

CROSBY-IRONTON SCHOOLS  
FINANCE COMMITTEE MEETING SUMMARY  
April 18, 2018

Item 7.3a

The finance committee met in the district office on April 18, 2018 at 3:30 p.m. with the following present: Tom Nixon, Bob Sandin and Abby Geotz. Jamie Skjeveland and Bill Tollefson were also present.

2017-18 Enrollment – The committee received information on the enrollment counts through early April. Enrollment declined slowly in early March, followed by sizeable declines of three students in the first week of April, followed by five students in the second week in April. Enrollment on April 6 was 1,005 students grade kindergarten through 12<sup>th</sup> grade and fell to 1,000 students by Friday, April 13, 2018. The eight-month year-to-date average for pupil units is now at 1,116, which is below the estimate of 1,125 pupil units used to calculate the 2017-18 Preliminary Budget.

Personnel – Community Ed Director Compensation vs. Community Education Funding – The committee discussed several concepts relating to community education funding and a compensation package for a community education director. Community Education and the administration chargeback allowances to the various early learning funding programs provide about \$69,000 in available resource. The current community education director compensation package, including fringe benefits, ranges between \$73,000 and \$78,000 depending on insurance benefit selections made by the employee. With additional overhead costs including travel, MCEA dues and preparing, printing and distributing the community ed brochures, total costs are estimated between \$85,000 and \$90,000. Several options were discussed, including changes to the current public relations process, whereby the community ed director would pick up more of those duties and reduce current costs in the General Fund; a “cost-plus” model which would add an overhead fee to each program tuition to make sure program costs plus some overhead were covered; or running the community ed reserved fund balance into deficit, which would have to be made up by the General Fund. The committee identified their first objective as negotiating salary and benefits to come in at or under available budget, followed by a restructuring of current public relations/communications expenses as a second option.

2018-19 Budget Planning – The committee reviewed a number of items relating to the 2018-2019 Budget, including:

Title I and Title II Federal Funding – A federal continuing resolution has been approved that will provide funding through the end of the current federal fiscal year. This cycle then provides funding for the 2018-2019 state and school district fiscal years. Nationally, Title I has been funded with an increase of \$300 million and Title II has been level-funded at the prior year’s entitlement amount. Locally this may still mean some reduction because a large component of the funding distribution formula is number of students approved for free and reduced meals, which locally has decreased. Entitlements are expected to be calculated and released in early May. If not available prior to the calculation of the 2018-2019 Preliminary Budget, the 2017-2018 entitlement will be used for planning purposes.

Homeroom Sections of Kindergarten – Kindergarten enrollment for 2018-2019 has been fluctuating between 76 and 86 students. Kindergarten round-up is scheduled for April 20, 2018, which should provide a better estimate. The committee goal is to provide sufficient kindergarten homeroom sections to maintain class sizes near 20 students per teacher. This will likely mean four (4) sections of kindergarten for 2018-2019. In anticipation of this, an elementary teacher job posting will be placed to start gathering teacher candidates.

Homeroom Sections of Third Grade – The current second grade enrollment has declined to a total of 59 students. In a three-section environment, this provides class sizes, on average, of just under 20 students per teacher. In order to allow the Board to consider all options, one item under discussion involved the prospect of providing two sections of third grade in 2018-2019, which would move the student to teacher ratio closer to 30 to 1. After discussion of this option and potential impacts, the committee suggestion was to remain at three (3) sections of third grade for 2018-2019, so no Board action is necessary.

Shared Licensed School Nurse with Aitkin – State statute requires that a school district employ an appropriately licensed school nurse if the enrollment is 1,000 or more. Finding appropriately licensed nurses has been difficult and Aitkin is currently looking but without much luck. A concept of sharing a licensed school nurse has been explored administratively. The purpose of this topic at the finance committee was to help determine whether the Board would support movement in this direction. The committee determined that, although they are not overly interested in this concept, it is prudent to continue to explore and flesh-out this option administratively if this becomes one of the only options available and if it does not create a hindrance to the Crosby-Ironton School District.

High School Elective Position – The committee continued to review options being explored to a high school elective position. A potential staff person who was appropriately licensed and had experience in the type of electives being sought, as explored at the March finance committee, declined to accept the position. Additional options have been explored, including employment of a part-time social studies teacher averaging .64 f.t.e., who would teach classes such as economics and thus free up time for other teachers currently teaching those required courses so that additional elective courses such as coding, robotics, video production and career exploration might be offered. The committee endorsed this concept. Administration continues to explore if this might be implemented.

Knowledge Bowl Restructuring – With the expansion of knowledge bowl at the junior high level a couple years ago, student interest has grown and more students are participating in the program. To that end, program advisors have proposed a restructuring of the existing co-head advisor position that can oversee three teams of ten students to a head advisor and an assistant advisor who can each oversee six teams of ten students. This will allow all junior high participants the opportunity to participate at the senior high level without limiting team size and somehow auditioning student participants in order to determine students who would and would not make the team. There would be additional staff costs and team participation fees totaling about \$1,800; with other costs remaining the same, such as transportation. This proposal would not modify the existing junior high program. The finance committee was interested in pursuing the proposal and referred the matter to the activities committee for further discussion, as is the practice with these sorts of decisions.

November 2018 Operating Referendum – In the aftermath of two School Board workshops to learn more about the opportunities available to finance both additional operating resources (operating referendum) and building issues (capital projects levy and/or building bond referendum), the committee expressed an interest in meeting with their financial advisor, Ehlers, to further explore the pros and cons of each option to determine the best approach to meeting the long-term needs of the School District. With the payoff of the OPEB bonds in 2018-2019 and the approaching payoff of the School Building Bonds originally issued in 2003 to construct the additions to the high school, a two-phase approach of taking questions to the voters was considered, with phase one being an operating referendum for November 2018 and a school building bond issue or capital projects levy referendum in November 2019. The deadline to get a school-related question on the ballot in November 2018 is sometime in August 2018, so the committee asked that Ehlers be invited to meet with the full School Board as soon as such a meeting could be arranged.

Ehlers has also indicated that there may be an opportunity to refinance the School Building Bond debt originally issued in 2003 and refinanced in 2011. This may also create some opportunities that could favorably impact property taxpayers.

The meeting adjourned at 4:42 p.m.

Respectfully prepared and submitted by William Tollefson