

INDEPENDENT SCHOOL DISTRICT NO. 625
Saint Paul, Minnesota
COMMITTEE MEETING OF THE BOARD OF EDUCATION
Administration Building
360 Colborne Street
Saint Paul, Minnesota 55102

April 3, 2024
4:30 PM

A G E N D A

1. **CALL TO ORDER**
2. **AGENDA**
 - A. Superintendent's Announcements
 - B. FY25 Budget Update
 1. Introduction
 2. Presentation 2
 3. Discussion
 - C. Amendment of Superintendent Contract 28
 1. Introduction
 2. Discussion
 3. Action
 - D. Interim Superintendent Contract 30
 1. Introduction
 2. Discussion
 3. Action
3. **ADJOURNMENT**
4. **WORK SESSION**
 - A. B.I.G.G.: Board Initiated Goals Governance

#BoldSubject#



Saint Paul
PUBLIC SCHOOLS

FY25 Budget Update

Committee of the Board Meeting

April 3, 2024

Objective of the Presentation

To share with the Board of Education and the community:

- An update on the FY25 budgeting process and our work toward building a balanced budget
- Review the tool that guided school allocation
- A high-level summary of anticipated impacts of enacting a balanced budget
- Next steps and timeline in the FY25 budget process

3

Agenda

- Review of FY25 budget components
- School allocations and impacts
- Division and department budget impacts
- Next steps in FY25 budget process
- FY25 budget timeline and important dates

4

FY25 Budget Components

5

Budget Building Blocks



\$ 1. School Needs

\$ 2. Requirements (constraints, obligations)

3. Community Values & instructional Priority

\$ 4. Essential Services

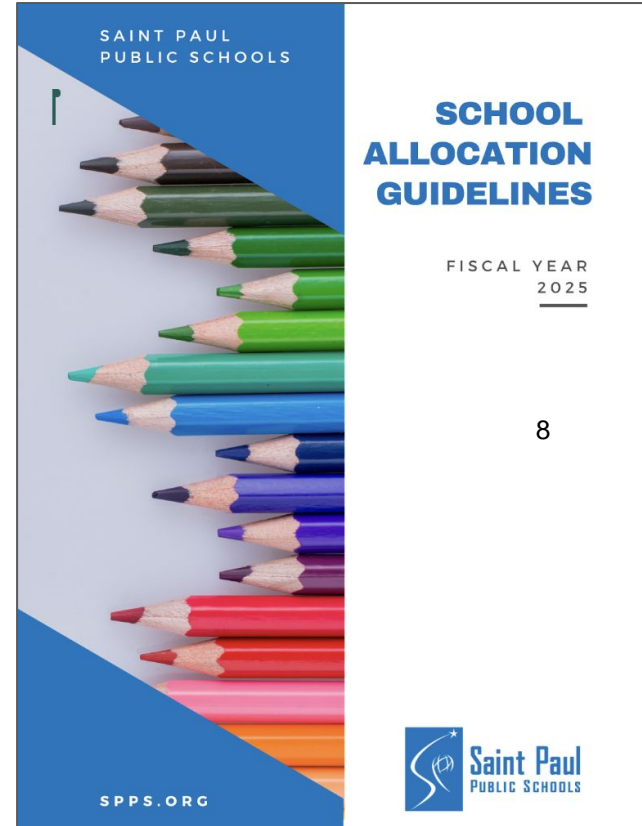
6

School Allocations & Impacts

7

School Allocation Guidelines

- The [School Allocation Guidelines](#) provide information and guidance about how school budgets are allocated.
- The Division of Schools and Learning uses specific **formulas and guidelines to allocate** staffing and funding to schools.
- The Division of Schools and Learning works closely with all other divisions to ensure the school allocations are **accurate and equitable**.



Sampling of Changes in FY25 School Allocations

	FY24	FY25
Elementary Teachers	No composite classrooms K-3	No composite classrooms K-1; Early Childhood Hub consolidation to one site
Secondary Teachers	Allocated at 6 below the contractual average class size	Allocated at 4 below the contractual average class size
Library Services	Licensed LMS at secondary, EAs floating at elementary	Licensed LMS at secondary, increased staffing at elementaries to ensure libraries are accessible ⁹
Technology Supports	Tech TOSAs supplement student iPad support	Field Techs support student and staff technology
Title I	Title I threshold of 49.1% or greater students qualifying for educational benefits	Decreased threshold to 48.4%; fewer students completed educational benefits forms and less carryover

Sampling of School Impacts

	FTEs Allocated		Costs	
	FY24	FY25	FY24	FY25
School Leadership	134.00	129.0 (-5.00)	\$25,234,612	\$25,741,414 (+\$506,802)
PK-5 Classroom Teachers*	703.00	692.0 (-11.00)	\$78,658,940	\$81,963,311 (+\$3,304,371) ¹⁰
PK-5 Specialist Teachers*	217.00	156.0 (-58.00)	\$24,492,139	\$18,632,016 (-\$5,860,123)
K-8 and 6-8 Secondary Teachers*	277.00	251.5 (-25.50)	\$31,628,414	\$30,387,739 (-\$1,240,675)
6-12 and 9-12 Secondary Teachers*	405.00	389.5 (-15.50)	\$46,243,710	\$47,061,727 (+\$818,017)

Note: The above information does not include additional staffing paid for through Title 1, A/I, some grants.

*Does not include ALC, Alternative and Specialized sites.

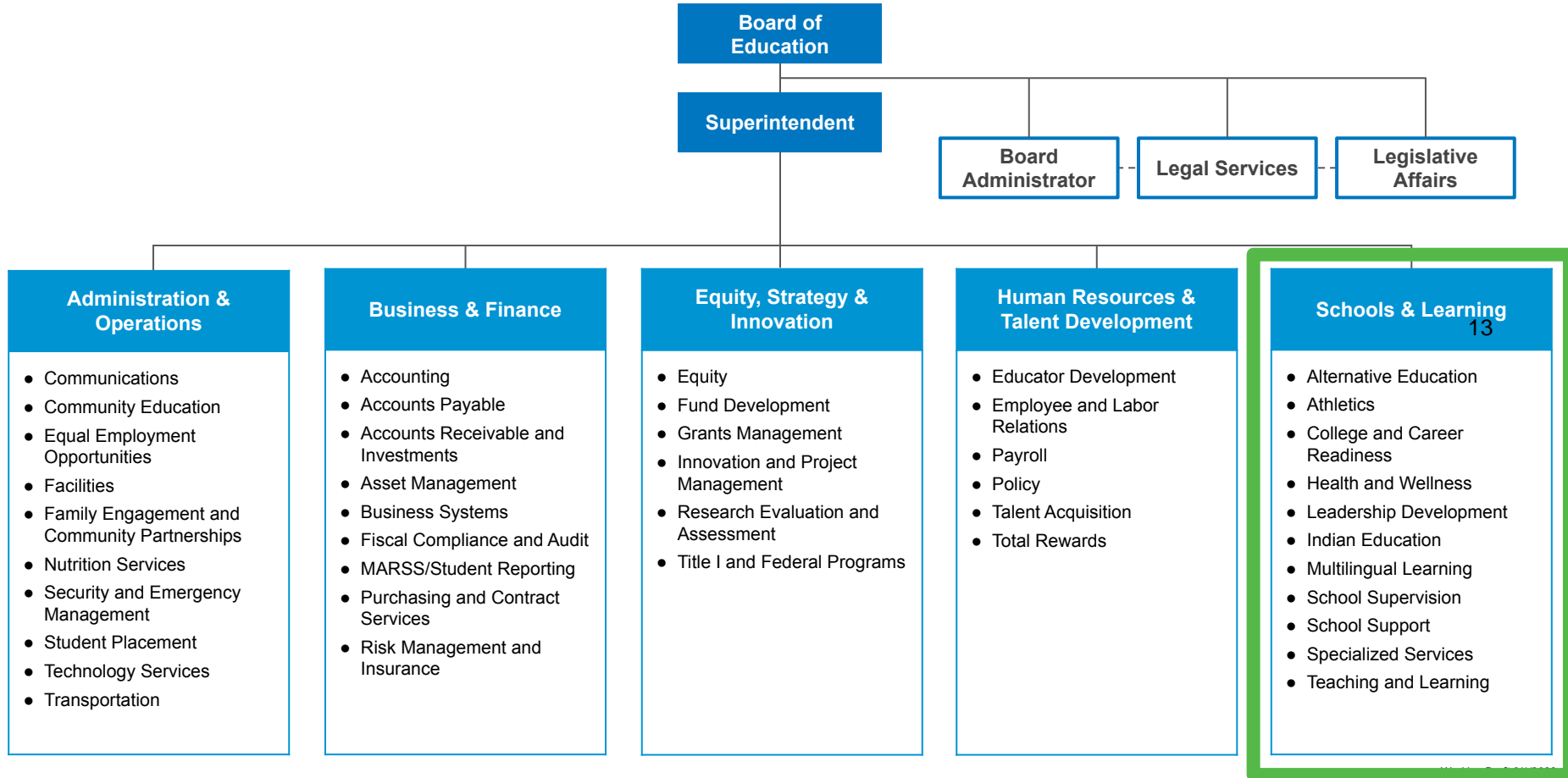
Sampling of School Impacts (Continued)

	FTEs Allocated		Costs	
	FY24	FY25	FY24	FY25
Clerks	138.00	135.00 (-3.00)	\$9,530,023	\$9,886,897 (+\$356,874)
Counselors	134.40	131.00 (-3.40)	\$16,240,493	\$16,750,708 (+\$510,215)
Library Services	33.52	52.80 (+19.28)	\$3,299,260	\$3,836,364 (+\$537,104) ¹¹
MLL Services	342.37	337.44 (-4.93)	\$35,472,095	\$37,056,019 (+\$1,583,924)
Health Services	89.01	93.93 (+4.92)	\$8,361,072	\$9,295,852 (+\$934,780)
Gen Ed Social Workers	57.00	55.60 (-1.40)	\$6,696,531	\$6,912,136 (+\$215,605)
Intervention Specialists	89.00	85.00 (-4.00)	\$5,958,461	\$6,022,335 (+\$63,874)

Note: The above information does not include additional staffing paid for through Title 1, A/I, some grants.

Division & Department Impacts

12



Schools & Learning

IMPACTS

REDUCTIONS

ARP

\$20.2 million

Additional Reductions Being Considered

\$3.5 million

*Does not include staffing that is
directly allocated to schools*

Athletics

- Sustain cost increases as part of Schedule C and fees for officials
- Addition of boys volleyball as interscholastic sport in SY2024-25

College & Career Readiness and School Supports

- Reduced ARP supports in school climate and college and career pathways services
- Maintaining commitments within Indian Education Resolution ¹⁴
- Staffing reductions beyond ARP
- Targeted reductions in materials, funding for professional development and curriculum writing, and external contracts

Multilingual Learning

- Primary staffing reduction occurring through loss of ARP
- Reduced supplies and materials support for multilingual learning
- Reduction in departmental training and coaching support for MLL and LCD teachers

Schools & Learning (Continued)

IMPACTS

REDUCTIONS (from previous slide)

ARP
\$20.2 million

Additional Reductions Being Considered \$3.5 million

Does not include staffing that is directly allocated to schools

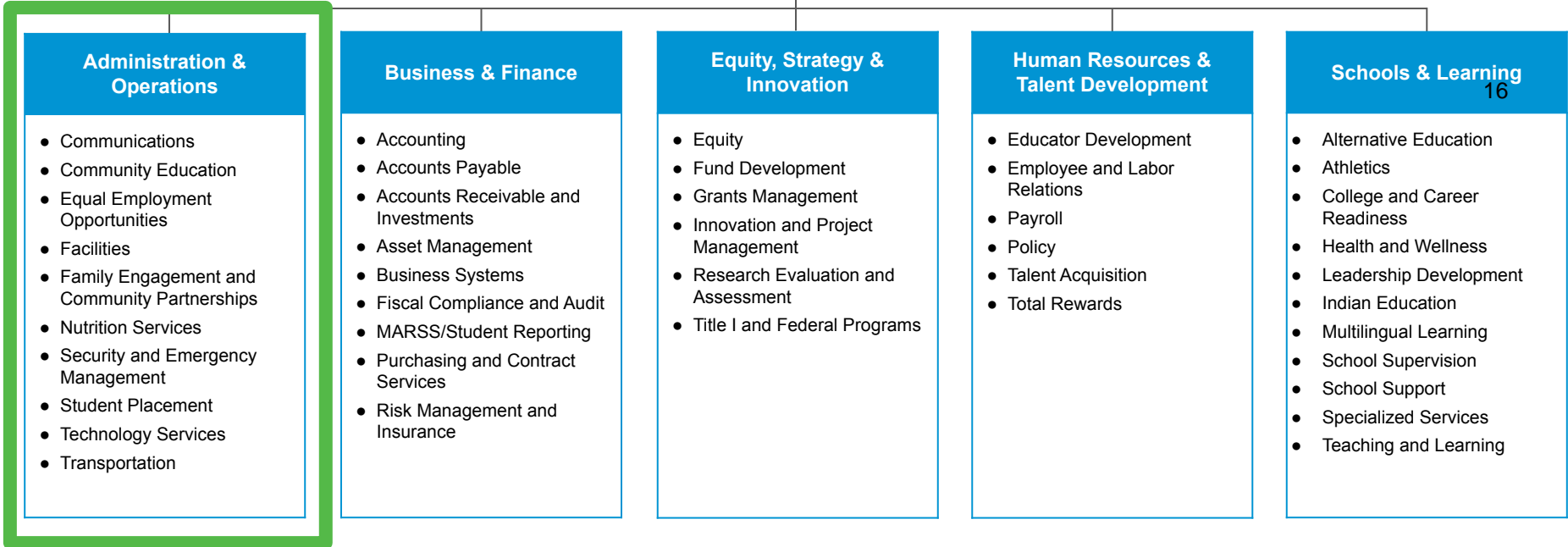
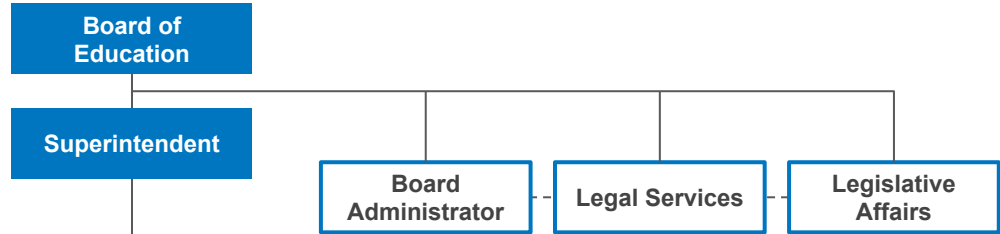
Specialized Services

- Reduce ARP-funded bonus pay and supplemental pay
 - Early childhood assessment service reduction
- Improve coding of specialized services to maximize special education state aid
- Reduced non-instructional supplies

Teaching & Learning

- Adjustments to WINN reading and literacy supports
- Adjustments to CSI and TSI (comprehensive school supports)
- Modifying staffing structures to support all school libraries
- Reducing and focusing professional development, content support and new materials
- Continued support for select programs (Peer Assistance and Review (PAR), Belwin, Planetarium)

15



Administration & Operations

- Communications
- Community Education
- Equal Employment Opportunities
- Facilities
- Family Engagement and Community Partnerships
- Nutrition Services
- Security and Emergency Management
- Student Placement
- Technology Services
- Transportation

Business & Finance

- Accounting
- Accounts Payable
- Accounts Receivable and Investments
- Asset Management
- Business Systems
- Fiscal Compliance and Audit
- MARSS/Student Reporting
- Purchasing and Contract Services
- Risk Management and Insurance

Equity, Strategy & Innovation

- Equity
- Fund Development
- Grants Management
- Innovation and Project Management
- Research Evaluation and Assessment
- Title I and Federal Programs

Human Resources & Talent Development

- Educator Development
- Employee and Labor Relations
- Payroll
- Policy
- Talent Acquisition
- Total Rewards

Schools & Learning 16

- Alternative Education
- Athletics
- College and Career Readiness
- Health and Wellness
- Leadership Development
- Indian Education
- Multilingual Learning
- School Supervision
- School Support
- Specialized Services
- Teaching and Learning

Administration & Operations

IMPACTS

REDUCTIONS

ARP

\$36.2 million

Additional Reductions Being Considered

\$11.8 million

Nutrition Services

- ARP funding for 12 positions eliminated
- Overall reduction of 16-19% of departmental staff
- Food and supply costs rising faster than funding
- Menu changes to reduce food costs and staff demands

Facilities

- Loss of all ARP-funded custodial and maintenance positions
- Additional 10-12% reduction of custodial and maintenance staff
- Loss of 3.4 million square feet of daily cleaning capacity (out of 7.7 million total square feet)
- Anticipated reduction of 2,000 completed work orders annually
- Material and equipment costs continue to increase

17

Administration & Operations (Continued)

IMPACTS

REDUCTIONS (from previous slide)

ARP
\$36.2 million

**Additional Reductions
Being Considered**
\$11.8 million

Transportation

- Balanced bus tiers to increase efficiency, focusing on keeping students on yellow school buses
- Rebid bus contracts, realizing significant savings
- Reduced back-up coverage, which could lead to route cancellation

18

Technology Services

- Streamlining student iPad logistics and support
- Changing support model for district staff and students
- Reviewing potential changes to district device refresh cycle
- Focusing on core services and cybersecurity

Administration & Operations (Continued)

IMPACTS

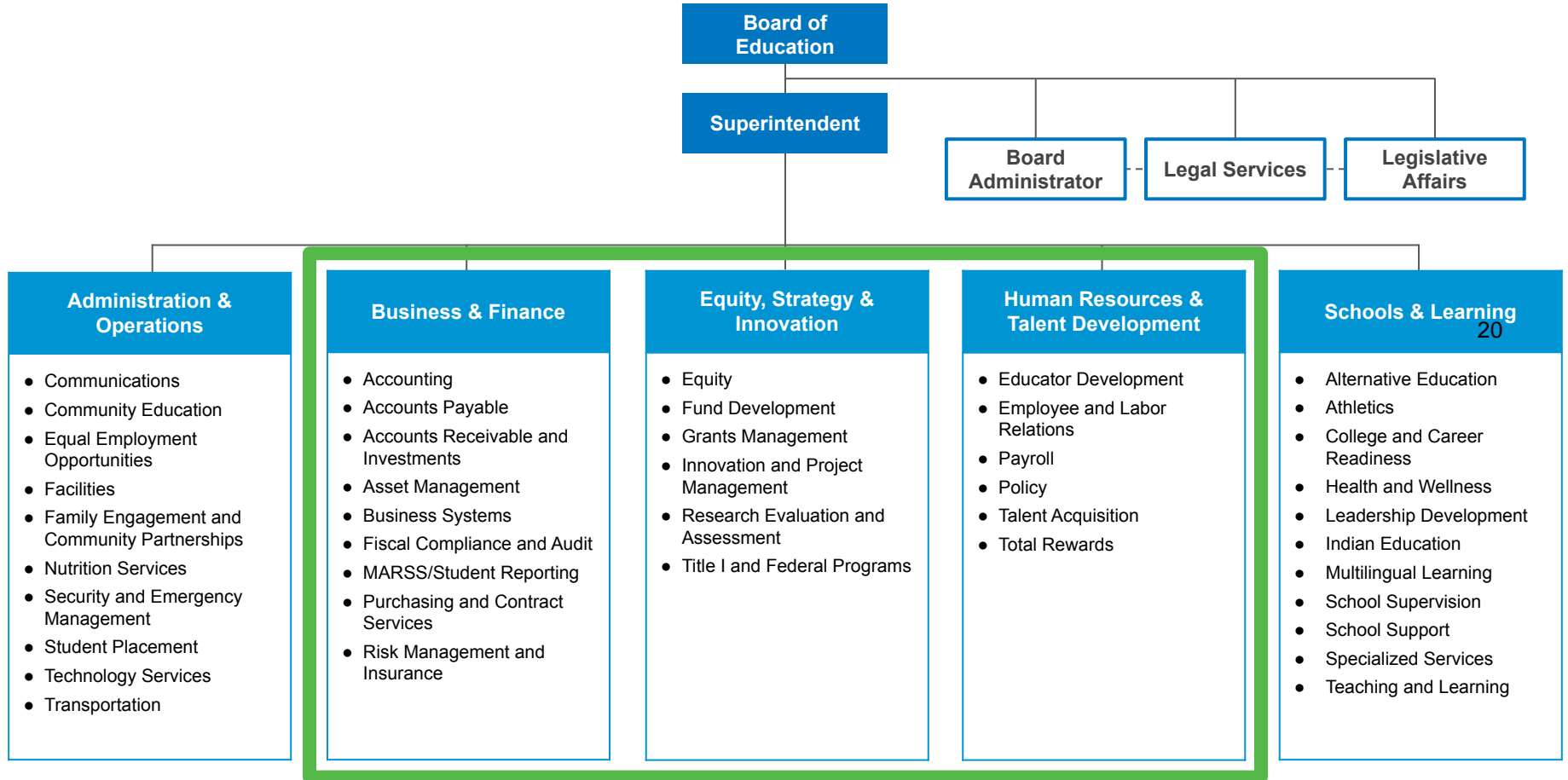
REDUCTIONS (from previous slide)

ARP
\$36.2 million

**Additional Reductions
Being Considered**
\$11.8 million

Communications / Community Education / Equal Employment Opportunities / Family Engagement and Community Partnerships / Security & Emergency Management / Student Placement

- Reducing FTEs and exploring alternate schedules (e.g. 10-month or 19 part-time roles instead of 12-month roles)
- End of ARP-funded initiatives, including the Central Contact Center
- Reduced capacity for supporting community events
- Reduced capacity for community to access SPPS services (for enrollment support, out-of-school programs, communication)
- Focus on preserving direct student services (e.g. SSLs) to the greatest extent possible
- All departments will need to reduce staff in addition to ARP



Business & Finance / Equity, Strategy & Innovation / Human Resources

IMPACTS

REDUCTIONS

ARP

\$5.1 million

Additional Reductions Being Considered

\$3.2 million

Business & Finance

- Targeted reductions in materials, fees for service/ external contracts and staffing

Equity, Strategy & Innovation

- Staffing reductions beyond ARP
- Targeted reductions in materials, funding for professional development and external contracts

21

Human Resources

- Staffing restructuring and reductions that will result in reduced capacity to respond to school needs and proactively implement recruitment/hiring strategies to ensure vacancies are filled in a timely manner
- Loss of hiring and retention dollars to differentiate SPPS from other districts
- Reduction of supplemental pay for new teacher support and SUTR

Next Steps

22

Budget Reduction Target Progress

Description of Reductions and Savings	Reduction Amount	Shortfall Running Total	Date
Estimated FY25 Budget Shortfall	-	-\$150.3M	Fall 2023
FY24: New revenue, unemployment insurance savings FY25: ARP one-time expenses, additional state aid, additional compensatory aid	\$42.8M	-\$107.5M	January 2024
Discontinuation/reduction of ARP and non-ARP funded programs and staff, supplemental pay savings, school allocation savings	\$71.3M	-\$36.2M	Feb/March 2024
Additional reductions in district staff and services (Proposed)	\$16.3M	-\$19.7M	April 2024

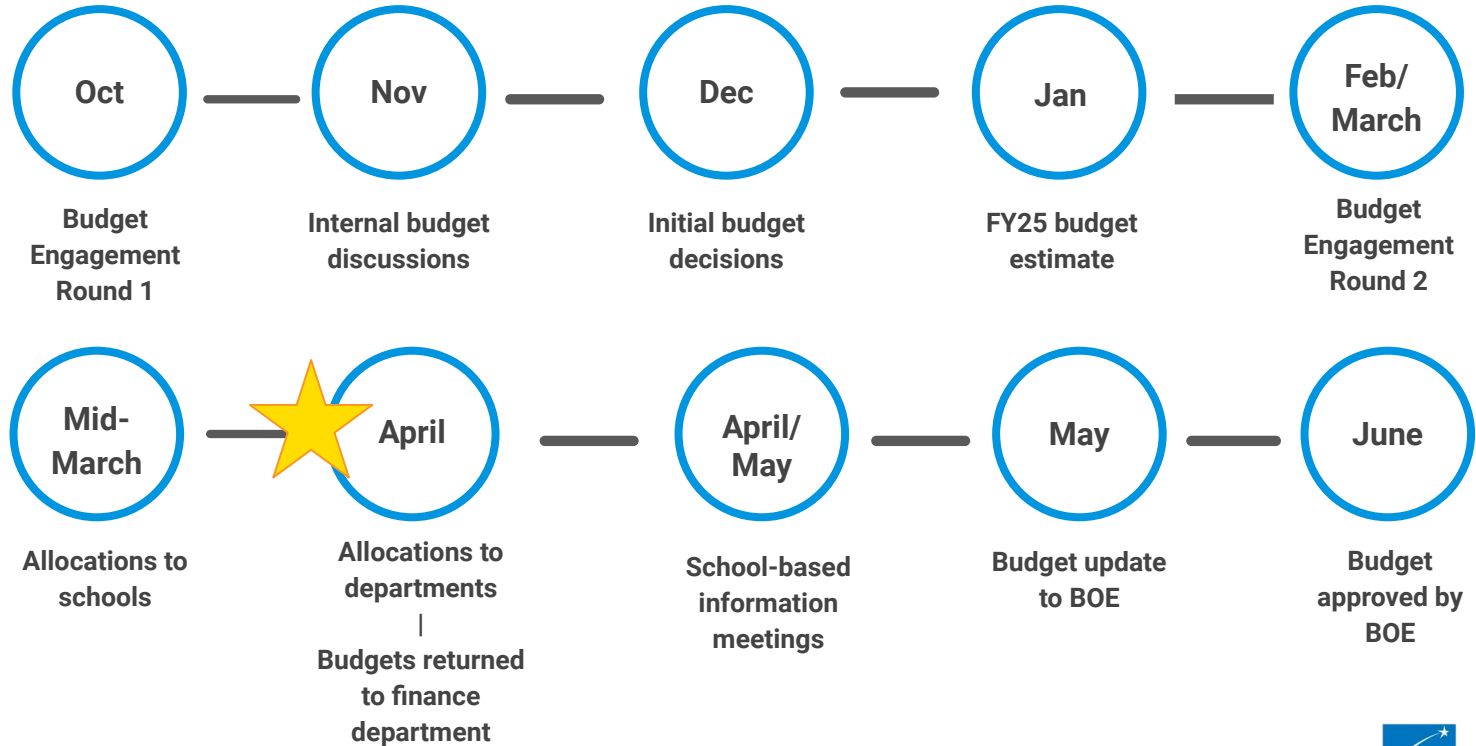
Deficit & Financial Outlook

- Slightly increase fund balance for FY23
- Fall enrollment in 2024
- Legislative session in 2025
- Additional cost containment (if needed) in Oct/Nov 2024

24

Bottom Line: The district may consider using some of its fund balance to prevent further reductions for FY25.

FY25 Budget Timeline



25

Important Dates

- **March 4-April 17:** Parent Advisory Council (PAC) budget information meetings
- **April 2-19:** School budget meetings with principals
- **April 22:** Department budgets out
- **April 15-May 17:** School-based budget information meetings
- **April 26:** Staff cuts and non-renewals
- **April 19-May 15/May 17-June 13:** Interview & Select (two rounds)

26

Questions?

27

AMENDMENT TO AND TERMINATION OF SUPERINTENDENT CONTRACT

This Amendment to and Termination of Superintendent Contract (“**Contract**”) is entered into between the School Board of Independent School District No. 625, Saint Paul Public Schools, Minnesota, (“School District”) and Joseph Gothard (“Superintendent”), a legally qualified and licensed superintendent who agrees to perform the duties of the Superintendent of the School District.

RECITALS:

A. On June 20, 2023, the School District Board of Education approved a new Superintendent Contract for the Superintendent commencing on July 1, 2023, and ending on June 30, 2026.

B. The School District and the Superintendent signed and executed the Contract on or about June 20, 2023.

C. Section VIII, C, “Termination by Resignation,” of the Contract states, “Superintendent may relinquish the position and duties of the Superintendent and leave the employment of the School District provided he submits a resignation in writing to the School Board at least 90 days in advance of his actual resignation. Superintendent’s rights, duties and obligations stated herein shall terminate ninety (90) days after the School Board’s acceptance of such written notice of resignation, unless the parties mutually agree that they shall terminate at an earlier date. Compensation and benefits will be provided to Superintendent through the final date of his employment; however, Superintendent will not be paid for any accrued unused Vacation Leave.”

D. On February 26, 2024, the Superintendent sent written resignation to the School District Board of Education that he had accepted a new position and would be resigning as Superintendent of Independent School District No. 625.

E. The Superintendent has requested to terminate his employment prior to the expiration of the 90 days.

F. The School District Board of Education and Superintendent desire to enter into this written amendment to terminate the Superintendent’s contract effective at the end of business on Friday, May 17, 2024.

AGREEMENT:

NOW THEREFORE, the School District and Superintendent agree as follows:

1. The School District Board of Education formally accepts the Superintendent’s written resignation.
2. Pursuant to Section VIII, C of the Contract, the School District and Superintendent

mutually agree to terminate the Superintendent's rights, duties and obligations at a date earlier than the 90 days required by this Section.

3. The School District and Superintendent agree that the Superintendent's rights, duties and obligations shall terminate at the end of business on Friday, May 17, 2024.

4. Compensation and benefits will be provided to Superintendent through the end of business on May 17, 2024; however, Superintendent will not be paid for any accrued unused Vacation Leave.

ACCEPTED AND AGREED by the parties as of the respective dates of their signatures.

Dated: _____

By: _____
Joseph Gothard

INDEPENDENT SCHOOL DISTRICT NO. 625

Dated: _____

By: _____
Its Chair

Dated: _____

By: _____
Its Clerk

APPROVED AS TO FORM

General Counsel

EMPLOYMENT AGREEMENT

THIS AGREEMENT, is made this ____ day of April, 2024 by and between Independent School District No. 625, Saint Paul Public Schools (hereinafter “School District”) and John Thein (hereinafter “Employee”);

WHEREAS, effective May 20, 2024, the School District desires to appoint and hire Employee to perform the duties of Superintendent of Schools on a full-time, interim basis until such time as a person is permanently employed as Superintendent of Schools;

WHEREAS, Employee is willing to perform the duties of Superintendent on a full-time, interim basis;

WHEREAS, Employee is a legally qualified and licensed Superintendent who agreed to perform the duties of Superintendent of Schools of the School District; and

WHEREAS, prior to May 20, 2024, the School District may desire to have Employee provide services, as requires, to assist the Board of Education in transitioning Employee to the position of Superintendent of Schools on an interim basis (hereinafter “Interim Superintendent Position”) and Employee is willing to provide such services;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, School District and Employee do hereby agree as follows:

1. Employment and Duties from April 29, 2024 to May 17, 2024.

- a. Effective April 29, 2024, Employee shall provide services on an “as needed” and “as available” basis, as requested by the Chair of the Board of Education, to assist the Board of Education in transitioning employee to the Interim Superintendent Position.

- b. During this time period, Employee shall keep a time card record of hours worked for the School District and the School District shall pay Employee on an hourly basis at the rate of One Hundred Eleven Dollars (\$111) per hour. The Chair of the Board of Education shall approve the Employee's time card and payments to the Employee shall be made in accordance with usual School District payroll practices. No other compensation or benefits shall be paid to the Employee or on the employee's behalf during the period from April 29, 2024 to May 17, 2024.
2. **Employment as Interim Superintendent and Duties Beginning May 20, 2024.**
- a. Effective May 20, 2024, the School District does hereby appoint and hire Employee to perform the duties of Interim Superintendent. Employee does hereby accept said employment and does hereby agree to perform such duties associated with the position of Interim superintendent as may be required by law and as school District's Board of Education has established or will establish from time to time.
 - b. Employee shall furnish the School District throughout the life of this Agreement a valid and appropriate licenses to act as School District's Superintendent of Schools in the State of Minnesota as provide by applicable laws, rules, and regulations.
3. **Compensation and Benefits.** During the term of the Employee's appointment as the Interim Superintendent of Schools, School District shall compensate Employee as follows:
- a. **Salary.** An annual salary of Two Hundred Thirty Thousand (\$230,000) payable in bi-weekly installments;
 - b. **Professional Activities.** Reimbursement for dues and expenses incurred by Employee for membership and participation in organizations when such

activities are related to the performance of Employee's duties and approved by the Chair of the Board of Education;

c. Benefits.

i. Except as otherwise provided in this Agreement, Employee shall be entitled to the benefits set forth for in Sections 1 (Business Expense Allowance), 2 (Vacation), 3 (Holidays), 4 (Insurance), 7 (Sick Leave), and 9, Subd. 5 (Deferred Compensation) of Article 6 of the Terms and Conditions of Professional Employment for the Members of the Unrepresented Plan of Saint Paul Public Schools for the period of July 1, 2023 – June 30, 2026, as may be amended. However,

1. Article 6, Section 2, subdivisions 4 and 5 (Sick Leave Days conversion and End of Year Vacation Payment) will not apply;
2. Article 6, Section 4, subdivisions 4.1.1, 4.1.2, 4.1.3 and Article 6, Section 4, subdivisions 4.2, subd. 1 and 4 (Health Insurance benefits) will not apply;
3. Article 6, Section 7, subdivision 5 (Sick Leave conversion) will not apply; and,
4. Upon termination of employment with the School District, Employee will not receive payment for any accrued, but unused Sick Leave or Vacation Leave.

ii. Wherever the Terms and Conditions of Professional Employment for the Members of the Unrepresented Plan of Saint Paul Public Schools for the period of July 1, 2023 – June 30, 2026, as may be amended, requires that vacation or

other leave requests be approved by “the Superintendent” or “immediate supervisor,” Employee shall get the prior approval of the chair of the School District’s Board of Education, whose approval will not be unreasonably withheld.

4. **Term.** The Term of the Employee’s Appointment as the Interim Superintendent of Schools shall commence on May 20, 2024 and shall be terminable at-will upon two-week’s written notice by the School District or the Employee.
5. **Termination of Agreement.** After the effective date of termination of Employee’s Appointment as the Interim Superintendent of Schools, Employee is not entitled to any benefits or compensation, other than any Salary then due and is not entitled to any severance pay, payment for accrued and unused Sick Leave, or payment for accrued and unused Vacation Leave.
6. **Effective.** This Agreement shall be effective only upon signatures of the Employee and the officers of the School District Board of Education as a result of proper action by the School District Board of Education.
7. **Provisions are Severable.** The provisions of this Agreement shall be severable and if any such provision or the application of any such provision under any circumstances is held invalid, it shall not affect any other provisions of this Agreement or the application of any provision thereof.

IN WITNESS WHEREOF, School District and Employee have executed this Agreement on the dates respectively set forth below.

INDEPENDENT SCHOOL DISTRICT NO. 625

Date: _____

By _____

Its Chair

Date: _____

By _____
Its Clerk

EMPLOYEE

Date: _____

John Thein