs		$ -	$ -
Trade Package - 1A - General Trades (Ebert)	$508,100	$ 41,114.91	$ 549,214.91
Trade Package - 4A - Masonry (Hollenbeck and Nelson)	$387,000	$ 27,825.00	$ 414,825.00
Trade Package - 5B - Structural Steel Supply and Install (Construction Systems)	$136,294	$ 19,388.15	$ 155,682.15
Trade Package - 7A - Roofing (Central Roofing)	$249,400	$ 4,842.00	$ 254,242.00
Trade Package - 8A - Doors, Frames, Hardware (Twin City Hardware)	$121,045	$ 3,222.00	$ 124,267.00
Trade Package 08B - Glazing - Vision Lites and Glass Only (United Glass_	$5,199	$ 151.00	$ 5,350.00
Trade Package - 9A - Framing & Drywall (RTL Construction)	$62,300	$ 15,549.20	$ 77,849.20
Trade Package - 9B - Tile (Gulf Coast Tile)	$200,062	$ 40,824.93	$ 240,886.93
Trade Package - 9C - Resilient Flooring & Carpet (CRS)	$32,430	$ (2,274.33)	$ 30,155.67
Trade Package - 9D - Acoustical Treatments (Architectural Sales)	$141,000	$ (12,237.00)	$ 128,763.00
Trade Package - 9E - Painting (High Performance Coatings)	$76,697	$ 2,126.19	$ 78,823.19
Trade Package - 9F - Fluid Applied Flooring (Surface Pros)	$64,279	$ (600.00)	$ 63,679.00
Trade Package - 10B - Lockers Benches (RD)	$398,505	$ (8,835.00)	$ 389,670.00
Trade Package - 21A - Fire Suppression (Summit)	$73,500	$ (7,450.00)	$ 66,050.00
Trade Package - 22A - Plumbing & HVAC (Modern Piping)	$920,300	$ 85,825.74	$ 1,006,125.74
Trade Package - 23B - AHU (SVL)	$174,800	$ -	$ 174,800.00
Trade Package - 26A - Electrical (Lakeview Electric)	$365,000	$ (1,531.36)	$ 363,468.64
		$ -	$ -
Construction Contingency	$208,470	$ (207,881.43)	$ 588.57
Project Fee	$63,019	$ -	$ 63,019.00
Total	$ 6,333,835.00	$ 0.00	$ 6,333,835.00

Maintenance Building & Data Center

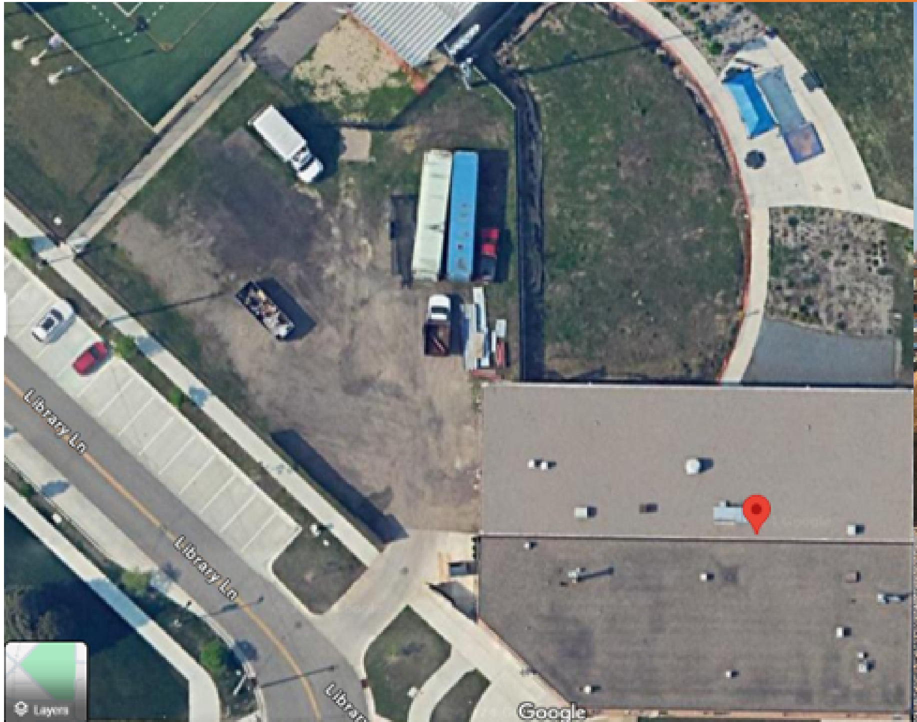
St. Louis Park
Public Schools

Maintenance Building & Data Center

Construction Underway as of December 11, 2023:

- New two-story district Data Center adjacent to the existing Maintenance Building
- Partial renovation of the Maintenance Building
- Sitework including landscaping, concrete curb and sidewalks, and bituminous pavement

SLP Public Schools Maintenance Building & Data Center
(Current Project)



Senior High Additions & Renovations

Project includes:

- an addition for an expanded cafeteria and kitchen
- a new entry canopy
- renovation of the office/counseling suite
- parking lot improvements
- stormwater retention system
- reconstruction of the track and field facilities

Senior High Additions & Renovations

Before - SE entrance to Media Center

Current - SE entrance to Media Center

St. Louis Park
Public Schools

*Before & Current - Middle of Media Center


* Before & Current-
Cafeteria


SLP High School (Storm Shelter)

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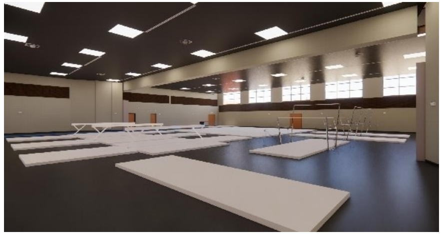
Construction Bids

Central Community Center Gym & Pool Remodel

Project consists of:

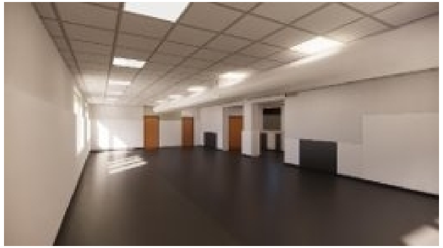
- renovation of locker room
- upgrade of the pool systems for a wheelchair lift
- refurbishment of pool gutter and three gyms
- conversion of existing space into a boardroom/training space
- replacement of a portion of the built-up roof
- single use and family bathrooms

Boardroom/Training Center



Gymnastics

Locker Room



Annex Gym

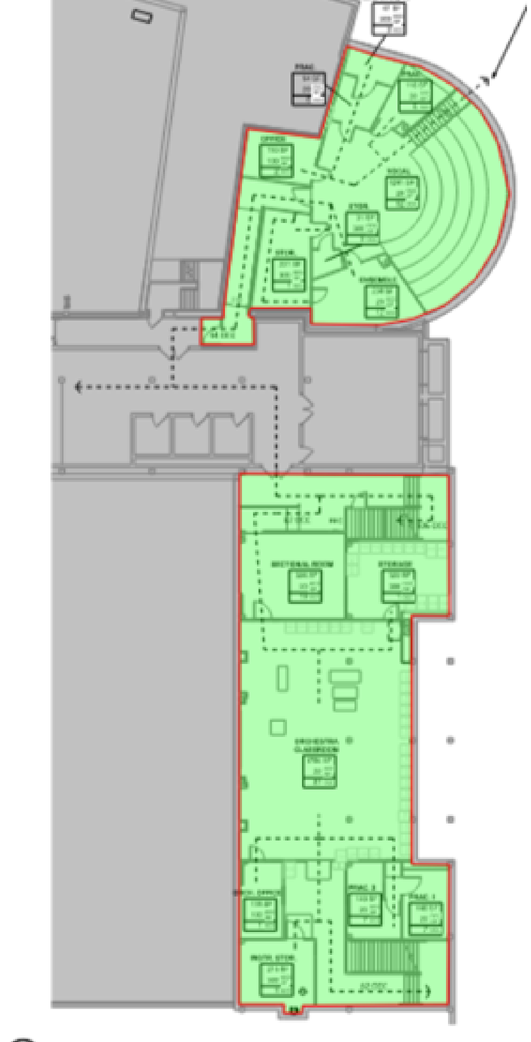
High School Music Room Renovations

Project consists of:

- door replacements
- new room finishes of floors walls, ceiling and acoustical panels
- replacement of three air handling units and two fan coil units
- creation of a hydronic heating loop for the air handlers
- electrical lighting upgrades and other electrical modifications
- renovations to the B150 & B174 main lobby and corridor

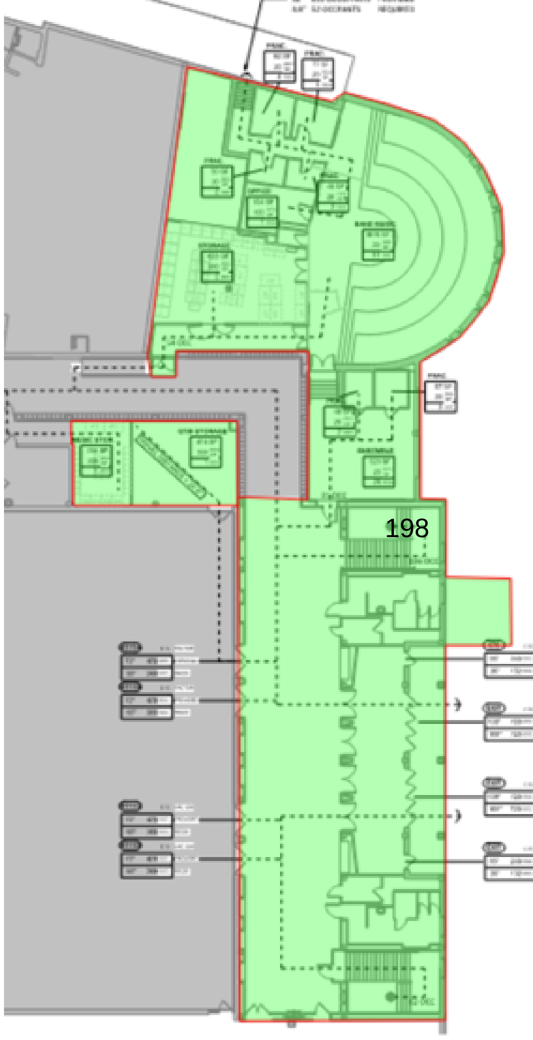
St. Louis Park Public Schools

High School Music Room Renovations



LOWER LEVEL LIFE SAFETY PLAN

SLP Public Schools High School Music Room Renovations (Logistics)



FE SAFETY FIRST FLOOR PLAN

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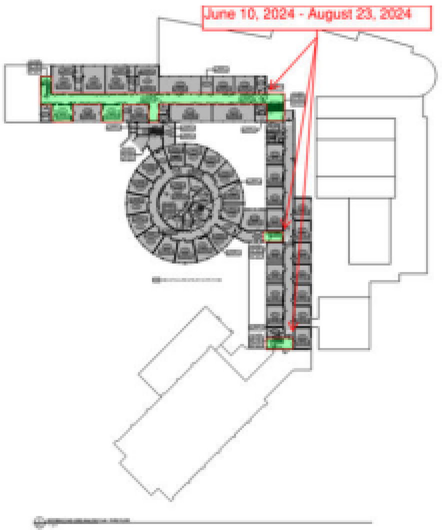
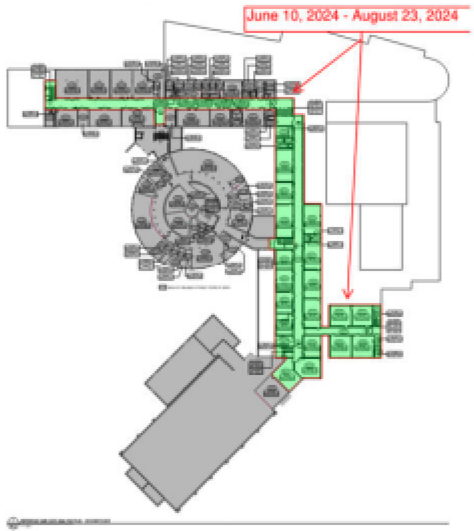
High School Classroom Renovations (Phase II)

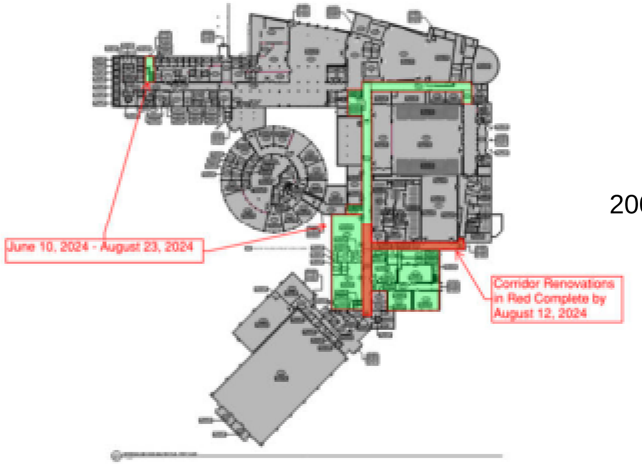
Project consists of:

- refresh of twenty-seven existing classrooms along with hallways, and stairwells stretching across three floors
- renovations similar to Phase 1 project in the 3rd floor B and C wings
- new wall finishes, carpet, ceiling tiles, lighting, markerboards, doors, and more in classrooms
- new tile, paint, ceiling tiles, lighting and more in the hallways and stairwells
- new classroom furniture
- possible change order to phase in complete bathroom renovation

High School Classroom Renovations (Phase II)







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St. Louis Park Public Schools

Next Steps: Construction Bids

- School Board accepts bids on February 28, 2024

Aquila Construction Research

Aquila Construction Research

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Aquila Construction Research Update

Classroom addition and remodel

- 4-6 additional classroom spaces
- storm shelter construction standards for classrooms
- boiler system, sitework and interior remodel
- inclusive restrooms
- $23 million - initial cost estimate
- $18-$20 - reduced scope cost estimate

Funding sources:

- interest earnings from 2022 construction bonds (not anticipated in project costs)
- lease purchase

Aquila Construction Research Update

Next Steps

- detailed architectural work
- finalize construction estimate
- finalize funding sources (school board action required)
- project begins late summer of 2024
- project completed for 2025-26 school year

Questions?

INDEPENDENT SCHOOL DISTRICT NO. 283

January 23, at 6:30 PM
Regular Board Meeting
MINUTES

The regular meeting of the School Board of Independent School District No. 283 of St. Louis Park, Hennepin County, Minnesota, convened at 6:30 p.m. on Tuesday, January 23, 2024, in the Central Community Center - District Office, 6300 Walker Street, Room 21, St. Louis Park, MN 55416. Present: Colin Cox, Anne Casey, Virginia Mancini, Sarah Davis, Celia Anderson, Taylor Williams, Abdihakim Ibrahim and Interim Superintendent Dr. Maguire. Also present were members of the Superintendent's Cabinet; Julia McBride-Bibby, St. Louis Park Multicultural Liaison/Curriculum Staff, along with American Indian Parent Advisory (AIPAC) Committee Members Scott Shoemaker, Chair, Rachel King, Co-Chair and Tahra Bielous-Secretary. Also present was Barb Dorn, Minnesota School Boards Association (MSBA).

CALL TO ORDER
Board Chair Colin Cox called the regular meeting to order at 6:30 p.m. at the Central Community Center - District Office.

LAND ACKNOWLEDGEMENT
Board Chair Cox recited the Land Acknowledgement "We are gathered on the land of the Dakota and Ojibwe peoples. I ask you to join me in acknowledging the Dakota and Ojibwe community, their elders, both past and present, as well as future generations. St. Louis Park Public Schools also acknowledges that it was founded upon exclusions and erasures of many Indigenous Peoples, including those on whose land this school district is located. This acknowledgment demonstrates a commitment to dismantling the ongoing legacies of colonial power and the district's desire to support the ongoing work of local Indigenous communities to thrive in our schools."

APPROVAL OF AGENDA
The regular board meeting agenda was presented for approval. *Motion by Casey, seconded by Anderson, to approve the meeting agenda. All in favor. Motion carried unanimously*.

OPEN FORUM
There were eight Open Forum participants.

SUPERINTENDENT REPORT
Dr. Maguire started her report by reading the St. Louis Park Schools mission statement. She then proceeded to report about the January 18, 2024 incident at the high school. The superintendent expressed gratitude for the support demonstrated by students, staff, community members, and city staff. She further outlined both short and long term actions for the high school and school district. In the long term, Dr. Maguire focused on efforts that characterize effective schools.

- First, effective schools and school districts have a shared vision for what they desire for students. The St. Louis Park Strategic Plan for Racial Equity Transformation provides a compelling vision for what we desire for our students and community. The superintendent noted that staff members share this vision and work each day to align their practice to this vision which is a strength of our district.

- Second, effective schools nurture a culture of safety, care, and relationship - with students, among staff colleagues, and with families. Our organizational core values which include holding high expectations, collective responsibility, demonstrating persistent effort, being racially conscious and culturally competent are relevant as we face this challenge. The school will be working with students to reinforce our expectations for being in this school space together and to further develop their skills to meet our expectations.

- Third, effective schools maintain a sharp focus on instructional practice. A sharp instructional focus looks like: using relevant curriculum where students see their experience reflected; designing engaging lessons; working collaboratively to examine data and improve instructional practice; maximizing instructional time; opening access to rigorous coursework; utilizing both formative and summative assessments; providing support to meet the individual needs of students. The staff in SLP are attuned to these practices and utilize them in their everyday work.

- Fourth, effective schools maintain a safe and healthy work and learning environment. Foundational to this effort is setting and communicating high expectations for student behavior; holding students accountable to those high expectations in a variety of ways including what we might think of as traditional consequences and including restorative practices. Also foundational to this element are crisis management and emergency plans which require staff training; this is an area where, as a district, we are working to improve.

- Lastly, effective schools employ a continuous improvement mindset.

  Attention to each of these five elements is required to increase student engagement, to ensure staff and student well being, and to improve academic outcomes.

DISCUSSION ITEMS

<u>Superintendent Search: Search Process Update, Minnesota School Boards Association (MSBA) Executive Search Services</u>

Barb Dorn, MSBA, started her discussion with an update on the number of online stakeholder surveys completed. To date, there have been 1,572 responses to the online survey, including 704 student responses. Focus groups with students, Somali families, and Latino families will provide additional insight to the School Board. The stakeholder survey and focus group results will be presented by MSBA to the School Board on February 7. At this meeting, MSBA will talk about interview training, discuss the stakeholder survey and discuss interview questions and schedules for the first round of interviews.

<u>American Indian Annual Compliance Agreement</u>

Freida Bailey, Principal on Special Assignment and Julia McBride-Bibby, Multicultural Liaison/Curriculum Staff, presented the American Indian Program, along with representatives from the American Indian Parent Advisory Committee (AIPAC); Scott Shoemaker, Chair, Rachel King, Co-Chair and Tahra Bielous, Secretary. The AIPAC met to discuss whether or not they concur with the educational offerings that have been extended by St. Louis Park School to American Indian students. The AIPAC issued St. Louis Park Public Schools a Vote of Concurrence.

<u>2024 Pay Equity Report</u>

Richard Kreyer, Director of Human Resources, presented the District compensation structure and Pay Equity report and answered questions from the School Board.

CONSENT AGENDA
At the recommendation of Board Chair Cox, *Motion by Williams, seconded by Anderson, to approve the Consent Agenda as presented. All in favor. Motion carried unanimously*.

ACTION AGENDA
At the recommendation of Board Chair Cox, *Motion by Mancini, seconded by Davis, to approve School Board Policy 545 - Park Spanish Immersion Admissions as presented. All in favor. Motion carried unanimously.*

At the recommendation of Board Chair Cox, *Motion by Casey, seconded by Davis, to approve the 2024 Pay Equity Report as presented. All in favor. Motion carried unanimously.*

COMMUNICATION AND TRANSMITTALS
Board members reported on recent educational activities/events in which they have participated.

ADJOURNMENT
Motion was heard and seconded to adjourn the meeting. Meeting adjourned at 9:14 p.m.

The next regular meeting will be held on February 13, 2024, at 6:30 p.m. in the Central Community Center - District Office, Room 21.

Submitted by
Barb Mumm,
Temporary Executive Assistant to the Board

Signed: Chair ______________________________ Clerk ______________________________

Date ______________________________ Date ______________________________

St. Louis Park Public Schools

BOARD OF EDUCATION

Stipend for Additional Meeting Times Beyond Posted Meetings

WHEREAS, the transition of the superintendent departing just after the start of school brought an unexpected and considerable amount of time and work to the Board Chair, Anne Casey that amounted to in excess of 30 hours of time outside of her normal role and meeting times as board chair; and,

WHEREAS, the Board would like to provide recognition and some level of compensation for this additional time worked by Chair Casey on the superintendent transition;

THEREFORE BE IT RESOLVED, that the Board would like to recognize former Board Chair Anne Casey for going above and beyond to ensure a smooth transition in the Superintendent role fall of 2023; and also recognize the time spent by former Chair Casey as the equivalent of 15 additional posted meetings; and pay her the sum of $825, equal to 15 additional meetings at the 2023 rate of $55 per additional meeting on the next available payroll.

TENTATIVE AGREEMENT SUMMARY

SPARK and SAINT LOUIS PARK PUBLIC SCHOOLS
2023-25 Terms and Conditions of Employment

Date of Proposal: 01-22-2024 - TA

Term: Two (2) years, July 1, 2023, through June 30, 2025

SPARK Group Specific Proposals

1. Holidays (Art 6.3) Juneteeth for people with June 19th as part of their work year. Treated the same as July 4.
2. New Employee Step Advancement (Art 8.2) move date from Jan 15 to Feb 1 to be newly hired and get step increase credit for that first year.
3. Method of Payment (Art 8.3) Effective 7/1/2024, remove option for 24 pay option for people working 10 mo assignments. Current people on 24 pay option will be allowed to remain, unless systems change and no longer able to accommodate that pay schedule for 10mo hourly employees.
4. Deduction (Art 8.4) Excess time off/overpayments and unpaid debts like school lunch fund, to list of items that need to be repaid upon termination.
5. Step Placement (New Art 8.6 and 8.7) Added language to clarify how step placement works after a promotion or demotion.
6. Vacation (Art 10) Language improved to spell out how prorating for vacation accrual in in 10.3 and also change vacation carryover language to be no more than 2x the employees vacation accrual amount in their vacation bank at any time. This actually extends the vacation carryover a little longer from January 31 to June 30th
7. Group Insurance (Art 11) Language improved to better describe eligibility and how contributions and VEBA amounts are prorated for less than 1.0 FTE
8. HealthCare Savings Plan (Art 11.9) Language clarified on how prorating works for less than full time based on Health Insurance Eligibility levels. Deleted the reference to paying quarterly because that was delaying payments to employees instead of providing one lump sum as earned. Also noted that the district is responsible only for the contribution amounts and employees are responsible for checking and notifying the district of there are discrepancies in the contribution amounts.
9. Sick Time (Art 12.2) Added reference that employees are responsible for entering their time off into the District time off system. Coordinated our sick leave plan with new MN leave laws so as not to add that on top of our system but they work together with each other like FMLA and sick leave. Remove reference to working at least 4 hours per day. Effective 1/1/2024, people working less than four hours per day would accrual vacation at the rate of 1 hour of sick leave for every 30 hours worked.
10. Sick Time (Art 12.2.M) Clarified how sick leave works with Worker's Compensation claims.
11. Personal Leave (Art 12.4) removed old references to 2021-20 school year.
12. Vacancies and Transfers (Art 13) Added language to spell out that employees can request a transfer to a demotional position (Class 6 to Class 5 for example) as well as to a position in the same title/classification.
13. Deferred Compensation (Art 16) Clarified how contributions are prorated for less than full time FTE and partial year. Also note that the district is responsible only for the contribution amounts and employees are responsible for checking and notifying the district of there are discrepancies in the contribution amounts.
14. Personal Absence and Substitutes (Art 20.5) This section moved to Sick Leave Art 12.2.E
15. Salary Schedule and Career Increments: Agreed to an expanded salary matrix that includes Career Increments within the steps starting 2024-25.
16. Severance – payments cannot be directed to a Roth or other plan requiring payment of federal or state income tax.

The District reserves the correct clerical errors.

TENTATIVE AGREEMENT SUMMARY

Economics Proposal – Tentative Agreement 1-22-24

Employees Covered:

Wages:

2023-24: Average increase of 3% per year on schedule. Variable increases to provide more dollars to people getting less step increases at top step. It will be retroactive to July 1, 2023 (beginning of the contract for retirees after July 1, 2023 and people active on the payroll as of the date of ratification). Increase Career increments by $.25/hr at 15 and 20 year and $.50/hr at 25 years. See schedules attached.

2024-25: Average increase of 3% per year on schedule. Variable increases to provide more dollars to people getting less step increases at top step. For 2024-25 the career increments amounts will be listed as part of the salary schedule.

SPARK CAREER INCREMENTS

	2022-23	2023-24	2024-25
15	$1.25	$1.50	$1.50
20	$1.75	$2.00	$2.00
25	$2.00	$2.50	$2.50

Health Insurance: [to be discussed as part of total economic proposal**]**

A. District Health Insurance Program Non-Deductible/Standard Co-pay:

District Contributions Standard-Plan A per month	July 1, 2023	July 1, 2024	July 1, 2025*
Employee	$545	$600	$625
Employee + 1	$940	$1,265	$1,280
Family	$1,400	$1,500	$1,600

B. District Health Insurance Program Deductible/VEBA:

District Contributions VEBA-Plan B per month	July 1, 2023	July 1, 2024	July 1, 2025*
Employee	$665	$685	$700
Employee + 1	$1,340	$1,410	$1,430
Family	$1,800	$1,840	$1,860

Tentative Agreement Date: 1/22/2024

Proposed Ratification Vote Date:

Proposed Board Approval Date: 2/13/2024

Target New Rates Date: 2/28/2024 check but not later than Mar 15 check

Target Backpay Date: 2/28/2024 check but not later than Mar 15 check

The District reserves the correct clerical errors.

PAY RATES FROM PROPOSAL ON 1/22/2024 - TA

	SPARK Group				
2022-23	Previous Contract Schedule				
	CLS3	CLS4	CLS5	CLS6	CLS7
1	$ 16.61	$ 17.54	$ 18.13	$ 19.65	$ 21.65
2	$ 17.17	$ 18.12	$ 18.73	$ 20.31	$ 22.31
3	$ 17.85	$ 18.85	$ 19.48	$ 21.12	$ 23.12
4	$ 18.58	$ 19.62	$ 20.28	$ 21.98	$ 23.98
5	$ 19.16	$ 20.26	$ 20.93	$ 22.70	$ 24.70
6	$ 19.69	$ 20.83	$ 21.53	$ 23.36	$ 25.36
7	$ 20.23	$ 21.41	$ 22.12	$ 24.03	$ 26.03
8	$ 20.92	$ 22.14	$ 22.88	$ 24.84	$ 26.84
9	$ 21.52	$ 22.97	$ 23.98	$ 25.65	$ 27.65
10	$ 22.93	$ 24.39	$ 25.41	$ 27.10	$ 29.10

July 1, 2023 - June 30, 2025			**Salary Schedules**		
2023-24	SPARK Group				
Step	CLS3	CLS4	CLS5	CLS6	CLS7
1	$ 17.08	$ 18.03	$ 18.64	$ 20.20	$ 22.26
2	$ 17.65	$ 18.63	$ 19.25	$ 20.88	$ 22.93
3	$ 18.35	$ 19.38	$ 20.03	$ 21.71	$ 23.77
4	$ 19.10	$ 20.17	$ 20.85	$ 22.60	$ 24.65
5	$ 19.70	$ 20.83	$ 21.52	$ 23.34	$ 25.39
6	$ 20.24	$ 21.41	$ 22.13	$ 24.01	$ 26.07
7	$ 20.80	$ 22.01	$ 22.74	$ 24.70	$ 26.76
8	$ 21.51	$ 22.76	$ 23.52	$ 25.54	$ 27.59
9	$ 22.12	$ 23.61	$ 24.65	$ 26.37	$ 28.42
10	$ 23.82	$ 25.32	$ 26.37	$ 28.11	$ 30.16

The District reserves the correct clerical errors.

TENTATIVE AGREEMENT SUMMARY

	July 1, 2023 - June 30, 2025					
2024-25	SPARK Group					
STEP	CLS3	CLS4	CLS5	CLS6	CLS7	
1	$ 17.55	$18.54	$19.16	$20.77	$22.88	
2	$18.14	$19.15	$19.79	$21.46	$23.58	
3	$18.86	$19.92	$20.59	$22.32	$24.43	
4	$19.64	$20.73	$21.43	$23.23	$25.34	
5	$20.25	$21.41	$22.12	$23.99	$26.10	
6	$20.81	$22.01	$22.75	$24.69	$26.80	
7	$21.38	$22.63	$23.38	$25.39	$27.51	
8	$22.11	$23.40	$24.18	$26.25	$28.36	
9	$22.74	$24.27	$25.34	$27.11	$29.22	
10	$24.74	$26.28	$27.36	$29.15	$31.26	
11	$24.74	$26.28	$27.36	$29.15	$31.26	
12	$24.74	$26.28	$27.36	$29.15	$31.26	
13	$24.74	$26.28	$27.36	$29.15	$31.26	
14	$24.74	$26.28	$27.36	$29.15	$31.26	15 yr
15	$26.24	$27.78	$28.86	$30.65	$32.76	$1.50
16	$26.24	$27.78	$28.86	$30.65	$32.76	
17	$26.24	$27.78	$28.86	$30.65	$32.76	
18	$26.24	$27.78	$28.86	$30.65	$32.76	
19	$26.24	$27.78	$28.86	$30.65	$32.76	20 yr
20	$26.74	$28.28	$29.36	$31.15	$33.26	$2.00
21	$26.74	$28.28	$29.36	$31.15	$33.26	
22	$26.74	$28.28	$29.36	$31.15	$33.26	
23	$26.74	$28.28	$29.36	$31.15	$33.26	
24	$26.74	$28.28	$29.36	$31.15	$33.26	25 yr
25	$27.24	$28.78	$29.86	$31.65	$33.76	$2.50

The District reserves the correct clerical errors.

St. Louis Park Public Schools

Achieving success, one student at a time!

2023~~1~~-2025~~3~~

AGREEMENT

between

INDEPENDENT SCHOOL DISTRICT NO. 283
St. Louis Park, Minnesota
and
EDUCATION MINNESOTA SPARK, LOCAL 7358

DRAFT language following 1-22-2024 meeting #4
2-2-2024 draft

Board Approved ______________ ~~02-08-2022~~

Effective through June 30, 2025~~3~~

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ARTICLE 1 -PURPOSE

1.1. Parties:
This Agreement is entered into between the St. Louis Park Public Schools, Independent District No. 283, St. Louis Park Minnesota, hereinafter referred to as the School District, and the Student Support Unit, hereinafter referred to as EM SPARK, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as P.E.L.R.A., to provide the terms and conditions of employment for student support personnel during the duration of this Agreement.

ARTICLE 2 - DEFINITIONS

2.1. School Board or District:
For purposes of this Agreement, the term District or School Board shall mean the School Board or its designated representative.

2.2. Student Support Personnel:
For purposes of this Agreement, the term personnel or employees shall mean those individuals designated EM SPARK, included in the appropriate unit as stated in Article 3.2.

2.3. Seniority:
For purposes of this Agreement, the term seniority shall mean the accumulation of years of service in the EM SPARK Unit, formerly PACE/Student Support Unit (SSU) in positions of twenty (20) or more hours per week. Seniority shall not apply to employees whose positions are funded by state and/or federal project grants.

2.4. Layoff:
For the Purposes of this agreement Layoff shall mean the elimination of a position or reduction in hours by the District which results in the total loss of hours or a reduction in hours for an employee covered by this agreement. A laid off employee is defined as those employees whose positions have been eliminated and/or who have been moved from their position and are working in a different position or with fewer hours.

2.5. Appropriate Supervisor:
For purposes of this Agreement, the term appropriate supervisor shall mean the building principal or other immediate supervisor as designated by the District.

2.6. P.E.L.R.A:
References to P.E.L.R.A in this agreement shall mean the Minnesota Public Labor Relations Act in Minnesota Statutes as of 2017.

2.7. Other Terms:
Terms not defined in this Agreement shall have those meanings as defined by P.E.L.R.A.

ARTICLE 3 - RECOGNITION OF EXCLUSIVE REPRESENTATIVE

3.1. Recognition:
In accordance with P.E.L.R.A., the District recognizes EM SPARK as the exclusive representative of student support personnel as defined in Section 2 below, employed by the District of Independent School District No. 283. EM SPARK shall have those rights and duties as prescribed by P.E.L.R.A. and as described in the provisions of this Agreement.

3.2. Appropriate Unit:
EM SPARK shall represent all student support staff of Independent District No. 283, St. Louis Park, Minnesota, in the job classifications listed in Appendix A who are employed for fourteen (14) or more hours per week or thirty-five percent (35%) of the normal work week in the employee bargaining unit (10.5 hours per week for this SPARK Unit), and for more than sixty-seven (67) workdays per year, including those on leave of absence who are guaranteed a position upon their return.

3.3. School Buildings and Facilities:
EM SPARK shall have the right in accordance with established regulations to reasonable use of school buildings and facilities provided such use shall not interfere with normal school activities or functions. The District reserves the right to assess charges for additional custodial expense or for other additional operational expense beyond normal maintenance costs resulting from such use.

3.4. Union Business Leave:
EM SPARK shall have up to 25 days of Union Business Leave available to members to use within each school year. The Union will reimburse the District for the cost of substitutes needed to cover for the person on this leave. District scheduled or approved events that have mutual benefit to the District will not be charged against this 25-day total.

ARTICLE 4 - DISTRICT RIGHTS

4.1. Inherent Managerial Rights:
In compliance with P.E.L.R.A. 179A. 07, Subd. 1, the parties recognize that the School Board is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure and selection and direction and number of personnel, and that all management rights and management functions not expressly delegated in this Agreement are reserved to the District.

4.2. Management Responsibilities:
The parties recognize the right and obligation of the School Board to efficiently manage and conduct the operation of the District within its legal limitations and with its primary obligation to provide educational opportunity for the students of the District and to uphold the specific provisions of this agreement.

4.3. Effect of Laws, Rules and Regulations:
The parties recognize that all employees covered by this Agreement shall perform the services prescribed by the District in their job descriptions. The parties also recognize the right, obligation and duty of the School Board and its duly designated officials to have reasonable rules, regulations, directives and orders from time to time as deemed necessary insofar as such reasonable rules, regulations, directives and orders are not inconsistent with the terms of this Agreement. The parties further recognize that the District, all employees covered by this Agreement, and all provisions of this Agreement are subject to the laws of the State of Minnesota, federal laws, rules and regulations of the Minnesota Department of Education and valid rules, regulations and orders of state and federal governmental agencies. Any provision of this Agreement found to be in violation of any such laws, rules, regulations, directives and orders shall be null and void and without force and effect.

ARTICLE 5 - EMPLOYEE RIGHTS

5.1. Right to Views:
In compliance with P.E.L.R.A. 179A.06, Subd. 1, nothing contained in this Agreement shall be construed to limit, impair or affect the right of any employee or that employee's representative to the expression or communication of a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long, as the same is not designed to and does not interfere with the full, faithful and proper performance of the duties of employment or circumvent the rights of EM SPARK.

5.2. Right to Join:
In compliance with P.E.L.R.A. 179A.06, Subd. 2, personnel shall have the right to form and join labor or employee organizations, and shall have the right not to form and join such organizations.

5.3. Request for Dues Deductions:
In compliance with P.E.L.R.A. 179A.06, Subd. 6, personnel shall have the right to request and be allowed dues deductions for EM SPARK provided that dues deductions and the proceeds thereof shall not be allowed to EM SPARK if it has lost its right to dues check off pursuant to 179.19, Subd. 7 of P.E.L.R.A. EM-SPARK will obtain a properly executed authorization from the employee involved (examples of which include paper authorization, electronic authorization or audio-recorded phone authorization), the District will deduct from the employee's paycheck the dues that the employee has agreed to pay to the exclusive representative during the period provided in said authorization. The Union will notify the School District of the dues to be deducted from each employee's paycheck and the correct institution to remit the dues payments. Deductions will be made each pay-period and transmitted to the designated exclusive representative. The District shall furnish to the exclusive representative (EM-SPARK's Treasurer) monthly an alphabetized list of employees from whom such deductions have been made. The District agrees to honor and implement all the terms of the dues-checkoff authorizations submitted by the Union and agreed to by the employee. The School District shall adhere to the specific provisions in each dues check-off authorization regarding the duration, renewal, procedure for revocation, amount of dues deducted, and all other provisions agreed to by the employee as stated in the authorization, irrespective of the employee's membership in the Union. The Union agrees that the District's only obligation is to deduct and remit the dues indicated by the Union to be deducted from each employee's pay. The Union agrees to save the District harmless from any actions growing out of these deductions and assumes full responsibility for the disposition of funds so deducted once they have been remitted by the District.

5.4. Direct Deposit:
The District shall allow direct deposit to a credit union or other eligible banking institutions that accept standard ACH deductions.

5.5. Personnel Files:
All evaluations, supervisor's records, and files generated within the District relating to each employee shall be available during regular school business hours to each individual employee. Upon reasonable notice, the employee shall have the right to review the contents of all files being kept within the district at the location of the office of Human Resources. The employee shall have the right to reproduce any of the contents of the files at the employee's expense, and to submit for inclusion in the file written information in response to any material contained therein. The District may destroy such files as provided by law.

5.6. Private and Personal Life:
The private and personal life of an employee, is not within the appropriate concern of the District providing such private and personal life does not adversely affect the employee's performance or ability to perform.

5.7. Information:
In compliance with P.E.L.R.A. 179A.13, Subd. 2 (11), EM SPARK shall have access, upon reasonable notice, to receive any available financial information, not deemed confidential, necessary for EM SPARK to exercise its responsibilities as exclusive representative.

5.8. Representation at Meetings:
An employee will have the right to have an EM-SPARK representative present whenever asked to come to meet with their supervisor. This especially pertains to any meetings that could lead to discipline under Article 18 – Corrective Action or probationary release in Article 15 – Probationary Period. This generally does not pertain to general daily work direction, such as, bus duty, lunch supervision or assignment of other daily tasks.

ARTICLE 6 - THE WORK YEAR

6.1. Employee Duty Days:
The employee shall perform services on those days as determined by the District, including those legal holidays on which the District is authorized to conduct school, and pursuant to such authority as determined to conduct school. The District and SPARK will meet and discuss the number of duty days and the specific work calendars for the next work year, typically by May 1 of each year.

6.2. School Closings:
In the event of any school closing, employees will report for duty only if so requested by an appropriate supervisor. Employees requested to report for duty will be paid. Employees not requested to report would be paid for up to five (5) days of school closing or such days will be made up, if all other employees are required to make up such days.

6.3. Holidays:
A. Eligibility: For purposes of this Article, it is understood and agreed by the parties that holiday pay shall be allowed only to those personnel who are employed at least twenty (20) or more hours per week. In order to be eligible for holiday pay, an employee must have worked the employee's regular work day before and after the holiday unless the employee is on paid leave or vacation under the provisions of this Agreement.

B. Holidays for twelve (12) month employees shall include: Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve Day, Christmas Day, New Year's Eve Day, New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Spring Holiday (the last Friday of spring break), ~~and~~ Memorial Day and Juneteenth (June 19).

C. Holidays for those employees working on a less than twelve (12) month basis shall include: Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Spring Holiday (the last Friday of spring break) and Memorial Day. Summer Holidays: Juneteenth (June 19) and Independence Day (July 4) will be a paid holiday for an employee scheduled to work during the work-week that includes these designated holidays

D. Employees hired whose contract ends prior to winter and/or spring break are not eligible to holiday pay during that time.

E. School in Session: The District reserves the right, if school is in session to cancel any of the above holidays and establish another holiday in lieu thereof. Any scheduled holiday which falls within an employee's vacation period shall not be counted as a vacation day.

ARTICLE 7 - THE WORK DAY

7.1. Work Hours:

The specific work hours for each employee may vary according to the needs of the District. The hours will be designated by the appropriate supervisor. Employees will receive notice from their supervisors by June 1 each year of the expected assignment for the next school year. Employees will have access in the Employee Portal to their assignment details by August 1. The notice will include the assigned building, starting date, daily hours, wage rate, and number of days employed, or as much of such information as has been determined at that time. In the event of a change in assignment, employees shall be given written notice of at least five (5) days. In an emergency, the District shall notify an employee of an assignment change and follow-up within five (5) days with the change in writing.

7.2. Work Week:

The maximum work week for full time employees shall be forty (40) hours per week and no more than five (5) days per week.

7.3. Duty Free Lunch:

The District and EM SPARK recognize that employees working six (6) or more hours per day are entitled to a duty free lunch period, but that occasionally issues regarding scheduling may arise. In the event of conflict, and only with prior approval from the appropriate supervisor, an employee shall be allowed to voucher for her/his lunch period.

7.4. Breaks:

The District and EM SPARK recognize the benefits of providing breaks to employees. The District will make every reasonable effort to schedule a break of not less than ten (10) minutes during the work day for every four (4) hours of work scheduled. Such breaks shall be scheduled based upon factors including, but not limited to, the needs and requirements of the program. The scheduling of breaks is subject to the discretion of the appropriate supervisor. If issues should arise regarding the scheduling and/or the duration of breaks, the employee shall raise such issue with their supervisor and/or the Director of Human Resources.

ARTICLE 8 - BASIC COMPENSATION

8.1. Rates of Pay:

The wages and salaries reflected in Schedule A and Schedule B, attached hereto, shall be part of the Agreement for the 2023~~1~~-25~~2~~ and 2024~~2~~-25~~3~~ school years. Employees shall advance on the salary schedule one (1) step for each additional year of service, during this contract period, subject to the right of the School Board to withhold increments for just cause and subject to criteria in Section 8.2 below. An increment shall not be withheld unless the employee is notified of the deficiency in writing and given reasonable opportunity to correct the deficiency. Any employee who is not satisfied with the outcome of this procedure may file a grievance on the matter.

8.2. Anniversary Date:

The anniversary date for all employees shall be July 1. To advance to the next step on the anniversary date, employees must have been actively employed from at least ~~January 15th~~February 1st to the anniversary date.

8.3. Method of Payment:

A. Employees regularly employed two hundred (200) or more days per year shall be paid in twenty-four (24) payments, such pay days to be on the fifteenth (15th) and last day of each month.

B. Employees regularly employed for less than two hundred (200) days per year shall elect to receive their salary in nineteen (19) or twenty-four (24) equal payments. Such pay election shall be made on a form provided by the District and shall remain in effect from year to year unless the employee provides the District with written notice electing a different pay option prior to July 1, of any year. Effective July 1, 2024, all new employees employed for less than two hundred days per year shall receive their salary in nineteen (19) payments. An employee hired prior to 1/1/2024, may continue to receive their pay over nineteen (19) or twenty-four (24) payments. However, if a person switches to nineteen (19) pay, they cannot switch back to twenty-four (24) payments.

C. Except in cases of termination of employment, the pay plan elected shall not be changed during the course of the period covered by the selection.

D. In the event that pay dates fall on a weekend or holiday, the payday shall be the preceding workday.

E. The District may choose to move payroll to paying every other Friday, instead of the 15th and last day of each month. In the event the District plans to move pay dates, it will give the Union not less than six (6) months of notice and meet and confer on the plan for implementing the change.

8.4. Deduction:

In the event that an employee is absent without leave and a pay deduction is to be made for such absence, the amount of the deduction shall be one (1) hour of pay for each such hour of absence. Deductions for absences of less than a full day shall be prorated accordingly. If an employee leaves employment and has used more days than credited for sick leave or has unpaid debts, such as, school lunch account, then the pay deduction will be made from the final check.

8.5. Initial Placement:

New employees may be hired up to Step 5 of the salary schedule with credited outside experienced verified by the Human Resource Department. If the District wants to make an initial placement above Step 5 with verified experience, the District will need to meet with SPARK and the step placement must be mutually agreed upon. An EM SPARK employee who has left the District and is rehired shall be allowed to return with salary placement on at least the step at which they left or higher appropriate step placement based on experience and step advancement in this Article.

8.6. Step Placement with a Promotion:

Employees who subsequently move to a promotional assignment within the unit will be placed at the step that produces at least a 5% promotional increase per pay class when moved to the new classification (movement from CLS 2 to CLS 3 = at least 5%, movement from CLS 3 to CLS 5 = at least 10%, etc.) but not to exceed the employee's current step number.

8.7. Step Placement as the result of Demotion or Move to Lower Pay Grade:

Employees who subsequently move to a position in a lower pay grade (demote) within the unit will be placed at the closest step that produces not more than a 5% decrease per pay class when moved to the new classification (movement from CLS 3 to CLS 2 = up to 5%, movement from CLS 5 to CLS 3 = up to 10%, etc.) and this may exceed the employee's step number when they were in the higher classification before move to the lower classification.

ARTICLE 9 - EXTRA COMPENSATION AND ASSIGNMENTS

9.1. Overtime:

Scheduled overtime work after forty (40) hours per week and on Saturdays, Sundays, or designated holidays, shall be paid at the rate of time and one-half (1-1/2).

9.2. Comp Time:

Employees scheduled to work above or beyond their assigned contractual duty hours shall be allowed personal time or salary vouchered hours in lieu thereof, as determined by and with the pre-approval of their building principal or site coordinator.

9.3. Classroom Substitute:

Employees with appropriate licensure, who are requested by their building principal or designee/site supervisor to substitute for a certified staff member shall be paid at the certified substitute hourly rate in effect or the employee's current hourly rate, whichever is higher.

9.4. Jury Duty:

Employees required to serve jury duty shall be paid for the time of service and may keep any payment received by the courts. Employees who are released from Jury Duty during the day are expected to return to their site if released by noon of any work day.

9.5 Expense Reimbursement

In the event that a SPARK employee is required by their supervisor to have a personal cell phone available and to be accessible for work related calls during the workday, then the employee may be reimbursed up to $50/mo. in expenses for the use of the cell phone during working hours. The employee must provide a check request form and receipts and will be reimbursed quarterly.

ARTICLE 10 - VACATIONS

10.1. Eligibility:

Regularly employed persons shall accrue vacation leave within one of the following groups:

Group A - Forty-six (46) through fifty-two (52) week employees (230-260 duty day calendar)~~, including childcare personnel who work twelve months or 52 weeks.~~.

Group B - Less than forty-six (46) week employees ~~working a~~regularly scheduled~~t~~ at least four (4) hours per day (229 duty day calendar or less~~one thousand (1,000) hours per year~~.

10.2. Earned Vacation:

A. Group A eligible employees shall accrue vacation as follows:

- 5/6 of a day for each month of service for each year during the first four (4) years of service in the District, to a maximum of ten (10) days in any one year.
- 1-1/4 days for each month of service for each year after completing four (4) years of service in the District, to a maximum of fifteen (15) days in any one year.
- 1-2/3 days for each month of service for each year after completing ten (10) years of service in the District, to a maximum of twenty (20) days in any one year.
- 2-1/12 days for each month of service for each year after completing sixteen (16) years of service in the District, to a maximum of twenty-five (25) days in any one year.
- One additional day each year thereafter to a maximum of thirty (30) days per year.

B. Group B eligible employees shall accrue vacation as follows, and subject to Section 10.5:

- ~~Two (2)~~Five (5) days of vacation per year.

- ~~Effective 2022-23, the vacation amount will increase to five (5) days per year.~~

Group B employees hired BEFORE January 1, 1991 shall accrue six (6) days of vacation and also subject to Section 10.5.

10.3. Application:

A. Vacation amounts will be entered by Human Resources near July 1, of each year.

B. If the employee resigns before completing six (6) months of service the employee shall not be entitled to any vacation pay and shall have the salary paid for any vacation days taken deducted from the employee's final check. An employee who has completed at least six (6) months of service shall be entitled to receive the pro-rata pay for unused vacation time up to a maximum of 15 days of pay, provided such employee provides the District with at least two (2) weeks of advance notice of the employee's resignation time, unless such termination is by reason of death or disability. If an employee resigns having used more vacation than they have accrued, the employee shall have excess the salary paid for any vacation days taken deducted from the employee's final check.

10.4. Other Vacation Rules:

A. Employees must submit an online request for vacation to their supervisor using the District's time off employee portal at least four (4) days in advance. Request for vacation is subject to the approval of the supervisor.

B. Unused vacation days accrued as of June 30 of each year will roll over to the next school year, up to a maximum of two times (2x) the employee's accrual rate in Article 10.2. The following July 1, when the new accrual is given, if the remaining days plus the new accrual amount exceeds 2x the accrual rate, then the excess days above 2x the accrual rate will be forfeited. Example, for employees who have an accrual rate of five (5) days, they can never have more than 10 days in their vacation bank. If they have six (6) days remaining, as of June 30th, when the new five (5) days of vacation are given on July 1, the total balance would be 11 days and the one (1) excess day would be forfeited to bring the total back down to 10 days or 2x the accrual rate. This gives employees up to 24 months to use their vacation time.~~Employees accrue vacation during a particular fiscal year (July 1 to June 30). Vacation accrued as of June 30 of each year must be used during the next school year by January 31th or will be forfeited unless otherwise approved in writing by the District~~. There will be no payment in lieu of vacation for those individuals in Group A of 10.1 unless mutually agreed to by the employee and the District.

C. For those employees working four (4) or more but less than eight (8) hours per day, vacation shall accrue on a pro-rata basis. For example, an employee entitled to ten (10) vacation days who is regularly scheduled to work five (5) hours per day, earns 5 hours of vacation time for each of the 10 vacation days the employee is entitled to.

10.5. Application:

For the purposes of this Article, Group B employees hired after January 1 1991 who thereafter become Group A employees (employees who work forty-six (46) through fifty-two (52) weeks per year) shall accrue and take vacation pursuant to Article 10, provided that accruals shall be based only upon service as Group A employees.

ARTICLE 11 - GROUP INSURANCE

11.1. Eligibility:

For purposes of this Article it is understood and agreed by the parties that participation in the group insurance plan as stated shall be allowed only to those employees who are employed at least thirty (30) or more hours per week. For those employees working twenty (20) hours per week or more but less than thirty (30) hours per week per the following shall apply:

A. District contribution to the District H~~h~~ealth and Dental Insurance programs shall be one-half (1/2) the applicable amounts stated in Sections 11.3-11.6.

B. Group income protection (LTD) as in force per 11.7.

C. Life insurance in one-half (1/2) the amount stated in Section 11.8.

D. For purposes of this section it is understood and agreed that a "week" is defined as any five days in which an employee is assigned to work.

11.2 Selection of Carrier:

The selection of the insurance carrier and policy shall be made by the District. Opportunity shall be afforded to the Association to meet and confer on such matters. The District shall contribute toward a portion of the premium for health insurance for the 2023~~1~~-2025~~3~~ Health Plans under the terms of the policies of insurance carried by the District for employees. The employee must enroll to receive health plan coverage. Employees may enroll in any of the Employee, Employee+1, or Family coverage options. The employee shall pay the difference through payroll deduction between the District contribution listed below and the total cost of the health plan coverage selected.

11.3 Employer Contribution:

The District will contribute up to the following amounts to the coverage selected by eligible employees:

A. District Health Insurance Program Non-Deductible/Standard:

District Contributions Standard-Plan A per month~~District Contributions Standard-Plan A~~	July 1, 2023~~Employee~~	July 1, 2024~~Employee + 1~~	July 1, 2025*~~Family~~
Employee~~July 1, 2021~~	$545~~$525/mo~~	$600~~$900/mo~~	$625~~$1,253/mo~~
Employee + 1~~July 1, 2022~~	$940~~$545/mo~~	$1,265~~$940/mo~~	$1,280~~$1,303/mo~~
Family~~July 1, 2023~~	$1,400~~$545/mo~~	$1,500~~$940/mo~~	$1,600~~$1,303/mo~~

B. District Health Insurance Program Deductible/VEBA:

District Contributions VEBA-Plan B per month~~District Contributions VEBA-Plan B~~	July 1, 2023~~Employee~~	July 1, 2024~~Employee + 1~~	July 1, 2025*~~Family~~
Employee~~July 1, 2021~~	$668~~$600/mo~~	$685~~$1,190/mo~~	$700~~$1,650/mo~~
Employee + 1~~July 1, 2022~~	$1,380~~$620/mo~~	$1,410~~$1,230/mo~~	$1,430~~$1,700/mo~~
Family~~July 1, 2023~~	$1,820~~$640/mo~~	$1,840~~$1,340/mo~~	$1,860~~$1,750/mo~~

*A third year of contributions are provided to ease open enrollment for employees in 2023. The contribution amounts for 7-1-202~~3~~5 will be subject to bargaining in the 2025~~3~~-2027~~5~~ bargaining cycle.

For eligible employees who select the $1,000 Deductible Health Insurance Plan, the District will deposit $1,000 annually into an employee owned Health Reimbursement Account (HRA) during active employment. The District will deposit that amount by September 1 of the plan year.

The eligibility and employer contributions for employees working at least four (4) hours (.50 FTE) but less than six (6) hours (.75 FTE) shall be 1/2 the amounts in this Section 11.2 including the VEBA contribution.

11.4 Married Couples:

Effective starting in the 2018-19 school year, in the case of two SPARK employees who are both covered by this agreement and married to each other, the couple may elect to have both employees participate in the VEBA program separately with one health insurance policy coverage as long as this election is cost neutral or may create a cost savings for the District. Beginning July 1, 2018, for employees that are married to each other and participating in the VEBA program, the District shall contribute an additional amount toward the employee contribution of an amount not to exceed the single VEBA contribution for that year.

11.5. Marital Status:

For employee plus one and family coverage, marriage is defined by state statute. (MN 2017 Legislation-Section 517.01)

11.6 Dental Insurance:

The District shall contribute toward a portion of the premium for dental insurance for the 202~~1~~3-202~~3~~5 Dental Plans under the terms of the policies of insurance carried by the District for employees. The employee must enroll to receive health plan coverage. Employees may enroll in either Employee or Family coverage options. The employee shall pay the difference between the District contribution and the total cost of the dental plan coverage selected. The District will contribute up to the following amounts to the coverage selected by eligible employees who are employed at least six (6) or more hours per day (.75 FTE). Employees who are regularly assigned at least four (4) hours but less than six (6) hours (.50 -.7499 FTE) will receive one half the contributions amount below:

District Dental Contributions	July 1, 2023~~Employee~~	July 1, 2024~~Family~~
Employee~~July 1, 2021~~	$52/mo	$52~~95~~/mo
Family~~July 1, 2022~~	$~~52~~95/mo	$95/mo

In the event that a successor agreement has not been entered into by July 1, 2025~~3~~, District's contribution shall not exceed the dollar amount of the premium in effect as of July 1, 202~~2~~4.

11.7. Group Income Protection (Long-Term Disability):

The District shall pay the premium for the income protection insurance in force on the effective date of this Agreement for all employees who are eligible for and are enrolled in the group income protection plan. Subject to the provisions of the policy, the plan provides for a benefit of 2/3 of income but with a monthly maximum of $5,000 per month.

A. When an employee is placed on long-term disability, the District shall contribute the dollar amount of single coverage in effect at the time the employee goes on disability, regardless of the employee's level of coverage. The District shall pay no more than the single amount in effect at the time of the onset of the employee's disability.

B. The District shall contribute this amount toward the group health insurance program for a period of three (3) years from the date of long-term disability placement or the occurrence of the employee's age of full Social Security, whichever comes first.

11.8. Life Insurance:

The District shall provide a group term life insurance plan providing $50,000 of life insurance for each employee employed by the District who is eligible for and is enrolled in the life insurance plan.

11.9. Health Care Savings Plan in Lieu of Retiree Health Insurance for employees hired after July 1, 2005:
Employees hired after July 1, 2005, and eligible for health insurance coverage will participate in a Health Care Savings Plan (HCSP) in lieu of retiree health insurance. Upon completing five years of service, employees will be automatically enrolled in the plan before the first contribution is made by the District on their behalf. Employees hired prior to July 1, 2005, and eligible for health insurance coverage (See Appendix A – former provisions) who previously elected to participate in this HCSP will continue in this program with the understanding that it will not be retroactive and that there is no re-election of the retiree health insurance program in the future. Employees who have completed the number of full years of employment by June 30th of any year after 2005 and who are eligible for health insurance coverage (Art 11.1) will receive the following annual contribution from the District to be placed in the employee's HCSP account:

$ 0 annually	Completed 0-4 years in the District.
$ 1,000 maximum annually	Completed 5-9 years in the District
$ 2,500 maximum annually	Completed 10-14 years in the District
$ 5,000 maximum annually	Completed 15+ years in the District

The contributions listed above are for employees eligible for full-time health insurance contributions listed in Art 11.2 and employees working .5FTE to less than .75FTE will receive ½ the contribution amounts. The maximum total district contribution that any employee can receive under this section is $50,000. ~~The District will make deposits into the employee's HCSP account on a quarterly basis.~~

11.10 Claims Against the District:
It is understood that the District's only obligation under this Article is to purchase insurance policies and pay such premium amounts as agreed to herein, and no claim shall be made against the District as a result of a denial of insurance benefits.

11.11 Duration of Insurance Contribution:
An employee is eligible for monthly District contributions as, provided in this Article as long as the employee is employed by the District. Upon termination of employment, all District participation and contribution shall cease effective on the last day of the month. In the event of a District error in making the contributions, the District will correct the amounts contributed but is not responsible for any estimated gains or losses in the funds values. It is also the responsibility of the employee to track contributions amounts at least annually and notify the District promptly if the employee feels the amount contributed is incorrect, so that it can be corrected.

11.12. Continued Coverage (COBRA):
Employees shall be eligible to continue participation in the District group medical insurance plan, if permitted by the terms of the policy with the insurance carrier, by paying the entire premium for such insurance, under the following circumstances:

A. the employee retires prior to age 65;
B. is at least 55 years of age; and
C. has completed at least ten (10) years continuous service in the District.

The employee's right to continue participation in such group insurance, however, shall discontinue upon reaching the age of Medicare eligibility. The right to participation pursuant to this subdivision shall not be retroactive

ARTICLE 12 - LEAVES OF ABSENCE

12.1. Eligibility and Allowance:

Sick and Safe Leave (hereinafter referred to as "Sick Leave") will be available to all employees working at least 80 hours per year. Sick leave will accrue with hours on the payroll (Regular active employees who are scheduled at least .5 FTE (four hours per day or more) will receive an advance of ten (10) days of leave each July 1st granted for the full school year July 1st to June 30th.

Leave not used during any school year may accumulate without limit. Individuals who are employed after July 1 of the school year shall receive sick leave on a pro-rata basis. Individuals leaving employment prior to end of the school year shall have their leave allowance pro-rated accordingly, and used but not yet earned sick leave shall be deducted from the employee's final check.

Effective January 1, 2024, employees working less than an average of four (4) hours per day will receive one (1) hour of sick leave for every 30 hours paid (.03333 earned sick and safe leave for every hour on the payroll in accordance with MN State Statute 181.9445-8) These employees working less than an average of four (4) hours per day may earn up to 48 hours of sick leave per year and may carry over unused leave up to a maximum of eighty (80) hours in **their sick leave bank in any one year.**~~For purposes of this section it is understood and agreed by the parties that to be eligible for the Leave Allowance in 12.2 and Sick Leave in 12.3 the employee must be employed at least 20 duty days per year and is regularly scheduled for at least four (4) hours per day.~~

~~12.2. Basic Leave Allowance:~~

~~A leave allowance of twelve (12) days with pay shall be granted for each full school year provided an employee has served for a minimum of twenty (20) duty days each year and is regularly scheduled at least four (4) hours per day. Effective July 1, 2022, the annual leave allowance will change to ten (10) days per year concurrent with the increase in vacation time, see Art. 10.2. Leave not used during any school year shall accumulate without limit.~~

12.2~~3~~. Sick Leave:

A. An employee may use one (1) day of accumulated paid leave for each day of personal illness. An employee may use one (1) day of accumulated paid sick leave for each day of illness or disability of the employee's child who is less than eighteen (18) years old, for such reasonable period as the employee's attendance with the child may be necessary on the same terms the employee is able to use sick leave benefits for the employee's own illness.~~(Minn. Stat. §181.9413)~~.

B. Basic accumulated leave pay shall be allowed by the District whenever an employee's absence is found to have been due to illness which prevented the employee's attendance at school and performance of duties on that day or days or as otherwise allowed in this section.

C. The District may require an employee to furnish a medical certificate as evidence of illness, indicating such absence was due to illness, in order to qualify for ~~basic accumulated~~sick leave pay.

D. In the event that a medical certificate will be required, the employee will be so advised in writing.

E. It is the responsibility of the employee to enter requested sick leave into the District's online time off system as soon as possible, but typically before the start of the employee's scheduled shift start time. Falsifying time off requests or repeatedly not entering time off after receiving notice may result in corrective action. ~~It is each employee's responsibility to record their time off correctly. Basic accumulated leave pay shall be electronically submitted by the employee.~~ The employee may ask for help on how to submit time off from their supervisor, building or program administrative assistant or human resources.

For employee's whose positions require substitutes, it is the reasonability of the employee put in the request for the substitute as soon as possible to ensure the best chance the position will be filled.

F. For necessary absence because of illness in the immediate family, the employee, upon approval of the responsible administrator may use up to six (6)~~five (5)~~ of the days from accumulated leave allowance in any one school year at no salary deduction. The immediate family shall be interpreted to mean husband, wife, father, mother, brother, sister, son, daughter, father-in-law and mother-in-law. In the case of a son or daughter less than eighteen (18) years old, refer to subdivision 1 of this section.

G. For necessary absence because of illness in the close family, the employee, upon approval of the responsible administrator, may use up to ~~three (3)~~six (6) of the days from accumulated leave allowance in any one school year at no salary deduction. The close family shall be interpreted to mean: grandparents, grandchildren, son-in-law, daughter-in-law, brother-in-law and sister-in-law. Close family shall also include any other person residing in or who has resided in the same household as the employee and who clearly stands in the same relationship with the employee.

H. Eligible employees may access up to a maximum of 160 hours of accumulated and unused sick leave in a school year for the care of relatives in accordance with Minn. Stat. § 181.9413 and sections A- I of this Article. Effective December 31, 2023, MN State Statute 181.9413 is repealed and replaced with MN State Statutes 181.9445-8 (Earned Sick and Safe Time-ESST). Effective January 1, 2024, use of Sick and Safe leave with pay, beyond relationships and uses defined in this Article 12.2 A-H, will be available to the employee based on definitions of uses described in MN State Statutes 181.9445-8 for eligible employees (see Appendix D in the back of this contract). The Earned Sick and Safe leave described under MN State Statutes 181.9445-8 is contained within this contract's more generous leave provision of ten (10) days within Article 12 and not in addition to it.

I~~H~~. In the event an employee, in a particular year, has fully utilized the number of days provided in Section 12.2~~3~~.F and G for absence due to the illness of an immediate family member and/or close family member, the employee has accumulated leave allowance remaining, and an immediate or close family member requires additional care, an additional number of days, not exceeding five (5) days, may be granted by the Director of Human Resources, if in the discretion of the Director, additional days are warranted.

J~~I~~. The employee may utilize up to twelve (12) workweeks per year of job protected leave for:

1. Family Leave:
   a. The birth of a child of the employee and in order to care for such child.
   b. The placement of a child with the employee for adoption or foster care.

2. Medical Leave:
   a. To care for a family member who has a serious health condition.
   b. Treatment of a serious health condition which makes the employee unable to perform the functions of the position of such employee. The employee may elect to use accrued paid leave or may request a leave without pay or a combination of the two for the leave period. Such leave is subject to the provisions of Public Law 103-3, the Family and Medical Leave Act of 1993.

K~~J~~. After basic accumulated leave has been used, and under conditions of a chronic or continuous illness or disability as certified by a medical doctor, an additional number of days of basic accumulated leave may be granted by the Director of Human Resources.

~~K. Eligible employees may access up to a maximum of 160 hours of accumulated and unused sick leave in a school year for the care of relatives in accordance with Minn. Stat. § 181.9413 and sections A-I of this Article.~~

L. **Long-Term Disability Leave:** At the time an employee becomes eligible to receive long-term disability compensation as provided in this Agreement, the employee will not also receive a regular check from the District for those same days, but may draw upon available Sick Leave to cover the employee cost of any insurance benefits as long as the employee continues on long-term disability compensation.

M. **Workers Compensation Leave:** When an employee is injured on the job in the service of the District and is collecting worker's compensation insurance payments, the employee will not also receive a regular check from the District for those same days, but may draw upon available Sick Leave to cover the employee cost of any insurance benefits. If an employee is injured by a student while performing their job, they will not have sick leave deducted from their accumulated sick leave balance for the worker's compensation required waiting period. Prior to collecting pay from Worker's Compensation for a compensable work injury, employees will use available sick leave. Based on Worker's Compensation rules, some or all this used sick leave will be credited back based on the length of time off according to Worker's Compensation rules. Consult with Human Resources on use of sick time for work related injuries. ~~Sick leave taken during the waiting period will be restored after review by the Human Resource Department.~~

N. For employees who experienced a reduction in hours under the provisions of Article 14 (Staff Reduction) will be able to continue to use their remaining unused basic accumulated leave allowance from 12.2 as outlined in Article 14.6.C (Reduction in Hours). An employee employed at least four (4) hours per day but less than six (6) hours per day and who experienced ~~-~~a reduction of hours as allowed in Article 14 (Staff Reduction) shall accrue and use basic accumulated leave on a pro-rata basis based on their new assignment.

12.4. ~~Personal~~ Other Leave:

A. For purposes of this section it is understood and agreed by the parties that ~~personal~~ leave days under this Art 12.4 shall be allowed only to those personnel who are employed at least four (4) or more hours per day.

B. ~~Effective for the 2021-22 School Year: An employee may be granted personal leave through their supervisor or building principal up to three (3) days per year, such leave will be deducted from the accumulated leave.~~ Effective starting with the 2022-23 School Year: the three (3) days of personal leave are converted into the new vacation totals for Group B employees in Article 10.2.B. ~~Personal~~ L~~l~~eave under this Art 12.4 will remain available for religious holidays. In the case of religious holidays or extreme emergency, up to three (3) days of leave with pay under this section may be granted by the Director of Human Resources and will be deducted from accumulated sick leave. An emergency day normally shall not be granted for the day preceding or the day following holidays or vacations and the first five (5) days and the last five (5) days of the school year.

C. ~~Effective for the 2021-22 School Year:~~ Requests for ~~personal leave~~observance of a Religious Holiday must be made at least two (2) days in advance using the District online time off management system.~~, except in cases of emergency.~~ If an emergency makes it impossible to submit a request in advance, an oral request shall be submitted to the supervisor as soon as possible and then confirmed by submitting the time off using the District's online employee time off system as soon as possible or immediately upon the return of the employee. The request shall state the reason for the proposed leave. The Director of Human Resources reserves the right to refuse to grant such leave.

~~D. Effective for the 2021-22 School Year: A personal day normally shall not be granted for the days preceding or the day following holidays or vacations, and the first five (5) days and the last five (5) days of the school year.~~

D~~E~~. In case of religious holidays or extreme emergency, additional leave with pay may be granted by the Human Resource Director and such leave shall be deducted from the employee's ~~basic~~ accumulated sick leave bank.

12.5. Bereavement Leave:

A. Employees eligible for basic accumulated leave also may be granted up to five (5) days bereavement leave for death in the immediate family or close family (as defined in Section 2). The amount of leave allowed under this provision is subject to the discretion of the responsible administrator and may depend on circumstances such as distance, the individual's responsibility for the funeral arrangements, and the employee's responsibility for taking care of the estate of the deceased, and shall not be deducted from basic accumulated leave. Additional requests for Bereavement consistent with this section may be granted and days in excess of the five (5) Bereavement Leave days would be deducted from available sick leave.

B. Requests to be absent from work for other than immediate or close family (as defined in Section 12.3), may be granted based on overall qualifying attendance and ability to cover the assignment. Any of these days granted would be deducted from available sick leave. Documentation, such as an obituary or funeral program, may be requested by the District for any bereavement leave request. If a request is denied by the supervisor, it may be appealed to the Human Resource Director.

12.6. General Leaves of Absence:

A. Employees may apply for an unpaid leave of absence subject to the provisions of this section. The granting of such leave shall be at the discretion of the District.

B. Such leave may be granted by the District for Peace Corps, Vista, extended illness of the employee, extended illness of the employee's family, adoption, civic activities, alternative occupational and/or educational experiences, or other reasons deemed appropriate by the District.

C. An employee on leave is eligible to participate in group insurance programs for which the employee is eligible if permitted under the insurance policy provisions, but shall pay the entire premium for such programs as the employee wishes to retain, commencing with the beginning of the leave. If the employee's unpaid leave is under the Family and Medical Leave Act of 1993, the District will continue their medical coverage contribution for up to twelve (12) weeks. It is the responsibility of the employee to make arrangements with the benefits office to pay to the monthly premium amounts as determined by the District.

D. An employee on leave of absence under this section shall retain such amount of accumulated leave days, experience credit, seniority and other accrued benefits which the employee had accrued, if any, at the time the employee went on leave for use upon the employee's return. No additional basic accumulated leave, experience credit, seniority or other benefits shall accrue for the period of time that an employee is on leave except as otherwise provided herein.

E. Leaves of absence of thirty (30) days or less granted under this section shall accrue basic accumulated leave, experience credit, seniority and other benefits as if continuously employed.

F. For purposes of this section it is understood and agreed by the parties that general leaves of absence shall be allowed only to those personnel who are employed at least four (4) or more hours per day.

G. An employee on leave of absence under this section shall notify the district, in writing, of their intent to return to the District, at least two weeks prior to the expiration of the leave. Failure to so notify the District shall constitute a resignation. An employee granted a leave of absence under this section of thirty (30) days or less shall return to their former position. An employee returning from a leave of absence under this section of more than thirty (30) days, but less than one year, shall be re-employed in the position the employee had prior to taking the leave of absence or a comparable position for which the employee is qualified. Qualifications and assignment of employees returning from a leave of absence under this section of more than thirty (30) days shall be determined by the District.

12.7. Child Care Leave:

A. The District shall grant, upon request of the employee, a child care leave, without pay, to one parent of a child, natural or adopted, subject to the provisions of this section. For purposes of this section, the term childcare shall include but not be limited to the period of time when an employee is pregnant.

B. In the event of pregnancy, an employee may continue her duties until the onset of the disability and thereafter utilize sick leave for the time the person is disabled. Thereafter, an employee may request a child care leave. However, if the employee requests a child care leave prior to the onset of disability, such child care leave shall be in effect for the date of commencement through the period of child birth and recovery.

C. In the interest of planning for staffing coverage, an employee shall notify the Human Resources Department in writing not later than three months prior to the expected dates of leave.

D. An employee may take a child care leave of up to twelve (12) months. The commencement and return date of child care leave shall be determined by mutual agreement between the employee and the superintendent or his/her designee, taking into account the continuity of the program and the desires of the employee.

E. In approving a child care leave of absence, the District shall not be required to grant any leave more than twelve (12) months in duration or permit the employee to return to employment prior to the date designated in the approved child care leave.

F. An employee returning from childcare leave (for maternity or adoption) shall be re-employed in the same position and/or classification. In the event of staff reduction, an employee returning from childcare leave is subject to Article 14 (Staff Reduction) of this Agreement.

G. An employee on child care leave is eligible to participate in those group insurance programs for which the employee was eligible when employed if permitted under the insurance policy provisions. The employer shall pay the entire premium for such programs as the employee wishes to retain after the twelve (12) weeks leave permitted by the Family and Medical Leave Act of 1993. It is the responsibility of the employee to make arrangements with the business office to pay the District the monthly premium amounts in advance and on such dates as determined by the District. The right to continue participation in such group insurance programs, however, will terminate if the employee does not return to the District pursuant to this section.

H. An employee on leave of absence under this section shall retain such amounts of basic accumulated leave days, experience credit, and other accrued benefits which the employee accrued, if any, at the time the employee went on leave for use upon the employee's return. No additional basic accumulated leave, experience credit or other benefits shall accrue for the period of time that an employee is on leave except as otherwise provided herein.

12.8. Military Leave:

Military leave shall be granted pursuant to applicable law.

12.9. Staff Development:

Employees will be allowed one (1) paid day per year for elective conferences or training, not including required training or conferences, with Principal approval. This day shall not be deducted from personal leave days.

ARTICLE 13 - VACANCIES AND TRANSFERS

13.1. Posting of Vacancies:

A. All permanent vacancies will be posted on the District's online posting system and on other Human Resources communication vehicles used for postings for a minimum of ten (10) working days. A permanent vacancy is defined as one anticipated to last more than six (6) months. (Grant funded positions are not considered permanent positions. They are funded for the duration of the grant funding and then are eliminated. Staff in those positions do not have seniority rights for other positions.) A position may be filled temporarily pending completion of posting and application procedures. Employees who work less than twelve months per year and who wish to be notified of job vacancies which occur during the summer can search the website link to Human Resources or review the job vacancies book in Human Resources.

B. All summer school job openings will be posted.

13.2. Application for Vacancies:

All employees under this Agreement may submit application in writing for any vacancy that is posted pursuant to this Article.

13.3. Filling of Vacancies:

Notice of candidate selection shall be given to all applicants interviewed within fifteen (15) working days after the selection has been made.

13.4. Required Training:

Any employee requested by the District to take a specific course shall be reimbursed for any fees charged for that course.

13.5. Application of Seniority:

Seniority will be considered in the filling of vacancies provided an employee has the qualifications to perform the duties and responsibilities of the position, except in those positions involving a promotion which shall be filled as provided in Section 13.6. For purposes of this section, a promotion is defined as moving to a classification involving an increase in pay.

13.6. Promotion Positions:

A. In filling any vacancy, the position shall be filled by the District with the best qualified candidate. In making its determination the District shall consider the employee's qualifications and seniority with the District, along with other relevant factors.

B. If, in review of applications, the District is going to, recommend that the job be awarded to a junior employee, EM SPARK shall be notified in advance of awarding the job and shall have the opportunity to discuss the matter with the responsible administrator.

C. Employees promoted to a higher classification shall not change steps on the salary schedule. This provision shall not be retroactive.

13.7. Outside Applicants:

The District reserves the right to fill any position with an outside applicant if no internal candidates apply or if internal candidates do not have the needed qualifications for the position.

13.8. Voluntary Transfers:

A. Employees desiring a transfer to an assignment in the same classification or lower classification shall submit a written request to the Human Resource Director stating the specific assignment or nature of the assignment and the school or schools preferred. Such request shall be acknowledged in writing.

B. Each transfer applicant shall be notified of the status of that application on or before June 1st of the school year in which the request is made.

13.9~~8~~. Administrative Transfers:

The District reserves the right to transfer personnel as conditions may require. Transfers of this nature will be discussed with EM SPARK prior to final disposition. The employee will be given the chance to discuss any hardships the move would cause for her/him. The District will review each request on a case by case basis based on the hardship caused and student needs. In the case of such administrative transfers, the District shall make an effort to provide transferred personnel with positions of comparable pay and hours.

ARTICLE 14 - STAFF REDUCTION

14.1. Procedures:
In the event of staff reduction, personnel shall be laid-off or have hours reduced pursuant to the provisions of this Article.

14.2. Seniority:
For the purpose of this Article, the term seniority shall mean the accumulation of years of service in the EM SPARK Unit, formerly PACE/Student Support Unit (SSU) in positions of 20 hours or more per week.

A. Seniority shall not apply to employees whose positions are funded by State and/or Federal project grants.

B. Seniority date ties shall be broken by District Hire Date, then by District Start Date, if still tied then the tie shall be broken by lot. All tie breakers will be done in the presence of both District and SPARK representatives.

C. It is recognized that past history (2002-2003) of this bargaining unit left some district employees assigned positions in two (2) bargaining units in order to maintain benefits. Those employees shall exercise and maintain benefits and seniority in the unit where the majority of their hours were assigned. As such, in the event of lay-off, reduction in hours, bumping and recall those employees shall follow their respective contract and be allowed consideration only within the unit of their original designation.

14.3. Layoffs:
Except in cases of the inability of the employee to perform the duties of the assignment or in cases of termination for just cause, the selection of EM SPARK personnel for Layoff shall be made in reverse seniority order within one of the two following groups:

Group 1. Forty-six (46) through fifty-two (52) week employees — 20 hours per week or more.

Group 2. Less than forty-six (46) week employees — 20 hours per week or more.

A. In no case shall an employee on layoff, who is eligible for benefits, be required to accept a position that is not consistent with benefit eligibility of their former position. The employee is still subject to the eighteen (18) month recall rights provision.

B. An employee on layoff that has been offered a position with fewer hours than the position that they were laid-off or is in a different classification will be allowed to decline the offer with no forfeiture of recall rights. The employee is still subject to the eighteen (18) month recall rights provision.

C. The District will provide EM SPARK with a list of laid-off EM SPARK employees and the positions available due to budget reductions by June 30th of each year, so EM SPARK may assist laid-off employees.

14.4. Employees on Layoff:
Laid-off employees are defined as those employees whose positions have been eliminated and/or who have been moved from their position and are working in a different position or with fewer hours.

A. Any employee laid-off pursuant to this section shall have the right to displace the least senior employee in the same classification, holding a comparable full-time or part-time position for which the employee is qualified, or if this opportunity does not exist, the least senior employee in the next lower classification within the bargaining unit.

B. Laid-off employees who have accepted a position within a lower classification shall receive priority consideration in filling vacancies in their previous classification.

14.5. Recall Rights:

Laid-off employees shall retain their seniority and right to recall within one of the above groups for a period of eighteen (18) months after the date of layoff.

A. Recall rights shall terminate upon resignation or layoff of an employee pursuant to this Agreement or after eighteen (18) consecutive months.

B. Employees who have been laid-off pursuant to Section 14.3 and have recall rights pursuant to Section 14.4 will be recalled in seniority order to any available EM SPARK position within the District unit provided they are qualified for the available positions.

C. An employee who is laid-off and placed on the recall list shall be paid for unused vacation days.

D. An EM SPARK employee, who is on the recall list, and is offered a comparable position in the same classification with the same or more number of hours and with the same or better benefits, shall accept the position or lose recall rights.

14.6. Reduction in Hours:

In situations involving reductions in hours, decreases in assigned work time will be taken from the least senior employee in the building where the reduction in hours is occurring, then the next least senior, etc.

A. In cases where a reduction in hours affects an EM SPARK employee, a senior EM SPARK employee shall be allowed to bump the least senior EM SPARK employee for which the employee maintains benefits within a position within their current classification and for which they are qualified.

B. In cases where a building is allowed to reinstate hours: those hours will be reallocated beginning with the most qualified EM SPARK employee who has experienced the reduction in hours. This process shall apply only within each building. The principal/supervisor shall be responsible to reallocate and reassign hours that best fit the needs of their building.

C. EM SPARK employees who experience a reduction in hours shall be allowed to maintain and utilize remaining accumulated leave and earned vacation.

14.7. Exclusion:

It is understood and agreed by the parties that this Article shall not apply to EM SPARK personnel whose positions are funded by temporary state, federal and/or project grants. Employee positions funded by short-term grants will end at the time the money from the grant ends or no longer covers the cost of the positions. Employees whose positions are eliminated from these temporary grants, will retain districtwide rights to be placed in a vacancy or the least senior position within their classification.

ARTICLE 15 - PROBATIONARY PERIOD

15 1. Probationary Period:
An employee under the provisions of this Agreement shall serve a probationary period. For employees who start working on or before January 15, the probationary period will be effective through June 30th of that school year. For employees, who start work after January 15 of any school year, the probationary period will extend to December 31st of the following school year. The probationary period is a time of review and during this time the District shall have the unqualified right to suspend without pay, terminate or otherwise discipline such employee; and during this probationary period, the employee shall have no recourse to the grievance procedure, insofar as suspension, termination or other discipline is concerned. Prior to a decision to release an employee during probation, the supervisor will meet with the employee at least twice to discuss expectations, any areas where the employee is not meeting performance standards and provide a reasonable time to correct the performance issues.

15.2. Suspension or Termination:
An employee who has completed the probationary period may be suspended without pay, terminated or disciplined only for just cause in accordance with Article 18 (Corrective Action). An employee who has completed the probationary period and is suspended without pay, terminated or otherwise disciplined shall have access to the grievance procedure and representation from EM-SPARK at meetings with the supervisor.

15.3. Probationary Period — Change of Classification:
In addition to the initial probationary period, an employee transferred or promoted to a different position shall serve a new assignment probationary period of ninety (90) calendar days in any such new position. During this ninety (90) day new assignment probationary period, if it is determined by the District that the employee's performance in the new position is unsatisfactory, the District shall have the right to reassign the employee to an assignment in his/her former position title. Prior to a decision to return the employee to their former classification, the supervisor will meet with the employee at least twice to discuss expectations, any areas where the employee is not meeting performance standards and provide a reasonable time within the 90 days to correct the performance issues.

ARTICLE 16 – DEFERRED COMPENSATION

16.1. Deferred Compensation Matching Program:
All EM SPARK employees working 20 or more hours per week, will be eligible to participate in the deferred compensation matching program. The District will match the amount an employee contributes up to the amounts defined in 16.1.C. ~~The District contribution will be on a pro-rata basis.~~ District contribution will be on a prorated basis for part years worked and FTE eligibility for health insurance in Art 11.1. An employee working .75 FTE or more will receive the full contributions below. Employees working .5 FTE but less than .75 FTE will receive ½ the contribution amounts in 16.1.C.

A. Eligible employees must elect to participate in the deferred compensation program. Participation will continue at the same level until the payroll Department is notified in writing of any changes.

B. The District will pay its matching share of FICA taxes as provided in Minnesota Deferred Compensation legislation until legislation changes.

C. The District will match eligible employee's contributions up to the maximum amounts listed below:

$ 500 maximum annually	Completed 0-4 years in the District
$ 800 maximum annually	Completed 5-9 years in the District
$ 1,050 maximum annually	Completed 10-14 years in the District
$ 1,300 maximum annually	Completed 15-19 years in the District

$ 1,550 maximum annually	Completed 20 or more years in the District

D. The District is only responsible for the required contributions amounts. In the event of a District error in making the contributions, the District will correct the amounts contributed but is not responsible for any estimated gains or losses in the fund values. It is also the responsibility of the employee to track contributions amounts annually and notify the District promptly if the employee feels the amount contributed is incorrect, so that it can be corrected within the year the error was made.

16.2. Deferred Compensation Eligibility

A. Employees hired on or after July 1, 1999 will be eligible to participate in this Deferred Compensation Program described in 16.1 and will not be eligible to participate in the District's former severance program and will not receive the 1-1/2% matching contribution from the District for employees hired prior to July 1, 1999.

B. Employees hired prior to July 1, 1999 can participate in the program on a voluntary basis, but will not be eligible for both plans. Employees electing to participate in this program must do so on or before June 30 of each year and cannot change back to the Districts severance program. The District's contribution will be on a pro-rata basis.

ARTICLE 17 - EVALUATION

17.1. Formal Evaluations:

A. All formal evaluations of personnel shall be conducted openly and with full knowledge of the employee concerned by an administrator or supervisor of the District.

B. All formal evaluations of personnel shall be in writing or online system. Two (2) copies of the written evaluation shall be submitted to the employee at the time of personal conference or within five (5) working days thereafter, one (1) to be signed and returned to the administration, the other to be retained by the employee. When using an online evaluation process, the employee will be given access to the online evaluation and be able to review and sign online.

C. In the event that the employee feels that the evaluation was incomplete or unjust, the employee may put those objections in writing and have them attached to the evaluation report to be placed in the employee's personnel file. In lieu thereof, the employee may file a grievance under the grievance procedure stating the evaluation was factually inaccurate. All evaluations shall be based upon the criteria established in the job description or by the District.

ARTICLE 18 - CORRECTIVE ACTION

18.1. Corrective Action:

The District recognizes the concept of progressive discipline. The purpose of the taking corrective action through progressive steps of discipline is to inform the employee of the correct way to perform the job and of any consequences for not making needed changes. The corrective action process consists of informal and formal steps consisting informal coaching conversations and of formal actions of: 1) oral reprimand, 2) written reprimand, 3) suspension without pay, and 4) termination. The employee shall be allowed EM-SPARK representation at any stage of formal discipline. A conference between the employee and his/her supervisor shall be held prior to the imposition of any of the formal actions of oral or written reprimand, suspension without pay or termination.

Normally, the District will utilize the levels of progressive discipline in order. However, in the case of more serious infractions, the District reserves the right to impose discipline, at any level, consistent with the seriousness of the infraction. Normally, a written warning and time to correct, when appropriate, will precede a suspension without pay or termination.

18.2. Grounds for Disciplinary Action:

The imposition of an oral reprimand shall not be subject to the grievance procedure. An employee may challenge the contents of any written materials pursuant to the provisions of Article 5.6 (Personnel Files) herein. An employee shall receive a written reprimand, be suspended without pay or terminated only for just cause and such action shall be subject to the grievance procedure. This provision does not preclude or supersede the provision contained at Article 15.1 (Probation) herein.

18.3. Opportunity to Meet:
Suspension without pay or termination of employment shall be imposed by the Superintendent, or designee. If a suspension without pay is to be considered pursuant to Section 18.2 hereof, the employee shall be afforded an opportunity to meet with the Superintendent. The employee may elect to have representation in attendance at any such meeting. In the absence of the Superintendent, another district office administrator may act as the Superintendent's designee for purposes of this section.

18.4. Subject to Arbitration:
Suspension without pay or termination of employment shall take effect only after written notification from the Superintendent, or designee, to the employee and Union stating the grounds for suspension without pay. The Union shall have the right to invoke the grievance procedures set forth in this Agreement at the arbitration level, provided written notification requesting arbitration is sent to the Superintendent within five (5) working days after receipt of the written notice of suspension without pay. The arbitrator's authority shall include a review of whether the suspension without pay, and length thereof, was appropriate considering all circumstances surrounding the action.

18.5. Time of Suspension:
Suspension without pay shall take effect upon receipt by the employee of the written notice of suspension or shall take effect as otherwise indicated in the written notice. The suspension shall continue in effect for the time period provided in the written notice of suspension without pay. The maximum suspension without pay shall not exceed the length of one school year.

18.6. Suspension with Pay:
The parties acknowledge that the District has the right to impose a suspension with pay as a disciplinary action under special circumstances. Such an action on the part of the District would be subject to the just cause standard as provided for suspensions without pay. If used, the suspension with pay shall have the same weight in the progressive process as the same length suspension without pay.

18.7. Application of Suspension Without Pay:
Suspension without pay shall not apply to an employee who is removed from duty pending investigation of allegations, which period shall be covered by a paid Administrative Leave and which shall not be subject to the grievance procedure.

ARTICLE 19 - GRIEVANCE PROCEDURE

19.1. Purpose and Procedure:

A. Good morale is maintained, whenever problems arise, by the sincere efforts of all persons concerned working toward constructive solutions in an atmosphere of courtesy, cooperation and good faith. The parties acknowledge that it is desirable for an employee and the employee's immediate supervisor to informally resolve grievances. However, since all matters cannot be resolved satisfactorily in this manner, a formal process must be provided as an alternative. Thus, this formal grievance procedure has been developed as a means of securing, at the lowest possible administrative level, prompt and equitable solutions to those disputes not settled on an informal basis.

B. The parties agree that grievance proceedings shall be kept as informal and confidential as may be appropriate to any level of the procedure. Further, it is agreed that the investigation and processing of any grievance shall be conducted in a professional manner at such times as not to cause undue interruptions of established work schedules.

19.2. Representative:

The employee shall be entitled to representation during any step of this procedure by any person or agent designated by the exclusive representative to act on the employee's behalf. The District may be represented during any step of this procedure by its designated representative.

19.3. Grievance Definition:

A "grievance" shall mean an allegation by an EM SPARK employee or a group of employees resulting from a dispute or disagreement as to the interpretation or application of any term or terms of this Agreement.

19.4. Definitions and Interpretations:

A. The term "employee", except where otherwise indicated, is considered to apply to all members of the appropriate unit.

B. Grievant: An "aggrieved employee" or "grievant" is the employee or employees making the claim.

C. Time Limits: The time limits provided in the grievance procedure shall be strictly observed but may be extended by written mutual agreement of the parties concerned. In the event a grievance is filed after May 1, of any year, and strict adherence to the time limits may result in hardship to any party, the parties shall make reasonable efforts to process such grievance prior to the end of the school year.

D. Working Days: Reference to "days" regarding time periods in this procedure shall refer to working days. A working day is defined as all days excluding Saturdays, Sundays and holidays as defined by this Agreement.

E. Computing Time: In computing any period of time prescribed or allowed by procedures herein, the date of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be counted, unless it is a Saturday, Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday.

F. Filing/Service of Process: The filing or service of any notice. or document herein shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service or time stamp on the District's email service to the Superintendent or appropriate District Administrator within the time period.

G. Grievance Form: The grievance form which must be used for filing of grievances shall be provided by the District. Such form shall be readily accessible in all school buildings or electronically available on the District's website. (See Attachment 1 – Grievance Form)

19.5. Adjustment of Grievance, Time Limitation and Waiver:

The parties shall attempt to adjust all grievances which may arise during the course of employment of any employee within the District in the following manner:

Informal

If an employee believes there has been a grievance, the employee shall discuss the matter with the responsible supervisor and/or the human resources director within fifteen (15) days of the occurrence of the act which gives rise to the grievance or within fifteen (15) days after the employee acquired or should have acquired knowledge of the facts which give rise to the grievance. If the grievance is not resolved as a result of this meeting, the employee, with the Union's consent, may file a formal written grievance. Failure to grieve at the informal step within the time period set forth above shall be deemed a waiver thereof. Failure to appeal a grievance from one level to another within the periods hereafter provided shall also constitute a waiver of the grievance.

Formal Grievance:

A. Level 1: The formal written grievance, signed by the employee involved and approved by the Union must be presented to the responsible supervisor within fifteen (15) days after the responsible supervisor and/or human resources director respond to the grievance at the informal step. An employee, with the Union's consent, may file a formal written grievance within fifteen (15) days after the informal grievance submission if no response has been received by that time. The responsible supervisor shall meet with the employee and the employee's Union representative within ten (10) days after receipt of the written grievance and give a written answer to the grievance within ten (10) days of the meeting, The Union has ten (10) days in which to either accept the answer or appeal it in writing to the next level.

B. Level 2: If the grievance has not been resolved in Level 1, it may then be processed to Level 2 by the Union presenting the written grievance to the Superintendent. The Superintendent or his/her designee shall meet within fifteen (15) days after receipt of the written appeal to discuss the problem with the employee and the employee's Union representative. Within ten (10) days of the meeting the Superintendent or his/her designee shall submit his/her written answer to the grievance. The Union has ten (10) days in which to either accept the answer or appeal it in writing to the next level. Such appeal shall be served in the Office of the Superintendent.

C. Level 3: If the grievance has not been resolved at Level 2, the Union may present the grievance to the School Board for consideration. The School Board reserves the right to review or not to review the grievance, but must make that decision within fifteen (15) days after receipt of the written appeal. In the event the School Board chooses to review a grievance, the Board or a committee thereof shall within fifteen (15) days, meet to hear the grievance. After this meeting, the Board shall have a maximum of fifteen (15) days in which to answer the grievance in writing. If the matter is not resolved at this level, the Union has ten (10) days in which to either accept the answer or appeal it to arbitration by filing such an appeal in the office of the superintendent. The School Board reserves the right at its own instance to review any decision under Level 1 or Level 2 of this procedure, provided the School Board serves such notice within fifteen (15) days after the decision is issued. In the event the School Board reviews a grievance under this subdivision, the School Board reserves the right to affirm, reverse or modify such decision.

D. Denial of Grievance: Failure by the District to issue a decision within the time periods provided herein shall constitute a denial of the grievance, and the Union may appeal it to the next level. This shall not negate the obligation of the District to respond in writing at each level of this procedure.

E. Step 3 Waiver: Provided both parties (the SPARK and the District) agree in writing, Level 3 of this grievance procedure may be bypassed and the grievance taken directly to the Bureau of Mediation Services (BMS) Grievance Mediation or arbitration. Grievance mediation is optional and voluntary. If mediation is pursued, the contractual timelines for processing a grievance shall be delayed during the period of mediation. Should the matter be unable to be resolved in mediation, the parties retain the right to move to the Arbitration procedure outlined in Article 19.6.

19.6. Arbitration:

A. Procedure: In the event that the parties (SPARK and the District) are unable to resolve a grievance it may be submitted by the Union to arbitration as defined herein.

B. Selection of Arbitrator: Upon submission of a grievance to arbitration under the terms of this procedure, the Union may request a list of seven (7) qualified arbitrators from the Bureau of Mediation Services (BMS). The District and the Union shall determine who is to strike the first name from the list by the toss of a coin. Each party will then alternately strike names until only one remains, who shall be the arbitrator who shall hear and decide the grievance. The Union and the District shall, within five (5) days after getting the list from the BMS, meet to strike names or attempt to agree upon the selection of an arbitrator. Failure to request an arbitrator from the BMS within the time periods provided herein shall constitute a waiver of the grievance.

C. Hearing: The grievance shall be heard by a single arbitrator. The grievant may be represented by the Union. The parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, present witnesses, and make oral or written arguments relating to the issues before the arbitrator.

D. Decision: The decision by the arbitrator shall be rendered within thirty (30) days after the close of the hearing. Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties, subject; however, to the limitations of arbitration decisions as provided in the P.E.L.R.A. The arbitrator shall issue a written decision and order including findings of fact which shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

E. Expenses: Each party shall bear its own expenses in connection with arbitration, including expenses relating to the party's representatives, witnesses, and any other expenses that the party incurs in connection with presenting its case in arbitration. A transcript or recording shall be made of the hearing at the request of either party. The parties shall share equally fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration. However, the party ordering a copy of the transcript shall pay for such copy.

F. Restriction on Arbitrator: The arbitrator shall not have the power to add to, subtract from, or to modify the terms of the Agreement.

19.7. Election of Remedies and Waiver:

A party instituting any action, proceeding or complaint in a federal or state court of law or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this Article. Upon initiating a proceeding in another forum as outlined herein, the employee shall waive his/her right to initiate a grievance pursuant to this Article, or, if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This Section shall not apply to actions to compel arbitration as provided in this Agreement or to enforce the award of an arbitrator.

ARTICLE 20 - MISCELLANEOUS

20.1. Mileage Allowance:
Mileage allowance shall be paid for authorized use of personal cars in connection with District business in an amount determined by District policy. The mileage allowance shall be in accordance with IRS guidelines.

20.2. Excess Liability Coverage:
The District shall provide automobile liability insurance coverage for employees as excess to the automobile liability coverage carried by the individual employee when their personal automobiles are used for District business.

20.3. Non-Work Injury:
The District has the right to request medical documentation concerning the employee's fitness for duty.

20.4. Publication of the Agreement:
Copies of this Agreement shall be on the District website and available to all members of the appropriate unit within thirty (30) working days after the Agreement is executed. Further, the District shall furnish or make fifteen (15) copies of the Agreement available to the EM SPARK Unit to print for its organizational use.

~~20.5. Personal Absence and Substitutes:~~
~~The employee will access their substitute through the District substitute calling system. The employee will also notify her/his supervisor.~~

20.5~~6~~. Unit Representation:
A unit employee acting as a representative for the purpose of negotiations, grievance proceedings, hearings or meetings scheduled by the employer during work hours shall not sustain a loss of pay.

20.6~~7~~. Reclassification:
An EM SPARK employee may petition for a job reclassification if the position they are currently in has had a significant change in job responsibilities, and they have worked with their building Principal and the Human Resources Department in clarifying what are the new responsibilities. Human Resources and a SPARK representative will be part of all potential reclassification actions prior to any change in classification.

ARTICLE 21 - DURATION

21.1. Terms and Reopening Negotiations:

This Agreement shall remain in full force and effect for a period commencing on July 1, 2023~~1~~ through June 30, 2025~~3~~, and thereafter as provided by P.E.L.R.A. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 120 days prior to the expiration of this Agreement.

22.2. Effect:

This Agreement constitutes the full and complete Agreement between the District and EM SPARK representing the student support personnel of the District. The provisions herein relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, District policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions.

23.3. Finality:

Any matters relating to the current contract term, whether or not referred to in this Agreement, shall not be open for negotiations during the term of this Agreement unless mutually agreed to by both parties.

24.4. Severability:

The provisions of this Agreement shall be severable, and if any provision thereof or the application of any such provision under any circumstances is held invalid, it shall not affect any other provision of this Agreement or the application of any provision thereof.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

EM SPARK	Independent School District No. 283
6300 Walker Street~~6311 Wayzata Blvd~~	~~6311 Wayzata Blvd.~~6300 Walker Street
St. Louis Park, MN 55416	St. Louis Park, MN 55416
______________________________	______________________________
Authorized Representative	Chair
______________________________	______________________________
Authorized Representative	Clerk
______________________________	______________________________
Authorized Representative	Superintendent
______________________________	______________________________
Authorized Representative	Human Resource Director
Dated______________________	Dated ______________________

SCHEDULE A: EM SPARK Salary Schedule 2023~~1~~-24~~3~~

Effective July 1, 2023~~1~~

Step	CLS3	CLS4	CLS5	CLS6	CLS7~~6~~
1	$17.08 ~~$16.51~~	$18.03 ~~$17.44~~	$18.64 ~~$18.03~~	$20.20	$22.26 ~~$19.55~~
2	$17.65 ~~$17.07~~	$18.63 ~~$18.02~~	$19.25 ~~$18.63~~	$20.88	$22.93 ~~$20.21~~
3	$18.35 ~~$17.75~~	$19.38 ~~$18.75~~	$20.03 ~~$19.38~~	$21.71	$23.77 ~~$21.02~~
4	$19.10 ~~$18.33~~	$20.17 ~~$19.37~~	$20.85 ~~$20.03~~	$22.60	$24.65 ~~$21.73~~
5	$19.70 ~~$18.91~~	$20.83 ~~$20.01~~	$21.52 ~~$20.68~~	$23.34	$25.39 ~~$22.45~~
6	$20.24 ~~$19.44~~	$21.41 ~~$20.58~~	$22.13 ~~$21.28~~	$24.01	$26.07 ~~$23.11~~
7	$20.80 ~~$19.98~~	$22.01 ~~$21.16~~	$22.74 ~~$21.87~~	$24.70	$26.76 ~~$23.78~~
8	$21.51 ~~$20.62~~	$22.76 ~~$21.84~~	$23.52 ~~$22.58~~	$25.54	$27.59 ~~$24.54~~
9	$22.12 ~~$21.12~~	$23.61 ~~$22.57~~	$24.65 ~~$23.58~~	$26.37	$28.42 ~~$25.25~~
10	$23.82 ~~$22.38~~	$25.32 ~~$23.84~~	$26.37 ~~$24.86~~	$28.11	$30.16 ~~$26.55~~

Career Increments (non-cumulative or compounding)

After 15 years of service: $1.50~~25~~ additional per hour
After 20 years of service: ~~1.50~~2.00 additional per hour
After 25 year of service: 2.50~~1.75~~ additional per hour

SCHEDULE B: EM SPARK Salary Schedule 2024~~2~~-25~~3~~

Effective July 1, 2024~~2~~

STEP	CLS3	CLS4	CLS5	CLS6	CLS7	
1	$17.55	$18.54	$19.16	$20.77	$22.88	
2	$18.14	$19.15	$19.79	$21.46	$23.58	
3	$18.86	$19.92	$20.59	$22.32	$24.43	
4	$19.64	$20.73	$21.43	$23.23	$25.34	
5	$20.25	$21.41	$22.12	$23.99	$26.10	
6	$20.81	$22.01	$22.75	$24.69	$26.80	
7	$21.38	$22.63	$23.38	$25.39	$27.51	
8	$22.11	$23.40	$24.18	$26.25	$28.36	
9	$22.74	$24.27	$25.34	$27.11	$29.22	
10	$24.74	$26.28	$27.36	$29.15	$31.26	
11	$24.74	$26.28	$27.36	$29.15	$31.26	
12	$24.74	$26.28	$27.36	$29.15	$31.26	
13	$24.74	$26.28	$27.36	$29.15	$31.26	
14	$24.74	$26.28	$27.36	$29.15	$31.26	15 yr
15	$26.24	$27.78	$28.86	$30.65	$32.76	$1.50
16	$26.24	$27.78	$28.86	$30.65	$32.76	
17	$26.24	$27.78	$28.86	$30.65	$32.76	
18	$26.24	$27.78	$28.86	$30.65	$32.76	
19	$26.24	$27.78	$28.86	$30.65	$32.76	20 yr
20	$26.74	$28.28	$29.36	$31.15	$33.26	$2.00
21	$26.74	$28.28	$29.36	$31.15	$33.26	
22	$26.74	$28.28	$29.36	$31.15	$33.26	
23	$26.74	$28.28	$29.36	$31.15	$33.26	
24	$26.74	$28.28	$29.36	$31.15	$33.26	25 yr
25	$27.24	$28.78	$29.86	$31.65	$33.76	$2.50

~~Step~~	~~CLS3~~	~~CLS4~~	~~CLS5~~	~~CLS6~~
~~1~~	~~$16.61~~	~~$17.54~~	~~$18.13~~	~~$19.65~~
~~2~~	~~$17.17~~	~~$18.12~~	~~$18.73~~	~~$20.31~~
~~3~~	~~$17.85~~	~~$18.85~~	~~$19.48~~	~~$21.12~~
4	~~$18.58~~	~~$19.62~~	~~$20.28~~	~~$21.98~~
~~5~~	~~$19.16~~	~~$20.26~~	~~$20.93~~	~~$22.70~~
~~6~~	~~$19.69~~	~~$20.83~~	~~$21.53~~	~~$23.36~~
~~7~~	~~$20.23~~	~~$21.41~~	~~$22.12~~	~~$24.03~~

~~8~~	~~$20.92~~	~~$22.14~~	~~$22.88~~	~~$24.84~~
~~9~~	~~$21.52~~	~~$22.97~~	~~$23.98~~	~~$25.65~~
~~10~~	~~$22.93~~	~~$24.39~~	~~$25.41~~	~~$27.10~~

Career Increments shown in schedule
(non-cumulative or compounding)
After 15 years of service: $1.~~25~~ 50 additional per hour
After 20 years of service: $~~1.75~~2.00 additional per hour
After 25 year of service: $2.~~00~~ 50 additional per hour

APPENDIX A – LIST OF SPARK JOB CLASSIFICATIONS:

Title
~~PARAPROFESSIONAL CLASS 2~~
PARAPROFESSIONAL CLASS 3 Parking Lot Monitor Greeter/Hall Monitor
PARAPROFESSIONAL CLASS 4 Instructional~~/Program~~ Assistant (included ELL, ECFE, Kindergarten, Reading, PE, Supervision Aide, etc.) ~~Phy Ed Assistant~~ ~~Supervision Aide~~
PARAPROFESSIONAL CLASS 5 ~~Childcare Group Leader*~~ Health ~~Aide~~ Assistant 1 Media Assistant Security Monitor Special Education Assistant
PARAPROFESSIONAL CLASS 6 Digital Learning Assistant~~Certified Occupational Therapy Assistant~~ Elementary Support Assistant~~Behavior Coordinator~~ ~~Grade Level Coordinator~~ Health ~~Aide~~ Assistant 2
PARAPROFESSIONAL CLASS 7 Certified Occupational Therapy Assistant Health Assistant 3

~~* Inactive title except for current incumbents~~

APPENDIX B – PROVISIONS APPLY TO SOME ACTIVE EMPLOYEES HIRED PRIOR TO A SPECIFIED DATE:

FORMER ARTICLE XI – INSURANCE Section 6 School District Insurance Contribution for Eligible Retirees Hired Prior to July 1, 2005:
Subject to M.S. 465.72, full time personnel having completed at least twenty (20) years of continuous service with the School District who are at least fifty-five (55) years of age shall be. eligible, for severance pay, pursuant to the provisions of this Agreement, upon submission of a written resignation accepted by the School Board. To be eligible for benefits of this article a EM SPARK employee must be regularly employed at least thirty (30) hours per week and compensated on the basic salary schedule. -EM SPARK personnel working less than thirty hours per week can be eligible provided that fifteen of the continuous service years were at a thirty (30) hour per week level and none of the continuous service years were below twenty (20) hours per week. -Severance pay shall not be granted to any employee who is discharged for just cause by the school district.

Subd. 1. The employee shall be eligible to continue participation in the district group medical and dental plans, if permitted by the terms of policy with the insurance carrier, until the age of Medicare eligibility. Except as otherwise provided in Subd. 2 hereof, the employee shall pay the entire premium for such coverage.

Subd. 2. The School District shall contribute the dollar amount provided by the benefits in effect at the time of the employee's retirement until the employee reaches the age of Medicare eligibility or the expiration of six (6) years from the date of the employee's retirement, whichever occurs first. The portion of the premium not contributed by the School District shall be borne by the employee.

Subd. 3. An employee who has reached the age of Medicare eligibility and has maintained continuous coverage, and has a spouse less than the age of Medicare eligibility shall be eligible to purchase the District medical insurance plan at group rates covering such spouse-by paying the entire premium for such coverage, until such time that the spouse reaches age of Medicare eligibility or upon the expiration of six (6) years from the date the employee reached the age of Medicare eligibility whichever occurs first.

FORMER ARTICLE XVI - SEVERANCE PAY
Section 1A. Eligibility: Employee must have been hired and continuously employed prior to 7/1/1999. Subject to M.S. 465.72, full time personnel having completed at least twenty (20) years of continuous service with the School District who are at least fifty-five (55) years of age shall be eligible for severance pay, pursuant to the provisions of this Agreement, upon submission of a written resignation accepted by the School Board. To be eligible for benefits of this article an EM SPARK employee must be regularly employed at least thirty. (30 hours per week and compensated on the basic salary schedule. EM SPARK personnel working less than thirty hours per week can be eligible provided that fifteen of the continuous service years were at a thirty (30) hour per week level and none of the continuous service years were below twenty (20) hours per week. The district will prorate combined years of service that fall below thirty (30) hours per week. Severance pay shall not be granted to any employee who is discharged for just cause by the school district.

Section 2A. Number of Days:

Subd. 1. An eligible employee, upon retirement or death, shall receive as severance pay an amount representing one hundred fifteen (115) day's pay.

Subd. 2. In addition, an eligible employee shall receive, as severance pay upon retirement or death, the amount obtained by multiplying the employee's daily rate by one-half (1/2) times the employee's number of unused leave days, but in any event not to exceed one hundred (100) days' pay.

Section 3A. Daily Rate of Pay: In applying these provisions, an employee's daily rate of pay shall be the daily rate of pay at the time of retirement or death, as provided in the basic salary schedule for the fiscal year, and shall not include any additional compensation for overtime, or other extra compensation.

Section 4A. Payment: Employees will no longer receive any direct payment from the School District for severance pay. Payment equal to 100% of the value of the employee's severance pay shall be paid directly into the employee's traditional 403b custodial the account or other tax-sheltered provision of the Internal Revenue Code. The School District's annual contribution the employee's traditional 403b custodial account or other tax-sheltered provision shall not exceed the annual IRS contribution limit for such contributions. No portion of the severance payment will be made to a Roth 403b plan. If any part of the severance pay due to the employee exceeds the IRS contribution limits for a given year, any such amount shall be paid to an account on behalf of the employee for a health care savings plan maintained by the State of Minnesota or a mutually agreed upon account for such plans pursuant to the provisions of Minn. Stat. § 356.24

Section 5A. Effective Date: This Article shall be effective and apply to any employee who retires after July 1, 1977.

Section 6A. Application Date: In order to be eligible for the benefits of this Article XVI an employee must submit a written resignation and request for severance pay no later than March 1, preceding the end of the fiscal year in which the employee intends to retire. Any proration required by Section 7 hereof shall be made on the basis of applications as submitted by this March 1 deadline each fiscal year.

Section 7A. Limitations:

Subd. 1. Notwithstanding any other provision of this Article, the School District's maximum obligation under this Article for members of this bargaining unit shall not exceed the sum of $70,000 for all retirees in any one fiscal year.

Subd. 2. Severance pay applications will be processed in the order received. In the event an application would constitute a liability to the School District in excess of the limitation stated in Subd. 1 hereof, the amount exceeding the limitation would not be paid during that fiscal year. However, those employees, if any, not receiving a full severance payment in one fiscal year will have priority to receive the balance in the following fiscal year prior to any bargaining unit employee resigning and eligible in the subsequent year.

Section 8A. Tax Sheltered Annuity:

Subd. 1. The school district shall participate in a matching ~~tax sheltered~~tax-sheltered annuity program for all regularly employed EM SPARK employees who are compensated on the basic salary schedule and employed twenty (20) hours per week or more and were hired prior to July 1, 1999.

Subd. 2. The amount contributed by the school district shall match the EM SPARK employee's contributions, but such contributions shall not exceed one and one-half percent (1 1/2%) of the employee's basic contract salary.

St. Louis Park Public Schools
Achieving success, one student at a time!

ATTACHMENT 1 – SPARK GRIEVANCE REPORT FORM

Name:____ Building ___________________________

Date Grievance Occurred or Known:_______________________

Statement of Facts:

Specific Provisions of Agreement Allegedly Violated:

Particular Relief Sought

____________________________ ____________________________

Employee Name Date

____________________________ ________________________________

SPARK Representative Date
Approving the Grievance move forward

St. Louis Park Public Schools

Achieving success, one student at a time!

ATTACHMENT 2 – Minnesota Earned Sick and Safe Leave Notice

DEPARTMENT OF LABOR AND INDUSTRY

Employees in Minnesota are entitled to earned sick and safe time, a form of paid leave. Employees must accrue at least one hour of earned sick and safe time for every 30 hours they work, up to at least 48 hours in a year. As a regular employee working at least four hours per day or more, the earned sick leave plan in your employee agreement is more generous than required in Minnesota Statutes § 181.9447, subdivision 9 and incorporates the definitions of time off under the statute. If you are a temporary employee or an employee who is scheduled to work less than four hours per day, then you will receive the earned sick and safe leave of one hour of earned sick and safe time for every 30 hours they work, up to at least 48 hours in a year as specified in Minnesota Statutes § 181.9447, subdivision 9. A year for purposes of the employee's earned sick and safe time accrual is: July 1st to June 30th each year.

The earned sick and safe time hours the employee has available, as well as those that have been used in the most recent pay period, must be indicated on the employee's earnings statement that they receive at the end of each pay period. Earned sick and safe time must be paid at the same hourly rate employees earn from employment. Employees are not required to seek or find a replacement for their shift to use earned sick and safe time. They may use earned sick and safe time for all or part of a shift, depending on their need.

Earned sick and safe time can be used for:

- an employee's mental or physical illness, treatment or preventive care;
- the mental or physical illness, treatment or preventive care of an employee's family member;
- absence due to domestic abuse, sexual assault or stalking of an employee or their family member;
- closure of an employee's workplace due to weather or public emergency or closure of their family member's school or care facility due to weather or public emergency; and
- when determined by a health authority or health care professional that an employee or their family member is at risk of infecting others with a communicable disease.

Notifying employer, documentation

An employer can require their employees to provide up to seven days of advance notice when possible (for example, when an employee has a medical appointment scheduled in advance) before using sick and safe time. An employer can also require their employees to provide certain documentation regarding the reason for their use of earned sick and safe time if they use it for more than three consecutive days.

For regular full and part-time employees scheduled at least four hours per day or more, you should refer to your employee agreement about reporting sick time off. In general, you should report your time off using the district's online time off reporting system. If an employee plans to use earned sick and safe time for an appointment, preventive care or another permissible reason they know of in advance, they should enter that time off request in the online time off system as far in advance as possible, but at least two days in advance. In situations where an employee cannot provide advance notice, the employee should, should report that absence as soon as possible and before the start of your shift if possible.

For temporary employees who typically work less than four hours per day or casual employees who do not work five days per week on a regular basis, if you need to request time off you should notify your supervisor to record the time off as far in advance as possible. If a temporary employee plans to use earned sick and safe time for an appointment, preventive care or another permissible reason they know of in advance, they should notify their supervisor as far in advance as possible, but at least two days in advance. In situations where a temporary employee cannot provide advance notice, the employee should, should report that absence to their supervisor as soon as possible and before the start of the shift that day, if possible.

Retaliation, right to file complaint

It is against the law for an employer to retaliate, or to take negative action, against an employee for using or requesting earned sick and safe time or otherwise exercising their earned sick and safe time rights under the law. If an employee believes they have been retaliated against or improperly denied earned sick and safe time, they can file a complaint with the Minnesota Department of Labor and Industry. They can also file a civil action in court for earned sick and safe time violations.

For more information

Contact the Minnesota Department of Labor and Industry's Labor Standards Division at 651-284-5075 or https://www.dli.mn.gov/laborlaw or visit the department's earned sick and safe time webpage at https://dli.mn.gov/sick-leave

This document contains important information about your employment. Check the box at the left and give it to Human Resources or your supervisor to receive the information in this language.

	Spanish/Español	Este documento contiene información importante sobre su empleo. Marque la casilla a la izquierda para recibir esta información en este idioma.
	Hmong/Hmoob	Daim ntawv no muaj cov xov tseem ceeb hais txog thaum koj ua hauj lwm. Khij lub npauv ntawm sab laug yog koj xav tau cov xov tseem ceeb no txhais ua lus Hmoob.
	Vietnamese/Việt ngữ	Tài liệu này chứa thông tin quan trọng về việc làm của quý vị. Đánh dấu vào ô bên trái để nhận thông tin này bằng Việt ngữ.
	Simp. Chinese/简体中文	本文件包含与您的雇用相关的重要信息。勾选左边的方框将接收以这种语言提供的信息。
	Russian/русский	Данный документ содержит важную информацию о вашем трудоустройстве. Отметьте галочкой квадрат слева для получения этой информации на данном языке.
	Somali/Soomaali	Dukumentigan waxaa ku qoran macluumaad muhiim ah oo ku saabsan shaqadaada. Calaamadi sanduuqan haddii aad rabto inaad macluumaadkan ku hesho luqaddan.
	Laotian/ພາສາລາວ	ເອກະສານນີ້ມີຂໍ້ມູນທີ່ສຳຄັນກ່ຽວກັບການຈ້າງງານຂອງທ່ານ. ກວດເບິ່ງກ່ອງທີ່ຢູ່ເບື້ອງຊ້າຍເພື່ອຮັບຂໍ້ມູນນີ້ໃນພາສານີ້.
	Korean/한국어	이 문서에는 귀하의 고용 형태에 관련된 중요한 정보가 담겨있습니다. 이 언어로 이 정보를 받기를 원하시면 왼쪽 상자에 체크하여 주세요.
	Tagalog/Tagalog	Ang dokumentong ito ay nagtataglay ng mahalagang impormasyon tungkol sa iyong pagtatrabaho. Lagyan ng tsek ang kahon sa kaliwa upang matanggap ang impormasyong ito sa wikang ito.
	Oromo/Oromoo	Waraqaan kun waayee hojii keetii odeeffannoo barbaachisoo ta'an qabatee jira. Saaxinnii karaa bitaatti argamu kana irratti mallattoo godhi yoo afaan Kanaan barreeffama argachuu barbaadde.
	Amharic/አማርኛ	ይህ ዶኩመንት አቀጣጠርዎን በሚመለከት አስፈላጊ መረጃ የያዘ ነው። ይህንን ዶኩመንት በስተግራ በኩል ባለው ቋንቋ ተተርጉሞ እንዲሰጦት ከፈለጉ በዛው በስተግራ በኩል ባለው ሳጥን ውስጥ ምልክት ያድርጉ።
	Karen / ကညီကျိာ်	လံာ်တီလံာ်မီတခါအံၤဟ်ယှာ်တၢ်ဂ့ၢ်တၢ်ကျိၤအကါဒိၣ်လၢအဘၣ်ယးဒီးနတၢ်ဖံးတၢ်မၤန့ၣ်လီၤ. တိၤနီၣ်တၢ်ဒၢလၢအစ့ၣ်တကပၤလၢတၢ်ကဒိးန့ၢ်တၢ်ဂ့ၢ်တၢ်ကျိၤလၢကျိာ်တခါအံၤအဂီၢ်တက့ၢ်.
	Arabic/ العربية	يحتوي هذا المستند على معلومات مهمة حول عملك. ضع علامة في المربع على اليمين للحصول على هذه المعلومات في هذه اللغة.

St. Louis Park Public Schools

Achieving success, one student at a time!

2023-2025

AGREEMENT

between

INDEPENDENT SCHOOL DISTRICT NO. 283
St. Louis Park, Minnesota
and
EDUCATION MINNESOTA SPARK, LOCAL 7358

Board Approved ____________

Effective through June 30, 2025

Table of Contents

ARTICLE 1 -PURPOSE

1.1. Parties:

This Agreement is entered into between the St. Louis Park Public Schools, Independent District No. 283, St. Louis Park Minnesota, hereinafter referred to as the School District, and the Student Support Unit, hereinafter referred to as EM SPARK, pursuant to and in compliance with the Public Employment Labor Relations Act of 1971, as amended, hereinafter referred to as P.E.L.R.A., to provide the terms and conditions of employment for student support personnel during the duration of this Agreement.

ARTICLE 2 - DEFINITIONS

2.1. School Board or District:

For purposes of this Agreement, the term District or School Board shall mean the School Board or its designated representative.

2.2. Student Support Personnel:

For purposes of this Agreement, the term personnel or employees shall mean those individuals designated EM SPARK, included in the appropriate unit as stated in Article 3.2.

2.3. Seniority:

For purposes of this Agreement, the term seniority shall mean the accumulation of years of service in the EM SPARK Unit, formerly PACE/Student Support Unit (SSU) in positions of twenty (20) or more hours per week. Seniority shall not apply to employees whose positions are funded by state and/or federal project grants.

2.4. Layoff:

For the Purposes of this agreement Layoff shall mean the elimination of a position or reduction in hours by the District which results in the total loss of hours or a reduction in hours for an employee covered by this agreement. A laid off employee is defined as those employees whose positions have been eliminated and/or who have been moved from their position and are working in a different position or with fewer hours.

2.5. Appropriate Supervisor:

For purposes of this Agreement, the term appropriate supervisor shall mean the building principal or other immediate supervisor as designated by the District.

2.6. P.E.L.R.A:

References to P.E.L.R.A in this agreement shall mean the Minnesota Public Labor Relations Act in Minnesota Statutes as of 2017.

2.7. Other Terms:

Terms not defined in this Agreement shall have those meanings as defined by P.E.L.R.A.

ARTICLE 3 - RECOGNITION OF EXCLUSIVE REPRESENTATIVE

3.1. Recognition:

In accordance with P.E.L.R.A., the District recognizes EM SPARK as the exclusive representative of student support personnel as defined in Section 2 below, employed by the District of Independent School District No. 283. EM SPARK shall have those rights and duties as prescribed by P.E.L.R.A. and as described in the provisions of this Agreement.

3.2. Appropriate Unit:

EM SPARK shall represent all student support staff of Independent District No. 283, St. Louis Park, Minnesota, in the job classifications listed in Appendix A who are employed for fourteen (14) or more hours per week or thirty-five percent (35%) of the normal work week in the employee bargaining unit (10.5 hours per week for this SPARK Unit), and for more than sixty-seven (67) workdays per year, including those on leave of absence who are guaranteed a position upon their return.

3.3. School Buildings and Facilities:

EM SPARK shall have the right in accordance with established regulations to reasonable use of school buildings and facilities provided such use shall not interfere with normal school activities or functions. The District reserves the right to assess charges for additional custodial expense or for other additional operational expense beyond normal maintenance costs resulting from such use.

3.4. Union Business Leave:

EM SPARK shall have up to 25 days of Union Business Leave available to members to use within each school year. The Union will reimburse the District for the cost of substitutes needed to cover for the person on this leave. District scheduled or approved events that have mutual benefit to the District will not be charged against this 25-day total.

ARTICLE 4 - DISTRICT RIGHTS

4.1. Inherent Managerial Rights:

In compliance with P.E.L.R.A. 179A. 07, Subd. 1, the parties recognize that the School Board is not required to meet and negotiate on matters of inherent managerial policy, which include, but are not limited to, such areas of discretion or policy as the functions and programs of the employer, its overall budget, utilization of technology, the organizational structure and selection and direction and number of personnel, and that all management rights and management functions not expressly delegated in this Agreement are reserved to the District.

4.2. Management Responsibilities:

The parties recognize the right and obligation of the School Board to efficiently manage and conduct the operation of the District within its legal limitations and with its primary obligation to provide educational opportunity for the students of the District and to uphold the specific provisions of this agreement.

4.3. Effect of Laws, Rules and Regulations:

The parties recognize that all employees covered by this Agreement shall perform the services prescribed by the District in their job descriptions. The parties also recognize the right, obligation and duty of the School Board and its duly designated officials to have reasonable rules, regulations, directives and orders from time to time as deemed necessary insofar as such reasonable rules, regulations, directives and orders are not inconsistent with the terms of this Agreement. The parties further recognize that the District, all employees covered by this Agreement, and all provisions of this Agreement are subject to the laws of the State of Minnesota, federal laws, rules and regulations of the Minnesota Department of Education and valid rules, regulations and orders of state and federal governmental agencies. Any provision of this Agreement found to be in violation of any such laws, rules, regulations, directives and orders shall be null and void and without force and effect.

ARTICLE 5 - EMPLOYEE RIGHTS

5.1. Right to Views:

In compliance with P.E.L.R.A. 179A.06, Subd. 1, nothing contained in this Agreement shall be construed to limit, impair or affect the right of any employee or that employee's representative to the expression or communication of a view, grievance, complaint or opinion on any matter related to the conditions or compensation of public employment or their betterment, so long, as the same is not designed to and does not interfere with the full, faithful and proper performance of the duties of employment or circumvent the rights of EM SPARK.

5.2. Right to Join:

In compliance with P.E.L.R.A. 179A.06, Subd. 2, personnel shall have the right to form and join labor or employee organizations, and shall have the right not to form and join such organizations.

5.3. Request for Dues Deductions:

In compliance with P.E.L.R.A. 179A.06, Subd. 6, personnel shall have the right to request and be allowed dues deductions for EM SPARK provided that dues deductions and the proceeds thereof shall not be allowed to EM SPARK if it has lost its right to dues check off pursuant to 179.19, Subd. 7 of P.E.L.R.A. EM-SPARK will obtain a properly executed authorization from the employee involved (examples of which include paper authorization, electronic authorization or audio-recorded phone authorization), the District will deduct from the employee's paycheck the dues that the employee has agreed to pay to the exclusive representative during the period provided in said authorization. The Union will notify the School District of the dues to be deducted from each employee's paycheck and the correct institution to remit the dues payments. Deductions will be made each pay-period and transmitted to the designated exclusive representative. The District shall furnish to the exclusive representative (EM-SPARK's Treasurer) monthly an alphabetized list of employees from whom such deductions have been made. The District agrees to honor and implement all the terms of the dues-checkoff authorizations submitted by the Union and agreed to by the employee. The School District shall adhere to the specific provisions in each dues check-off authorization regarding the duration, renewal, procedure for revocation, amount of dues deducted, and all other provisions agreed to by the employee as stated in the authorization, irrespective of the employee's membership in the Union. The Union agrees that the District's only obligation is to deduct and remit the dues indicated by the Union to be deducted from each employee's pay. The Union agrees to save the District harmless from any actions growing out of these deductions and assumes full responsibility for the disposition of funds so deducted once they have been remitted by the District.

5.4. Direct Deposit:

The District shall allow direct deposit to a credit union or other eligible banking institutions that accept standard ACH deductions.

5.5. Personnel Files:

All evaluations, supervisor's records, and files generated within the District relating to each employee shall be available during regular school business hours to each individual employee. Upon reasonable notice, the employee shall have the right to review the contents of all files being kept within the district at the location of the office of Human Resources. The employee shall have the right to reproduce any of the contents of the files at the employee's expense, and to submit for inclusion in the file written information in response to any material contained therein. The District may destroy such files as provided by law.

5.6. Private and Personal Life:

The private and personal life of an employee, is not within the appropriate concern of the District providing such private and personal life does not adversely affect the employee's performance or ability to perform.

5.7. Information:
In compliance with P.E.L.R.A. 179A.13, Subd. 2 (11), EM SPARK shall have access, upon reasonable notice, to receive any available financial information, not deemed confidential, necessary for EM SPARK to exercise its responsibilities as exclusive representative.

5.8. Representation at Meetings:
An employee will have the right to have an EM-SPARK representative present whenever asked to come to meet with their supervisor. This especially pertains to any meetings that could lead to discipline under Article 18 – Corrective Action or probationary release in Article 15 – Probationary Period. This generally does not pertain to general daily work direction, such as, bus duty, lunch supervision or assignment of other daily tasks.

ARTICLE 6 - THE WORK YEAR

6.1. Employee Duty Days:
The employee shall perform services on those days as determined by the District, including those legal holidays on which the District is authorized to conduct school, and pursuant to such authority as determined to conduct school. The District and SPARK will meet and discuss the number of duty days and the specific work calendars for the next work year, typically by May 1 of each year.

6.2. School Closings:
In the event of any school closing, employees will report for duty only if so requested by an appropriate supervisor. Employees requested to report for duty will be paid. Employees not requested to report would be paid for up to five (5) days of school closing or such days will be made up, if all other employees are required to make up such days.

6.3. Holidays:

A. Eligibility: For purposes of this Article, it is understood and agreed by the parties that holiday pay shall be allowed only to those personnel who are employed at least twenty (20) or more hours per week. In order to be eligible for holiday pay, an employee must have worked the employee's regular work day before and after the holiday unless the employee is on paid leave or vacation under the provisions of this Agreement.

B. Holidays for twelve (12) month employees shall include: Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Eve Day, Christmas Day, New Year's Eve Day, New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Spring Holiday (the last Friday of spring break),Memorial Day and Juneteenth (June 19).

C. Holidays for those employees working on a less than twelve (12) month basis shall include: Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King Jr. Day, Presidents' Day, Spring Holiday (the last Friday of spring break) and Memorial Day. Summer Holidays: Juneteenth (June 19) and Independence Day (July 4) will be a paid holiday for an employee scheduled to work during the work-week that includes these designated holidays

D. Employees hired whose contract ends prior to winter and/or spring break are not eligible to holiday pay during that time.

E. School in Session: The District reserves the right, if school is in session to cancel any of the above holidays and establish another holiday in lieu thereof. Any scheduled holiday which falls within an employee's vacation period shall not be counted as a vacation day.

ARTICLE 7 - THE WORK DAY

7.1. Work Hours:
The specific work hours for each employee may vary according to the needs of the District. The hours will be designated by the appropriate supervisor. Employees will receive notice from their supervisors by June 1 each year of the expected assignment for the next school year. Employees will have access in the Employee Portal to their assignment details by August 1. The notice will include the assigned building, starting date, daily hours, wage rate, and number of days employed, or as much of such information as has been determined at that time. In the event of a change in assignment, employees shall be given written notice of at least five (5) days. In an emergency, the District shall notify an employee of an assignment change and follow-up within five (5) days with the change in writing.

7.2. Work Week:
The maximum work week for full time employees shall be forty (40) hours per week and no more than five (5) days per week.

7.3. Duty Free Lunch:
The District and EM SPARK recognize that employees working six (6) or more hours per day are entitled to a duty free lunch period, but that occasionally issues regarding scheduling may arise. In the event of conflict, and only with prior approval from the appropriate supervisor, an employee shall be allowed to voucher for her/his lunch period.

7.4. Breaks:
The District and EM SPARK recognize the benefits of providing breaks to employees. The District will make every reasonable effort to schedule a break of not less than ten (10) minutes during the work day for every four (4) hours of work scheduled. Such breaks shall be scheduled based upon factors including, but not limited to, the needs and requirements of the program. The scheduling of breaks is subject to the discretion of the appropriate supervisor. If issues should arise regarding the scheduling and/or the duration of breaks, the employee shall raise such issue with their supervisor and/or the Director of Human Resources.

ARTICLE 8 - BASIC COMPENSATION

8.1. Rates of Pay:
The wages and salaries reflected in Schedule A and Schedule B, attached hereto, shall be part of the Agreement for the 2023-25 and 2024-25 school years. Employees shall advance on the salary schedule one (1) step for each additional year of service, during this contract period, subject to the right of the School Board to withhold increments for just cause and subject to criteria in Section 8.2 below. An increment shall not be withheld unless the employee is notified of the deficiency in writing and given reasonable opportunity to correct the deficiency. Any employee who is not satisfied with the outcome of this procedure may file a grievance on the matter.

8.2. Anniversary Date:
The anniversary date for all employees shall be July 1. To advance to the next step on the anniversary date, employees must have been actively employed from at least February 1st to the anniversary date.

8.3. Method of Payment:

A. Employees regularly employed two hundred (200) or more days per year shall be paid in twenty-four (24) payments, such pay days to be on the fifteenth (15th) and last day of each month.

B. Employees regularly employed for less than two hundred (200) days per year shall elect to receive their salary in nineteen (19) or twenty-four (24) equal payments. Such pay election shall be made on a form provided by the District and shall remain in effect from year to year unless the employee provides the District with written notice electing a different pay option prior to July 1, of any year. Effective July 1, 2024, all new employees employed for less than two hundred days per year shall receive their salary in nineteen (19) payments. An employee hired prior to 1/1/2024, may continue to receive their pay over nineteen (19) or twenty-four (24) payments. However, if a person switches to nineteen (19) pay, they cannot switch back to twenty-four (24) payments.

C. Except in cases of termination of employment, the pay plan elected shall not be changed during the course of the period covered by the selection.

D. In the event that pay dates fall on a weekend or holiday, the payday shall be the preceding workday.

E. The District may choose to move payroll to paying every other Friday, instead of the 15th and last day of each month. In the event the District plans to move pay dates, it will give the Union not less than six (6) months of notice and meet and confer on the plan for implementing the change.

8.4. Deduction:

In the event that an employee is absent without leave and a pay deduction is to be made for such absence, the amount of the deduction shall be one (1) hour of pay for each such hour of absence. Deductions for absences of less than a full day shall be prorated accordingly. If an employee leaves employment and has used more days than credited for sick leave or has unpaid debts, such as, school lunch account, then the pay deduction will be made from the final check.

8.5. Initial Placement:

New employees may be hired up to Step 5 of the salary schedule with credited outside experienced verified by the Human Resource Department. If the District wants to make an initial placement above Step 5 with verified experience, the District will need to meet with SPARK and the step placement must be mutually agreed upon. An EM SPARK employee who has left the District and is rehired shall be allowed to return with salary placement on at least the step at which they left or higher appropriate step placement based on experience and step advancement in this Article.

8.6. Step Placement with a Promotion:

Employees who subsequently move to a promotional assignment within the unit will be placed at the step that produces at least a 5% promotional increase per pay class when moved to the new classification (movement from CLS 2 to CLS 3 = at least 5%, movement from CLS 3 to CLS 5 = at least 10%, etc.) but not to exceed the employee's current step number.

8.7. Step Placement as the result of Demotion or Move to Lower Pay Grade:

Employees who subsequently move to a position in a lower pay grade (demote) within the unit will be placed at the closest step that produces not more than a 5% decrease per pay class when moved to the new classification (movement from CLS 3 to CLS 2 = up to 5%, movement from CLS 5 to CLS 3 = up to 10%, etc.) and this may exceed the employee's step number when they were in the higher classification before move to the lower classification.

ARTICLE 9 - EXTRA COMPENSATION AND ASSIGNMENTS

9.1. Overtime:
Scheduled overtime work after forty (40) hours per week and on Saturdays, Sundays, or designated holidays, shall be paid at the rate of time and one-half (1-1/2).

9.2. Comp Time:
Employees scheduled to work above or beyond their assigned contractual duty hours shall be allowed personal time or salary vouchered hours in lieu thereof, as determined by and with the pre-approval of their building principal or site coordinator.

9.3. Classroom Substitute:
Employees with appropriate licensure, who are requested by their building principal or designee/site supervisor to substitute for a certified staff member shall be paid at the certified substitute hourly rate in effect or the employee's current hourly rate, whichever is higher.

9.4. Jury Duty:
Employees required to serve jury duty shall be paid for the time of service and may keep any payment received by the courts. Employees who are released from Jury Duty during the day are expected to return to their site if released by noon of any work day.

9.5 Expense Reimbursement
In the event that a SPARK employee is required by their supervisor to have a personal cell phone available and to be accessible for work related calls during the workday, then the employee may be reimbursed up to $50/mo. in expenses for the use of the cell phone during working hours. The employee must provide a check request form and receipts and will be reimbursed quarterly.

ARTICLE 10 - VACATIONS

10.1. Eligibility:
Regularly employed persons shall accrue vacation leave within one of the following groups:

Group A - Forty-six (46) through fifty-two (52) week employees (230-260 duty day calendar).

Group B - Less than forty-six (46) week employees regularly scheduled at least four (4) hours per day (229 duty day calendar or less.

10.2. Earned Vacation:

A. Group A eligible employees shall accrue vacation as follows:

- 5/6 of a day for each month of service for each year during the first four (4) years of service in the District, to a maximum of ten (10) days in any one year.
- 1-1/4 days for each month of service for each year after completing four (4) years of service in the District, to a maximum of fifteen (15) days in any one year.
- 1-2/3 days for each month of service for each year after completing ten (10) years of service in the District, to a maximum of twenty (20) days in any one year.
- 2-1/12 days for each month of service for each year after completing sixteen (16) years of service in the District, to a maximum of twenty-five (25) days in any one year.
- One additional day each year thereafter to a maximum of thirty (30) days per year.

B. Group B eligible employees shall accrue vacation as follows, and subject to Section 10.5:

- Five (5) days of vacation per year.

Group B employees hired BEFORE January 1, 1991 shall accrue six (6) days of vacation and also subject to Section 10.5.

10.3. Application:

A. Vacation amounts will be entered by Human Resources near July 1, of each year.

B. If the employee resigns before completing six (6) months of service the employee shall not be entitled to any vacation pay and shall have the salary paid for any vacation days taken deducted from the employee's final check. An employee who has completed at least six (6) months of service shall be entitled to receive the pro-rata pay for unused vacation time up to a maximum of 15 days of pay, provided such employee provides the District with at least two (2) weeks of advance notice of the employee's resignation time, unless such termination is by reason of death or disability. If an employee resigns having used more vacation than they have accrued, the employee shall have excess the salary paid for any vacation days taken deducted from the employee's final check.

10.4. Other Vacation Rules:

A. Employees must submit an online request for vacation to their supervisor using the District's time off employee portal at least four (4) days in advance. Request for vacation is subject to the approval of the supervisor.

B. Unused vacation days accrued as of June 30 of each year will roll over to the next school year, up to a maximum of two times (2x) the employee's accrual rate in Article 10.2. The following July 1, when the new accrual is given, if the remaining days plus the new accrual amount exceeds 2x the accrual rate, then the excess days above 2x the accrual rate will be forfeited. Example, for employees who have an accrual rate of five (5) days, they can never have more than 10 days in their vacation bank. If they have six (6) days remaining, as of June 30th, when the new five (5) days of vacation are given on July 1, the total balance would be 11 days and the one (1) excess day would be forfeited to bring the total back down to 10 days or 2x the accrual rate. This gives employees up to 24 months to use their vacation time.. There will be no payment in lieu of vacation for those individuals in Group A of 10.1 unless mutually agreed to by the employee and the District.

C. For those employees working four (4) or more but less than eight (8) hours per day, vacation shall accrue on a pro-rata basis. For example, an employee entitled to ten (10) vacation days who is regularly scheduled to work five (5) hours per day, earns 5 hours of vacation time for each of the 10 vacation days the employee is entitled to.

10.5. Application:

For the purposes of this Article, Group B employees hired after January 1 1991 who thereafter become Group A employees (employees who work forty-six (46) through fifty-two (52) weeks per year) shall accrue and take vacation pursuant to Article 10, provided that accruals shall be based only upon service as Group A employees.

ARTICLE 11 - GROUP INSURANCE

11.1. Eligibility:

For purposes of this Article it is understood and agreed by the parties that participation in the group insurance plan as stated shall be allowed only to those employees who are employed at least thirty (30) or more hours per week. For those employees working twenty (20) hours per week or more but less than thirty (30) hours per week per the following shall apply:

A. District contribution to the District Health and Dental Insurance programs shall be one-half (1/2) the applicable amounts stated in Sections 11.3-11.6.

B. Group income protection (LTD) as in force per 11.7.

C. Life insurance in one-half (1/2) the amount stated in Section 11.8.

D. For purposes of this section it is understood and agreed that a "week" is defined as any five days in which an employee is assigned to work.

11.2 Selection of Carrier:

The selection of the insurance carrier and policy shall be made by the District. Opportunity shall be afforded to the Association to meet and confer on such matters. The District shall contribute toward a portion of the premium for health insurance for the 2023-2025 Health Plans under the terms of the policies of insurance carried by the District for employees. The employee must enroll to receive health plan coverage. Employees may enroll in any of the Employee, Employee+1, or Family coverage options. The employee shall pay the difference through payroll deduction between the District contribution listed below and the total cost of the health plan coverage selected.

11.3 Employer Contribution:

The District will contribute up to the following amounts to the coverage selected by eligible employees:

A. District Health Insurance Program Non-Deductible/Standard:

District Contributions Standard-Plan A per month	July 1, 2023	July 1, 2024	July 1, 2025*
Employee	$545	$600	$625
Employee + 1	$940	$1,265	$1,280
Family	$1,400	$1,500	$1,600

B. District Health Insurance Program Deductible/VEBA:

District Contributions VEBA-Plan B per month	July 1, 2023	July 1, 2024	July 1, 2025*
Employee	$668	$685	$700
Employee + 1	$1,380	$1,410	$1,430
Family	$1,820	$1,840	$1,860

*A third year of contributions are provided to ease open enrollment for employees in 2023. The contribution amounts for 7-1-2025 will be subject to bargaining in the 2025-2027 bargaining cycle.

For eligible employees who select the $1,000 Deductible Health Insurance Plan, the District will deposit $1,000 annually into an employee owned Health Reimbursement Account (HRA) during active employment. The District will deposit that amount by September 1 of the plan year.

The eligibility and employer contributions for employees working at least four (4) hours (.50 FTE) but less than six (6) hours (.75 FTE) shall be 1/2 the amounts in this Section 11.2 including the VEBA contribution.

11.4 Married Couples:

Effective starting in the 2018-19 school year, in the case of two SPARK employees who are both covered by this agreement and married to each other, the couple may elect to have both employees participate in the VEBA program separately with one health insurance policy coverage as long as this election is cost neutral or may create a cost savings for the District. Beginning July 1, 2018, for employees that are married to each other and participating in the VEBA program, the District shall contribute an additional amount toward the employee contribution of an amount not to exceed the single VEBA contribution for that year.

11.5. Marital Status:

For employee plus one and family coverage, marriage is defined by state statute. (MN 2017 Legislation-Section 517.01)

11.6 Dental Insurance:

The District shall contribute toward a portion of the premium for dental insurance for the 2023-2025 Dental Plans under the terms of the policies of insurance carried by the District for employees. The employee must enroll to receive health plan coverage. Employees may enroll in either Employee or Family coverage options. The employee shall pay the difference between the District contribution and the total cost of the dental plan coverage selected. The District will contribute up to the following amounts to the coverage selected by eligible employees who are employed at least six (6) or more hours per day (.75 FTE). Employees who are regularly assigned at least four (4) hours but less than six (6) hours (.50 -.7499 FTE) will receive one half the contributions amount below:

District Dental Contributions	July 1, 2023	July 1, 2024
Employee	$52/mo	$52/mo
Family	$95/mo	$95/mo

In the event that a successor agreement has not been entered into by July 1, 2025, District's contribution shall not exceed the dollar amount of the premium in effect as of July 1, 2024.

11.7. Group Income Protection (Long-Term Disability):

The District shall pay the premium for the income protection insurance in force on the effective date of this Agreement for all employees who are eligible for and are enrolled in the group income protection plan. Subject to the provisions of the policy, the plan provides for a benefit of 2/3 of income but with a monthly maximum of $5,000 per month.

A. When an employee is placed on long-term disability, the District shall contribute the dollar amount of single coverage in effect at the time the employee goes on disability, regardless of the employee's level of coverage. The District shall pay no more than the single amount in effect at the time of the onset of the employee's disability.

B. The District shall contribute this amount toward the group health insurance program for a period of three (3) years from the date of long-term disability placement or the occurrence of the employee's age of full Social Security, whichever comes first.

11.8. Life Insurance:

The District shall provide a group term life insurance plan providing $50,000 of life insurance for each employee employed by the District who is eligible for and is enrolled in the life insurance plan.

11.9. Health Care Savings Plan in Lieu of Retiree Health Insurance for employees hired after July 1, 2005:

Employees hired after July 1, 2005, and eligible for health insurance coverage will participate in a Health Care Savings Plan (HCSP) in lieu of retiree health insurance. Upon completing five years of service, employees will be automatically enrolled in the plan before the first contribution is made by the District on their behalf. Employees hired prior to July 1, 2005, and eligible for health insurance coverage (See Appendix A – former provisions) who previously elected to participate in this HCSP will continue in this program with the understanding that it will not be retroactive and that there is no re-election of the retiree health insurance program in the future. Employees who have completed the number of full years of employment by June 30th of any year after 2005 and who are eligible for health insurance coverage (Art 11.1) will receive the following annual contribution from the District to be placed in the employee's HCSP account:

$ 0 annually	Completed 0-4 years in the District.
$ 1,000 maximum annually	Completed 5-9 years in the District
$ 2,500 maximum annually	Completed 10-14 years in the District
$ 5,000 maximum annually	Completed 15+ years in the District

The contributions listed above are for employees eligible for full-time health insurance contributions listed in Art 11.2 and employees working .5FTE to less than .75FTE will receive ½ the contribution amounts. The maximum total district contribution that any employee can receive under this section is $50,000.

11.10 Claims Against the District:

It is understood that the District's only obligation under this Article is to purchase insurance policies and pay such premium amounts as agreed to herein, and no claim shall be made against the District as a result of a denial of insurance benefits.

11.11 Duration of Insurance Contribution:

An employee is eligible for monthly District contributions as, provided in this Article as long as the employee is employed by the District. Upon termination of employment, all District participation and contribution shall cease effective on the last day of the month. In the event of a District error in making the contributions, the District will correct the amounts contributed but is not responsible for any estimated gains or losses in the funds values. It is also the responsibility of the employee to track contributions amounts at least annually and notify the District promptly if the employee feels the amount contributed is incorrect, so that it can be corrected.

11.12. Continued Coverage (COBRA):

Employees shall be eligible to continue participation in the District group medical insurance plan, if permitted by the terms of the policy with the insurance carrier, by paying the entire premium for such insurance, under the following circumstances:

A. the employee retires prior to age 65;
B. is at least 55 years of age; and
C. has completed at least ten (10) years continuous service in the District.

The employee's right to continue participation in such group insurance, however, shall discontinue upon reaching the age of Medicare eligibility. The right to participation pursuant to this subdivision shall not be retroactive

ARTICLE 12 - LEAVES OF ABSENCE

12.1. Eligibility and Allowance:

Sick and Safe Leave (hereinafter referred to as "Sick Leave") will be available to all employees working at least 80 hours per year. Sick leave will accrue with hours on the payroll (Regular active employees who are scheduled at least .5 FTE (four hours per day or more) will receive an advance of ten (10) days of leave each July 1st granted for the full school year July 1st to June 30th.

Leave not used during any school year may accumulate without limit. Individuals who are employed after July 1 of the school year shall receive sick leave on a pro-rata basis. Individuals leaving employment prior to end of the school year shall have their leave allowance pro-rated accordingly, and used but not yet earned sick leave shall be deducted from the employee's final check.

Effective January 1, 2024, employees working less than an average of four (4) hours per day will receive one (1) hour of sick leave for every 30 hours paid (.03333 earned sick and safe leave for every hour on the payroll in accordance with MN State Statute 181.9445-8) These employees working less than an average of four (4) hours per day may earn up to 48 hours of sick leave per year and may carry over unused leave up to a maximum of eighty (80) hours in their sick leave bank in any one year.

12.2. Sick Leave:

A. An employee may use one (1) day of accumulated paid leave for each day of personal illness. An employee may use one (1) day of accumulated paid sick leave for each day of illness or disability of the employee's child who is less than eighteen (18) years old, for such reasonable period as the employee's attendance with the child may be necessary on the same terms the employee is able to use sick leave benefits for the employee's own illness..

B. Basic accumulated leave pay shall be allowed by the District whenever an employee's absence is found to have been due to illness which prevented the employee's attendance at school and performance of duties on that day or days or as otherwise allowed in this section.

C. The District may require an employee to furnish a medical certificate as evidence of illness, indicating such absence was due to illness, in order to qualify for sick leave pay.

D. In the event that a medical certificate will be required, the employee will be so advised in writing.

E. It is the responsibility of the employee to enter requested sick leave into the District's online time off system as soon as possible, but typically before the start of the employee's scheduled shift start time. Falsifying time off requests or repeatedly not entering time off after receiving notice may result in corrective action. The employee may ask for help on how to submit time off from their supervisor, building or program administrative assistant or human resources.

   For employee's whose positions require substitutes, it is the reasonability of the employee put in the request for the substitute as soon as possible to ensure the best chance the position will be filled.

F. For necessary absence because of illness in the immediate family, the employee, upon approval of the responsible administrator may use up to six (6) of the days from accumulated leave allowance in any one school year at no salary deduction. The immediate family shall be interpreted to mean husband, wife, father, mother, brother, sister, son, daughter, father-in-law and mother-in-law. In the case of a son or daughter less than eighteen (18) years old, refer to subdivision 1 of this section.

G. For necessary absence because of illness in the close family, the employee, upon approval of the responsible administrator, may use up to six (6) of the days from accumulated leave allowance in any one school year at no salary deduction. The close family shall be interpreted to mean: grandparents, grandchildren, son-in-law, daughter-in-law, brother-in-law and sister-in-law. Close family shall also include any other person residing in or who has resided in the same household as the employee and who clearly stands in the same relationship with the employee.

H. Eligible employees may access up to a maximum of 160 hours of accumulated and unused sick leave in a school year for the care of relatives in accordance with Minn. Stat. § 181.9413 and sections A- I of this Article. Effective December 31, 2023, MN State Statute 181.9413 is repealed and replaced with MN State Statutes 181.9445-8 (Earned Sick and Safe Time-ESST). Effective January 1, 2024, use of Sick and Safe leave with pay, beyond relationships and uses defined in this Article 12.2 A-H, will be available to the employee based on definitions of uses described in MN State Statutes 181.9445-8 for eligible employees (see Appendix D in the back of this contract). The Earned Sick and Safe leave described under MN State Statutes 181.9445-8 is contained within this contract's more generous leave provision of ten (10) days within Article 12 and not in addition to it.

I. In the event an employee, in a particular year, has fully utilized the number of days provided in Section 12.2.F and G for absence due to the illness of an immediate family member and/or close family member, the employee has accumulated leave allowance remaining, and an immediate or close family member requires additional care, an additional number of days, not exceeding five (5) days, may be granted by the Director of Human Resources, if in the discretion of the Director, additional days are warranted.

J. The employee may utilize up to twelve (12) workweeks per year of job protected leave for:
   1. Family Leave:
      a. The birth of a child of the employee and in order to care for such child.
      b. The placement of a child with the employee for adoption or foster care.

   2. Medical Leave:
      a. To care for a family member who has a serious health condition.
      b. Treatment of a serious health condition which makes the employee unable to perform the functions of the position of such employee. The employee may elect to use accrued paid leave or may request a leave without pay or a combination of the two for the leave period. Such leave is subject to the provisions of Public Law 103-3, the Family and Medical Leave Act of 1993.

K. After basic accumulated leave has been used, and under conditions of a chronic or continuous illness or disability as certified by a medical doctor, an additional number of days of basic accumulated leave may be granted by the Director of Human Resources.

L. **Long-Term Disability Leave:** At the time an employee becomes eligible to receive long-term disability compensation as provided in this Agreement, the employee will not also receive a regular check from the District for those same days, but may draw upon available Sick Leave to cover the employee cost of any insurance benefits as long as the employee continues on long-term disability compensation.

M. **Workers Compensation Leave:** When an employee is injured on the job in the service of the District and is collecting worker's compensation insurance payments, the employee will not also receive a regular check from the District for those same days, but may draw upon available Sick Leave to cover the employee cost of any insurance benefits. If an employee is injured by a student while performing their job, they will not have sick leave deducted from their accumulated sick leave balance for the worker's compensation required waiting period. Prior to collecting pay from Worker's Compensation for a compensable work injury, employees will use available sick leave. Based on Worker's Compensation rules, some or all this used sick leave will be credited back based on the length of time off according to Worker's Compensation rules. Consult with Human Resources on use of sick time for work related injuries.

N. For employees who experienced a reduction in hours under the provisions of Article 14 (Staff Reduction) will be able to continue to use their remaining unused basic accumulated leave allowance from 12.2 as outlined in Article 14.6.C (Reduction in Hours). An employee employed at least four (4) hours per day but less than six (6) hours per day and who experienced a reduction of hours as allowed in Article 14 (Staff Reduction) shall accrue and use basic accumulated leave on a pro-rata basis based on their new assignment.

12.4. Other Leave:

A. For purposes of this section it is understood and agreed by the parties that leave days under this Art 12.4 shall be allowed only to those personnel who are employed at least four (4) or more hours per day.

B. Effective starting with the 2022-23 School Year: the three (3) days of personal leave are converted into the new vacation totals for Group B employees in Article 10.2.B. Leave under this Art 12.4 will remain available for religious holidays. In the case of religious holidays or extreme emergency, up to three (3) days of leave with pay under this section may be granted by the Director of Human Resources and will be deducted from accumulated sick leave. An emergency day normally shall not be granted for the day preceding or the day following holidays or vacations and the first five (5) days and the last five (5) days of the school year.

C. Requests for observance of a Religious Holiday must be made at least two (2) days in advance using the District online time off management system. If an emergency makes it impossible to submit a request in advance, an oral request shall be submitted to the supervisor as soon as possible and then confirmed by submitting the time off using the District's online employee time off system as soon as possible or immediately upon the return of the employee. The request shall state the reason for the proposed leave. The Director of Human Resources reserves the right to refuse to grant such leave.

D. In case of religious holidays or extreme emergency, additional leave with pay may be granted by the Human Resource Director and such leave shall be deducted from the employee's accumulated sick leave bank.

12.5. Bereavement Leave:

A. Employees eligible for basic accumulated leave also may be granted up to five (5) days bereavement leave for death in the immediate family or close family (as defined in Section 2). The amount of leave allowed under this provision is subject to the discretion of the responsible administrator and may depend on circumstances such as distance, the individual's responsibility for the funeral arrangements, and the employee's responsibility for taking care of the estate of the deceased, and shall not be deducted from basic accumulated leave. Additional requests for Bereavement consistent with this section may be granted and days in excess of the five (5) Bereavement Leave days would be deducted from available sick leave.

B. Requests to be absent from work for other than immediate or close family (as defined in Section 12.3), may be granted based on overall qualifying attendance and ability to cover the assignment. Any of these days granted would be deducted from available sick leave. Documentation, such as an obituary or funeral program, may be requested by the District for any bereavement leave request. If a request is denied by the supervisor, it may be appealed to the Human Resource Director.

12.6. General Leaves of Absence:

A. Employees may apply for an unpaid leave of absence subject to the provisions of this section. The granting of such leave shall be at the discretion of the District.

B. Such leave may be granted by the District for Peace Corps, Vista, extended illness of the employee, extended illness of the employee's family, adoption, civic activities, alternative occupational and/or educational experiences, or other reasons deemed appropriate by the District.

C. An employee on leave is eligible to participate in group insurance programs for which the employee is eligible if permitted under the insurance policy provisions, but shall pay the entire premium for such programs as the employee wishes to retain, commencing with the beginning of the leave. If the employee's unpaid leave is under the Family and Medical Leave Act of 1993, the District will continue their medical coverage contribution for up to twelve (12) weeks. It is the responsibility of the employee to make arrangements with the benefits office to pay to the monthly premium amounts as determined by the District.

D. An employee on leave of absence under this section shall retain such amount of accumulated leave days, experience credit, seniority and other accrued benefits which the employee had accrued, if any, at the time the employee went on leave for use upon the employee's return. No additional basic accumulated leave, experience credit, seniority or other benefits shall accrue for the period of time that an employee is on leave except as otherwise provided herein.

E. Leaves of absence of thirty (30) days or less granted under this section shall accrue basic accumulated leave, experience credit, seniority and other benefits as if continuously employed.

F. For purposes of this section it is understood and agreed by the parties that general leaves of absence shall be allowed only to those personnel who are employed at least four (4) or more hours per day.

G. An employee on leave of absence under this section shall notify the district, in writing, of their intent to return to the District, at least two weeks prior to the expiration of the leave. Failure to so notify the District shall constitute a resignation. An employee granted a leave of absence under this section of thirty (30) days or less shall return to their former position. An employee returning from a leave of absence under this section of more than thirty (30) days, but less than one year, shall be re-employed in the position the employee had prior to taking the leave of absence or a comparable position for which the employee is qualified. Qualifications and assignment of employees returning from a leave of absence under this section of more than thirty (30) days shall be determined by the District.

12.7. Child Care Leave:

A. The District shall grant, upon request of the employee, a child care leave, without pay, to one parent of a child, natural or adopted, subject to the provisions of this section. For purposes of this section, the term childcare shall include but not be limited to the period of time when an employee is pregnant.

B. In the event of pregnancy, an employee may continue her duties until the onset of the disability and thereafter utilize sick leave for the time the person is disabled. Thereafter, an employee may request a child care leave. However, if the employee requests a child care leave prior to the onset of disability, such child care leave shall be in effect for the date of commencement through the period of child birth and recovery.

C. In the interest of planning for staffing coverage, an employee shall notify the Human Resources Department in writing not later than three months prior to the expected dates of leave.

D. An employee may take a child care leave of up to twelve (12) months. The commencement and return date of child care leave shall be determined by mutual agreement between the employee and the superintendent or his/her designee, taking into account the continuity of the program and the desires of the employee.

E. In approving a child care leave of absence, the District shall not be required to grant any leave more than twelve (12) months in duration or permit the employee to return to employment prior to the date designated in the approved child care leave.

F. An employee returning from childcare leave (for maternity or adoption) shall be re-employed in the same position and/or classification. In the event of staff reduction, an employee returning from childcare leave is subject to Article 14 (Staff Reduction) of this Agreement.

G. An employee on child care leave is eligible to participate in those group insurance programs for which the employee was eligible when employed if permitted under the insurance policy provisions. The employer shall pay the entire premium for such programs as the employee wishes to retain after the twelve (12) weeks leave permitted by the Family and Medical Leave Act of 1993. It is the responsibility of the employee to make arrangements with the business office to pay the District the monthly premium amounts in advance and on such dates as determined by the District. The right to continue participation in such group insurance programs, however, will terminate if the employee does not return to the District pursuant to this section.

H. An employee on leave of absence under this section shall retain such amounts of basic accumulated leave days, experience credit, and other accrued benefits which the employee accrued, if any, at the time the employee went on leave for use upon the employee's return. No additional basic accumulated leave, experience credit or other benefits shall accrue for the period of time that an employee is on leave except as otherwise provided herein.

12.8. Military Leave:

Military leave shall be granted pursuant to applicable law.

12.9. Staff Development:

Employees will be allowed one (1) paid day per year for elective conferences or training, not including required training or conferences, with Principal approval. This day shall not be deducted from personal leave days.

ARTICLE 13 - VACANCIES AND TRANSFERS

13.1. Posting of Vacancies:

A. All permanent vacancies will be posted on the District's online posting system and on other Human Resources communication vehicles used for postings for a minimum of ten (10) working days. A permanent vacancy is defined as one anticipated to last more than six (6) months. (Grant funded positions are not considered permanent positions. They are funded for the duration of the grant funding and then are eliminated. Staff in those positions do not have seniority rights for other positions.) A position may be filled temporarily pending completion of posting and application procedures. Employees who work less than twelve months per year and who wish to be notified of job vacancies which occur during the summer can search the website link to Human Resources or review the job vacancies book in Human Resources.

B. All summer school job openings will be posted.

13.2. Application for Vacancies:

All employees under this Agreement may submit application in writing for any vacancy that is posted pursuant to this Article.

13.3. Filling of Vacancies:

Notice of candidate selection shall be given to all applicants interviewed within fifteen (15) working days after the selection has been made.

13.4. Required Training:

Any employee requested by the District to take a specific course shall be reimbursed for any fees charged for that course.

13.5. Application of Seniority:

Seniority will be considered in the filling of vacancies provided an employee has the qualifications to perform the duties and responsibilities of the position, except in those positions involving a promotion which shall be filled as provided in Section 13.6. For purposes of this section, a promotion is defined as moving to a classification involving an increase in pay.

13.6. Promotion Positions:

A. In filling any vacancy, the position shall be filled by the District with the best qualified candidate. In making its determination the District shall consider the employee's qualifications and seniority with the District, along with other relevant factors.

B. If, in review of applications, the District is going to, recommend that the job be awarded to a junior employee, EM SPARK shall be notified in advance of awarding the job and shall have the opportunity to discuss the matter with the responsible administrator.

C. Employees promoted to a higher classification shall not change steps on the salary schedule. This provision shall not be retroactive.

13.7. Outside Applicants:

The District reserves the right to fill any position with an outside applicant if no internal candidates apply or if internal candidates do not have the needed qualifications for the position.

13.8. Voluntary Transfers:

A. Employees desiring a transfer to an assignment in the same classification or lower classification shall submit a written request to the Human Resource Director stating the specific assignment or nature of the assignment and the school or schools preferred. Such request shall be acknowledged in writing.

B. Each transfer applicant shall be notified of the status of that application on or before June 1st of the school year in which the request is made.

13.9. Administrative Transfers:

The District reserves the right to transfer personnel as conditions may require. Transfers of this nature will be discussed with EM SPARK prior to final disposition. The employee will be given the chance to discuss any hardships the move would cause for her/him. The District will review each request on a case by case basis based on the hardship caused and student needs. In the case of such administrative transfers, the District shall make an effort to provide transferred personnel with positions of comparable pay and hours.

ARTICLE 14 - STAFF REDUCTION

14.1. Procedures:

In the event of staff reduction, personnel shall be laid-off or have hours reduced pursuant to the provisions of this Article.

14.2. Seniority:

For the purpose of this Article, the term seniority shall mean the accumulation of years of service in the EM SPARK Unit, formerly PACE/Student Support Unit (SSU) in positions of 20 hours or more per week.

A. Seniority shall not apply to employees whose positions are funded by State and/or Federal project grants.

B. Seniority date ties shall be broken by District Hire Date, then by District Start Date, if still tied then the tie shall be broken by lot. All tie breakers will be done in the presence of both District and SPARK representatives.

C. It is recognized that past history (2002-2003) of this bargaining unit left some district employees assigned positions in two (2) bargaining units in order to maintain benefits. Those employees shall exercise and maintain benefits and seniority in the unit where the majority of their hours were assigned. As such, in the event of lay-off, reduction in hours, bumping and recall those employees shall follow their respective contract and be allowed consideration only within the unit of their original designation.

14.3. Layoffs:

Except in cases of the inability of the employee to perform the duties of the assignment or in cases of termination for just cause, the selection of EM SPARK personnel for Layoff shall be made in reverse seniority order within one of the two following groups:

Group 1. Forty-six (46) through fifty-two (52) week employees — 20 hours per week or more.

Group 2. Less than forty-six (46) week employees — 20 hours per week or more.

A. In no case shall an employee on layoff, who is eligible for benefits, be required to accept a position that is not consistent with benefit eligibility of their former position. The employee is still subject to the eighteen (18) month recall rights provision.

B. An employee on layoff that has been offered a position with fewer hours than the position that they were laid-off or is in a different classification will be allowed to decline the offer with no forfeiture of recall rights. The employee is still subject to the eighteen (18) month recall rights provision.

C. The District will provide EM SPARK with a list of laid-off EM SPARK employees and the positions available due to budget reductions by June 30th of each year, so EM SPARK may assist laid-off employees.

14.4. Employees on Layoff:

Laid-off employees are defined as those employees whose positions have been eliminated and/or who have been moved from their position and are working in a different position or with fewer hours.

A. Any employee laid-off pursuant to this section shall have the right to displace the least senior employee in the same classification, holding a comparable full-time or part-time position for which the employee is qualified, or if this opportunity does not exist, the least senior employee in the next lower classification within the bargaining unit.

B. Laid-off employees who have accepted a position within a lower classification shall receive priority consideration in filling vacancies in their previous classification.

14.5. Recall Rights:

Laid-off employees shall retain their seniority and right to recall within one of the above groups for a period of eighteen (18) months after the date of layoff.

A. Recall rights shall terminate upon resignation or layoff of an employee pursuant to this Agreement or after eighteen (18) consecutive months.

B. Employees who have been laid-off pursuant to Section 14.3 and have recall rights pursuant to Section 14.4 will be recalled in seniority order to any available EM SPARK position within the District unit provided they are qualified for the available positions.

C. An employee who is laid-off and placed on the recall list shall be paid for unused vacation days.

D. An EM SPARK employee, who is on the recall list, and is offered a comparable position in the same classification with the same or more number of hours and with the same or better benefits, shall accept the position or lose recall rights.

14.6. Reduction in Hours:

In situations involving reductions in hours, decreases in assigned work time will be taken from the least senior employee in the building where the reduction in hours is occurring, then the next least senior, etc.

A. In cases where a reduction in hours affects an EM SPARK employee, a senior EM SPARK employee shall be allowed to bump the least senior EM SPARK employee for which the employee maintains benefits within a position within their current classification and for which they are qualified.

B. In cases where a building is allowed to reinstate hours: those hours will be reallocated beginning with the most qualified EM SPARK employee who has experienced the reduction in hours. This process shall apply only within each building. The principal/supervisor shall be responsible to reallocate and reassign hours that best fit the needs of their building.

C. EM SPARK employees who experience a reduction in hours shall be allowed to maintain and utilize remaining accumulated leave and earned vacation.

14.7. Exclusion:

It is understood and agreed by the parties that this Article shall not apply to EM SPARK personnel whose positions are funded by temporary state, federal and/or project grants. Employee positions funded by short-term grants will end at the time the money from the grant ends or no longer covers the cost of the positions. Employees whose positions are eliminated from these temporary grants, will retain districtwide rights to be placed in a vacancy or the least senior position within their classification.

ARTICLE 15 - PROBATIONARY PERIOD

15 1. Probationary Period:

An employee under the provisions of this Agreement shall serve a probationary period. For employees who start working on or before January 15, the probationary period will be effective through June 30th of that school year. For employees, who start work after January 15 of any school year, the probationary period will extend to December 31st of the following school year. The probationary period is a time of review and during this time the District shall have the unqualified right to suspend without pay, terminate or otherwise discipline such employee; and during this probationary period, the employee shall have no recourse to the grievance procedure, insofar as suspension, termination or other discipline is concerned. Prior to a decision to release an employee during probation, the supervisor will meet with the employee at least twice to discuss expectations, any areas where the employee is not meeting performance standards and provide a reasonable time to correct the performance issues.

15.2. Suspension or Termination:

An employee who has completed the probationary period may be suspended without pay, terminated or disciplined only for just cause in accordance with Article 18 (Corrective Action). An employee who has completed the probationary period and is suspended without pay, terminated or otherwise disciplined shall have access to the grievance procedure and representation from EM-SPARK at meetings with the supervisor.

15.3. Probationary Period — Change of Classification:

In addition to the initial probationary period, an employee transferred or promoted to a different position shall serve a new assignment probationary period of ninety (90) calendar days in any such new position. During this ninety (90) day new assignment probationary period, if it is determined by the District that the employee's performance in the new position is unsatisfactory, the District shall have the right to reassign the employee to an assignment in his/her former position title. Prior to a decision to return the employee to their former classification, the supervisor will meet with the employee at least twice to discuss expectations, any areas where the employee is not meeting performance standards and provide a reasonable time within the 90 days to correct the performance issues.

ARTICLE 16 – DEFERRED COMPENSATION

16.1. Deferred Compensation Matching Program:

All EM SPARK employees working 20 or more hours per week, will be eligible to participate in the deferred compensation matching program. The District will match the amount an employee contributes up to the amounts defined in 16.1.C. District contribution will be on a prorated basis for part years worked and FTE eligibility for health insurance in Art 11.1. An employee working .75 FTE or more will receive the full contributions below. Employees working .5 FTE but less than .75 FTE will receive ½ the contribution amounts in 16.1.C.

A. Eligible employees must elect to participate in the deferred compensation program. Participation will continue at the same level until the payroll Department is notified in writing of any changes.

B. The District will pay its matching share of FICA taxes as provided in Minnesota Deferred Compensation legislation until legislation changes.

C. The District will match eligible employee's contributions up to the maximum amounts listed below:

$ 500 maximum annually	Completed 0-4 years in the District
$ 800 maximum annually	Completed 5-9 years in the District
$ 1,050 maximum annually	Completed 10-14 years in the District
$ 1,300 maximum annually	Completed 15-19 years in the District
$ 1,550 maximum annually	Completed 20 or more years in the District

D. The District is only responsible for the required contributions amounts. In the event of a District error in making the contributions, the District will correct the amounts contributed but is not responsible for any estimated gains or losses in the fund values. It is also the responsibility of the employee to track contributions amounts annually and notify the District promptly if the employee feels the amount contributed is incorrect, so that it can be corrected within the year the error was made.

16.2. Deferred Compensation Eligibility

A. Employees hired on or after July 1, 1999 will be eligible to participate in this Deferred Compensation Program described in 16.1 and will not be eligible to participate in the District's former severance program and will not receive the 1-1/2% matching contribution from the District for employees hired prior to July 1, 1999.

B. Employees hired prior to July 1, 1999 can participate in the program on a voluntary basis, but will not be eligible for both plans. Employees electing to participate in this program must do so on or before June 30 of each year and cannot change back to the Districts severance program. The District's contribution will be on a pro-rata basis.

ARTICLE 17 - EVALUATION

17.1. Formal Evaluations:

A. All formal evaluations of personnel shall be conducted openly and with full knowledge of the employee concerned by an administrator or supervisor of the District.

B. All formal evaluations of personnel shall be in writing or online system. Two (2) copies of the written evaluation shall be submitted to the employee at the time of personal conference or within five (5) working days thereafter, one (1) to be signed and returned to the administration, the other to be retained by the employee. When using an online evaluation process, the employee will be given access to the online evaluation and be able to review and sign online.

C. In the event that the employee feels that the evaluation was incomplete or unjust, the employee may put those objections in writing and have them attached to the evaluation report to be placed in the employee's personnel file. In lieu thereof, the employee may file a grievance under the grievance procedure stating the evaluation was factually inaccurate. All evaluations shall be based upon the criteria established in the job description or by the District.

ARTICLE 18 - CORRECTIVE ACTION

18.1. Corrective Action:

The District recognizes the concept of progressive discipline. The purpose of the taking corrective action through progressive steps of discipline is to inform the employee of the correct way to perform the job and of any consequences for not making needed changes. The corrective action process consists of informal and formal steps consisting informal coaching conversations and of formal actions of: 1) oral reprimand, 2) written reprimand, 3) suspension without pay, and 4) termination. The employee shall be allowed EM-SPARK representation at any stage of formal discipline. A conference between the employee and his/her supervisor shall be held prior to the imposition of any of the formal actions of oral or written reprimand, suspension without pay or termination.

Normally, the District will utilize the levels of progressive discipline in order. However, in the case of more serious infractions, the District reserves the right to impose discipline, at any level, consistent with the seriousness of the infraction. Normally, a written warning and time to correct, when appropriate, will precede a suspension without pay or termination.

18.2. Grounds for Disciplinary Action:

The imposition of an oral reprimand shall not be subject to the grievance procedure. An employee may challenge the contents of any written materials pursuant to the provisions of Article 5.6 (Personnel Files) herein. An employee shall receive a written reprimand, be suspended without pay or terminated only for just cause and such action shall be subject to the grievance procedure. This provision does not preclude or supersede the provision contained at Article 15.1 (Probation) herein.

18.3. Opportunity to Meet:

Suspension without pay or termination of employment shall be imposed by the Superintendent, or designee. If a suspension without pay is to be considered pursuant to Section 18.2 hereof, the employee shall be afforded an opportunity to meet with the Superintendent. The employee may elect to have representation in attendance at any such meeting. In the absence of the Superintendent, another district office administrator may act as the Superintendent's designee for purposes of this section.

18.4. Subject to Arbitration:

Suspension without pay or termination of employment shall take effect only after written notification from the Superintendent, or designee, to the employee and Union stating the grounds for suspension without pay. The Union shall have the right to invoke the grievance procedures set forth in this Agreement at the arbitration level, provided written notification requesting arbitration is sent to the

Superintendent within five (5) working days after receipt of the written notice of suspension without pay. The arbitrator's authority shall include a review of whether the suspension without pay, and length thereof, was appropriate considering all circumstances surrounding the action.

18.5. Time of Suspension:

Suspension without pay shall take effect upon receipt by the employee of the written notice of suspension or shall take effect as otherwise indicated in the written notice. The suspension shall continue in effect for the time period provided in the written notice of suspension without pay. The maximum suspension without pay shall not exceed the length of one school year.

18.6. Suspension with Pay:

The parties acknowledge that the District has the right to impose a suspension with pay as a disciplinary action under special circumstances. Such an action on the part of the District would be subject to the just cause standard as provided for suspensions without pay. If used, the suspension with pay shall have the same weight in the progressive process as the same length suspension without pay.

18.7. Application of Suspension Without Pay:

Suspension without pay shall not apply to an employee who is removed from duty pending investigation of allegations, which period shall be covered by a paid Administrative Leave and which shall not be subject to the grievance procedure.

ARTICLE 19 - GRIEVANCE PROCEDURE

19.1. Purpose and Procedure:

A. Good morale is maintained, whenever problems arise, by the sincere efforts of all persons concerned working toward constructive solutions in an atmosphere of courtesy, cooperation and good faith. The parties acknowledge that it is desirable for an employee and the employee's immediate supervisor to informally resolve grievances. However, since all matters cannot be resolved satisfactorily in this manner, a formal process must be provided as an alternative. Thus, this formal grievance procedure has been developed as a means of securing, at the lowest possible administrative level, prompt and equitable solutions to those disputes not settled on an informal basis.

B. The parties agree that grievance proceedings shall be kept as informal and confidential as may be appropriate to any level of the procedure. Further, it is agreed that the investigation and processing of any grievance shall be conducted in a professional manner at such times as not to cause undue interruptions of established work schedules.

19.2. Representative:

The employee shall be entitled to representation during any step of this procedure by any person or agent designated by the exclusive representative to act on the employee's behalf. The District may be represented during any step of this procedure by its designated representative.

19.3. Grievance Definition:

A "grievance" shall mean an allegation by an EM SPARK employee or a group of employees resulting from a dispute or disagreement as to the interpretation or application of any term or terms of this Agreement.

19.4. Definitions and Interpretations:

A. The term "employee", except where otherwise indicated, is considered to apply to all members of the appropriate unit.

B. Grievant: An "aggrieved employee" or "grievant" is the employee or employees making the claim.

C. Time Limits: The time limits provided in the grievance procedure shall be strictly observed but may be extended by written mutual agreement of the parties concerned. In the event a grievance is filed after May 1, of any year, and strict adherence to the time limits may result in hardship to any party, the parties shall make reasonable efforts to process such grievance prior to the end of the school year.

D. Working Days: Reference to "days" regarding time periods in this procedure shall refer to working days. A working day is defined as all days excluding Saturdays, Sundays and holidays as defined by this Agreement.

E. Computing Time: In computing any period of time prescribed or allowed by procedures herein, the date of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be counted, unless it is a Saturday, Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday.

F. Filing/Service of Process: The filing or service of any notice. or document herein shall be timely if it is personally served or if it bears a certified postmark of the United States Postal Service or time stamp on the District's email service to the Superintendent or appropriate District Administrator within the time period.

G. Grievance Form: The grievance form which must be used for filing of grievances shall be provided by the District. Such form shall be readily accessible in all school buildings or electronically available on the District's website. (See Attachment 1 – Grievance Form)

19.5. Adjustment of Grievance, Time Limitation and Waiver:

The parties shall attempt to adjust all grievances which may arise during the course of employment of any employee within the District in the following manner:

Informal

If an employee believes there has been a grievance, the employee shall discuss the matter with the responsible supervisor and/or the human resources director within fifteen (15) days of the occurrence of the act which gives rise to the grievance or within fifteen (15) days after the employee acquired or should have acquired knowledge of the facts which give rise to the grievance. If the grievance is not resolved as a result of this meeting, the employee, with the Union's consent, may file a formal written grievance. Failure to grieve at the informal step within the time period set forth above shall be deemed a waiver thereof. Failure to appeal a grievance from one level to another within the periods hereafter provided shall also constitute a waiver of the grievance.

Formal Grievance:

A. Level 1: The formal written grievance, signed by the employee involved and approved by the Union must be presented to the responsible supervisor within fifteen (15) days after the responsible supervisor and/or human resources director respond to the grievance at the informal step. An employee, with the Union's consent, may file a formal written grievance within fifteen (15) days after the informal grievance submission if no response has been received by that time. The responsible supervisor shall meet with the employee and the employee's Union representative within ten (10) days after receipt of the written grievance and give a written answer to the grievance within ten (10) days of the meeting, The Union has ten (10) days in which to either accept the answer or appeal it in writing to the next level.

B. Level 2: If the grievance has not been resolved in Level 1, it may then be processed to Level 2 by the Union presenting the written grievance to the Superintendent. The Superintendent or his/her designee shall meet within fifteen (15) days after receipt of the written appeal to discuss the problem with the employee and the employee's Union representative. Within ten (10) days of the meeting the Superintendent or his/her designee shall submit his/her written answer to the grievance. The Union has ten (10) days in which to either accept the answer or appeal it in writing to the next level. Such appeal shall be served in the Office of the Superintendent.

C. Level 3: If the grievance has not been resolved at Level 2, the Union may present the grievance to the School Board for consideration. The School Board reserves the right to review or not to review the grievance, but must make that decision within fifteen (15) days after receipt of the written appeal. In the event the School Board chooses to review a grievance, the Board or a committee thereof shall within fifteen (15) days, meet to hear the grievance. After this meeting, the Board shall have a maximum of fifteen (15) days in which to answer the grievance in writing. If the matter is not resolved at this level, the Union has ten (10) days in which to either accept the answer or appeal it to arbitration by filing such an appeal in the office of the superintendent. The School Board reserves the right at its own instance to review any decision under Level 1 or Level 2 of this procedure, provided the School Board serves such notice within fifteen (15) days after the decision is issued. In the event the School Board reviews a grievance under this subdivision, the School Board reserves the right to affirm, reverse or modify such decision.

D. Denial of Grievance: Failure by the District to issue a decision within the time periods provided herein shall constitute a denial of the grievance, and the Union may appeal it to the next level. This shall not negate the obligation of the District to respond in writing at each level of this procedure.

E. Step 3 Waiver: Provided both parties (the SPARK and the District) agree in writing, Level 3 of this grievance procedure may be bypassed and the grievance taken directly to the Bureau of Mediation Services (BMS) Grievance Mediation or arbitration. Grievance mediation is optional and voluntary. If mediation is pursued, the contractual timelines for processing a grievance shall be delayed during the period of mediation. Should the matter be unable to be resolved in mediation, the parties retain the right to move to the Arbitration procedure outlined in Article 19.6.

19.6. Arbitration:

A. Procedure: In the event that the parties (SPARK and the District) are unable to resolve a grievance it may be submitted by the Union to arbitration as defined herein.

B. Selection of Arbitrator: Upon submission of a grievance to arbitration under the terms of this procedure, the Union may request a list of seven (7) qualified arbitrators from the Bureau of Mediation Services (BMS). The District and the Union shall determine who is to strike the first name from the list by the toss of a coin. Each party will then alternately strike names until only one remains, who shall be the arbitrator who shall hear and decide the grievance. The Union and the District shall, within five (5) days after getting the list from the BMS, meet to strike names or attempt to agree upon the selection of an arbitrator. Failure to request an arbitrator from the BMS within the time periods provided herein shall constitute a waiver of the grievance.

C. Hearing: The grievance shall be heard by a single arbitrator. The grievant may be represented by the Union. The parties shall have the right to a hearing at which time both parties will have the opportunity to submit evidence, offer testimony, present witnesses, and make oral or written arguments relating to the issues before the arbitrator.

D. Decision: The decision by the arbitrator shall be rendered within thirty (30) days after the close of the hearing. Decisions by the arbitrator in cases properly before him/her shall be final and binding upon the parties, subject; however, to the limitations of arbitration decisions as provided in the P.E.L.R.A. The arbitrator shall issue a written decision and order including findings of fact which shall be based upon substantial and competent evidence presented at the hearing. All witnesses shall be sworn upon oath by the arbitrator.

E. Expenses: Each party shall bear its own expenses in connection with arbitration, including expenses relating to the party's representatives, witnesses, and any other expenses that the party incurs in connection with presenting its case in arbitration. A transcript or recording shall be made of the hearing at the request of either party. The parties shall share equally fees and expenses of the arbitrator, the cost of the transcript or recording if requested by either or both parties, and any other expenses which the parties mutually agree are necessary for the conduct of the arbitration. However, the party ordering a copy of the transcript shall pay for such copy.

F. Restriction on Arbitrator: The arbitrator shall not have the power to add to, subtract from, or to modify the terms of the Agreement.

19.7. Election of Remedies and Waiver:

A party instituting any action, proceeding or complaint in a federal or state court of law or before an administrative tribunal, federal agency, state agency, or seeking relief through any statutory process for which relief may be granted, the subject matter of which may constitute a grievance under this Agreement, shall immediately thereupon waive any and all rights to pursue a grievance under this Article. Upon initiating a proceeding in another forum as outlined herein, the employee shall waive his/her right to initiate a grievance pursuant to this Article, or, if the grievance is pending in the grievance procedure, the right to pursue it further shall be immediately waived. This Section shall not apply to actions to compel arbitration as provided in this Agreement or to enforce the award of an arbitrator.

ARTICLE 20 - MISCELLANEOUS

20.1. Mileage Allowance:

Mileage allowance shall be paid for authorized use of personal cars in connection with District business in an amount determined by District policy. The mileage allowance shall be in accordance with IRS guidelines.

20.2. Excess Liability Coverage:

The District shall provide automobile liability insurance coverage for employees as excess to the automobile liability coverage carried by the individual employee when their personal automobiles are used for District business.

20.3. Non-Work Injury:

The District has the right to request medical documentation concerning the employee's fitness for duty.

20.4. Publication of the Agreement:

Copies of this Agreement shall be on the District website and available to all members of the appropriate unit within thirty (30) working days after the Agreement is executed. Further, the District shall furnish or make fifteen (15) copies of the Agreement available to the EM SPARK Unit to print for its organizational use.

20.5. Unit Representation:

A unit employee acting as a representative for the purpose of negotiations, grievance proceedings, hearings or meetings scheduled by the employer during work hours shall not sustain a loss of pay.

20.6. Reclassification:

An EM SPARK employee may petition for a job reclassification if the position they are currently in has had a significant change in job responsibilities, and they have worked with their building Principal and the Human Resources Department in clarifying what are the new responsibilities. Human Resources and a SPARK representative will be part of all potential reclassification actions prior to any change in classification.

ARTICLE 21 - DURATION

21.1. Terms and Reopening Negotiations:

This Agreement shall remain in full force and effect for a period commencing on July 1, 2023 through June 30, 2025, and thereafter as provided by P.E.L.R.A. Unless otherwise mutually agreed, the parties shall not commence negotiations more than 120 days prior to the expiration of this Agreement.

22.2. Effect:

This Agreement constitutes the full and complete Agreement between the District and EM SPARK representing the student support personnel of the District. The provisions herein relating to terms and conditions of employment supersede any and all prior Agreements, resolutions, practices, District policies, rules or regulations concerning terms and conditions of employment inconsistent with these provisions.

23.3. Finality:

Any matters relating to the current contract term, whether or not referred to in this Agreement, shall not be open for negotiations during the term of this Agreement unless mutually agreed to by both parties.

24.4. Severability:

The provisions of this Agreement shall be severable, and if any provision thereof or the application of any such provision under any circumstances is held invalid, it shall not affect any other provision of this Agreement or the application of any provision thereof.

SIGNATURES

IN WITNESS WHEREOF, the parties have executed this Agreement as follows:

EM SPARK 6300 Walker Street St. Louis Park, MN 55416	Independent School District No. 283 6300 Walker Street St. Louis Park, MN 55416
____________________________ Authorized Representative	____________________________ Chair
____________________________ Authorized Representative	____________________________ Clerk
____________________________ Authorized Representative	____________________________ Superintendent
____________________________ Authorized Representative	____________________________ Human Resource Director
Dated______________________	Dated ______________________

SCHEDULE A: EM SPARK Salary Schedule 2023-24

Effective July 1, 2023

Step	CLS3	CLS4	CLS5	CLS6	CLS7
1	$17.08	$18.03	$18.64	$20.20	$22.26
2	$17.65	$18.63	$19.25	$20.88	$22.93
3	$18.35	$19.38	$20.03	$21.71	$23.77
4	$19.10	$20.17	$20.85	$22.60	$24.65
5	$19.70	$20.83	$21.52	$23.34	$25.39
6	$20.24	$21.41	$22.13	$24.01	$26.07
7	$20.80	$22.01	$22.74	$24.70	$26.76
8	$21.51	$22.76	$23.52	$25.54	$27.59
9	$22.12	$23.61	$24.65	$26.37	$28.42
10	$23.82	$25.32	$26.37	$28.11	$30.16

Career Increments (non-cumulative or compounding)

After 15 years of service: $1.50 additional per hour
After 20 years of service: $2.00 additional per hour
After 25 year of service: $2.50 additional per hour

SCHEDULE B: EM SPARK Salary Schedule 2024-25

Effective July 1, 2024

STEP	CLS3	CLS4	CLS5	CLS6	CLS7	
1	$17.55	$18.54	$19.16	$20.77	$22.88	
2	$18.14	$19.15	$19.79	$21.46	$23.58	
3	$18.86	$19.92	$20.59	$22.32	$24.43	
4	$19.64	$20.73	$21.43	$23.23	$25.34	
5	$20.25	$21.41	$22.12	$23.99	$26.10	
6	$20.81	$22.01	$22.75	$24.69	$26.80	
7	$21.38	$22.63	$23.38	$25.39	$27.51	
8	$22.11	$23.40	$24.18	$26.25	$28.36	
9	$22.74	$24.27	$25.34	$27.11	$29.22	
10	$24.74	$26.28	$27.36	$29.15	$31.26	
11	$24.74	$26.28	$27.36	$29.15	$31.26	
12	$24.74	$26.28	$27.36	$29.15	$31.26	
13	$24.74	$26.28	$27.36	$29.15	$31.26	
14	$24.74	$26.28	$27.36	$29.15	$31.26	15 yr
15	$26.24	$27.78	$28.86	$30.65	$32.76	$1.50
16	$26.24	$27.78	$28.86	$30.65	$32.76	
17	$26.24	$27.78	$28.86	$30.65	$32.76	
18	$26.24	$27.78	$28.86	$30.65	$32.76	
19	$26.24	$27.78	$28.86	$30.65	$32.76	20 yr
20	$26.74	$28.28	$29.36	$31.15	$33.26	$2.00
21	$26.74	$28.28	$29.36	$31.15	$33.26	
22	$26.74	$28.28	$29.36	$31.15	$33.26	
23	$26.74	$28.28	$29.36	$31.15	$33.26	
24	$26.74	$28.28	$29.36	$31.15	$33.26	25 yr
25	$27.24	$28.78	$29.86	$31.65	$33.76	$2.50

Career Increments shown in schedule
(non-cumulative or compounding)

After 15 years of service: $1.50 additional per hour
After 20 years of service: $2.00 additional per hour
After 25 year of service: $2.50 additional per hour

APPENDIX A – LIST OF SPARK JOB CLASSIFICATIONS:

Title
PARAPROFESSIONAL CLASS 3 Parking Lot Monitor Greeter/Hall Monitor
PARAPROFESSIONAL CLASS 4 Instructional Assistant (included ELL, ECFE, Kindergarten, Reading, PE, Supervision Aide, etc.)
PARAPROFESSIONAL CLASS 5 Health Assistant 1 Media Assistant Security Monitor Special Education Assistant
PARAPROFESSIONAL CLASS 6 Digital Learning Assistant Elementary Support Assistant Health Assistant 2
PARAPROFESSIONAL CLASS 7 Certified Occupational Therapy Assistant Health Assistant 3

APPENDIX B – PROVISIONS APPLY TO SOME ACTIVE EMPLOYEES HIRED PRIOR TO A SPECIFIED DATE:

FORMER ARTICLE XI – INSURANCE Section 6 School District Insurance Contribution for Eligible Retirees Hired Prior to July 1, 2005:
Subject to M.S. 465.72, full time personnel having completed at least twenty (20) years of continuous service with the School District who are at least fifty-five (55) years of age shall be. eligible, for severance pay, pursuant to the provisions of this Agreement, upon submission of a written resignation accepted by the School Board. To be eligible for benefits of this article a EM SPARK employee must be regularly employed at least thirty (30) hours per week and compensated on the basic salary schedule. -EM SPARK personnel working less than thirty hours per week can be eligible provided that fifteen of the continuous service years were at a thirty (30) hour per week level and none of the continuous service years were below twenty (20) hours per week. -Severance pay shall not be granted to any employee who is discharged for just cause by the school district.

Subd. 1. The employee shall be eligible to continue participation in the district group medical and dental plans, if permitted by the terms of policy with the insurance carrier, until the age of Medicare eligibility. Except as otherwise provided in Subd. 2 hereof, the employee shall pay the entire premium for such coverage.

Subd. 2. The School District shall contribute the dollar amount provided by the benefits in effect at the time of the employee's retirement until the employee reaches the age of Medicare eligibility or the expiration of six (6) years from the date of the employee's retirement, whichever occurs first. The portion of the premium not contributed by the School District shall be borne by the employee.

Subd. 3. An employee who has reached the age of Medicare eligibility and has maintained continuous coverage, and has a spouse less than the age of Medicare eligibility shall be eligible to purchase the District medical insurance plan at group rates covering such spouse-by paying the entire premium for such coverage, until such time that the spouse reaches age of Medicare eligibility or upon the expiration of six (6) years from the date the employee reached the age of Medicare eligibility whichever occurs first.

FORMER ARTICLE XVI - SEVERANCE PAY
Section 1A. Eligibility: Employee must have been hired and continuously employed prior to 7/1/1999. Subject to M.S. 465.72, full time personnel having completed at least twenty (20) years of continuous service with the School District who are at least fifty-five (55) years of age shall be eligible for severance pay, pursuant to the provisions of this Agreement, upon submission of a written resignation accepted by the School Board. To be eligible for benefits of this article an EM SPARK employee must be regularly employed at least thirty. (30 hours per week and compensated on the basic salary schedule. EM SPARK personnel working less than thirty hours per week can be eligible provided that fifteen of the continuous service years were at a thirty (30) hour per week level and none of the continuous service years were below twenty (20) hours per week. The district will prorate combined years of service that fall below thirty (30) hours per week. Severance pay shall not be granted to any employee who is discharged for just cause by the school district.

Section 2A. Number of Days:

Subd. 1. An eligible employee, upon retirement or death, shall receive as severance pay an amount representing one hundred fifteen (115) day's pay.

Subd. 2. In addition, an eligible employee shall receive, as severance pay upon retirement or death, the amount obtained by multiplying the employee's daily rate by one-half (1/2) times the employee's number of unused leave days, but in any event not to exceed one hundred (100) days' pay.

Section 3A. Daily Rate of Pay: In applying these provisions, an employee's daily rate of pay shall be the daily rate of pay at the time of retirement or death, as provided in the basic salary schedule for the fiscal year, and shall not include any additional compensation for overtime, or other extra compensation.

Section 4A. Payment: Employees will no longer receive any direct payment from the School District for severance pay. Payment equal to 100% of the value of the employee's severance pay shall be paid directly into the employee's traditional 403b custodial the account or other tax-sheltered provision of the Internal Revenue Code. The School District's annual contribution the employee's traditional 403b custodial account or other tax-sheltered provision shall not exceed the annual IRS contribution limit for such contributions. No portion of the severance payment will be made to a Roth 403b plan. If any part of the severance pay due to the employee exceeds the IRS contribution limits for a given year, any such amount shall be paid to an account on behalf of the employee for a health care savings plan maintained by the State of Minnesota or a mutually agreed upon account for such plans pursuant to the provisions of Minn. Stat. § 356.24

Section 5A. Effective Date: This Article shall be effective and apply to any employee who retires after July 1, 1977.

Section 6A. Application Date: In order to be eligible for the benefits of this Article XVI an employee must submit a written resignation and request for severance pay no later than March 1, preceding the end of the fiscal year in which the employee intends to retire. Any proration required by Section 7 hereof shall be made on the basis of applications as submitted by this March 1 deadline each fiscal year.

Section 7A. Limitations:

Subd. 1. Notwithstanding any other provision of this Article, the School District's maximum obligation under this Article for members of this bargaining unit shall not exceed the sum of $70,000 for all retirees in any one fiscal year.

Subd. 2. Severance pay applications will be processed in the order received. In the event an application would constitute a liability to the School District in excess of the limitation stated in Subd. 1 hereof, the amount exceeding the limitation would not be paid during that fiscal year. However, those employees, if any, not receiving a full severance payment in one fiscal year will have priority to receive the balance in the following fiscal year prior to any bargaining unit employee resigning and eligible in the subsequent year.

Section 8A. Tax Sheltered Annuity:

Subd. 1. The school district shall participate in a matching tax-sheltered annuity program for all regularly employed EM SPARK employees who are compensated on the basic salary schedule and employed twenty (20) hours per week or more and were hired prior to July 1, 1999.

Subd. 2. The amount contributed by the school district shall match the EM SPARK employee's contributions, but such contributions shall not exceed one and one-half percent (1 1/2%) of the employee's basic contract salary.

St. Louis Park Public Schools
Achieving success, one student at a time!

ATTACHMENT 1 – SPARK GRIEVANCE REPORT FORM

Name: ____ Building ___________________________

Date Grievance Occurred or Known:_______________________

Statement of Facts:

Specific Provisions of Agreement Allegedly Violated:

Particular Relief Sought

____________________________ ____________________________

Employee Name Date

____________________________ ________________________________

SPARK Representative Date
Approving the Grievance move forward

St. Louis Park Public Schools

Achieving success, one student at a time!

ATTACHMENT 2 – Minnesota Earned Sick and Safe Leave Notice

DEPARTMENT OF LABOR AND INDUSTRY

Employees in Minnesota are entitled to earned sick and safe time, a form of paid leave. Employees must accrue at least one hour of earned sick and safe time for every 30 hours they work, up to at least 48 hours in a year. As a regular employee working at least four hours per day or more, the earned sick leave plan in your employee agreement is more generous than required in [Minnesota Statutes § 181.9447, subdivision 9](#) and incorporates the definitions of time off under the statute. If you are a temporary employee or an employee who is scheduled to work less than four hours per day, then you will receive the earned sick and safe leave of one hour of earned sick and safe time for every 30 hours they work, up to at least 48 hours in a year as specified in [Minnesota Statutes § 181.9447, subdivision 9.](#) A year for purposes of the employee's earned sick and safe time accrual is: July 1st to June 30th each year.

The earned sick and safe time hours the employee has available, as well as those that have been used in the most recent pay period, must be indicated on the employee's earnings statement that they receive at the end of each pay period. Earned sick and safe time must be paid at the same hourly rate employees earn from employment. Employees are not required to seek or find a replacement for their shift to use earned sick and safe time. They may use earned sick and safe time for all or part of a shift, depending on their need.

Earned sick and safe time can be used for:

- an employee's mental or physical illness, treatment or preventive care;
- the mental or physical illness, treatment or preventive care of an employee's family member;
- absence due to domestic abuse, sexual assault or stalking of an employee or their family member;
- closure of an employee's workplace due to weather or public emergency or closure of their family member's school or care facility due to weather or public emergency; and
- when determined by a health authority or health care professional that an employee or their family member is at risk of infecting others with a communicable disease.

Notifying employer, documentation

An employer can require their employees to provide up to seven days of advance notice when possible (for example, when an employee has a medical appointment scheduled in advance) before using sick and safe time. An employer can also require their employees to provide certain documentation regarding the reason for their use of earned sick and safe time if they use it for more than three consecutive days.

For regular full and part-time employees scheduled at least four hours per day or more, you should refer to your employee agreement about reporting sick time off. In general, you should report your time off using the district's online time off reporting system. If an employee plans to use earned sick and safe time for an appointment, preventive care or another permissible reason they know of in advance, they should enter that time off request in the online time off system as far in advance as possible, but at least two days in advance. In situations where an employee cannot provide advance notice, the employee should, should report that absence as soon as possible and before the start of your shift if possible.

For temporary employees who typically work less than four hours per day or casual employees who do not work five days per week on a regular basis, if you need to request time off you should notify your supervisor to record the time off as far in advance as possible. If a temporary employee plans to use earned sick and safe time for an appointment, preventive care or another permissible reason they know of in advance, they should notify their supervisor as far in advance as possible, but at least two days in advance. In situations where a temporary employee cannot provide advance notice, the employee should, should report that absence to their supervisor as soon as possible and before the start of the shift that day, if possible.

Retaliation, right to file complaint

It is against the law for an employer to retaliate, or to take negative action, against an employee for using or requesting earned sick and safe time or otherwise exercising their earned sick and safe time rights under the law. If an employee believes they have been retaliated against or improperly denied earned sick and safe time, they can file a complaint with the Minnesota Department of Labor and Industry. They can also file a civil action in court for earned sick and safe time violations.

For more information

Contact the Minnesota Department of Labor and Industry's Labor Standards Division at 651-284-5075 or https://www.dli.mn.gov/laborlaw or visit the department's earned sick and safe time webpage at https://dli.mn.gov/sick-leave

This document contains important information about your employment. Check the box at the left and give it to Human Resources or your supervisor to receive the information in this language.

	Spanish/Español	Este documento contiene información importante sobre su empleo. Marque la casilla a la izquierda para recibir esta información en este idioma.
	Hmong/Hmoob	Daim ntawv no muaj cov xov tseem ceeb hais txog thaum koj ua hauj lwm. Khij lub npauv ntawm sab laug yog koj xav tau cov xov tseem ceeb no txhais ua lus Hmoob.
	Vietnamese/Việt ngữ	Tài liệu này chứa thông tin quan trọng về việc làm của quý vị. Đánh dấu vào ô bên trái để nhận thông tin này bằng Việt ngữ.
	Simp. Chinese/简体中文	本文件包含与您的雇用相关的重要信息。勾选左边的方框将接收以这种语言提供的信息。
	Russian/русский	Данный документ содержит важную информацию о вашем трудоустройстве. Отметьте галочкой квадрат слева для получения этой информации на данном языке.
	Somali/Soomaali	Dukumentigan waxaa ku qoran macluumaad muhiim ah oo ku saabsan shaqadaada. Calaamadi sanduuqan haddii aad rabto inaad macluumaadkan ku hesho luqaddan.
	Laotian/ພາສາລາວ	ເອກະສານນີ້ມີຂໍ້ມູນທີ່ສຳຄັນກ່ຽວກັບການຈ້າງງານຂອງທ່ານ. ກວດເບິ່ງກ່ອງທີ່ຢູ່ເບື້ອງຊ້າຍເພື່ອຮັບຂໍ້ມູນນີ້ໃນພາສານີ້.
	Korean/한국어	이 문서에는 귀하의 고용 형태에 관련된 중요한 정보가 담겨있습니다. 이 언어로 이 정보를 받기를 원하시면 왼쪽 상자에 체크하여 주세요.
	Tagalog/Tagalog	Ang dokumentong ito ay nagtataglay ng mahalagang impormasyon tungkol sa iyong pagtatrabaho. Lagyan ng tsek ang kahon sa kaliwa upang matanggap ang impormasyong ito sa wikang ito.
	Oromo/Oromoo	Waraqaan kun waayee hojii keetii odeeffannoo barbaachisoo ta'an qabatee jira. Saaxinnii karaa bitaatti argamu kana irratti mallattoo godhi yoo afaan Kanaan barreeffama argachuu barbaadde.
	Amharic/አማርኛ	ይህ ዶኩመንት አቀጣጠሮን በሚመለከት አስፈላጊ መረጃ የያዘ ነው። ይህንን ዶኩመንት በስተግራ በኩል ባለው ቋንቋ ተተርጉሞ እንዲሰጦት ከፈለጉ በዛው በስተግራ በኩል ባለው ሳጥን ውስጥ ምልክት ያድርጉ።
	Karen / ကညီကျိာ်	လံာ်တီလံာ်မီတခါအံၤဟ်ယှာ်တၢ်ဂ့ၢ်တၢ်ကျိၤအကါဒိဉ်လၢအဘဉ်ဃးဒီးနတၢ်ဖံးတၢ်မၤန့ၣ်လီၤ. တၢ်နီဉ်တၢ်ဒၢလၢအစ့ၣ်တကပၤလၢတၢ်ကဒိးန့ၢ်တၢ်ဂ့ၢ်တၢ်ကျိၤလၢကျိာ်တခါအံၤအဃိတက့ၢ်.
	Arabic/ العربية	يحتوي هذا المستند على معلومات مهمة حول عملك. ضع علامة في المربع على اليمين للحصول على هذه المعلومات في هذه اللغة.