



# Waconia Public Schools

## 2023 NEGOTIATIONS FAQ INFORMATION SHEET



### Introduction

As negotiations continue to take place with the District's employee bargaining groups, school board members are receiving questions from a number of stakeholders regarding various details and talking points that are at the center of the negotiations. In the interest of full transparency and to ensure that school board members are able to have an honest discussion with stakeholders, District leadership has compiled this FAQ document to provide key facts, figures and data. As the information is being made available to the full School Board, it is also being made available to the public on the Negotiations website.

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### Did the last few rounds of negotiations result in pay cuts for teachers?

During the last 3 rounds of teacher negotiations, there has been improvement to the salary schedule, with step and lane increases for each year:

- FY 18, FY 19 (2.25, 2.25, including benefits 9.35% total increase)
- FY 20, FY 21 (0.50, 0.50, including benefits 2.95% total increase)
- FY 22, FY 23 (2.00, 2.25, including benefits 8.24% total increase)

When looking at this from a per person benefit:

- FY 18 the average \$ increase including benefits was \$3,641 per person
- FY 19 the average \$ increase including benefits was \$4,330 per person
- FY 20 the average \$ increase including benefits was \$513 per person
- FY 21 the average \$ increase including benefits was \$2,150 per person
- FY 22 the average \$ increase including benefits was \$3,938 per person
- FY 23 the average \$ increase including benefits was \$4,119 per person

The district has given raises each of the last 6 years. During these rounds of negotiations, the District entered into Statutory Operating Debt, was facing a negative fund balance with flat enrollment and rising labor costs.

**Additional Context:** The average of the 320 settlements for teacher contracts in Minnesota for FY22 and FY23 was 2.20% and 2.19% improvement to the salary schedule.

## Have ISD 110 contracts kept up with neighboring school districts?

The average salary for an ISD 110 teacher in 2022 was \$65,579. A relevant factor in using average salary is also to include the average years of experience teachers have. In Waconia, the average experience for teachers is 12.8 years. By comparison, the average teacher salaries for other neighboring districts include:

- Belle Plaine \$60,810 (Average experience 13.8 years)
- Central Public Schools \$60,426 (Average experience 12.8 years)
- Eastern Carver \$76,450 (Average experience 15.6 years)
- Lester Prairie \$48,523 (Average experience 8.7 years)
- Watertown Mayer \$59,644 (Average experience 13.6 years)
- Westonka \$69,197 (Average experience 13.6 years)

Two other large districts to our east also include Shakopee \$69,400 and Minnetonka \$80,195. Shakopee's average experience is 13.1 years, and Minnetonka's average experience is 13.3 years.

**Additional Context:** It is notable when using districts like ECC and Minnetonka as comparisons that each has significantly more revenue permitting to spend, on average, approximately \$1,750 more per student than Waconia. At 4,000 students, it's the equivalent of another \$7,000,000 annually in the budget.

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## Are teachers effectively taking a pay cut this year because salaries were frozen & health care costs went up?

It is true that health insurance premiums have increased. Contracts have not yet been settled and both salary and health insurance contributions are subject to negotiations. There is language in the master agreement that governs this practice. Once settled, changes to salaries or benefits are historically paid retroactively unless otherwise agreed by both parties during negotiations.

**Additional Context:** This process impacts all negotiating groups for ISD 110. It is also notable that ISD 110 had representatives from all work groups to select health insurance options and the consensus was to select a contract to have BCBS provide insurance even with the rate increases toward health premiums. Board Action was taken with the committee proposal. To reiterate, the groups selected these plans despite the prior knowledge of the resulting increased rates. [Additional HR Information](#)

## Have a majority of teachers who have recently left the District left because of the teacher contract? Is it true that many teachers who were cut due to budget adjustments who were asked back decided to leave?

The [data](#) available to the ISD 110 Human Resources department, generated through exit surveys, resignations, and supervisor feedback does not support this narrative. The top 3 reasons teachers reported they left were due to budget cuts, relocation, and retirement in that order. Those areas represent 61.7% of the exiting teachers. After reductions, 15 teachers were called back. 10 accepted and 5 declined.

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## Will the District be out of Statutory Operating Debt by June and are we moving too fast to get out of debt?

Even after a difficult \$4.6 million budget adjustment for the 2023–24 year, the district still projects a –\$2M General Fund balance, meaning ISD 110 would still be in SOD since that is a negative fund balance of more than 2.5% of GF expenditures. It’s also important to note that while getting out of Statutory Operating Debt is the first goal, District Policy 714 states that “The school district will strive to maintain a minimum unassigned general fund balance of 5% percent of the annual budget.”

ISD 110 Unassigned general fund balance history:

- 2013–2014: \$4,545,301
- 2014–2015: \$4,392,807
- 2015–2016: \$4,172,399
- 2016–2017: \$2,643,264
- 2017–2018: –\$1,751,938
- 2018–2019: –\$6,435,564
- 2019–2020: –\$6,218,593
- 2020–2021: –\$5,051,933
- 2021–2022: –\$5,027,451

**Additional Context:** Details related to the district budget history, forensic audit, budget adjustment plan, and 23–24 Adopted Budget are all available on the ISD 110 Finance website. In short, ISD 110 has been in SOD since 2018 and to date has made little progress toward resolving it. When ISD 110 initially went into SOD, the general fund balance for FY2018 was –\$1.75 million. That balance as of FY 22 was –\$5 million and is projected to be lower still for FY23

## Is it true that the State gave ISD 110 ten years to get out of Statutory Operating Debt?

The Minnesota Department of Education required ISD 110 to adopt a plan by board resolution to correct the SOD situation. In that agreement, the Board committed to remove the condition of SOD by the end of FY 2023 and to achieve a positive fund balance by FY 2025.

**Additional Context:** At a special meeting of the ISD 110 school board, held on January 27, 2020, the board unanimously passed a roll call resolution in which the board committed to being out of SOD by FY 23 and having a positive fund balance by FY25. Further, the commitment stated that the board agreed, "to use any aid formula improvement from the legislature to reduce debt as much as possible." While the FY 23 budget is still under audit, the clear indication is that ISD 110 will fall significantly short of this commitment.

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## Wasn't there a windfall of money from the State this year that could be used to pay salaries? Is ISD 110 getting 10% more money per student over the next two years?

It is true that the 23–24 funding increase of 4% was the largest in state history. The general fund increase for ISD 110 will be about 1.4M of "new revenue". In 24–25, the general fund increase of 2% totals about 1M of new revenue. In addition to using that money to support salary increases, the District must also allocate appropriate funds to cover the following mandates and economic realities: Inflation costs for operating expenses, transportation cost increases, unemployment mandates, TRA rate increases, and READ ACT requirements for new teachers and ESP instruction.

**Additional Context:** On January 27, 2020, the ISD 110 Board adopted a resolution related to its financial condition as expected by MDE. In that resolution ISD 110 agreed to "use any aid formula improvement from the legislature to reduce debt as much as possible"

## **Aren't all of the new housing developments evidence that enrollment in ISD 110 is growing and therefore the District will get more money from the State?**

After several years of growth, enrollment has been steadily declining, and that decline accelerated during 20–21, as shown below:

- 2016–17: 3,899            2017–18: 4,039            2018–19: 4,051
- 2019–20: 4,071            2020–21: 3,972            2021–22: 4,017
- 2022–23: 3,979

Statewide, many districts are experiencing declining enrollment. Part of the reason is delayed family planning; increased housing costs, and lower birth rates. This most recent year the ADM is 3,979 after being projected to be 4,000, the lowest variance (difference) in the past 7 years.

Additional Context: A monthly enrollment report is provided to the full board and a new planning model was introduced since the new administration started. Please reference the school board report on 10.23.2023 (enrollment updates). As noted in the forensic audit presented to the Board in June of 2022, a primary driver of the district's current financial situation is increasing expenditures and flat revenues. Additionally, historically overstated enrollment has resulted in overstated revenue, leading to deficit spending.

While we are optimistic that enrollment will again increase, the data and trends have not demonstrated a need to make changes to enrollment projections.