



Superintendent's Report

Regular Business Meeting

June 10, 2025

Superintendent's Update

Superintendent Dr. Lisa Sayles-Adams

Planning for the Future

Senior Leadership Team

Presentation overview and purpose

- With the 2024-2025 school year concluded, the recommended FY26 budget submitted, and the actions complete in the 2023 Transformation Resolution, we must now **focus on planning for future years**
- As shared previously, the proposed FY26 budget reduces the amount of one-time funding used to balance, but a **significant structural fiscal gap remains**
- We will share a recap of what's been done to this point and provide some **recommendations on a path forward** to move from vision and information to action and plans
- Our students, staff, and community have repeatedly told us what they want from their public schools; they deserve a **timely, clear, and realistic plan for the future** of MPS
- We will hear about one key planning topic tonight: demographic information about school-aged kids who live in our city now and into the future

Status update

Complete

- ✓ **Tech levy passed**
- ✓ **Balanced FY26 budget proposed:**
 - ✓ Significant movement towards structural balance
 - ✓ Alignment with board and caregiver priorities
 - ✓ Increased transparency
- ✓ **Board-directed actions in 2023 Transformation Resolution:**
 - ✓ Space study
 - ✓ Community engagement
 - ✓ Spanish Dual Immersion Task Force
 - ✓ Priority-based budgeting

What's next

- **Processing impacts of state and federal budgets on FY26 and beyond**
- **Direction from School Board on vision and parameters for next steps to deliver on:**
 - Student opportunities and outcomes
 - Address structural fiscal imbalance (minimum of \$25 million in SY27)
- **Continued gathering of desired data to inform planning and decision-making**
- **Begin next strategic plan development**

Transformation resolution update



In December 2023, the school board passed a resolution beginning the transformation process with four directives:

- ✓ **Conduct a physical space study of all schools.**
 - Individual reports are available on the School Transformation webpage.
- ✓ **Ensure community engagement opportunities were available throughout the process.**
 - Summary of 10 years of feedback from families available on the MPS website.
 - New survey regarding Caregiver Priorities informed the FY26 budget and will be used to inform upcoming decisions. Summary is available on the School Transformation website.
- ✓ **Utilize priority-based budgeting process, including to identify central office reductions** (Note: this work started in FY25 and continues for FY26).
 - See Budget Book to learn more about FY26 priority-based budgeting process.
- ✓ **Initiate a Spanish Dual Language Task Force.**
 - Committee met and shared recommendations

Where we're going and how we'll get there

Delivering on our vision, mission, commitment, and goals for MPS students and families, now and sustainably into the future

Expense reductions and operational efficiencies

Transform how we educate and serve students

Increase student enrollment and retain current families

Continue advocacy with state and federal governments

Key planning focus areas

Delivering on our vision, mission, commitment, and goals for MPS students and families, now and sustainably into the future

Clear vision for academic and non-academic student opportunities, aligned to community values and expectations

Predictable and stable revenue

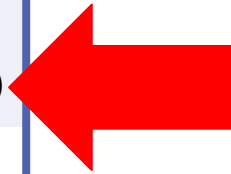
Expenses aligned to the strategic plan and that do not exceed revenue

Efficient structure and operations optimized to meet academic, programmatic, and student support goals

Continuous access to and use of data to inform decisions (student enrollment, finances, student outcomes, operations, programming, staffing, housing patterns, etc.)

Fiscal reminder

	Fund 01 General
Total Revenue	\$703.9M
Direct Allocations to Schools	\$392.4M
Departments & District Service Allocations	\$336.1M
Total Expenditures Sub-Total	\$728.5M
Operating Surplus/(Deficit) Sub-Total	(\$24.6M)
Other Sources/Uses of Funds	
Fund Transfers	(\$1.0M)
Planned Use of Assigned Fund Balance	\$11.9M
FY 2025 Expense Reduction	\$5.3M
OPEB Trust Fund Reimbursement	\$8.4M
Other Sources/Uses of Funds Sub-Total	\$24.6M
Net Balance	\$0.0M



- A balanced budget will always be a requirement and finances are a key factor in planning
- The general fund structural deficit of appx. \$25 million is the most significant and most immediate cause for concern
- Without significant changes to our assumptions, we begin the FY27 budget process with a \$25 million shortfall
- This is prior to any needed changes due to state and federal budgets and before some large employee contracts are settled

State and federal budgets: key items tracking

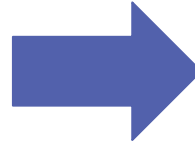
State	Federal
FY 2026 and 2027 (no increase in K12 funding)	FY 2026
<ul style="list-style-type: none"> • Reductions to library aid, student support personnel aid, and Special Education transportation reimbursement • Formula remains linked to inflation • One-time increase of compensatory education revenue for FY26 only • Funding for two years of unemployment insurance (\$100M statewide) 	<ul style="list-style-type: none"> • Proposed tax credit for private school enrollment/voucher program
FY 2028 and beyond (\$420M statewide reduction)	FY 2027 and beyond
<ul style="list-style-type: none"> • Significant reduction in Special Education funding (\$250M statewide) • All 2026-27 funding decreases continued into FY 2028-29 	<ul style="list-style-type: none"> • Proposed elimination of several dedicated revenue sources (i.e., Title II, III, IV, and McKinney-Vento) and roll into new block grant program with reduced overall funding

Moving to action

Our students, staff, and community deserve a timely, clear, and realistic plan for the future of MPS

Processing

- Concepts
- Vision
- Models
- Surveys
- Priorities
- Values



Action

Clear plan for:

- What students will receive at MPS
- How our operations and infrastructure will align to support
- What we cannot afford to continue doing
- How it will be sustainable

Next Steps

Recommended next steps

What	When
Receive demographic study information	June 10
Board retreat	June 24
Process outcome of state legislative session and federal budget	June/July/August
Deeper dive on Special Education	August
Make any needed adjustments to FY26 budget based on state and federal budgets	August/September
Study sessions on key planning topics	First quarter CoW meetings
Receive direction from school board on vision and parameters on action planning next steps	Fall 2025

Key Milestones and Topics to Monitor:

- 10/1/2025 official enrollment counts
- SY26 staff vacancy rates
- SY27 enrollment window
- SY27 budget development process
- Fund balance
- Bond ratings
- City's tax base
- Impact of state and federal budgets
- Collective bargaining agreement settlements

Administrative action items to support next steps

District staff are going to spend the summer:

- Synthesizing all of the information gathered to date through the Transformation process and the strategic plan to articulate an updated definition of what a **holistic academic experience** is for a student in MPS
- Looking at key anticipated outcomes from previous strategic planning efforts (like the Comprehensive District Design) to **assess impact and evaluate alignment** with updated goals
- Designing a **community-informed planning process** for deepening and achieving that vision within available district resources into the future

Enrollment Projections

Hazel Reinhardt, Independent Demographer

MINNEAPOLIS PUBLIC SCHOOLS

ENROLLMENT PROJECTIONS

Hazel H. Reinhardt

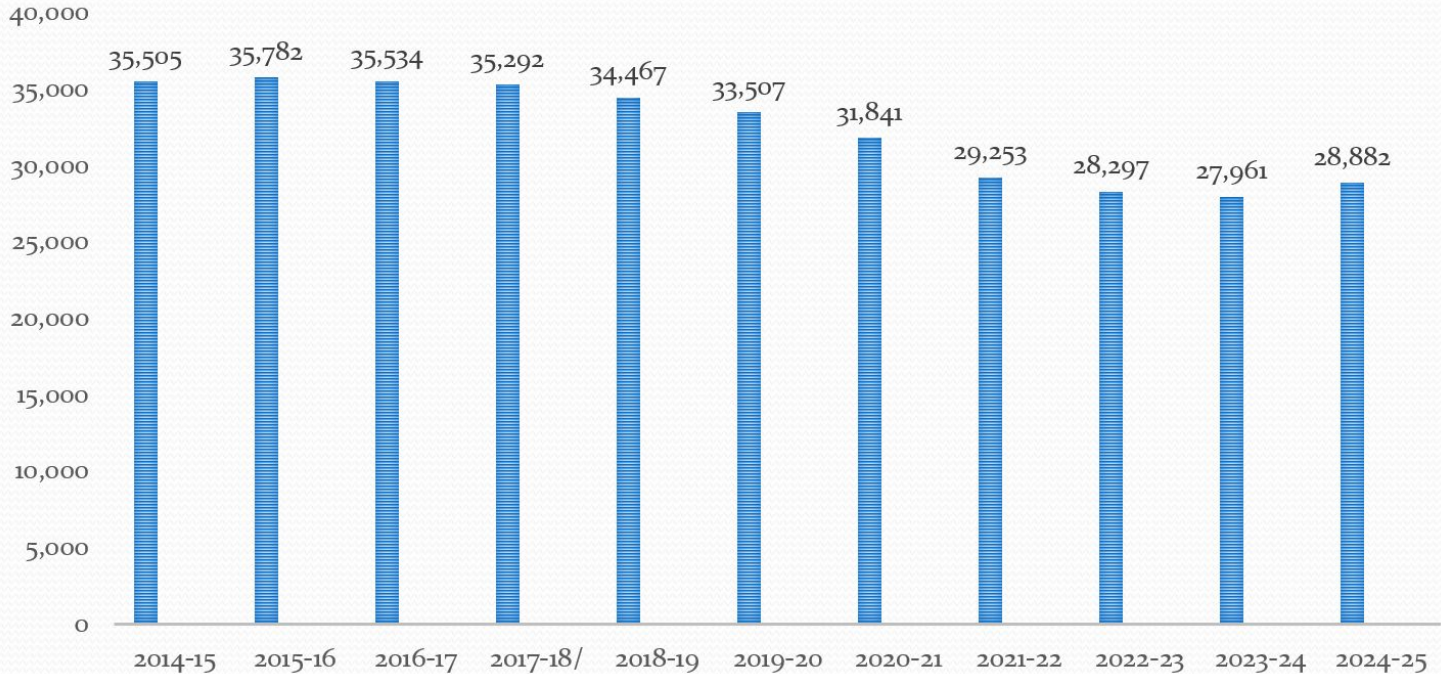
June 10, 2025

KEY FINDINGS

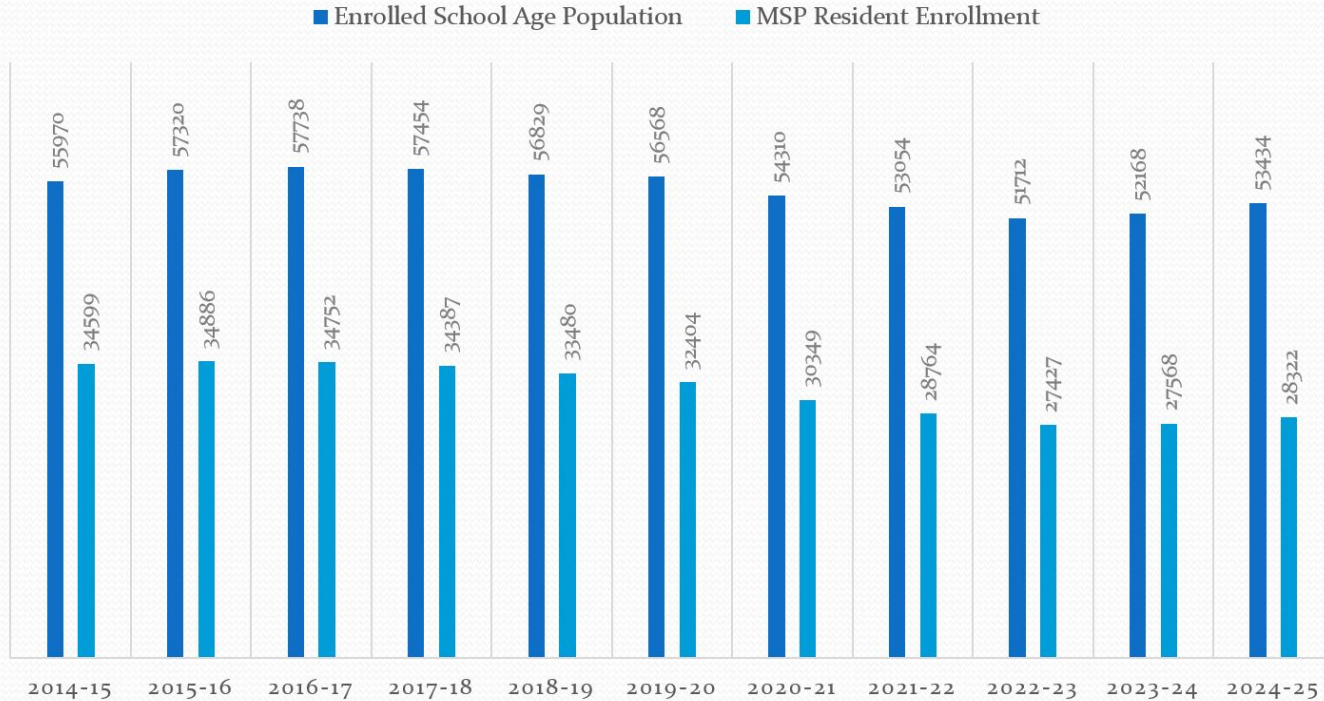
- From 2014-15 to 2024-25
 - Minneapolis Public Schools K-12 enrollment (excluding Early Childhood and Pre Kindergarten) decreased by 6,623 students or -22.9%
 - Enrollment increase of 921 students this past year
 - “Perfect Enrollment Storm”
 - Minneapolis School District’s resident enrolled school age population decreased -4.5% (2,536 students)
 - Increased competition for students
 - Charter schools are the primary competitors for students (13,628 charter school students in 2024-25)
 - 19,184 residents lost to other public education options in 2024-25
 - Minneapolis Public Schools’ market share declined from 61.8% to 53.0%
 - Net out migration flipped to net in migration in the past two years, although 5th+ year high school students are 50% of that net in migration

MINNEAPOLIS PUBLIC SCHOOLS

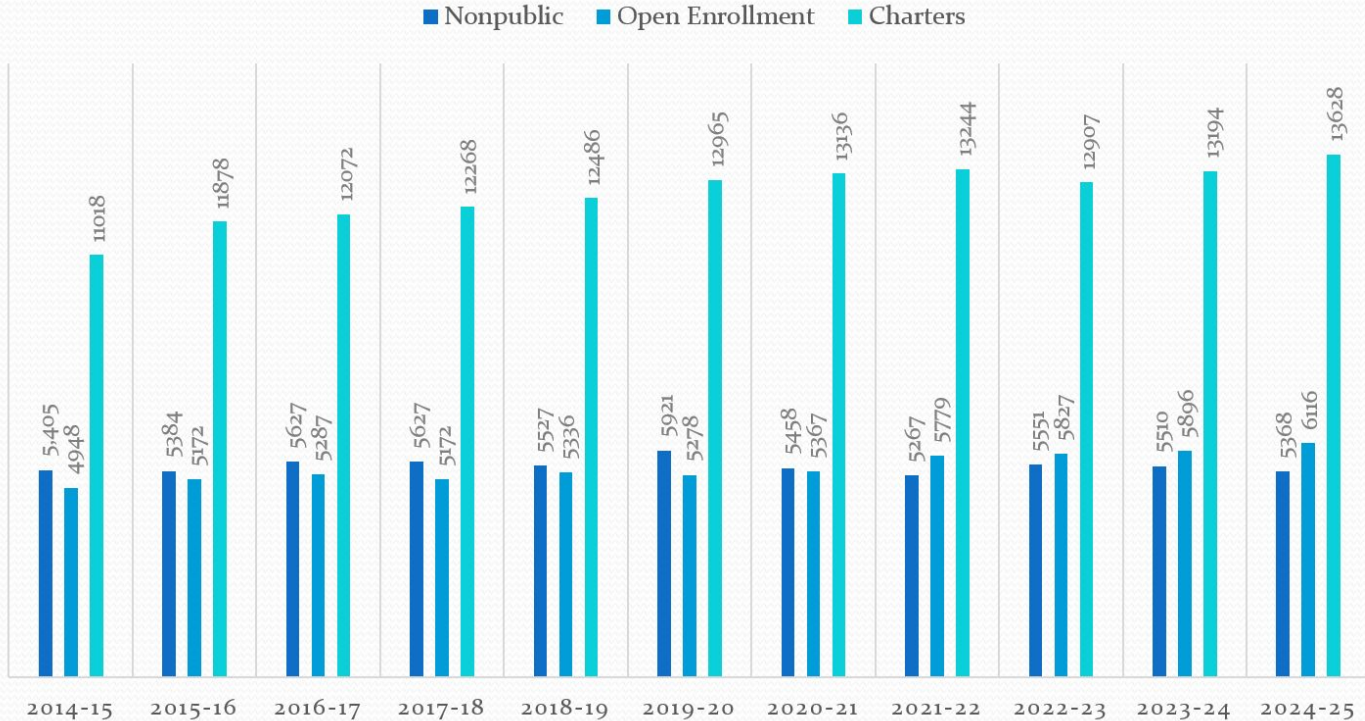
K-12 ENROLLMENT



MINNEAPOLIS SCHOOL DISTRICT ENROLLED SCHOOL AGE POPULATION



MINNEAPOLIS SCHOOL DISTRICT COMPETITION

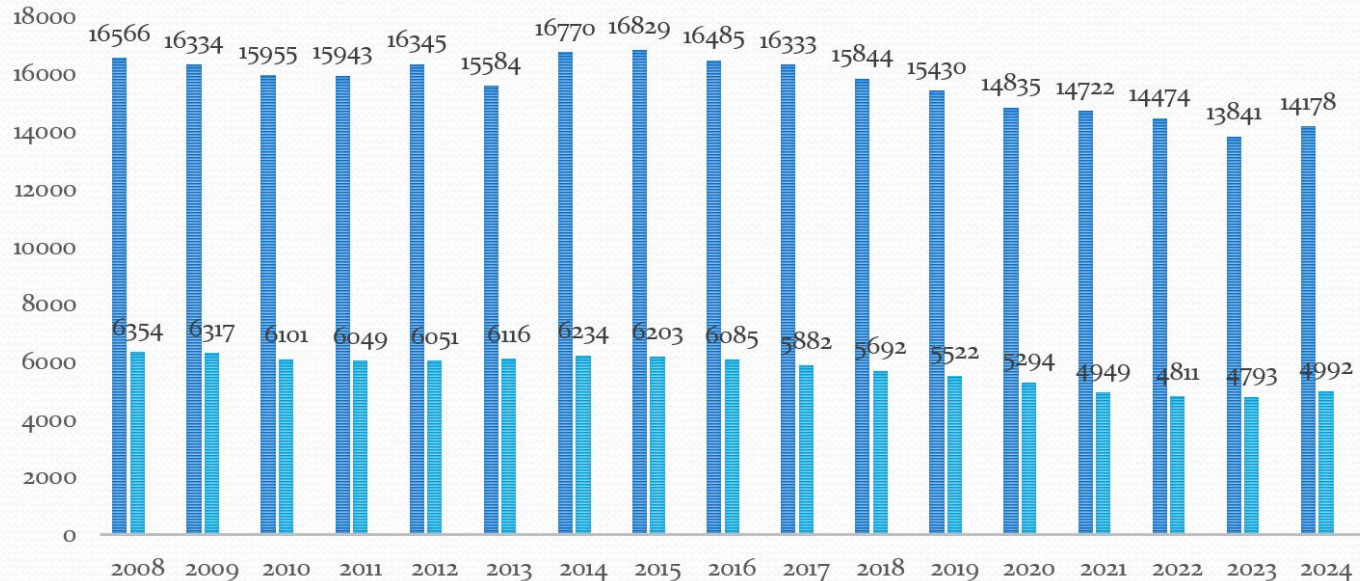


KEY FINDINGS

- Minnesota, Hennepin County and Minneapolis City resident live births decreased from 2008 to 2024
 - -14.3% Minnesota
 - -14.4% Hennepin County
 - -21.4% Minneapolis City

RESIDENT LIVE BIRTHS

HENNEPIN COUNTY AND MINNEAPOLIS CITY



RESIDENT LIVE BIRTHS

Year	Minnesota	Hennepin County	Minneapolis City
2008	72,382	16,566	6,354
2009	70,617	16,334	6,317
2010	68,407	15,955	6,101
2011	68,416	15,943	6,049
2012	68,783	16,345	6,051
2013	69,183	16,584	6,116
2014	69,916	16,770	6,234
2015	69,835	16,829	6,203
2016	69,746	14,485	6,085
2017	68,603	16,333	5,882
2018	67,348	15,844	5,692
2019	66,033	15,430	5,522
2020	63,451	14,835	5,294
2021	64,444	14,722	4,949
2022	64,032	14,474	4,811
2023	61,727	13,841	4,793
2024*	62,036	14,178	4,992

KEY FINDINGS

- Minneapolis Public Schools saw natural decrease (incoming Kindergarten smaller than previous year's Grade 12) eight of the past ten years even though 5th+ year high school students “inflate” Grade 12
- Except for the past two years, Minneapolis Public Schools experienced net *out* migration every year
 - Net migration measures the number of students who move in or out of the district, make transfers between education options or drop out of school

COMPONENTS OF K-12 ENROLLMENT CHANGE

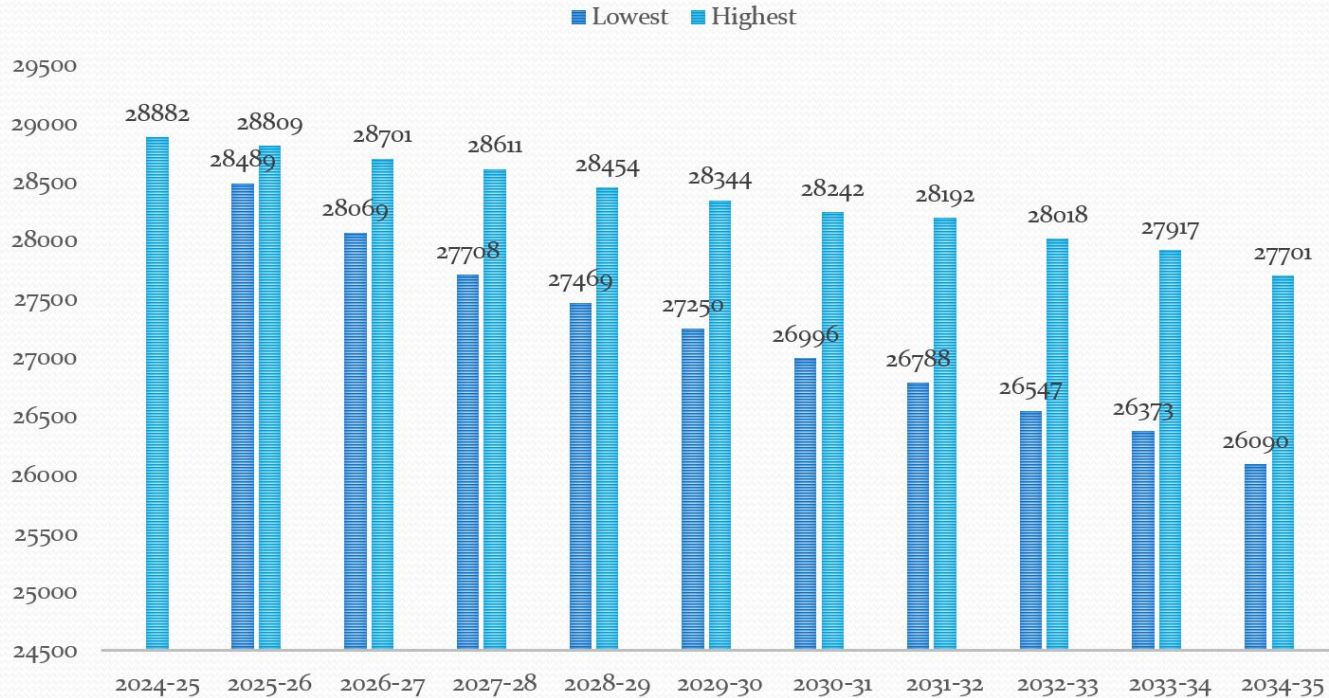
Fall to Fall	Total		Natural Increase/Decrease	Net Migration
	#	%		
2014 to 2015	277	0.8%	415	-138
2015 to 2016	-248	-0.7%	227	-475
2016 to 2017	-242	-0.7%	-8	-234
2017 to 2018	-825	-2.3%	-95	-730
2018 to 2019	-960	-2.8%	-135	-825
2019 to 2020	-1,666	-5.0%	-434	-1,232
2020 to 2021	-2,588	-8.1%	-363	-2,225
2021 to 2022	-956	-3.3%	-473	-483
2022 to 2023	-336	-1.2%	-522	186
2023 to 2024	921	3.3%	-337	1,258
Total	-6,623	---	-1,725	-4,898

K-12 ENROLLMENT PROJECTIONS

Next ten years (2024-25 to 2034-35)

- **Future enrollment affected by decline in births**
 - Slower enrollment decline
 - 2024-25 = 28,882
 - 2034-35
 - 26,090 to 27,701
 - -1,181 to -2,792 students or -4.1% to -9.7% from 2024-25
 - 1,611 student difference between lowest and highest projection
 - Net in migration averages 142 to 380 per year (past three-year average was 320)
 - Natural decrease averages -315 to -605 per year

MINNEAPOLIS PUBLIC SCHOOLS ENROLLMENT PROJECTIONS



K-12 ENROLLMENT PROJECTIONS

	K-5	6-8	9-12	Total
2024-25	14,023	5,631	9,228	28,882
2029-30				
Low K/Low Mig	12,663	5,848	8,739	27,250
Low K/High Mig	12,650	5,883	9,229	27,762
High K/Low Mig	13,235	5,848	8,739	27,822
High K/High Mig	13,232	5,883	9,229	28,344
2034-35				
Low K/Low Mig	12,165	5,012	8,913	26,090
Low K/High Mig	12,159	5,067	9,403	26,629
High K/Low Mig	12,838	5,290	9,026	27,154
High K/High Mig	12,832	5,355	9,514	27,701

MINNEAPOLIS PUBLIC SCHOOLS

CHANGE IN ENROLLMENT (NUMBER OF STUDENTS)

	2024-25 to 2029-30 (Five Years)	2024-25 to 2034-35 (Ten Years)
K-5	-788 to -1,373	-1,185 to -1,864
6-8	217 to 252	-276 to -619
9-12	-489 to +1	-315 to +286

COMPONENTS OF CHANGE IN PROJECTIONS

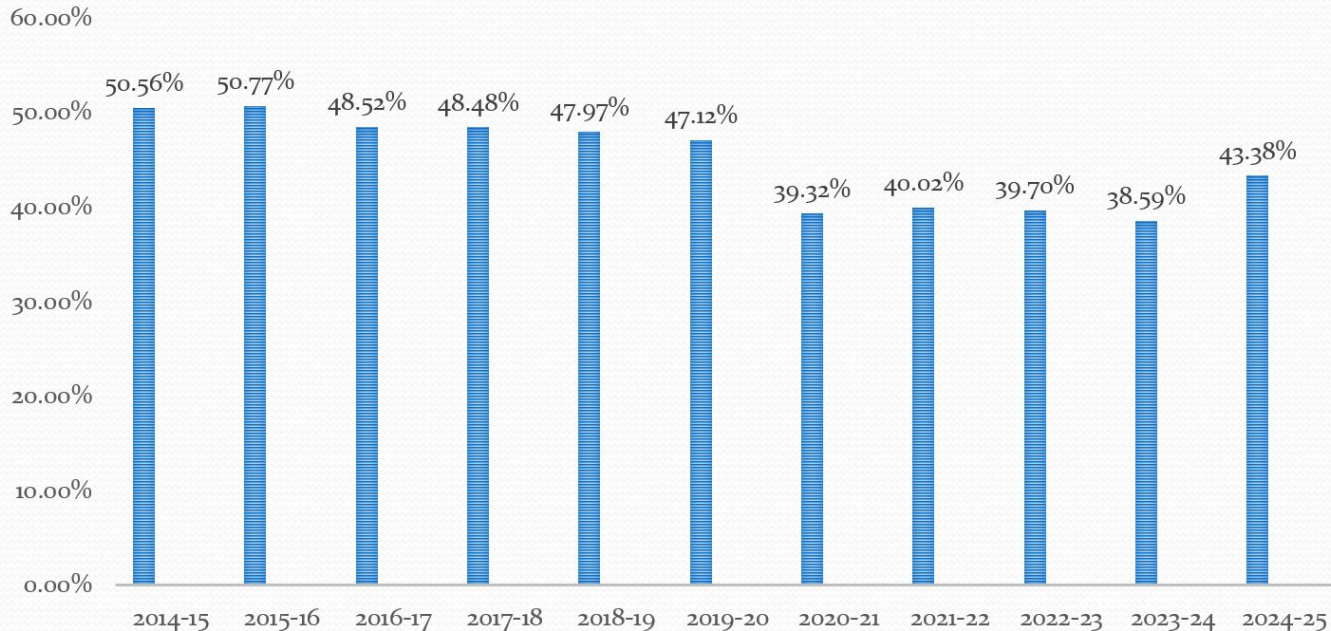
Projection	Average Annual Natural Increase/Decrease	Average Annual Net Migration
Low K/Low Mig	-429	150
High K/Low Mig	-605	380
Low K/High Mig	-315	142
High K/High Mig	-490	372
Net migration: 320 (average of past three years)		

PROJECTION METHOD AND ASSUMPTIONS

- Cohort Survival Method
 - Both simple and complex
 - Ages each grade by moving it to the next higher grade in the following year
 - Requires making
 - Kindergarten projections
 - Resident births are a proxy; converted to a kindergarten pool
 - Net migration or the survival rates grade to grade projections

MPS' SHARE OF MINNEAPOLIS CITY KINDERGARTEN POOL

CAPTURE RATE



KINDERGARTEN AS A PERCENTAGE OF THE MINNEAPOLIS CITY KINDERGARTEN POOL

Birth Years	Pool	Capture Rate	Kindergarten Year
2008; 2009	6,329	50.56%	2014-15
2009; 2010	6,173	50.77%	2015-16
2010; 2011	6,066	48.52%	2016-17
2011; 2012	6,050	48.48%	2017-18
2012; 2013	6,095	47.97%	2018-19
2013; 2014	6,195	47.12%	2019-20
2014; 2015	6,213	39.32%	2020-21
2015; 2016	6,124	40.02%	2021-22
2016; 2017	5,949	39.70%	2022-23
2017; 2018	5,755	38.59%	2023-24
2018; 2019	5,578	43.38%	2024-25
2019; 2020	5,369		2025-26
2020; 2021	5,063		2026-27
2021; 2022	4,859		2027-28
2022; 2023	4,799		2028-29
2023; 2024	4,927		2029-30

KINDERGARTEN PROJECTIONS

- Kindergarten assumptions
 - Kindergarten/birth ratios—Capture Rates
 - Low is 41.69% (average of the past three years, past year weighted more heavily)
 - High is 44.00% (about one percentage point higher than past year)
 - Longer-term—2030-31 through 2034-35
 - Projections of Hennepin County 0-year-olds by the Minnesota State Demography Center
 - Minneapolis City at 35.0% of county births
 - Kindergarten pool decreases 2024-25 to 2029-30, then flat
 - Minneapolis City births decreased -9.6% from 2019 to 2024

KINDERGARTEN POOL AND KINDERGARTEN PROJECTIONS

Year	Pool	Low Kindergarten 41.69%	High Kindergarten 42.00%
2024-25	5,578	2,420	2,420
2025-26	5,369	2,238	2,362
2026-27	5,063	2,111	2,228
2027-28	4,859	2,026	2,138
2028-29	4,799	2,001	2,112
2029-30	4,927	2,054	2,168
2030-31	4,966	2,070	2,185
2031-32	4,944	2,061	2,175
2032-33	4,933	2,057	2,171
2033-34	4,917	2,050	2,163
2034-35	4,900	2,043	2,156

Pool numbers in bold based on actual births

WHY?

- Low fertility
 - Fertility below replacement (replacement is 2.11 children per woman at the end of childbearing). Minnesota at 1.73 in 2023 (U.S. 1.62)
 - Number of births decreasing in U.S. and Minnesota
 - Fertility varies by race/ethnicity; urban/rural
- Population is aging
 - Women of prime childbearing age (25-34 yrs.) will decrease
- Slower growth
 - Immigration from abroad has keep Minnesota growing for more than 25 years
 - Hennepin County's population projected to barely increase (0.2%) between 2024 and 2034

NET MIGRATION (SURVIVAL RATES)

- Net migration has been negative, that is, net **out** migration, for eight of the past ten years
 - Past two years saw net **in** migration (retained more students)
- **Three net migration patterns noteworthy**
 - A consistent net **outflow** between Grade 5 and Grade 6, the beginning of middle school
 - A consistent net **inflow** between Grade 8 and Grade 9, the beginning of high school
 - Large net **in** migration between Grade 11 and Grade 12 reflecting students who remain in Grade 12 more than one year (5th+ year high school students)

NET MIGRATION YEAR TO YEAR

Grade	14 to 15	15 to 16	16 to 17	17 to 18	18 to 19	19 to 20	20 to 21	21 to 22	22 to 23	23 to 24
K to 1	-36	-182	-63	-93	-133	-233	-183	-35	-17	107
1 to 2	-62	-146	-95	-195	-113	-220	-338	-100	-5	62
2 to 3	-46	-129	-111	-121	-106	-210	-321	-98	11	-31
3 to 4	-94	-253	-195	-184	-151	-181	-296	-158	-53	62
4 to 5	-118	-172	-101	-173	-138	-174	-288	-95	-15	58
5 to 6	-307	-327	-222	-338	-297	-335	-453	-265	-305	-172
6 to 7	-53	-92	-20	-102	-107	-116	-310	-173	-50	47
7 to 8	-61	18	-30	-48	-76	-75	-217	-125	29	63
8 to 9	63	200	106	47	-19	6	-127	132	214	217
9 to 10	94	62	21	-31	-34	-30	-43	44	5	133
10 to 11	-44	-45	-38	-23	-54	-104	-110	-47	-66	82
11 to 12	526	591	514	531	403	440	461	437	438	630
Total	-138	-475	-234	-730	-825	-1,232	-2,225	-483	186	1,258

NET MIGRATION YEAR TO YEAR

Grade	14 to 15	15 to 16	16 to 17	17 to 18-201	18 to 19	19 to 20	20 to 21	21 to 22	22 to 23	23 to 24
K-5	-356	-882	-565	-766	-641	-1,018	-1426	-486	-79	258
6-8	-421	-401	-272	-488	-480	-526	-980	-563	-326	-62
9-12	639	808	603	524	296	312	181	566	591	1,062
Total	-138	-475	-234	-730	-825	-1,232	-2,225	-483	186	1,258

NET MIGRATION ASSUMPTIONS

- Low net migration—retain and/or attract fewer students. Survival rate of 2022-23 to 2023-24 (Net in migration year)
- High net migration—retain and/or attract more students. Average of the survival rates of the past three years with Grade 11 to Grade 12 adjusted (Results in net in migration)

PROJECTED SURVIVAL RATES

Grade	Low Rate of 2022-23 to 2023-24	High Average of Past Three Years, Grade 11 to 12 Adjusted
K to 1	0.993	1.009
1 to 2	0.998	0.993
2 to 3	1.005	0.983
3 to 4	0.976	0.978
4 to 5	0.993	0.992
5 to 6	0.857	0.882
6 to 7	0.973	0.970
7 to 8	1.016	0.996
8 to 9	1.118	1.101
9 to 10	1.002	1.089
10 to 11	0.970	0.996
11 to 12	1.189	1.190

EFFECT OF SURVIVAL RATES IN TEN YEARS WITH LOW K ASSUMPTION

Survival Rates	Total	K-5	6-8	9-12
Low—2022-23 to 2023-24 Year	26,090	12,165	5,012	8,913
High—Average of Past Three Years, Grade 11 to 12 Adjusted	26,629	12,159	5,067	9,403

Difference between the two projected survival rates
539 students in total enrollment
6 students K-5 or about 1 student per grade
55 students 6-8 or about 18 students per grade
490 students 9-12 or about 123 students per grade
90.9% of the difference is in Grades 9-12

K-12 ENROLLMENT PROJECTIONS

What could make these district wide projections

- Too high
 - Projected kindergarten is too high (Kindergarten pool too large or Minneapolis's capture rate decreases)
 - More district residents chose other education options
- Too low
 - Projected kindergarten is too low (Kindergarten pool too small or Minneapolis's capture rate increases)
 - More district residents chose Minneapolis Public Schools

WHAT ABOUT HOUSING?

- Relationship between housing and K-12 enrollment is complex
 - **Unit type** affects school age child per unit yield
 - Single-family detached units have the highest student yield per unit
 - Newer single-family detached units yield more students per unit than older single-family detached units
 - As single-family detached units sell, student yield usually increases in the new units. In older units, yield is likely to decrease
 - Market value of single-family detached units affect yield. Moderately to higher priced units have higher per unit yield
 - Senior units—no students

YIELD PER UNIT TYPE

- Results of studies in four states—Minnesota, Wisconsin, Illinois, and Colorado
 - **Single family detached K-12 yield varies by school district and by attendance area within school districts**
 - Townhome yield is very consistent across all school districts across states—0.22
 - Apartments yield is very consistent across all school districts across states—0.11 to 0.15
 - Condominiums yield almost no school age children—0.02 to 0.05
- **Students from new housing units do not automatically translate into additional students**

MINNEAPOLIS CITY

HOUSING UNITS BY TYPE

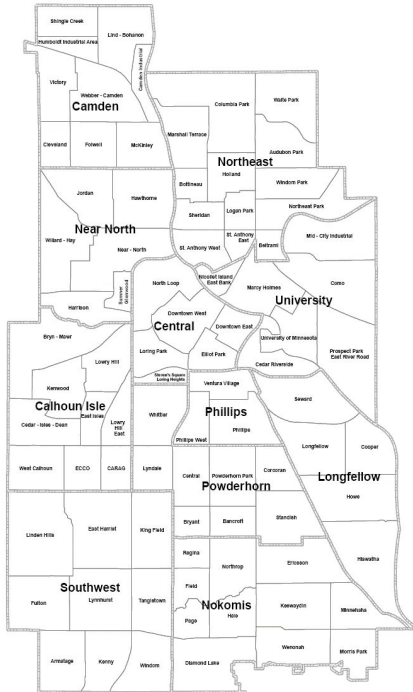
1-Unit	2-4 Units	5+Units	Mobile	Vehicle	Total
89,845	24,912	87,811	546	89	203,203

Source: American Community Survey

- Additional housing units not likely to be a significant factor in future Minneapolis Public School enrollment because the types of housing being built in large American cities, e.g., apartments and condos, have low per unit student yields

SUBREGION ANALYSIS

MINNEAPOLIS COMMUNITIES AND NEIGHBORHOODS



Generated by the City of Minneapolis CRE Department, Planning Division

- Will be performing a more granular analysis of this information based on the 11 established communities of Minneapolis.
- That information will be shared later this summer.



THANK YOU

Questions and Discussion