

CROSBY-IRONTON SCHOOLS
FINANCE COMMITTEE MEETING SUMMARY
October 26, 2023

Item 7.2a

The finance committee met in the District Office conference room on October 26, 2023 at 5:00 p.m. with the following present: Beth Hautala, Mike Domin and Kim Coughlin. Jamie Skjeveland and Bill Tollefson were also present.

Board Meeting Start Time – Thoughts as Reorganization Meeting Approaches – The committee discussed the start time for regular School Board meetings for 2024. At the reorganization meeting in January 2023, the School Board changed the start time for regular School Board meetings from 6:00 p.m. to 6:30 p.m. With almost a year at the 6:30 p.m. start time, the question related to what start time should be proposed on the agenda for the reorganization meeting in January 2024. Committee members had no strong preference either way and were fine with proposing to return to a 6:00 p.m. start time.

Financial Comparison Tool – Baird or Ehlers Benchmarking – The committee revisited discussions from a couple years ago relating to an interest in using some sort of financial comparison tool. The Baird comparison tool relies heavily on consultant time, which makes it more expensive. The Ehlers Benchmarking Model is a spreadsheet-based tool and comes at a significantly lower cost. Both draw from the most current final fiscal year data available from the MN Department of Education (which is presently the 2021-2022 school year data). The focus of this comparative data is often used during periods of budget reduction. This led to a committee discussion about budget reduction process, which is generally the School Board setting a target number and the development of lists for each school building. Consensus at this point was to use the Ehlers Benchmarking Model to start preparing information for cuts for stakeholders.

2024-2025 Budget Assumptions and Budget Planning – The committee discussed 2024-2025 budget assumptions and budget planning, with the caveat that much of this discussion may need to be revisited depending on the outcome of the November 7, 2023 operating referendum election.

Budget Reductions – The committee discussed the concept of making budget adjustments each year based on the impact of the enrollment projection as a starting point. Under this concept, a budget adjustment would be made during years of declining enrollment based on the anticipated decrease in revenue associated with the enrollment decline. This concept could be applied regardless of the outcome of the operating referendum election. The committee also reaffirmed that they continue to support a plan of \$137,000 in budget reductions that was tentatively identified at the June 22, 2023 finance committee meeting.

Negotiations Assumption – The committee discussed the impact of a variety of negotiations assumptions and how those would interplay with the budget. The committee suggested that the special School Board meeting with a closed session to discuss negotiations strategy may need more time on the closed session, thus leaving less time for the Board workshop that is scheduled to follow the special meeting.

Advertising for After-School Daycare Position – The committee discussed what the impact of not having an after-school daycare program had on enrollment. This will need to be reviewed. The focus is that the return-on-investment or the cost of continuing to advertise for positions to start the after-school daycare program. If the program was not generating sufficient revenue and keeping students enrolled, then it might not be worth it. *Follow-up note. A list of 25 students from approximately 18 families participated in the 2021-2023 after-school daycare program. Only one of those students is no longer enrolled in school at Crosby in 2023-2024.*

2024-2025 School Calendar Planning – The committee discussed an option for the 2024-2025 school calendar that would provide a start-of-school entrance conference for the entire elementary school during the first couple days following the Labor Day weekend, similar to what has been happening in kindergarten for a number of years. For 2024-2025, this plan would involve CRES entrance conferences on the evening of Wednesday, August 28 in lieu of a CRES open house, and additional CRES entrance conferences on Tuesday, September 3 and Wednesday, September 4. The first student contact day for kindergarten

through 6th grade would be Thursday, September 5. Committee members expressed concern for how this was improving educational outcomes and if there will be ample participation and is it the right families who are coming in for the entrance conferences. The Board asked for input from parents about what they think of this proposal. CRES will conduct a survey. If this is done, it will likely require a two-year memorandum of understanding with the teacher bargaining unit in order to implement it.

June 30, 2023 Initial End-of-Year Financial Results – The committee was unable to meet prior to the presentation of the 2022-2023 audit report/financial statements to the Board by the auditor at the regular October Board meeting, so the committee members were already familiar with most of this data. The General Fund Unreserved fund balance is down, but not down as much as was projected in the budget.

2023-2024 Enrollment – The October enrollment report had been presented to the Board at the regular October Board meeting on October 23, so there was no new information to present regarding enrollment. For the summary, however, the September enrollment was artificially high, as had been speculated, and the October enrollment counts have been or are being verified by a separate process where teaching staff affirm a count separate from the student information system. This allows for a check and balance system to make sure each process is reporting accurate results. Enrollment from the first report in September is down from 1,000 to an October 6, 2023 count of 960. A note that the budget is based on a K-12 enrollment of 969, so the more accurate October count is for a lower enrollment than the budget projection.

The meeting adjourned at 6:57 p.m.

Respectfully prepared and submitted by William Tollefson