

CROSBY-IRONTON SCHOOLS  
FINANCE COMMITTEE MEETING SUMMARY  
September 20, 2022

Item 7.2a

The finance committee met in the Forum Room on September 20, 2022 at 5:00 p.m. with the following present: Barb Neprud, Tom Nixon (initially through Zoom, then in person) and Kim Coughlin (via Zoom). Jamie Skjeveland and Bill Tollefson were also present.

2022-2023 Enrollment – The committee received the first enrollment report of the 2022-2023 school year. As with all first of year enrollment reports, this report is subject to change as the school buildings continue to sort through students and their enrollment status. Reports from September 9, 2022 show an enrollment of 1,008 students in K-12. This is up from 993 actual students for 2021-2022 and 18 more students than the 2022-2023 Preliminary Budget was based on. Within this increase, the elementary school is up 1 student over the enrollment projection and the high school is up 17 students over the enrollment projection. Fluctuations, in the form of enrollment decline, have already occurred during week two. Better enrollment data will be available in October.

2021 Payable 2022 Proposed Levy – The committee received information on the Minnesota Department of Education’s most current calculation of the 2022 Payable 2023 Proposed Levy. The School Board must certify the proposed levy by September 30<sup>th</sup> and the recommendation is to certify the levy at the “maximum calculated by MDE”. This allows the greatest latitude if calculation issues are found after the September Board meeting but before the County Auditor spreads the levy in preparation for releasing the Truth in Taxation notices in mid-November. Currently the largest variation will come as the estimated amortization schedule for the second bond issue gets added to the 2022 Payable 2023 Proposed Levy between now and September 30, 2022. The school district’s financial advisors are working to complete that estimate, which has to be updated based on current market conditions. There are several areas of the levy that have increased because the formula uses enrollment and enrollment estimates are up, as was enrollment from 2021-2022, which is now being adjusted on this year’s levy for the first time. These include Local Optional Revenue and Long-Term Facilities Maintenance, both up about \$20,000 each. The Capital Project Referendum revenue gets adjusted for inflation each year and is increasing by \$20,000, as well. Adjustments to School-Age Care, which provides additional funding to cover added costs of having special education students in the after-school daycare program, is adjusted downward due to actual expenses being less than the estimates used in prior levy cycles. The current estimate is that the overall 2022 Payable 2023 levy will be up slightly over the 2021 Payable 2022 levy. The committee was also updated on a new requirement from the State legislature that more detailed prior year actual fund balance, revenue and expenditure information, as well as preliminary budget estimates for the 2022-2023 fiscal period, are to be included with the Notice of Proposed Property Taxes distributed by counties in November.

June 30, 2022 Initial End-of-Year Financial Results – The committee received an initial look at year-end financial results at June 30, 2022. These results are subject to change as the auditors continue their work to finalize the audit. The 2021-2022 Revised Budget anticipated that the General Fund Unreserved Fund Balance would increase from \$1,943,036 to \$2,093,038. The initial actual Unreserved Fund Balance is \$2,179,966. Much of this fund balance growth is able to be accomplished as federal COVID funds are used to supplant existing ongoing expenditures. A reminder that this process will place burdens on the Unreserved General Fund once COVID funds are expended by deadlines of September 30, 2023 and September 30, 2024 and these expenses will return to the Unreserved portion of the General Fund. Another large fund balance increase occurred in the Reserved for Staff Development, which increased by \$50,000 over budget and the prior year, due to under-expenditure of the staff development budget. Following a difficult year in 2020-2021, the Food Service fund balance rebounded in 2021-2022 due to all meals in 2021-2022 being free and a sizeable increase in the federal meal reimbursement rates. This occurrence is fortunate, as this higher fund balance will be needed and some of it will be used in 2022-2023 as the federal reimbursement rate drops; free meals for all students transitions back to the traditional National School Lunch Program with free, reduced and fully paid meals; and as milk and food expenses increase under present inflationary pressures. The various Community Service Fund fund balances all performed better than expected, due primarily to lower than anticipated expenditures. The early learning fund balances will be used to facilitate an additional early learning teacher position in 2022-2023 (see notes below). The reserved fund balances for capital (Operating Capital and Long-Term Facilities Maintenance) also increased as some of the needs normally covered by those funds have been able to be accommodated

within the Building Construction Fund. This will result in a nice nest egg that will be used to keep the facilities in good repair after the Building Construction Fund closes at the end of all planned projects.

Personnel/Program Items – The committee reviewed several personnel items.

Trends with Current Staffing Needs – At one point, the number of unfilled paraprofessional positions was high as twelve (12). There has been some much appreciated patience from staff and an overall attitude of “we are in this together and we can do this”. There has also been some excellent problem solving, which has facilitated some efficiencies that may have not been identified in the absence of the staff shortage. Student safety is the triage tool gauge, trumping some compliance issues at this point. The current shortfall is six at the high school and one or two at CRES.

Collaborative Workers – With the earlier decision to terminate membership in the Crow Wing County Family Services Collaborative based on financial considerations, which led to the notice to terminate Collaborative Workers with Sourcewell; there has been a change in current thinking that will result in a recalibration of plans. The committee proposal is to continue to fund the Collaborative Worker at the elementary school from January 1, 2023 through the end of the 2022-2023 school year directly (not through the Collaborative), while the new positions and process with Northern Pines contracts commences. Understanding that there are more needs than resources, an interim plan this proposed. It will create a six-month period of transition where the new plan will be viewed as a pilot project that is monitored and evaluated for success or potential improvement while still being staffed at a higher than normal level with existing workers so that services to students and families can be maintained. The school district is also moving forward with plans for an ADSIS grant writer position, with training provided by the current ADSIS grant writer at the Collaborative.

Early Childhood Teacher – Add – In order to provide program slots to provide early learning preschool programming to families with students on a waiting list and to alleviate a paraprofessional shortage in early learning, as well as to be able to maintain child-to-adult ratio regulations in early learning programs required by Parent Aware standards; a proposal is made to add, for 2022-2023, an additional early learning teacher position. The position will provide two days on new instructional time, two days on added teacher support in existing classrooms to meet the adult-to-child ratios, and one day of floating sub time at CRES. A part of the position will be funded by the added tuition generated by providing services to the students on the waiting list, part from moving a budgeted paraprofessional position to being this teacher position, and any remaining expenditures beyond that will be taken from the three reserved fund balances for early learning, as described above.

Activities Director/Dean of Students – A non-agenda item relating to this afternoon’s new development of a resignation from the Activities Director/Dean of Students was added. Discussion included options for filling the position in both the short- and long-term; options for restructuring the position; and philosophical dialogue about whether Crosby-Ironton is a training ground or looking to sustain a long-term prospect as it relates to this particular position. In the interest of time, these issues will be looked at simultaneously to posting the position.

The meeting adjourned at 6:45 p.m.

Respectfully prepared and submitted by William Tollefson