

CROSBY-IRONTON SCHOOLS
FINANCE COMMITTEE MEETING SUMMARY
January 13, 2025

Item 7.2a

The finance committee met in the Forum Room on January 13, 2025 at 6:00 p.m. with the following present: Beth Hautala and Hannah Wesner. Jamie Skjeveland, Jen Strom, Taylor Demuth and Bill Tollefson were also present.

2024-2025 Enrollment – The committee reviewed the year-to-date enrollment and changes since the last enrollment report to the School Board in December. Between the first week in December and the first week in January, enrollment declined by four (4) students at the elementary school and by one (1) student at the high school. Total enrollment at the end of the first week in January was 947 students and a five-month average of 954 students, which still exceeds the budget enrollment projection of 936 students. Enrollment graphs with data back to 2015-2016 were presented and show that there is often a mid-year decline. This may be experienced as we approach the end of the first semester in mid-January.

Mark Taylor arrived.

Budget Projection Model and Assumptions – The committee walked through the budget projection model, which contains several assumptions that may change over the course of budget development. Those assumptions include: enrollment, state aid formula allowances, contract settlements, and the rate of inflation. Items from the budget scorecard, which is the other between-budget estimator in addition to the budget projection model, were discussed. Once an item is adjusted in the projection model, it remains in the flow-through until it is adjusted out. The current projection model shows a projected deficit of unreserved expenditures exceeding unreserved revenues of \$884,000 for 2025-2026 which will spend the General Fund Unreserved Fund Balance down to just below the 7% minimum required by Board policy.

Budget Reduction Target for 2025-2026 – The committee discussed the previous Board target of \$660,000 based on an anticipation of \$1 million in needed budget reduction. With the target from the budget projection model now \$884,000, and using approximately two-thirds of the anticipated deficit as the budget reduction target, the adjusted target would be \$600,000.

Proposed Budget Reductions – The committee reviewed a list of reductions and brainstormed other potential reductions not on the list. The committee discussed the potential concept of early retirement incentives, but in today's labor market, there are typically little to no savings that result because replacement staff are being hired at rates comparable to staff who are retiring. The committee also discussed the concept of the 4-day week. With the timeline for approved that is laid out by the Minnesota Department of Education (MDE) and other factors, this will not be a concept that will be in place for the 2025-2026 school year. The committee would like to continue to see this concept explored for future years and would like to continue to work with staff and parents to continue to explore options. An ad hoc committee will be established to continue to review and learn more about the pros and cons of a 4-day week.

The committee members each selected items of interest from a list of budget reduction items and added several additional items to the list. Each item that had at least two Board members interested in exploring was flagged to continue toward becoming an item on the final list. The list included: one of two plans for funding reductions to sports, one elementary classroom position achieved through a two-grade combination room, a part-time social studies position, funding for knowledge bowl, funding for robotics, funding for boys and girls hockey, ACT prep software licensing, National Honor Society, restructuring foreign language and community education. One of the plans for reduction to sports involves defunding all sports with the exception of one sport per gender per season. It was anticipated that this list generates just over \$200,000 in reductions toward the goal of \$600,000.

Non-Tenured and Tenured Staff Reductions – February 1, 2025 – From the list of budget reductions, it is likely that at one elementary teacher and one part-time social studies teacher would be non-renewed as they are non-tenured personnel. To allow displaced staff to get into the labor pool early, administration had set a goal with union leadership that staff notifications would be made, to the extent possible, by February 1, 2025.

Authorize Business Office to Work with Board Chair to Negotiate Superintendent Contract – The committee was in agreement that the business office should work with the Board chair as terms and conditions of the Superintendent contract are negotiated.

Transportation Contract - The committee reviewed the cost changes between the existing contract and the new contract proposal. The committee also reviewed the contract language that would provide flexibility in the event of changes in the structure of the school day, the potential of moving to a 4-day week, reduction in routes, or other modifications that may be made as part of the ongoing budget reduction process. The committee discussed the need for a five-year contract, given the significant capital cost associated with transportation operations and the contractor needing assurance that there was a longer term financial commitment. Following the discussion, the committee recommendation is to approve the five-year contract that was submitted through the Request for Proposal process.

The meeting adjourned at 9:45 p.m.

Respectfully prepared and submitted by William Tollefson