

CROSBY-IRONTON SCHOOLS
FINANCE COMMITTEE MEETING SUMMARY
April 17, 2023

Item 7.2a

The finance committee met in the District Office conference room on April 17, 2023 at 9:00 a.m. with the following present: Beth Hautala and Kim Coughlin. Jamie Skjeveland and Bill Tollefson were also present.

2022-2023 Enrollment – The committee received the enrollment report through the first Friday in April of the 2022-2023 school year. As noted at the March School Board meeting, the enrollment at CRES increased from the first week of March by five (5) students. Enrollment at the high school remained stable. The overall weighted average daily membership for the K-12 program, through the first Friday in April, is 1,079 pupil units and the 2022-2023 Preliminary Budget was based on 1,082 pupil units. This means that, assuming that the September and October figures were not too greatly exaggerated, the counts should come in reasonably close to the Preliminary Budget.

Budget Recommendations for 2023-2024 – The enrollment for early learning or preschool programs for 2023-2024 has opened and spots are filling fast. Given the number of three year olds who will be served as four year olds in 2023-2024, and an estimate of potential three year olds and children in the Early Childhood Special Education program, there appears to be a need for an additional .40 f.t.e. early learning teaching position. This position would teach two days a week and would handle some of the early childhood family education parent classes. The administrative recommendation is to approve the position so that candidates can submit application materials and the hiring process will be completed, if needed, prior to the start of the school year. Ongoing enrollments into the program will continue to be monitored as Spring progresses to assess whether the trajectory still appears toward needing the position before a job offer is actually made.

Barb Neprud arrived.

2023-2024 Staffing and Budget –

Elementary ADSIS Staffing – The committee discussed ADSIS funding, which has three defined areas of programming – behavior intervention, math intervention or reading intervention, all in a level two individualized instructional setting. The family services collaborative worker has provided services in the past, under the guise of behavior intervention, in an attempt to meet individual student needs before they become eligible for special education services, which is the goal of ADSIS. Two options exist, including making the current family services collaborative worker, who currently is an employee of Sourcewell, a school district employee or considering contracting with Northern Pines Mental Health to provide services at the elementary school in a manner similar to what is now happening at the high school. After considerable discussion, the committee favored an approach where the school district and the current family services collaborative worker work together to usher in the next season of service by taking the 2023-2024 school year to transition away from the current model and move toward the Northern Pines model. To that end, administration will meet with the family services collaborative worker to propose a one year at-will employment contract with the school district.

High School ADSIS/Economics/Math Assignment – As high school administration continues to move forward with the secondary course schedule and student registrations for the 2023-2024 school year, a need has arisen for one section of math at the high school. To meet that need for 2023-2024 only, class/job task assignment for the .57 f.t.e. ADSIS/economics position will be modified slightly to provide less level 2 ADSIS time and fill the one section of math that has now been identified.

Title Funding Update – The Minnesota Department of Education has released the preliminary Title entitlements for the 2023-2024 school year. 2022-2023 was an unusual year in Title, as the School District had accumulated excess carryover following a year where a substantial amount of Title I teacher time was spent subbing for regular education teachers, which is not an allowable use of Title I, so costs in 2021-2022 had to be shifted out of Title I. This carryover was so large that the District exceeded the 15% carryover limit and used a one-time exemption to carry over the excess funds. The District had also previously only been using the carryover from Title IV and not the current Title IV entitlement in the current year, but is using both the carryover and current year entitlements in 2022-2023 in order to provide a higher than normal Title teacher f.t.e. This was all planned, knowing that there would have to be a reduction in overall Title services starting in 2023-2024. The Title I entitlement decreased from \$278,261 in 22-23 to \$276,013 in 23-24; the Title II entitlement decreased from \$36,491 in 22-23 to \$35,746 in 23-24; and the Title IV entitlement decreased from \$21,777 in 22-23 to \$18,532 in 23-24. Keeping in mind that all of the previous (including excess) carryover has been spent off in 2022-2023, and factoring in a Title I carryover estimated at \$12,000, Title I will overspend by a projected \$27,000 after correcting from almost 5.0 f.t.e. down to 3/0 f.t.e.

Child Care Update – The committee received an update on the current discussions associated with childcare within the community. The discussions being facilitated by CRMC are ongoing and there appears to be some favorable movement in child care opportunities provided in conjunction with the Assemblies of God Church in Crosby. For 2023-2024, there still appears to be great need for after school daycare, in particular. The committee members asked administration to go back to the drawing board and revisit the coordination and planning for staffing and facilities to accommodate and provide at least an afterschool daycare opportunity for next school year.

Budget Reduction Process – Framing the Discussion and Roll-Out – The committee was updated on ongoing plans to start working with stakeholders to see how best to communicate the pending budget shortfall. A meeting is planned with Project Unite and other groups may include CLEF, the staff and parents. The focus will be on working through wants, needs and demands in the hope that stakeholders will understand the difficulties associated with the financial situation and budget reduction process, such that they will become champions to support more favorable outcomes to resolve the budget issue than reductions, including a potential operating referendum election in November 2023. The hope is that constituents understand that, although we often hear about a free public education, public education is not free and the community needs to consider the value of education and provide support.

Legislative Issues – The legislative process continues, with significant and costly legislative proposals being forwarded. There is currently a sizable split in the position of the House and the Senate in terms of the General Education Revenue formula allowance increase, with the House at 2% and 4% and the Senate at 4% and 5%. It does not appear that the goal of fully funding the Special Education Cross Subsidy will be accomplished, with current proposal hovering around 50% instead of 100%. Another legislative proposal being carefully watched is a bill that would allow hourly non-licensed school employees to be eligible for unemployment during the summer. School districts are charged for unemployment differently than business that pay a percentage of payroll cost, as school districts are called reimbursing employers who are billed for the actual unemployment costs incurred. The bill prohibits school districts from recouping the costs of this using the normal Reemployment levy, as the legislature has established a zero percent levy increase target, and there is no other funding source included in the bill. This will mean that school districts will have to cover the costs of this, in another unfunded mandate. One cost estimate for Crosby-Ironton generates a projected cost of just over \$221,000.

Second Bond Issue – The school building bond referendum election held in November 2019 authorized the issuance of \$29,560,000 in school building bonds. With the plan to complete the renovations and remodeling only during the summer when school was not in session and given the volume of work to be completed and given that normal bond proceeds must be spent in five (5) years from date of issue, a decision was made to issue bonds in two separate issues. The first bond issue was released in March 2020. With the completion of work to-date and plans for the next several phases, it is now time to sell the second round of bonds. This bond issue will be for \$6,360,000 with the proceeds used primarily for the reroofing of school buildings. Ehlers is facilitating the process to issue the bonds. A resolution will be placed on the May 2023 School Board meeting agenda to authorize the sale of the second series of bonds. The bond sale will be awarded on the date of the June 2023 regular School Board meeting, with closing anticipated in July 2023. Payments will be made over a ten year period. With the payoff of the 2005 bonds, which were refinanced in 2018, in February 2023, these bonds will marry into the overall bond payoff schedule without

a significant change to the Debt Service levy, as this process was part of the overall plan to keep the levy for debt payments stable. Timing appears to be good as rates have stabilized and there is currently a significant demand for municipal bonds which will help keep rates stable over the next few months.

The meeting adjourned at 10:42 a.m.

Respectfully prepared and submitted by William Tollefson