

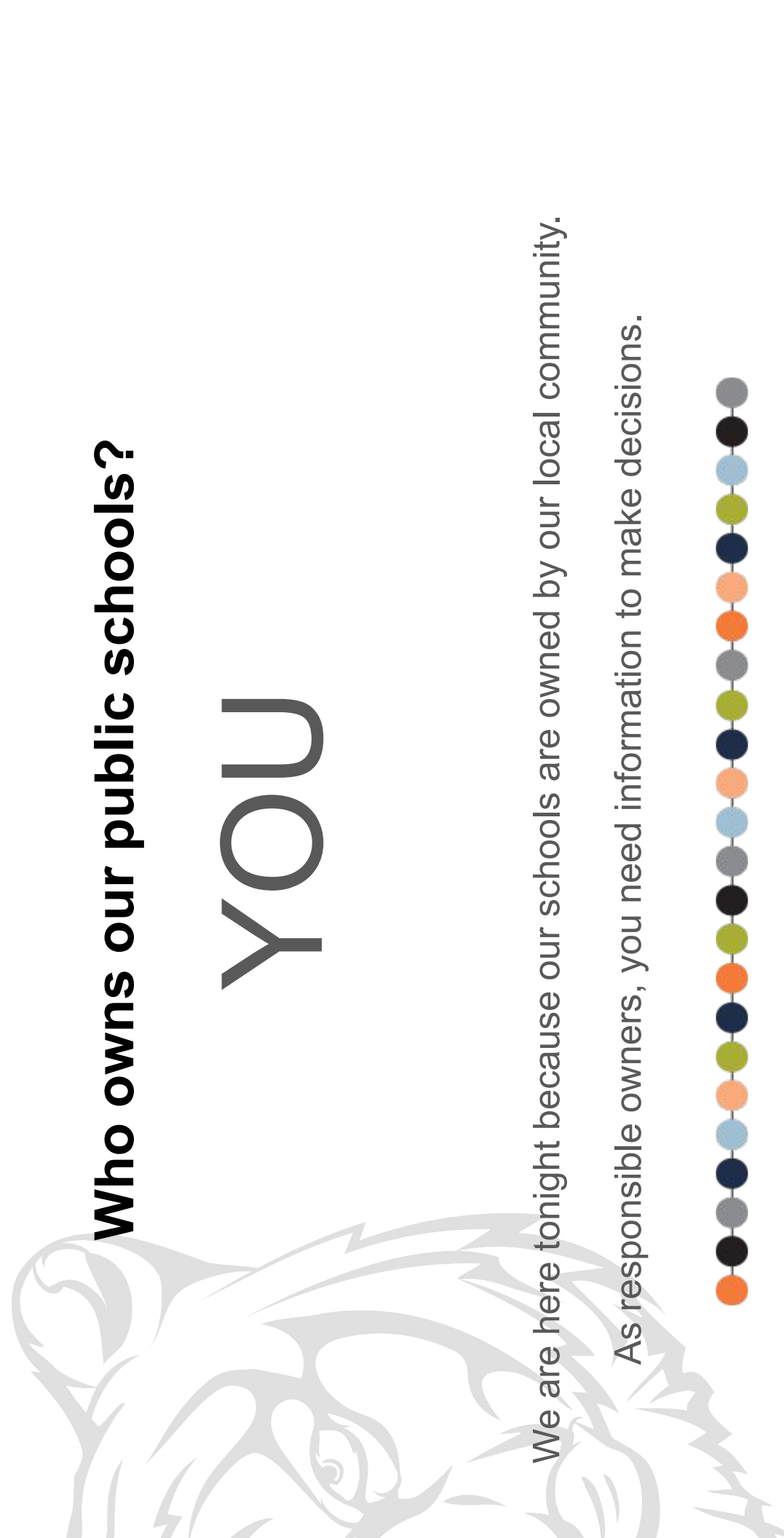


PRINCETON

Community Meeting

March 27, 2024





Who owns our public schools?

YOU

We are here tonight because our schools are owned by our local community.

As responsible owners, you need information to make decisions.



AGENDA

Where we have been:

- \$2.5 structural deficit operating
- History of our Facilities planning
- Educating for a rapidly changing future

What got us here: Unfair State Funding Formula

- Operating Revenue
- Technology Revenue
- Facilities Revenue

What should we do: Table Discussions

Mission

Princeton Public Schools is an innovative leader in instruction, developing in EVERY learner the ability to succeed in an ever-changing world.

Vision

Princeton Public Schools will equip every student to be career and college ready through personalized instruction, community partnerships, and collaboration.



Continuous Improvement Plan

- Student Learning - High Student Achievement
- Climate and Culture - Free of Discrimination and Racism
- MTSS - Robust Response Programming to Meet the Needs of ALL Students in a Tiered System.
- Operations - Efficient and Effective Operations & Facilities



The Operating Budget Supports our Mission

- The best teachers to provide quality education and opportunities for our students
- Educational components such as teaching and learning materials and training
- Educational support staff
- Operations - transportation, facilities and grounds, food service, and district staff



FY 2023 Audited Financials

- Clean Audit Report
- Planned spending from fund balance to cover costs
- Expenses exceed revenues
- Federal ESSR / American Rescue funds contains one time funds
- This is not sustainable

**We have a
revenue
problem, not
an expenditure
problem**

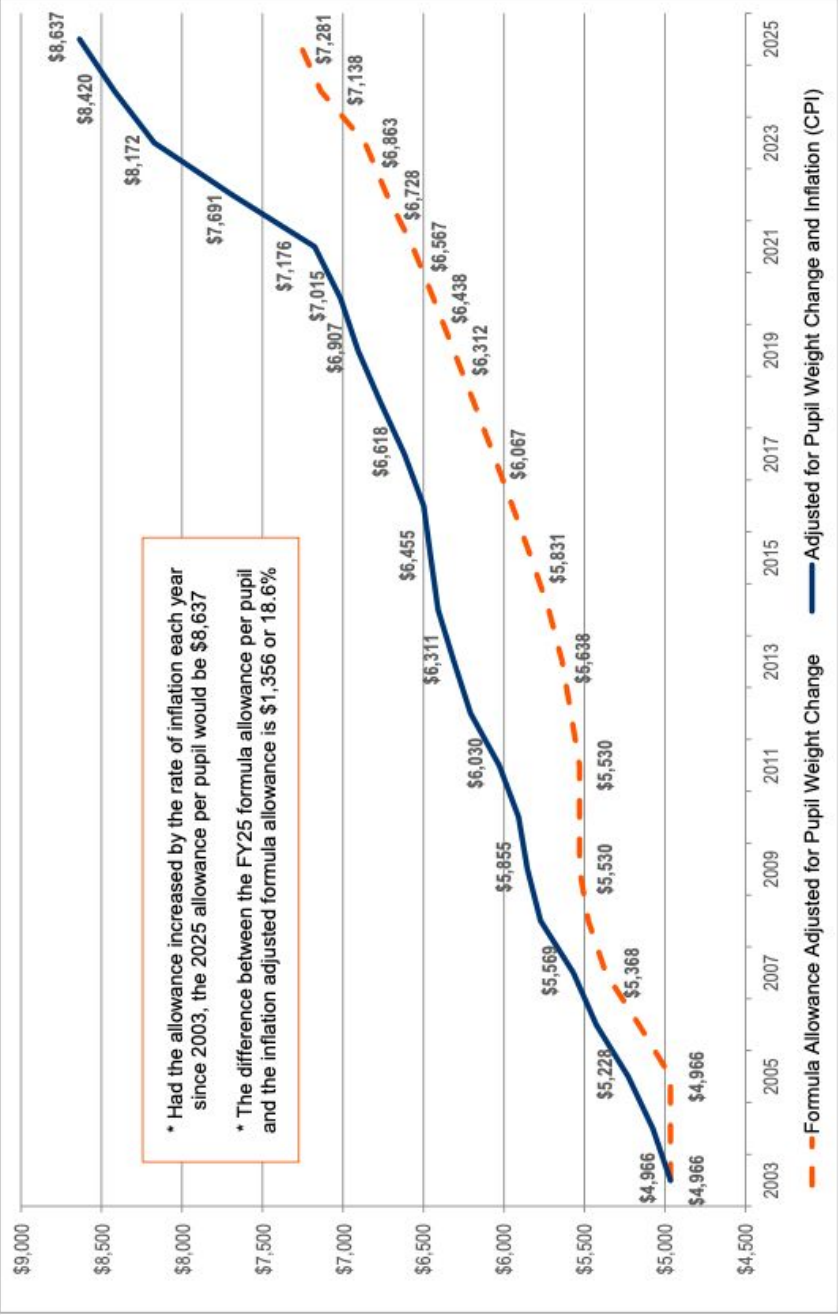


2023 End Of Year Audited Finances

	2022 FUND BALANCE	2023 Actual Revenues	2023 Actual Expenses	2023 FUND BALANCE
LTFM-Restricted	\$ 1,395,415	\$ 643,642	\$ 649,653	\$ 1,389,404
Operating Capital-Restricted	\$ 2,748,411	\$ 593,388	\$ 1,260,894	\$ 2,080,905
Staff Development-Restricted	\$ 491,149	\$ 482,078	\$ 534,759	\$ 438,468
Compensatory-Restricted	\$ 201,582	\$ 42,153	\$ -	\$ 243,735
Compensatory Ext Time-Restricted	\$ 101,474	\$ -	\$ -	\$ 101,474
Med Asst-Restricted	\$ 114,829	\$ 71,257	\$ 56,506	\$ 129,580
Safe Schools-Restricted	\$ 51,015	\$ 120,494	\$ 120,494	\$ 51,015
ALC-Restricted	\$ 88,031	\$ 336,365	\$ 335,510	\$ 88,886
Severance-Committed	\$ 824,875	\$ 18,600	\$ -	\$ 843,475
Qcomp-Assigned	\$ 429,788	\$ 836,870	\$ 820,233	\$ 446,425
Technology-Assigned	\$ 102,323	\$ 21,525	\$ 27,520	\$ 96,327
Program Initiatives-Assigned	\$ 800,512	\$ -	\$ 100,000	\$ 700,512
Activity Account-Assigned	\$ 197,134	\$ 448,199	\$ 390,614	\$ 254,719
Non-Spendable	\$ 17,718	\$ -	\$ -	\$ 17,718
Fund 19-COVID-Unassigned	\$ -	\$ 1,834,882	\$ 1,834,882	\$ -
Unassigned	\$ 5,071,300	\$ 35,995,846	\$ 36,641,859	\$ 4,425,287
Total	\$ 12,635,556	\$ 41,445,299	\$ 42,772,925	\$ 11,307,931

General Education Formula Allowance, 2003-2025

Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE June 2023 Inflation Estimates and Minnesota Laws 2023

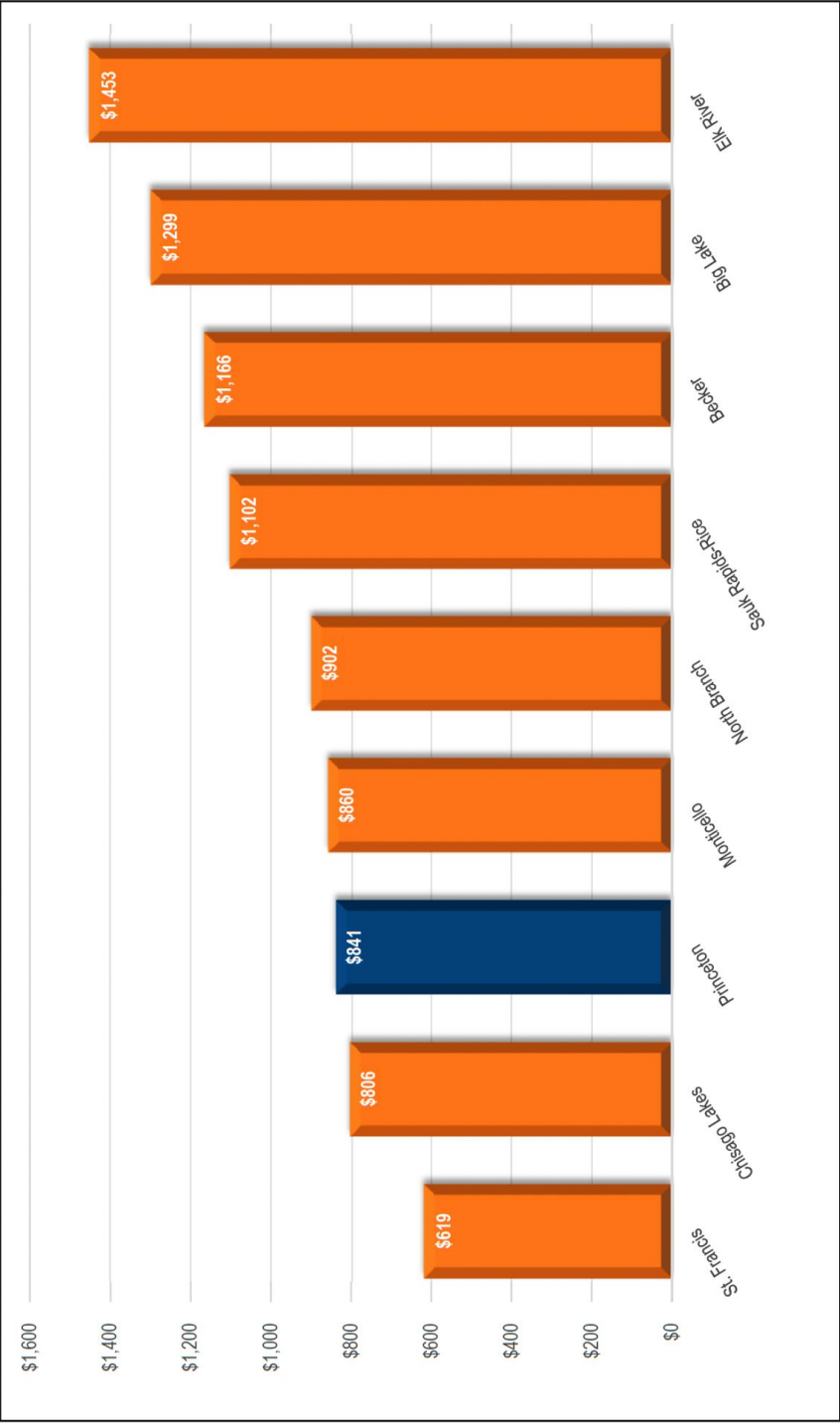


**We have been able to deliver a
high quality education
without asking local voters
for additional funding....**



Princeton School District

Total School Property Taxes, Payable 2023, on a Home with an Estimated Market Value of \$275,000



Source: Pay 23 School Tax Report

School property taxes for our district are comparatively LOW.

Annual Local Taxpayer Cost for \$250K Home For District To Operating

- State Average - \$523
- Princeton - \$258
- 728 (Elk River District) - \$779
- Milaca - \$350
- Cambridge Isanti - \$553
- Foley - \$325
- Big Lake - \$503
- Becker - \$631



Revenue and Expenditures

General Education Funding

- Basic Formula
- Categoricals
- Special Education

Locally Approved Referendum

- Operating (\$2,872 ave.)
- Technology or Capital
- Facilities

Bonding for Facilities

- 20 or 30-year notes
- Primary School (2014)
- High School needs

Revenue Per Student: Princeton vs. Statewide

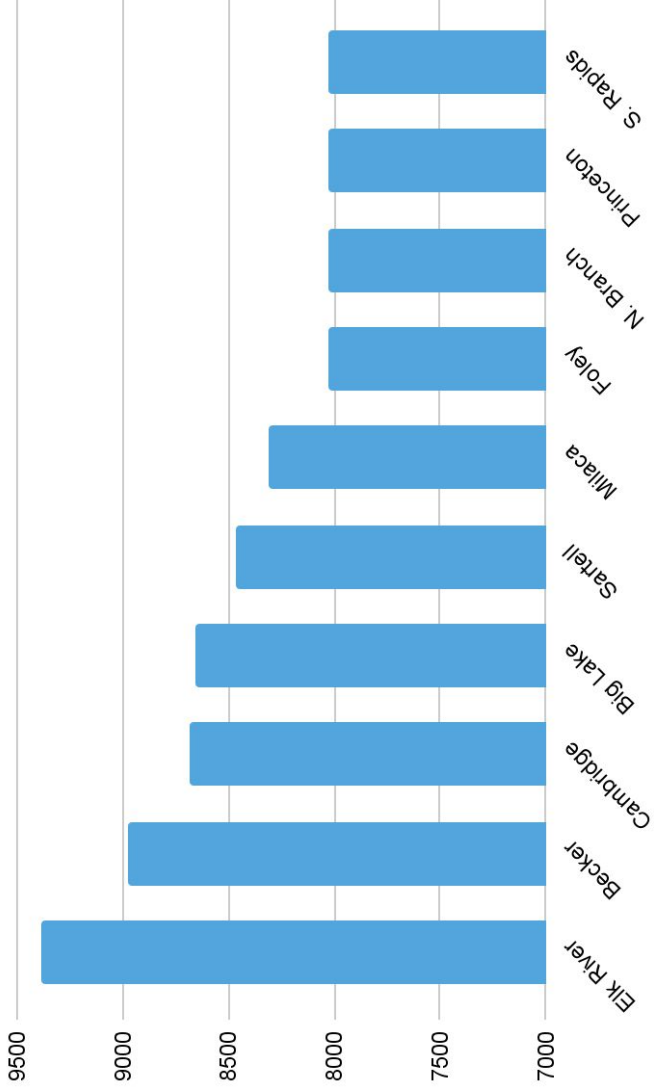
**Princeton
receives
\$3,000 less
per pupil**



Includes general fund categories. Data shown in 2023 audit.

2024 Revenue Disparities

**Princeton
Ranks #274
in revenue
per student**



Includes basic per-student formula, equity, voter-approved referendum, local optional

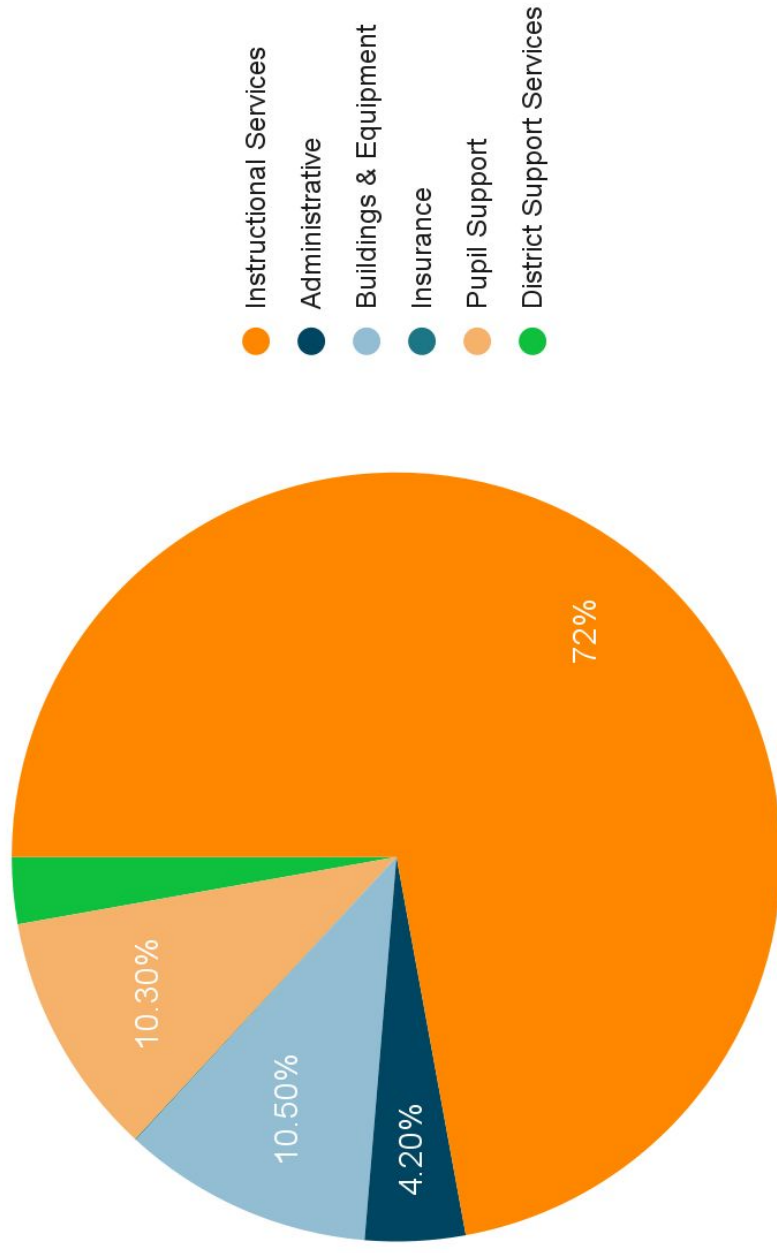
Expenditure Per Student: Princeton vs. Statewide

**Princeton
spends
\$3,000 less
per pupil**



Includes all general fund expenditure categories. Data shown in 2023 audit.

2023 General Fund Expenditures



Data shown in 2023 audit.

Fiscal Disparities Are Increasing

- MDE Report shows record disparity, as districts increasingly rely on local referendums
- Basic funding formula used to be 70%; now it is less than 50%
- State is increasingly counting/relying on Local Operating Referendum as key to how schools get funded.
- We are about \$2.5 million short every year (structural deficit).
- FY25 will be a 2% increase on the state formula (\$2 million)
- FY25 wages will increase \$1.9 million PLUS transportation, utilities, etc are going up and we have new unfunded mandates.





2023 Legislative Session

- Historic funding increases (4% and 2% on the formula) plus increasing their reimbursement for special education services, and **earmarks for specific programs**
- Historic new mandates
 - Earned Safe and Sick Time for all employees
 - All employees must be paid on E-learning days.
 - Additional days of paid professional development for employees.
 - Increased unemployment eligibility and costs.
 - Read Act



FY 2025 Budget Impacts (Estimates)

- 2% State Formula Increase (\$500,000)
- Declining Enrollment (-\$600,000)
- Every 1% increase of salary & benefits is \$330,000 (-\$1.9 million)
- Transportation and Other Inflationary Items (-\$300,000)
- Fund 19 (COVID Funding) Expires (-\$1.2 million)
- Many public finance experts have been forecasting a “Fiscal Cliff” after federal funding expired
- Note: Legislature set an inflationary increase limit of 2-3% annually from 2026 forward.

In Minnesota, there are only four ways for school districts to increase revenue:

- Legislative increase in state funding
- Voter-approved operating referendum
- Growing Enrollment
- Fundraising, Fees, Grants



Facilities Studies Bond Referendum



History of Facilities Studies

2013 - 2014 Community Task Force: Prioritized a new Primary School and minor improvements needed at the High School. Approved **\$29.95 million** referendum.

2014 - Spring 2019: Facility needs remain. Update plans for Board in May 2019.

2019 Community Task Force: Facilities' physical conditions, educational programming adequacy, and community use. Options Committee proposed additions and renovations, potential costs and impacts, and overall schedule.

November 2019 - February 2020: Proposed May 2020 referendum. Cancelled.

November 2021: Q1: \$55.24 million and Q2: \$12.935 million referendum (lost)



Facility Needs Remain

- Expand and improve classrooms in the High School.
- Improve and/or rebuild labs and Career Readiness spaces in the High School.
- Improve Special Education areas in the Intermediate School and High School.
- Expand spaces in the Intermediate School for art, music, STEM, and gym.
- Renovate the High School Media Center.
- Expand and improve the cafeteria and kitchen areas in the Intermediate School, High School, and Student Services Building.
- Create a dedicated secured entrance and office space at the High School.
- Improve hallways, stairways, and restrooms at the High School.



This is not a new question....

- Improve various interior finishes at the Student Services Building.
- Improve traffic flow for busing, pick-up/drop-off, and events at the High School.
- Replace and relocate the existing building systems at the High School.
- Build an additional multi-purpose gymnasium at the High School.
- Redesign and renovate the existing multi-purpose gymnasium.
- Build a dedicated auxiliary gymnasium for gymnastics.
- Improve the existing gymnasium at the Intermediate School.
- Expand and improve the High School weights room and cardio areas.
- Centralize locker rooms near their respective activity areas.



CHANGE



**Tiger Care
Academies
Limited by
Facilities.**





What Kind of Schools Do We Want?

Table Discussions

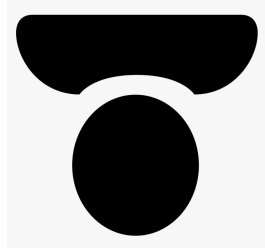
Norms for Discussion

- Discussion leader and note-taker
- One person speaks at a time
- Active listening for understanding
- No need to argue points or change minds
- Generate ideas, questions, discussion
 - We don't have to have answers tonight
- Capture all questions and ideas on the paper in front of you.

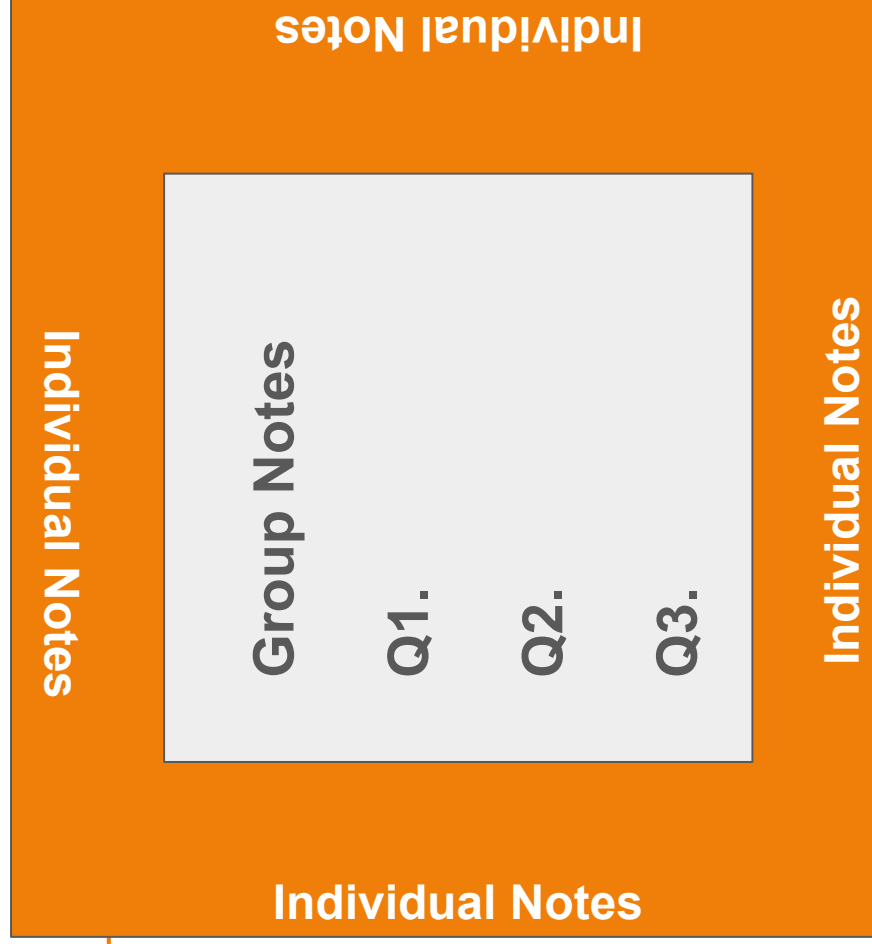


Notes

*Write on your
Table paper*



*Outer ring for
individual notes*



Individual Notes

Group Notes

Q1.

Q2.

Q3.

Individual Notes



*Inner ring for
Group Notes*



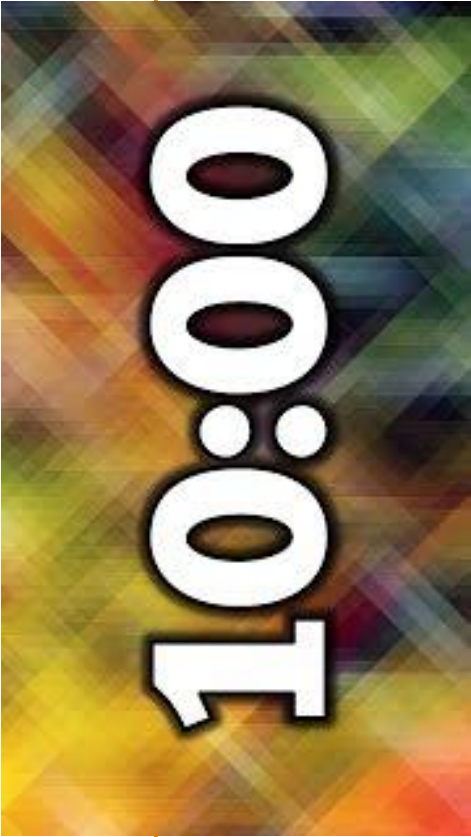
Individual Reflection - Step 1



- What did you hear tonight that you think others need to know?
- What questions do you still have?
- What do you think our priorities should be?



Group - Question 1

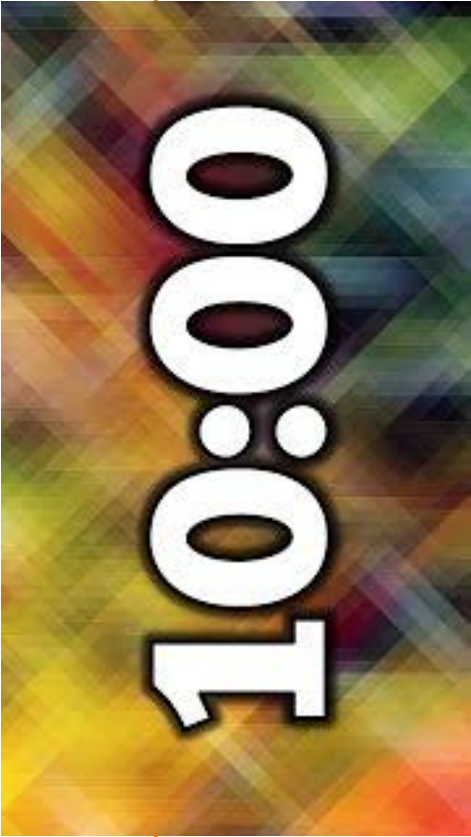


10:00

**What did you hear tonight that
you think others need to know?**



Group - Question 2

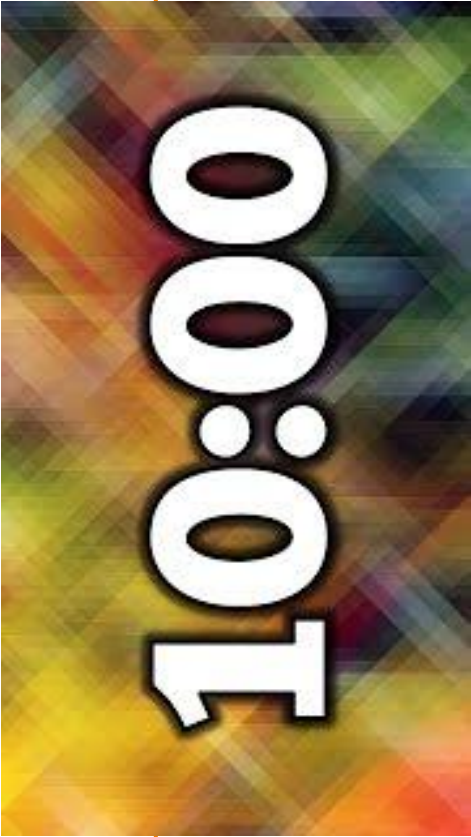


10:00

- Collectively, what questions do you have or do you think others will have?



Group - Question 3



10:00

- Collectively, what do you think our priorities should be?



Before we Report-Out ——This is IMPORTANT

**Put all the thoughts and notes from your group
in the middle section of your paper.**

**If you had any additional thoughts or questions,
write them down on the outside ring.**

**We want to make sure the rich conversation from
each table makes it into our final summary of
tonight's meeting, we can use the information to
plan next steps.**

Reporting Out - 2-3 tables per question

- What did you hear tonight that you think others need to know?
- What questions do you still have?
- What do you think our priorities should be?



More to Discuss

We will be in touch about a
Comprehensive Community
Task Force starting next fall.

Scan the QR code if you
would like to leave feedback
or ask a question.



<https://forms.gle/HTbKwkVA6DMZ9zDv5>



PRINCETON

Thank you!!

You are the owners of our schools!
Please continue to following this discussion

www.isd477.org/task-force

