

Introduction:

The District distributed an Open Enrollment FAQ document to PTO and PTA Leaders on September 25. We appreciate the District sending this document as it provides a chance for dialogue on the motivations and economics of Open Enrollment. We recognize that this is a long and detailed document, but this is a crucial topic and we want to ensure it is covered in sufficient detail. The District's original Q&A is in black text. Our responses are in blue text.

4TONKA SUMMARY RESPONSE (DETAILED RESPONSES BELOW EACH QUESTION)

We believe that open enrollment can benefit the District when used in the right way. We dispute the aggressive and rampant expansion of open enrollment without regard for classroom or school sizes. The fundamental difference between our view and the current Board is we don't believe the current school and classroom sizes are appropriate for optimal education for our children. The Board feels continuing to increase school and class size is appropriate (just now moving to 12,000 goal in this document) as long as it continues to bring in more revenue to expand as many one-off programs as possible. The District continues to push on the numbers and continues to ignore the educational and emotional toll that overcrowding has on our students and teachers. Please see below for detailed responses to each point.

DISTRICT Q&A**Why does the District accept open-enrolled students?**

There are several important benefits for Minnetonka and other school districts to accept the enrollment of non-resident students. The most critical benefit to Minnetonka students is that each non-resident student who enrolls brings their full state aid with them, and it costs far less in incremental costs to educate open-enrolled students than the value of the state aid they bring in. So, resident students benefit from the excess amount of aid for non-resident students. Of the current year's aid brought in by non-resident students (\$26,500,000), only about \$11,000,000 of that revenue is needed to pay for costs added by the non-resident students themselves. The remaining \$15,500,000 enhances the money used for resident students.

There are other important benefits to Open Enrollment. The School District, its students and the community all benefit from Open Enrollment beyond the huge amount of revenue. The significant revenue it brings in each year allows the District to create and support signature programs that provide students with exceptional opportunities such as VANTAGE, Navigators, Wilson Reading, Minnetonka Research, Language Immersion, the Middle School model, accelerated math throughout the schools, RSK, and Tonka Online. It also provides flexibility to hire more teachers and paraprofessionals, where needed, to keep classes small and accelerate learning for all students. Without Open Enrollment over the past thirteen years, there would not have been enough revenue to provide support when class sizes got larger than desired.

Another value of non-resident students is that they help justify the existing number of classrooms and schools by fleshing out the right enrollment in each school. Without the non-resident students, the District would need to close up to three elementary schools and one middle school. Not only would there not be enough students to justify all existing schools, but there would also not be enough money to sustain them. These decisions would drive resident families away. Finally, an important value is the quality of non-resident students who are coming to Minnetonka. Non-resident students contribute to

each classroom and the programs run by the District and, thereby, enhance what resident students experience. They are strong performers academically and do as well on tests as resident students. They are well-behaved students. Often, families who start as non-residents buy homes in Minnetonka.

4TONKA RESPONSE

The District says “it costs far less in incremental costs to educate open-enrolled students than the value of the state aid they bring in.” This is based on unsupported math that it only takes \$2,958 to educate a non-resident student (per District’s next point) despite MN Department of Education showing it takes \$11,151 per pupil. Details on the \$2,958 have never been provided. We assume this \$2,958 is based on the ongoing narrative that open enrolled students just “fill up empty spaces” as the District states in this document, but that is inaccurate. Where are these empty spaces? The cap rate quoted by the District continues to increase and no “empty seats” or “vacancies” have ever been reported. We should start with an optimal classroom size and school size, fill that with resident students, and then see what space is left over. Making more classrooms out of gyms, art rooms, and music rooms, or increasing classroom target sizes, is effectively continuing to cram more seats into the same plane to the detriment of all passengers. It is not just filling up empty existing seats.

The District says “resident students benefit from the excess amount of aid for non-resident students” but this is purely a monetary measurement. Students do not benefit in any way, and in fact are hurt, from overcrowding of classrooms and overcrowding of schools. Even the math behind the monetary measurement is questionable (see subsequent responses for more details on that point).

The District says “the significant revenue” supports “signature programs” but how does that impact all students? How can the District know this with confidence when they don’t track financials at a program level? We asked which programs are creating losses, i.e. cost more money than they bring in, and they could not answer because they don’t track at that level. All they know is they have \$130M+ to spend and need to keep up revenue so they can keep spending the money.

The District says “another value of non-resident students is that they help justify the existing number of classrooms and schools by fleshing out the right enrollment in each school.” The “right enrollment” is a key difference in opinion. We don’t feel the current enrollment numbers or average students per classroom are right.

The District says non-resident students “are strong performers academically and do as well on tests as resident students. They are well-behaved students”. That’s nice, but irrelevant. No one has said there is anything wrong with open-enrolled students themselves. The point is schools and classrooms are overcrowded. If anything, this comment by the District seems to be suggesting they want open-enrolled students to raise test averages for the District so it can continue to advertise and tout only high test scores.

DISTRICT Q&A

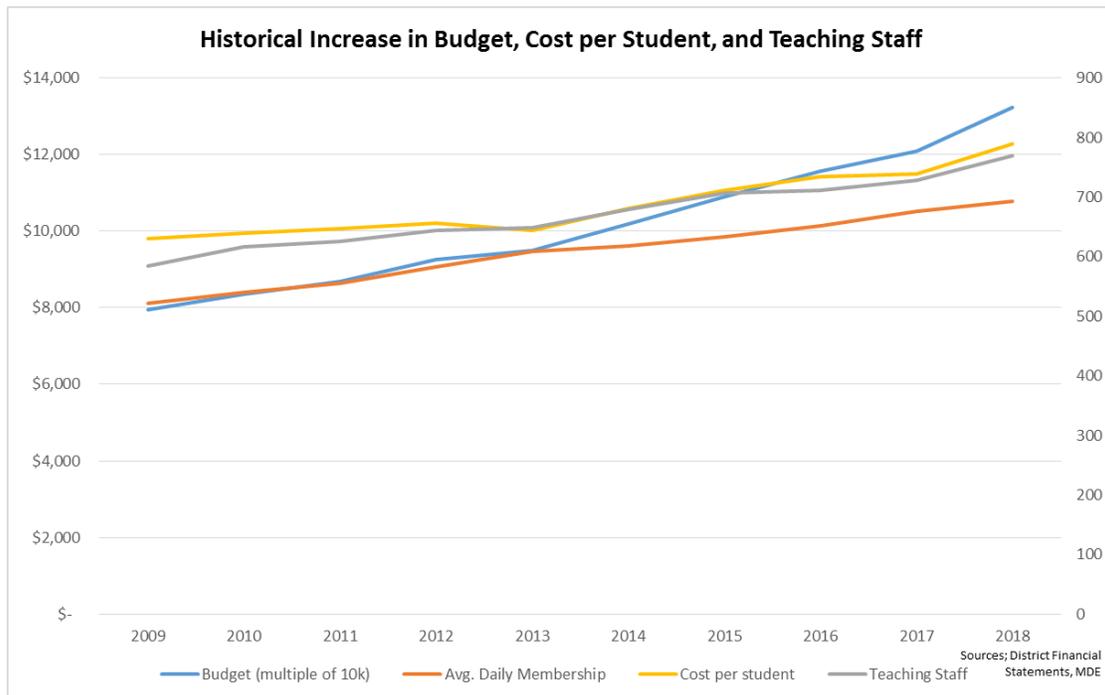
How much in state aid does an open-enrolled student bring to the District?

This year alone, each non-resident student in Grades K-6 will bring in **\$6,751** in basic aid, and each non-resident student in Grades 7-12 will bring in **\$8,101** in basic aid. After subtracting the cost to educate each open-enrolled student (\$2,958 per student), the District has **\$3,793** for each K-6 student and **\$5,143** for each 7-12 student left to spend on resident students. Those dollars are used to support programs, to lower class sizes and pay staff.

4TONKA RESPONSE

The document claims that open-enrolled students are served at an average cost of \$2,958, but the MN Department of Education lists the District’s 2018 average general fund operating expenditure per student as \$11,515. The difference between \$2,958 and \$11,515 is huge. The district claims that the \$2,958 for nonresidents is so low because so many of these kids are filling seats that would otherwise be empty.

If we assume that non-resident students actually only cost \$2,958, then the Average Spending per Student should be going down as Minnetonka increases open enrollment. Another consideration is total budget should be going down if it’s true that all fixed costs are covered and adding more students is just revenue for the District. A final consideration is all staff would remain relatively flat if the District is transparent and accurate in these statements. Those three things follow very simple logic if what the District says is true regarding additional students being pure revenue and only filling up empty seats. The chart below clearly shows none of those things are true – all categories continue to increase year after year. At the very least, average cost per student should decrease, but that increases almost in lockstep with ADM.



The claim that nonresidents are served at an average cost of \$2,958 is simply wrong. And everything that follows from that figure is also wrong.

Another view is if we assume the cost is actually \$11,515 per student (as stated by MDE), then the District is actually losing money on open-enrolled kids. Per their statement above, K-6 brings in \$6,751 per student and 7-12 brings in \$8,101 per student, which would result in losses of \$4,764 and \$3,414 per open enrolled student. Admittedly that relies on a simple assumption and it's a very complicated formula, but we are trying to raise discrepancies and lack of clarity on the economics. All of this is to say, it is hard to believe the numbers presented, when none of it adds up.

Further, the District makes a point that little or no extra fixed costs are incurred as a result of the open-enrolled students. Otherwise it wouldn't be simply filling empty seats. However, they also say that as soon as we cut any open enrollment, there will be immediate cuts to staff and programs. These two points are inherently contradictory. They can't say there are no extra fixed costs from open enrolled students and at the same time say extra programs and staff will be cut with any cut in enrollment.

DISTRICT Q&A

How does the District make more money from open-enrolled students than it costs to educate them?

The basic cost-drivers of the District for the existing buildings and organizational structure were established several years ago with the number of schools, basic programs and overall cost structure that has not increased due to adding students. So, when more students are added beyond the students needing those basic costs, there are just "incremental" increases that vary by student whenever more students are added. It does not matter whether the added students are residents or non-residents beyond that core number of resident students; they all cost far less than students included in that basic core. Many new students can be added without any more costs for staff. Others can be added to enable the District to split classes that would have otherwise been much larger without the added students and revenue. In the latter case, staff is added, and the cost for that is absorbed by the revenue brought in by non-resident students. To get the best understanding of this formula for gaining added funding for resident students, consider the following point. There is never a situation when the full cost of an added teacher would be attributed to non-resident students. However, it is very important to realize that even if an entire class of non-resident students were together and the District added the cost of a teacher for that class, there would still be money left from the state aid those students would bring in that could be used for resident students. So, if there were 25 non-resident students in a K-6 class, the cost of the teacher for salary and benefits would be about \$70,000 and the basic state aid for those 25 students would be \$168,775 (\$6,751 each). The costs in addition to the teacher's salary and benefits would be about \$215 per student. The calculation for students in 7-12 is even more favorable at \$70,000 for the teacher and \$215 additional costs against the state aid of \$202,525 (\$8,101 per student in Grades 7-12). That is also the most it would cost for each 25 added students.

Considering the actual situation across the District: The calculated cost to the District for each new student is an average of \$2,958, which recognizes the different situations that exist for the various new students. The difference between costs and the basic aid for a classroom of 25 would be \$94,825 for students in K-6 and \$128,575 for 7-12, which would be available for resident students to have more

programs, better teachers and lower class sizes than would have been possible without the dollars from Open Enrollment.

There are several analogies that can be used to explain why the incremental costs are so much lower than the basic costs, but one the District has used over time is that of a commercial airplane. The airline plans its costs for each flight based upon filling part of the plane in order to meet the basic costs of flying the plane. So, once it has the number of passengers signed up for the flight, any added passengers are all profit. If they can fill the flight so no passenger is negatively impacted, they make the maximum amount from the flight. If a larger plane can be added for the flight and mostly filled, the airline makes even more. So, any added classrooms at a Minnetonka school have enabled even more income than would have been the case without the additions.

4TONKA RESPONSE

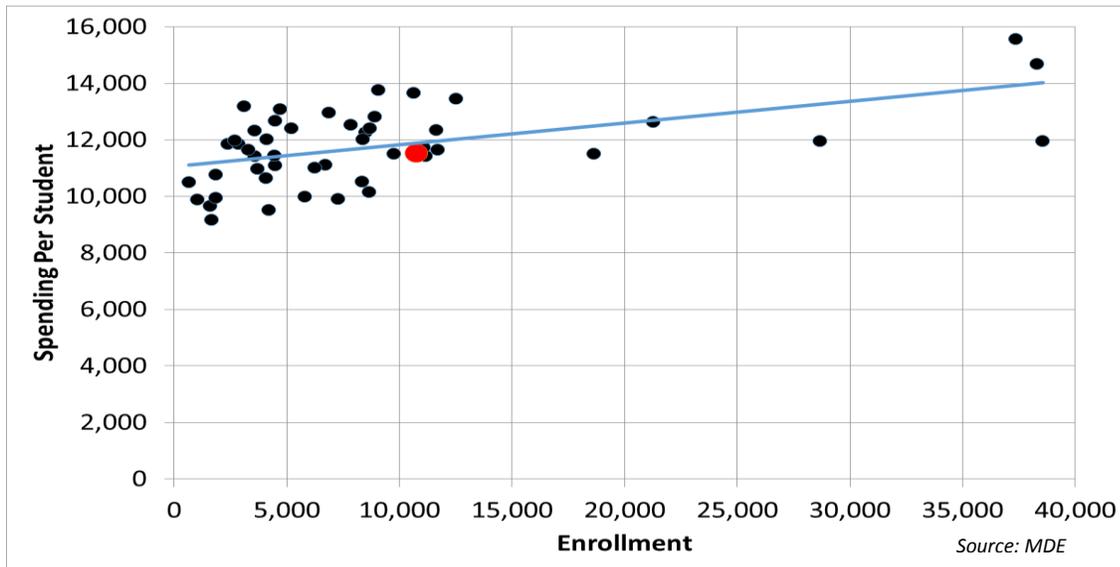
The District continues to talk about incremental costs of open-enrolled students, which may be true in theory to a point ONLY if those students were actually filling up empty seats. At some point, the number of students reaches a tipping point where additional fixed costs are incurred and the District is not just filling empty seats. The District does not talk about that tipping point either because it doesn't know what it is or it is way past that point and has added significantly to the fixed cost of the District. The argument about incremental costs and filling airplane seats does not work here because we never had 3,600 open seats that needed to be filled.

The District tries to make a point based on a class size of 25 and an average teacher's salary plus benefits of \$70,000 (which is low, at least according to niche.com, which the District fully supports, which quotes a teacher's salary alone at \$68,958). But according to the MN Department of Education, in 2018 the District's ratio of students served to licensed instructional staff was 16, not 25. Taking that math, the "revenue" brought in by the students is \$108,016 (K-6) or \$129,616 (K-8) – not \$168,775 or \$202,525 as quoted by the District. And, while the average teacher's salary plus benefits may be accurate at \$70,000 (which is highly questionable) it does not include a significant number of other costs that come with an increased number of students. This ratio also calls into question how the District is accounting for the ratio of teachers to students with a discrepancy of 9 employees per student in the ratio.

We decided to research further the statements that open-enrolled students have a very low cost basis, generate revenue, don't raise the total cost, and are just used to fill empty seats. If that logic were accurate, then we should see total average cost per pupil going down. As we showed previously, that has not been happening in the District. However, we wanted to see if that is just something in Minnetonka and there is perhaps at least a broader set of data that could support this concept of efficiency in schools as student populations grow and open-enrollment grows. We looked at 49 area school districts and compared spending per student to enrollment in the respective Districts. The graph below represents this data, with Minnetonka represented by the red dot. As you can see in the chart below, as enrollment grows, average cost per student grows. There is obviously variation around the trend line, which is to be

expected, but there does not appear to be any evidence (either within Minnetonka data or broader school district data) that supports the concept of efficiency, filling empty seats, and improving economics per student as enrollment grows.

Metro General Fund Operating Expenditures Per Student from 49 area Districts, FY 2018



The District says “so no passenger is negatively impacted, they make the maximum amount from the flight.” We believe “passengers” are being negatively impacted by “filling the plane” – even if this analogy were accurate. The District also says “If a larger plane can be added for the flight and mostly filled, the airline makes even more.” What is the point of this statement? Is the District contemplating expanding schools to continue to increase students? That seems to be the only conclusion, and if so, this is in direct conflict with other statements they make in this document about flattening enrollment. What is the truth?

ALL OF THESE NUMBERS ALSO CONTINUE TO IGNORE THE EDUCATIONAL AND EMOTIONAL COST TO OUR STUDENTS AND TEACHERS FROM HAVING SIGNIFICANTLY OVERCROWDED SCHOOLS AND CLASSROOMS. THE MENTAL HEALTH CRISIS IS REAL AND OVERCROWING CONTRIBUTES.

DISTRICT Q&A

What happens if the amount of overall enrollment in the District is reduced? The greatest threat to the quality of the District’s schools is an enrollment decrease. Already, the District anticipates financial challenges if current enrollment numbers become unavailable in some future year, but for the School Board to deliberately decrease enrollment—because someone thinks there are too many students in any school—would be even more devastating to resident students. A decrease of just 100 students in the District would cause a budget shortfall of \$928,200 (in addition to the state aid lost, there are local resources that would be reduced as well; so the total per student lost is \$9,282), and many outspoken

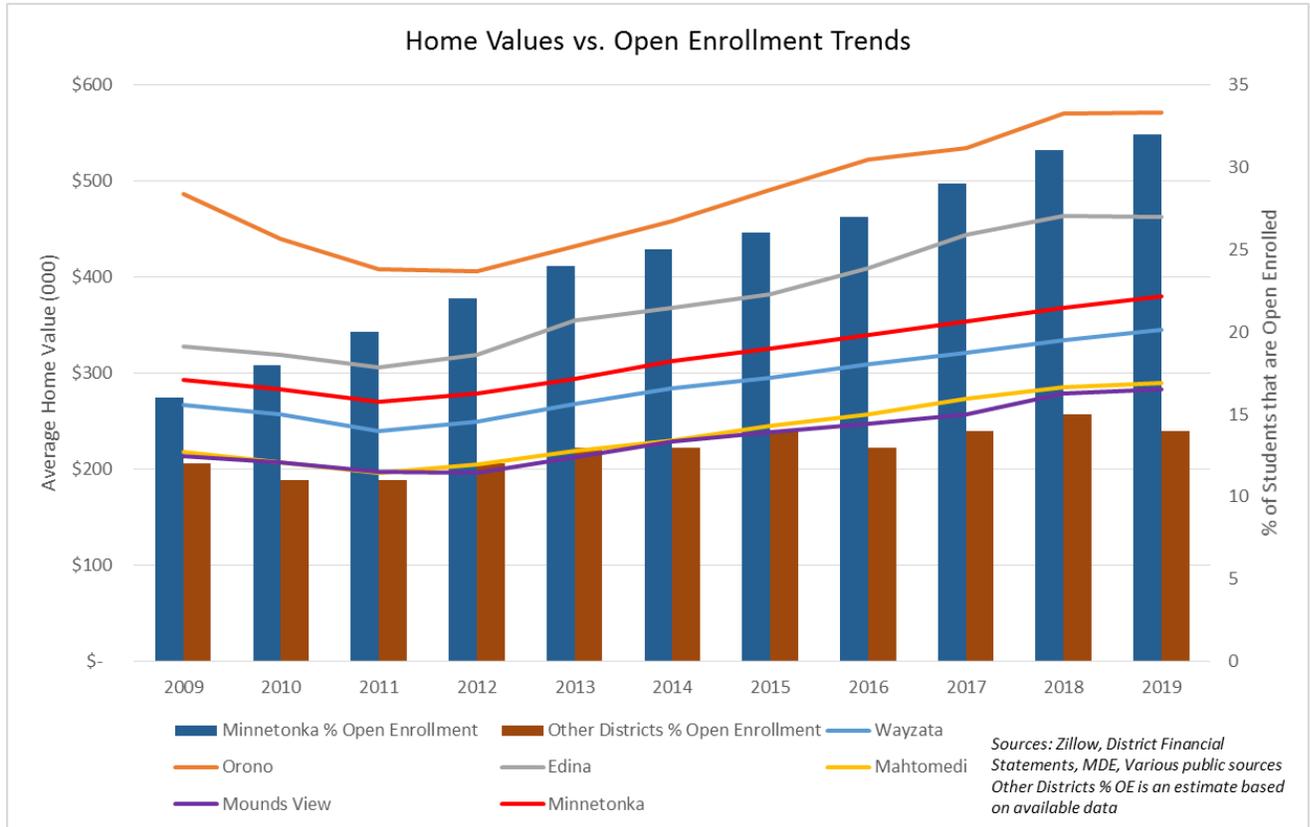
critics of current enrollment levels would probably seek to decrease by much more than 100 students. It needs to be realized that a loss of \$928,200 in year one becomes \$1,856,400 in year two if another 100 students are reduced and \$2,784,600 in year three if still another 100 students are reduce; so after just three years of being down 300 students, the lost revenue would be \$5,569,200. Furthermore, costs would hardly be reduced at all with 300 students across an 11,000-student district. A reduction of that amount of revenue means that some schools would eventually close. The District would not have the financial ability to keep all of its elementary schools and middle schools open. Teaching staff, para-professionals and specialists, administrative staff, support staff (and others, including counselors, social workers, maintenance workers, kitchen staff and more) would all be reduced. As schools closed and teacher layoffs occurred, class sizes would grow; the District would be forced to put children into a shrinking number of classrooms with fewer teachers and paras in each room. A decrease of even that much would start a process for raising class sizes and for program reductions. A decrease of 100 students *per school* would reduce the budget by about \$9 million annually and send a clear message that programs would need to be reduced and class sizes increased quickly to preserve the District's financial ability to maintain a level of reduced quality. Enrollment, budget and quality of program are all intertwined. This year alone, open enrollment has brought \$26.5 million to Minnetonka Schools. The only way the District can bring in that additional amount— which allows it to maintain the excellence in programs, support and opportunity that students and parents have come to expect—is through Open Enrollment. Furthermore, there would be a ripple effect on future years if revenue is reduced that would compound the problem. That much reduction would cause serious changes for every student in the District, and, inevitably, home values in the community would be impacted as well.

4TONKA RESPONSE

This statement is a scare tactic. The District uses the extreme scenario of “A decrease of 100 students *per school* would reduce the budget by about \$9 million annually and send a clear message that programs would need to be reduced and class sizes increased quickly to preserve the District's financial ability to maintain a level of reduced quality.” No one is proposing an extreme reduction of anything like this statement. This statement also assumes all other numbers quoted by the District are accurate, which have not been validated, e.g. per reported numbers with Department of Education, it actually costs the District \$11,515 per pupil. If we removed 900 students (100 per school X 9 schools), it results in a reduction of costs of \$10.4M, more than the \$9M of revenue brought in by these students. However, again, no drastic immediate cut in students is proposed, so this type of extreme statement is not helpful. We advocate for a gradual rightsizing of school and classroom sizes over time, with natural attrition and thoughtful, transparent analysis that is required. Finally, beyond these points, we believe a full, transparent accounting of costs and benefits, at a program level, is necessary so residents and parents can fully understand decisions that are being made that impact students.

The home value argument is not valid. It relies on the assumption that without open enrollment, the quality of education would drop, which is not accurate. In fact, since Minnetonka started with aggressive open enrollment policies, home prices have actually appreciated LESS in the District than in the districts of Wayzata, Edina, Mahtomedi, and Mounds View over the same period (all schools higher than Minnetonka on the current US News & World Report High School Ranking). Only Orono home values appreciated at a slower rate than Minnetonka, and they still had a 20% home price appreciation (difference is primarily a higher average starting point in 2009). As you can see in the chart below, home values in the

referenced school districts have all appreciated following roughly the same trend lines. The major difference to be noted in the chart is how Minnetonka open enrollment policies, and the aggressive expansion of those policies, has not had a corresponding increase in home values as compared to the comparable districts and their relatively flat use of open enrollment.



A further point on the repeated home value argument is application of basic supply-and-demand economics. By making Minnetonka education available to anyone, there is no need for someone to buy a house in the District, and thus reduces demand for in-District housing. As anyone knows, a reduction in demand creates a reduction in price – not the other way around. The District continues to rely on the extreme statement that without open enrollment, quality suffers, and people won't want to attend, which we have seen is not the case.

DISTRICT Q&A

What is the current enrollment capacity of the District (based on classroom space/building capacity)?

Current enrollment capacity is approximately 12,000 students, and there are 11,066 students enrolled for 2019-20. The capacity of the High School is 3,800, with 3,399 currently enrolled. The capacities of both MME and MMW are 1,350 with 1,322 at MME and 1,252 at MMW. The capacity of Clear Springs is 920, with 881 there now; the capacity of Deephaven is 745, with 647 there now; the capacity of Excelsior is 901, with 813 there now; the capacity of Groveland is 912, with 899 there now; the capacity of Minnewashta is 1,024, with 946 there now; and the capacity of Scenic Heights is 963, with 907 there now. No school in the District is at its capacity, but all are close to their respective 'target' enrollment,

which is what principals and the Superintendent agree should be the limit for each school. The capacity of a school is determined by the number of classrooms and the target enrollment for each classroom, and target enrollment then considers the ability of other facilities in the school to accommodate the respective overall number of students. The principal of a school and the Superintendent are the only ones who can truly judge from all factors what the target enrollment should be. No school is deemed “over-crowded” by either the principal of that school or the Superintendent. Furthermore, no outside expert would have the knowledge to determine the appropriate enrollment number for any school. People both inside and outside of schools may have opinions on what target enrollment size is appropriate, but they have little basis for such judgments other than their own sense of the matter.

4TONKA RESPONSE

The document claims that the District’s current enrollment capacity is 12,000, including 3,800 at the high school. The 12,000 is significantly higher than comparable figures that were given in the recent past. For example, maximum facility capacity was stated as 10,550 at the time of the referendum in 2015, the 2018 budget cited a target enrollment of 10,650. “Capacity” and enrollment keep creeping up – and so do taxes and increasingly poor experiences for all students.

The District only quotes school sizes based on total number of students (which is certainly a relevant number and we feel the numbers quoted are too high), but they do not talk about optimal classroom size by age. Many academic studies have shown that the optimal classroom size is 18 kids per class. They also do not talk about the number of classes per grade. Our kids continue to feel more and more disconnected as classroom sizes grow, number of classes per grade grow, and total school size grows.

Most literature on optimal school size suggests that the size we currently have at Minnetonka High School is already MUCH bigger than it needs to be to offer an excellent education and diverse programming for all students.

DISTRICT Q&A

How does Open Enrollment of additional students actually reduce class sizes—not increase them? It may seem counter-intuitive, but additional students in a school actually enables the District to decrease the average class size in that school. Because more students bring in added revenue, that enables the District to have more sections of a grade and, thereby, reduce class sizes in that grade. In fact, Minnetonka consistently has the smallest—or nearly the smallest—average class sizes in the Metro area because of this financial ability. This would not be possible without Open Enrollment. One might argue that when the school adds students to already established classes that the class sizes are increased, but it must be recognized that without the Open Enrollment revenue that those initial class sizes would not have been established as low as they are in the first place. Another important point is that all of the added enrollment enables the District to add support to a classroom that might be larger than the established target.

4TONKA RESPONSE

On average class size, the District is not transparent on how these numbers are reported. Some programs in some buildings have smaller classes than their peer counterparts and so an average per grade or school is not an accurate representation of what many students experience in class. Also if a para or rotating teacher is added to a class or grade that will lower the average as well even though a classroom still holds a larger number of students. This significantly decreases the reported average. And, there are some “classrooms” that are actual makeshift rooms that have a small number of students in them, e.g. the last two years Groveland had “classrooms” of 14 and 12 students with the students put in a small room not historically used as a classroom in order to fit more students in the building. The District needs to be more transparent on these numbers and how they impact the experience of most students and teachers.

Beyond that, how are they determining the optimal classroom size by grade? And related optimal school size? Without clear goals and rationale behind those, the average class size tracking is less relevant, even if it were entirely transparent and accurate.

This point once again falls back on the aggressive statements that without open enrollment, draconian cuts would have to be made, schools would close and class sizes would drastically increase as a result. The information on the margin and the details are important here because it is not one extreme or the other, but rather a very thoughtful pull back to get to a reasonable class size and school size for all kids, balanced against the right funding sources.

The last sentence in this response is particularly telling. It says “Another important point is that all of the added enrollment enables the District to add support to a classroom that might be larger than the established target.” They are admitting that classroom sizes are getting too large, but saying it is okay because they just use the extra revenue to hire paras or other assistants for the classrooms. Extra resources are nice, and often required for the sake of teachers and students, but are not an acceptable outcome compared to optimal classroom sizes.

DISTRICT Q&A

What is Minnetonka Schools’ current enrollment strategy? For the last three years, Minnetonka has sought to keep its enrollment at the level of the immediate prior year. That said, there is an ongoing effort to avoid falling short each year and losing the revenue necessary to sustain the District. The District needs to, at least, maintain enrollment year-over-year in order to avoid serious financial consequences. At slightly over 11,000 students, the District is at an enrollment level that allows it to have the financial flexibility to offer resident students an outstanding experience, innovative programming, small class sizes and the best and brightest teachers in the state.

4TONKA RESPONSE

The District says in this exact document, two questions previous to this item, that 12,000 is capacity. In this question they say that 11,000 students “is at an enrollment level that allows it to have financial flexibility”. On top of this, the stated capacity has continued to change year-

over-year (for example, the 2018 budget cited a target enrollment of 10,650). How can we trust that the District will stay at 12,000 as the cap? Or, why does the cap have to be 12,000 if “financial flexibility” is achieved at 11,000? And, how did they arrive at that other than looking at total revenue? What about optimal classroom size and an understanding of the educational and emotional impact to students and teachers by having ever-growing classrooms and schools?

DISTRICT Q&A

How are non-resident students accepted for enrollment in Minnetonka and who decides? Open Enrollment has been in place in Minnesota for many years, and the state prescribes how it is to be done. Most families apply for Open Enrollment in December, January and February each year, but there are many parents of young children who apply for their child to be accepted in Kindergarten years before they are eligible to start. The District maintains records of the order in which parents apply for their students, because the law requires districts to accept students in their order of application. Although parents may apply for specific schools, the District is only required to offer a school in the District. The deadline for the first round of applications is January 15 in the year for which they are applying. Parents who apply for their children to enroll after January 15 do not have to be offered a placement. If there is room, those students who apply later may be accepted. No child is approved for enrollment without the approval of the Superintendent and the respective principal involved. The Superintendent determines which school will be offered to a specific student and when. The respective principal is then given the final say over accepting or not accepting every student. There are several ways to determine if a specific student should be accepted, including the current number of students in a particular classroom and how many future openings in that classroom are likely to become available through withdrawals of current students. Neither the Superintendent nor any principal would accept more students than the school should reasonably have.

4TONKA RESPONSE

State law requires a lottery system for open enrollment applications, not acceptance based on order of application. We agree with acceptance of open enrollment applications as prescribed by the state. We are under the understanding that students need to re-apply every year if they are not offered a spot in our District through open enrollment and think that taking applications of students from birth is unnecessary and because the lottery system is required by the state. MDE did not know about Minnetonka keeping a running list or that they were allowing parents to put their “young children” on the list “years before they are eligible to start.”

As we have researched enrollment practices, an interesting topic came to light. The District reports RSK (Ready-Start Kindergarten) to the state as a full Kindergarten class to get funding consistent with Kindergarten instead of lower pre-K rates. However, the District advertises this as a “pre-K” program. Residents and parents of RSK kids are not told that students in RSK are reported to the state as “retained” and that they are technically repeating Kindergarten. On transcripts of students that have participated in RSK, it shows that Kindergarten has been repeated. In conversations with MDE, they had no idea about this RSK program, said Minnetonka did not participate in the voluntary pre-k program, which would be the appropriate action if offering this type of program. MDE has now said they will need to investigate and monitor.

We take issue with the amount of students that continue to be admitted and with the fact that teachers are not included in this discussion. We heard from several teachers that they were told only a couple days before the start of school that their class size would be increasing due to open enrollment.

DISTRICT Q&A

How does the District decide how many non-resident students to allow in? The District seeks to maintain last year's enrollment number or go slightly over that to avoid a revenue shortfall. Part of the challenge of balancing the enrollment at each school so they have no increase from one year to the next is that most applications for Open Enrollment occur in the winter and spring before the next school year, and withdrawals do not, generally, occur until late summer. That means the District must constantly estimate grade-by-grade and school-by-school how many openings there will be six to eight months later. If the District waited until late summer, when it knew exactly how many withdrawals there would be, all of the applicants to fill enrollment vacancies to the desired target levels would have gone elsewhere. Any time the District fails to reach the target enrollment, there will be a revenue shortfall of millions of dollars. So, the District is at risk in those situations that staff, programs and services would need to be reduced. Falling short of the target by just 100 students would cost the District \$928,200, with no real reduction in costs. That balancing act each year matters greatly to resident students and families. If the District were to make a mistake and did not accept enough non-resident students to fill openings by withdrawals, the financial consequences would be severe.

It is important to note that for the past three years, Minnetonka Schools has been flattening out its enrollment, as its schools are nearing capacity. Most schools are already near their target levels, due to the level of both resident and non-resident students. That means that overall class sizes will remain relatively flat, going forward. Right now, the District does not have more children than it can handle. Year-over-year, it maintains some of the smallest class sizes in the Metro, as is apparent in the ECSU's yearly report on metro schools' class sizes.

4TONKA RESPONSE

As previously stated, the math doesn't all add up on numbers quoted by the District. It is indeed a challenging process and requires a lot of time and attention. If the District had not already maximized the operating levy approved by referendum 3 years in to a 10 year duration, it would have more flexibility to respond and adjust to changing enrollment numbers and not feel like it was constantly on the edge. This speaks to a culture of spending as much as possible to add programs instead of thinking about the optimal educational experience for all kids and teachers.

DISTRICT Q&A

When does enrollment "close" for out-of-district students? The District has closed enrollment for various classes at each school over the past seven years. It is difficult to close an entire school because it could cause potential Open Enrollment students to not even apply in the future; thereby driving down enrollment and revenue. The plan going forward is to maintain enrollment numbers at all schools, keeping them flat from one year to the next. That means the District will continue to open-enroll enough Kindergarteners to reach about 900 each year (as the District does not have enough resident Kindergarteners to remain anywhere close to its target levels). For grades 1-12, the District will allow new open-enrolled students, only as space allows within the expectation of keeping enrollment flat.

4TONKA RESPONSE

This point requires more information from the District. How does it determine target sizes? It seems to be based only on the existing amount of revenue instead of the right classroom and school size for students and teachers. And, we are not saying only resident kindergartners should be enrolled (as seems to be implied here), but rather the current enrollment policies admit too many kids.

DISTRICT Q&A

Why did the District embrace open enrollment in the first place? In the early years of this century, Minnetonka Schools' enrollment was about 7,500 and declining. The District had to cut its budget 14 years out of the 15 years prior to 2006. The District was close to closing two or three elementary schools and one middle school because of the budget and the empty classrooms. There were large numbers of resident students who did not attend District schools because their parents did not believe the schools were good enough. In addition to improving the program and attracting strong teachers to appeal to those resident students, the District sought to appeal to non-resident students to improve finances and to fill classrooms.

Minnetonka Schools' resident student population first declined and then leveled off over the past 12 years. The current number of resident Kindergarten students is 576, even with the great interest by families to buy homes in the District. The District cannot maintain all of its current schools, the current staffing levels that provide small class sizes, retain its exceptional teachers, its wonderful support staff or the amazing educational opportunities resident students currently benefit from if the District were to lose the millions of dollars it receives each year through Open Enrollment. Without it the current level of enrollment, *the District would be back to cutting budgets every year.*

4TONKA RESPONSE

When the district started recruiting nonresidents in 2006, the resident enrollment had been essentially constant for years – and none of the schools had closed. Suggestions that recruitment has prevented closures are highly questionable at best, and seem more like fear-mongering.

The document states that back in 2006 “There were large numbers of resident students who did not attend the District schools” Here are some real student counts from the MN Department of Education:

	2004	2005	2006
Resident	7,654	7,523	7,511
Served	7,673	7,629	7,665

So, in 2006 the District was already doing a fine job of keeping its residents, with very limited open enrollment, and implications that open-enrollment significantly improved schools and brought students back are not supported by the numbers.

Further, the District continues to make broad references to “losing millions of dollars” or “cutting budgets every year” but those statements are not supported when you start to dig into the details. And, it’s not a bad thing for the District to start to shrink it terms of total student population and total budget. Over time, through natural attrition and slow adjustments to enrollment strategies, the District can naturally achieve optimal classroom and optimal school sizes.

DISTRICT Q&A

Do Minnetonka property taxpayers pay for the education of non-resident students?

No, they do not pay *for* the *education* of non-resident students, because the state aid is far more than enough to pay *for* the cost of non-resident students. An article in the *Star Tribune* a couple years ago tried to argue that Minnetonka taxpayers were being forced to pay higher local property taxes *for* non-resident students because of a recent statutory change. The article’s point was that the new formula the state adopted now includes paying basic state aid for all students enrolled in a district (resident and non-residents), so the article stated that meant local taxpayers were paying *for* non-resident students. However, the essential point the article missed was that it cannot cost local taxpayers more for non-resident students if the amount of state aid received by the District for the non-resident students is much more than it actually costs to educate the non-resident students. Local residents who insist on the article’s point are ignoring the facts and are, perhaps, being motivated by other goals. However, because of the new state formula, Minnetonka taxpayers do pay a higher amount due to non-resident students being in the count. That means more revenue for resident students, but it does not mean that the money raised is *for* non-resident students. That amount of revenue is about \$2,673 per student. The other point on this issue is that the new state formula replaced a formula that counted resident all students who attended a public school (whether in their own district or another district), and the state made the change to be revenue-neutral across the state. So, there was no expectation that the new formula would increase taxes overall.

4TONKA RESPONSE

The District’s general education property tax levy payable in 2019 is \$9.8 million higher than it would have been without open enrollment. The formula is based on number of students and is from the Minnesota of Department of Education and District numbers. That means every resident is paying an average of more than \$500 extra in taxes due to open enrollment. This is a REAL tax increase, regardless of which students get the benefits. Without open enrolled students, that additional \$9.8 million would not have been charged to residents. Here’s a key question: Are services to residents improved enough by open enrollment to justify this big increase in property taxes?

A related question is why is the District even charging residents for open-enrolled students via the levy? If those open-enrolled students are actually bringing in so much money, why does the District need to come to residents to charge another \$9.8M?

This point also raises an interesting topic to consider. District residents are great and very supportive of the schools. We can work with residents, in an open and transparent manner, on funding for critical programs, based on transparent financial analysis and open discussion on what is required.

DISTRICT Q&A**How much revenue has Open Enrollment brought to the District over the years?**

Since 2007, the amount of state aid specifically for students open-enrolled in Minnetonka totals more than \$200,000,000, which has made a huge difference in the quality of schools and the availability of lower class sizes over the past 13 years. In 2019-20, non-resident students will bring in \$26.5 million to Minnetonka Schools, or nearly 20% of the District's total annual revenue of \$133 million. Any reduction in enrollment would immediately reduce the amount of revenue for the District, which would reduce quality and raise class sizes.

4TONKA RESPONSE

Open enrollment is an important funding source, and can clearly bring in revenue. However, it has been used way too aggressively to the detriment of teachers and students. Once again, the District makes statements here about reducing quality and raising class sizes as a way to scare people into thinking reducing open enrollment automatically leads to severe cuts. No one is proposing that. By moving to smaller class sizes, you improve the experience of the students and the teachers. This will result in a reduction in open enrollment funding from the state – that is simple math. However, that is balanced against bond issuances, many levy options (most of which the District currently utilizes without voter approval), leveraging existing cash sources, and looking strategically at the pace of enrollment reduction to ensure it does not require budget cuts or forced staff reductions.

DISTRICT Q&A**Why do non-resident families seek opportunities in Minnetonka for their children?**

There are several reasons why non-resident families seek to enroll their children in Minnetonka's schools, but the biggest reason is the quality of schools, programs and the quality of staff throughout the District. The large interest by parents outside of the District from 46 districts across the Metro should be the greatest assurance to resident families that Minnetonka schools are seen as excellent by the larger community.

4TONKA RESPONSE

This is a great point. Minnetonka is a wonderful district that draws a lot of interest and this is something to be celebrated. That can be achieved even with tailoring open enrollment strategies. It is important to note that most open enrolled families also feel school and class sizes are too large. It's also important to note the District is now losing resident families that are going to other Districts or private schools, or choosing home schooling, due to the size of the District. Bigger is not always a good thing and has become a detriment. As such, we feel the District will be even more celebrated with smarter and more sustainable open enrollment policies.

DISTRICT Q&A

How does a school keep classrooms, hallways and parking lots from being crowded? The respective principal works closely with the Superintendent to determine the class sizes at each grade level and in each language program within their buildings, using the target enrollments by grade. It is important to also consider physical classroom space sizes, of course, as well as best practices for learning and for the quality of student experience as principals make these decisions. When a class is slightly over where the principal believes it would be best, they add a teacher or para-professional in the class. The input of

teachers is really important in making those decisions in order to give them the support they believe they need. There is never a classroom with so many students that it impedes learning in that classroom. With parking, the District has provided sufficient parking spacing for the needs of each school. Of course, no school anywhere will have parking available for the largest possible crowd for events. There are sufficient staff and parent volunteers to assist with keeping traffic flowing as smoothly as possible at the beginning and end of the school day. The District communicates about the flow of traffic at buildings where there are more traffic flow challenges, and it makes improvements where it can to keep parking lots safe and the flow of traffic moving along. The District appreciates all parents do to follow the guidelines principals provide, as this also helps to keep everything working well and to keep lots safe. Additionally, schools' driveways and parking lots have been expanded significantly to accommodate the traffic that comes to each school. Parents are respectful of each other in making the flow of traffic work. It is also clear that the maximum amount of traffic is an issue for only about 20 minutes in the morning and about 20 minutes in the afternoon, and any parent who arrives earlier in the morning and comes slightly later in the afternoon has few traffic challenges. Where it makes sense for the flow of people and traffic, the schools stagger events like curriculum nights and open houses by grade level. The schools also have staff, when needed, helping to direct traffic at these events.

4TONKA RESPONSE

Target enrollments continue to be referenced generically or only in a way that refers to maximizing revenue for the District. Target enrollment should be based on the education experience for students and maximizing opportunities for teachers to feel comfortable in their classrooms.

Saying "there is never a classroom with so many students that it impedes learning in that classroom" is a broad generalization that cannot be trusted based simply on the nature of the broad statement and the use of "never." Aside from that, based on a significant amount of feedback we have received from teachers, paras, administrators, and parents, we know this is not true. Learning has been impeded by classroom and school sizes.

Anecdotally, one of the elementary schools had the Fire Department called to it last year with action required by the school in order to clear kids out of a hallway vestibule that was being used for a classroom. This is an issue that represents the overcrowding at the schools.

Regarding parking lots, the District has to continue to redo parking lots due to continuing growth. At MME, an already small gym was cut in half to make way for a large drive-through area for cars.

We have art rooms that have been turned into classrooms. We have music rooms that have been turned into classrooms. We have libraries that have been turned into classrooms. We have some elementary classes that now have to split up and attend specials (art, music, PE) with other classes due to size and scheduling conflicts. We have some specials that are delivered by cart to the classroom. We have specials that are now on a 6-day rotation instead of the traditional 5-day rotation. These are just a few examples, but all of them are a direct result of overcrowding.

Overcrowding can also hurt mental health and connectedness. There have been many academic studies that have shown overcrowding, large class sizes, and large school sizes contribute to mental health issues and lead to students feeling less connected. If the current “Goal number 1” of the board is student well-being, this information cannot be ignored.

DISTRICT Q&A

Does Open Enrollment increase our diversity as a district? Parents in districts throughout the Metro area want the best possible education for their children. The District welcomes families of all racial/ethnic backgrounds as students—resident or non-resident. The state requirements for accepting open-enrolled students specify that students must be accepted in the order of their application. The District cannot deliberately attempt to either accept students based on various racial/ethnic characteristics or reject students based on such characteristics. The percentage of non-resident students-of-color is well above the percentage of resident students-of-color, because Open Enrollment has increased diversity of students in the District. As of the 2018-19 school year, Open Enrollment (22.4% students-of-color) had increased the diversity of Minnetonka Schools’ student body from 12.3% for resident students to over 16% who self-identify as persons-of-color. The Minnesota Department of Education has data through 2018, which show the percentage of students of color (K-12) in Minnetonka rising from 8.75% in 2008 to 16.38%. It is recognized that some opponents of Open Enrollment are concerned about this very point.

4TONKA RESPONSE

We celebrate any diversity that is created by open enrollment. We fully agree that the policy is in place and mandated by the state. We again reiterate that open enrollment acceptance needs to be by a lottery system as outlined by state law. We also recognize that some opponents of open enrollment feel it can decrease diversity, as pointed out by the District’s last sentence. That is certainly the case in other Districts around the country (and is leading to a multitude of lawsuits nationally) where open enrollment has led to decreased diversity and hurt the “home districts” of kids open enrolling elsewhere. We are very happy that diversity can be improved in our District.

DISTRICT Q&A

Did the District construct additions to existing schools to accommodate the increase in student numbers? It is a good point that someone might raise regarding this situation, but they also need to realize that the schools would not be nearly as good without the financial benefits non-resident students bring to them. So, the District has used the District’s Aaa bond rating to finance a few of the additions. There have been some classrooms added for just the growth in enrollment at various schools in the District; however, most added rooms were to make the schools more accommodating of resident students. Minnetonka property taxpayers are paying for the debt incurred for some additions to address population growth. However, those additions could have been paid for out of the state aid received for non-resident students, but the District decided that it was better for the future to keep that excess state aid from non-residents to meet future operating funds budgets over a ten-year period, and it paid for the debt out of future tax levies. There would have been enough revenue from non-resident students to pay for their instructional costs and the construction of added rooms, and there would still have been enough revenue left over to give more support to resident students. Residents need to realize that non-

resident students generate revenue that enables resident students to have a stronger academic program, better teachers and much lower class sizes, all of which enhance their property values and that revenue for the operating fund is precious.

4TONKA RESPONSE

The District makes a number of statements here that need to be address separately.

District Quote: “...most added rooms were to make the schools more accommodating of resident students.”

4Tonka Response: “More accommodating” in what way? The District only needed to make the schools more accommodating for resident students as a direct result of rising student populations. The District is saying they brought in a lot of students, that was detrimental to resident students, so they had to charge residents more money to fix the very problem the District created by bringing in more open enrolled students. That is a problem, and relies on flawed logic.

District Quote: “Minnetonka property taxpayers are paying for the debt incurred for some additions to address population growth. However, those additions could have been paid for out of the state aid received for non-resident students, but the District decided that it was better for the future to keep that excess state aid from non-residents to meet future operating funds budgets over a ten-year period, and it paid for the debt out of future tax levies.”

4Tonka Response: The District acknowledges residents are paying for debt that is a direct result of increasing open enrollment. The District further acknowledges that state aid due to open enrollment could have been used to cover these costs, but the District decided it would rather charge residents for these costs. Read that statement again. HOW IS THAT OKAY?

District Quote: *Residents need to realize that non-resident students generate revenue that enables resident students to have a stronger academic program, better teachers and much lower class sizes, all of which enhance their property values and that revenue for the operating fund is precious.*

4Tonka Response: The first part of this statement continues to rely on the same flawed logic and scare tactics that without open enrollment, the District would be much worse off. The second part of the statement regarding property values has been disproved earlier in our responses.

DISTRICT Q&A

What is the answer to residents who believe it is not fair that they pay taxes locally for schools while non-residents do not have to live in the District in order to benefit from the high quality schools? It is understandable that someone might resent this situation, but the schools would not be nearly as good without the benefits non-resident students bring to them. Residents need to realize that non-resident students generate revenue that enables resident students to have a stronger academic program, better teachers and much lower class sizes, all of which enhance their property values. Furthermore, those non-residents are paying property taxes in another district without benefitting from those schools.

4TONKA RESPONSE

This continues to rely on flawed logic we have disproved in previous responses. However, the last part of the statement is irrelevant. The fact that “those non-residents are paying property taxes in another district without benefitting from those schools” is totally irrelevant to how our District is run and should not be a consideration for the District.

DISTRICT Q&A

How are the costs of non-resident Special Education students handled?

Minnetonka gets regular state aid for each student enrolled in the District’s schools. Minnetonka then receives Special Education aid based on the cost of the specific program involved. Finally, the District is also able to charge the resident school district of the respective student for costs in excess of what costs all students incur (90% of actual costs).

4TONKA RESPONSE

This follows standard state aid formula and we do not have a comment on how the District approaches this topic. What we will say is that, while the district spends more for general and extra-curricular instructors on a per-student basis compared to both MN as a whole and districts of over 4,000 students, we spend significantly less for special education instructors and staff on a per-student basis. We also employ significantly fewer counselors and mental health professionals per student, a fact that was so hidden it had to be pointed out by KARE 11.

We can and should do better for our Special Education students, families and teachers, as well as students facing mental health challenges. There is no excuse for a District as well resourced as Minnetonka to be falling short in this area.
