

# Greenbush Middle River Public School District

School Board Meeting:  
March 16, 2020



# GMR School District Investments for Student and Community Use





# GMR School District Investments for Student and Community Use



# For the past several years there has been on-going developments and significant accomplishments within five key areas in the GMR School District:

## 1) Curriculum, Instruction and Assessment;

*eg: Elementary & High School curriculum cycle, Technology Initiative(s)*

## 2) School - Community;

continue to have a good relationship(s) with the Community

*eg: Board acceptance of donations to school programs during each school board meeting, financial support of summer recreation programming, Board approval of City of Greenbush trail system.*

## 3) Safety and Security;

*eg: Access to school building, video cameras, phone system replaced, A.L.I.C.E. training.*

## 4) Facilities;

*eg: Industrial Tech. air filtering system, Gym Floor replacement,*

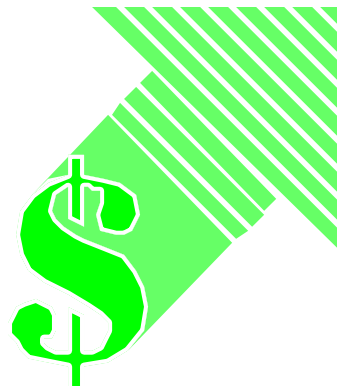
## 5) Budget and Finance

*eg: Budget reductions and successful operating referendum to remain financially solid while experiencing a declining enrollment pattern.*



# Major Demands on District's Limited Resources (FUNDS) to...

- Maintain Competitive Salaries
  - Attract qualified staff
  - Compete for staff in areas of shortage
- Student Programs and Offerings
- Efficient and Cost Effective Operations
- Have Cash Reserves available



## How much fund balance is needed?

- There is no absolute right answer as to how much a given district should have in its fund balance. A general guideline provided by financial auditors indicate a fund balance of 25% of the general education formula in the unreserved general fund.  
 $\$6,438 \times 25\% = \$1,609 \times 301$  [weighted] funding units (271 K-12 students = 301 weighted funding units) = \$484,459 would place the District in a solid financial position. This represents about 5 weeks of school district operations.

\* = Information Source: Minnesota Association of School Business Officials & District Financial Auditor

Independent School District No. 2683  
Greenbush Middle River School District

Notes to Financial Statements  
June 30, 2019

The UFARS fund balance reporting standards are slightly different than the reporting standards under GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. Below is a reconciliation between the fund balance reporting under GASB 54 and UFARS reporting standards:

	GASB Balance	Reconciling Items	UFARS Balance
Fund balances			
Nonspendable			
Inventories	\$ 6,808	\$ -	\$ 6,808
Restricted			
Operating capital	154,193	-	154,193
Safe schools	33,637	-	33,637
Long term facilities maintenance	313,998	-	313,998
Debt service	13,016	-	13,016
Food service	2,840	(5,096)	(2,256)
ECFE	131,668	-	131,668
Community service	10,404	-	10,404
Community education	-	(8,904)	(8,904)
School readiness	-	(43,494)	(43,494)
Total restricted	659,756	(57,494)	602,262
Committed	166,340	-	166,340
Unassigned	446,826	57,494	504,320
Total fund balance	\$ 1,279,730	\$ -	\$ 1,279,730





# Each and Every Day tasked with...

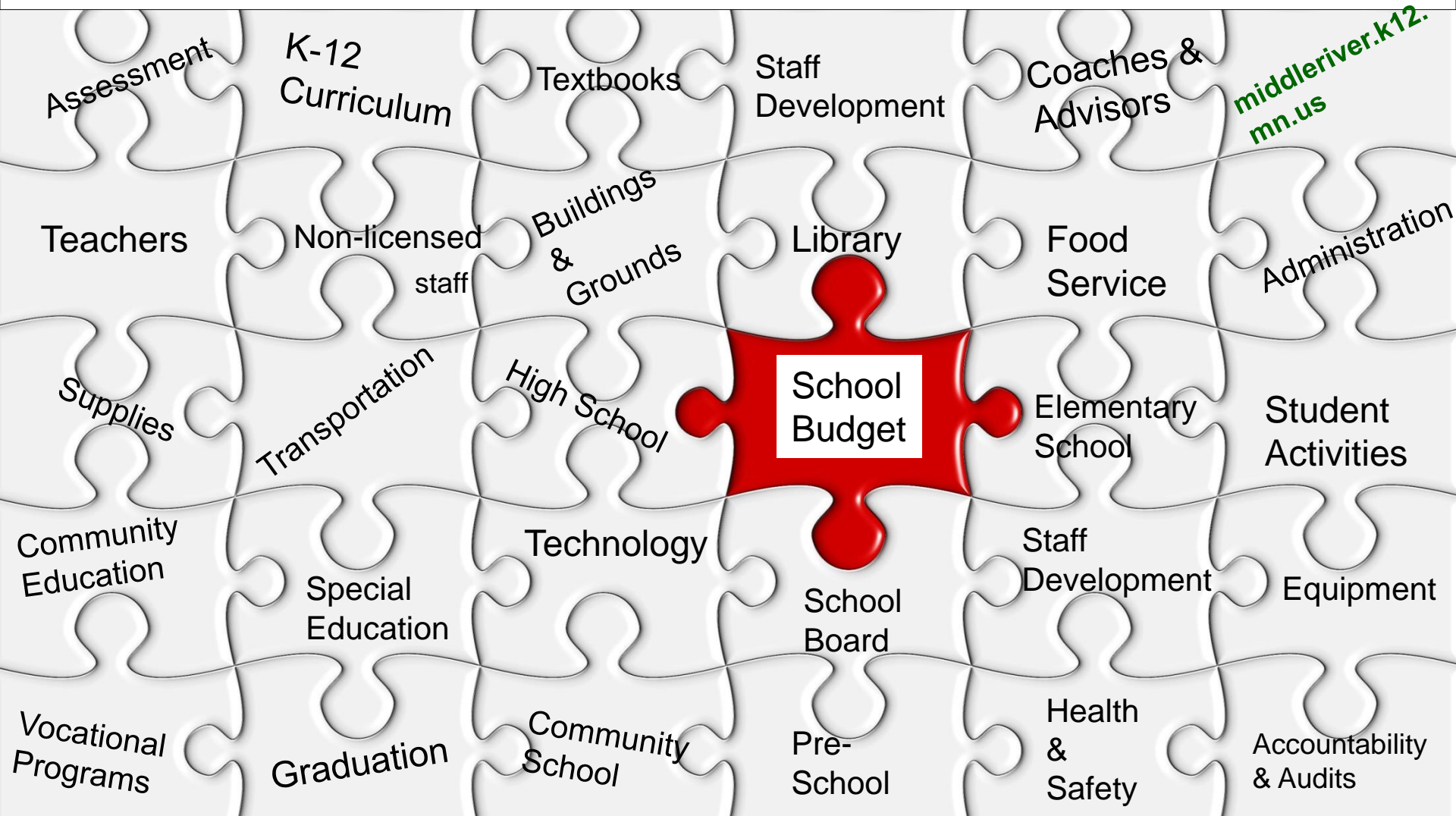
- the resources available, the School and its employees will continue the Greenbush Middle River's primary mission to provide quality educational programs for Pre-K through 12<sup>th</sup> grade students and continue to guide the District to an even more impressive standard of excellence.



## ***Mission Statement***

The Mission of the Greenbush/Middle River School is to provide quality education which will prepare all students to meet success by developing self-directed thinkers who are productive, responsible, respectful, and accountable to themselves and others.

# School Budgeting





# 2019 – 2020 Budget

- All School District's budgets are divided into separate funds, as required by law.

For the GMR School District, Six (6) funds:

1. General Fund (includes former transportation and capital expenditure funds)..... *01 fund*
2. Food Service Fund ..... *02 fund*
3. Community Service Fund..... *04 fund*
4. Building Construction Fund (Capital) .. *06 fund*
5. Debt Service Fund ..... *07 fund*
6. Trust & Agency Fund ..... *09 fund*



# 2019-2020 *estimated* School Budget

GREENBUSH MIDDLE RIVER SCHOOL DISTRICT NO. 2683

2019 - 2020 BUDGET



## REVENUE

FUND 01 - General	\$4,349,557
FUND 02 - Food Service	203,900
FUND 04 - Community Ed	66,026
FUND 07 - Debt Service	67,838
FUND 08 - Scholarships	1,300
FUND 09 - Student Activity	154,800
<b>TOTAL REVENUE ALL FUNDS</b>	<b>\$4,843,421</b>

## EXPENDITURE

FUND 01 - General	\$4,800,165
FUND 02 - Food Service	171,665
FUND 04 - Community Ed	27,259
FUND 07 - Debt Service	63,475
FUND 08 - Scholarships	1,300
FUND 09 - Student Activity	154,600
<b>TOTAL EXPENDITURE ALL FUNDS</b>	<b>\$5,218,464</b>
<b>DIFFERENCE</b>	<b>(\$375,043)</b>

Based on 271 enrollment  
6/17/19 School Board Meeting

# Proposed *AMENDED* 2019-2020 estimated school budget

March 16, 2020

GREENBUSH MIDDLE RIVER SCHOOL DISTRICT NO. 2683

2019 - 2020 BUDGET

mid-year update

## REVENUE

FUND 01 - General	\$4,523,297
FUND 02 - Food Service	203,900
FUND 04 - Community Ed	64,996
FUND 07 - Debt Service	62,010
FUND 08 - Scholarships	1,300
FUND 09 - Student Activity	154,800
TOTAL REVENUE ALL FUNDS	\$5,010,303

## EXPENDITURE

FUND 01 - General	\$4,928,881
FUND 02 - Food Service	169,056
FUND 04 - Community Ed	28,932
FUND 07 - Debt Service	63,475
FUND 08 - Scholarships	1,300
FUND 09 - Student Activity	154,600
TOTAL EXPENDITURE ALL FUNDS	\$5,346,244

DIFFERENCE (\$335,941)

Based on 271 enrollment

3/16/2020 School Board Meeting





## 2019 – 2020 [FY 20] AMENDED GMR

### estimated School Budget includes:

- The FY 20 amended school budget reflects a Fall 2015 voter approved operating referendum;
- The FY 20 amended school budget reflects an increase of 2% in the State basic general education formula.

School Year	State Aid General Education Formula Allowance	Percent funding increase over previous year	Greenbush Middle River School District FALL enrollment	Unreserved General Fund Balance (final audit)
2017-2018	\$6,188	+\$121 or 2%	323	\$705,373
2018-2019	\$6,312	+\$124 or 2%	279	\$504,320
2019-2020	\$6,438	+\$126 or 2%	271	TBD by Audit
2020-2021	\$6,567	+\$129 or 2%	242 estimated	TBD by Audit

- The FY 20 amended school budget reflects a Fall 2005 voter approved Bond Referendum for building (HVAC) improvements;
- The FY 20 amended school budget reflects a 2016 refinancing of the Fall 2005 voter approved Bond for building (HVAC) improvements;
- The FY 20 amended school budget reflects a previous deficit reduction plan(s) that included [full] closure of the Middle River School site effective with the 2018-2019 school year.
- The FY 20 amended school budget reflects an increase in salary and benefits of year #1 of a two (2) year Agreement between licensed teachers and Year #2 of a two year Agreement between non-licensed employees.
- The FY 20 amended school budget reflects replacement of a more senior Kindergarten Teacher with a first-year Kindergarten Teacher
- The FY 20 amended school budget reflects replacement of a more senior Music Teacher replaced with a first-year Music Teacher
- The FY 20 amended school budget reflects pay-out(s) of accumulated paid time off (PTO) of a Kindergarten Teacher & Music Teacher
- The FY 20 amended school budget reflects non-replacement of a Music Teacher (Mr. Flattum)
- The FY 20 amended school budget reflects non-replacement of a Science Teacher (Mr. Stromlund)
- The FY 20 amended school budget reflects a decrease in salary & benefits for the current part-time interim Supt. over the previous year.
- The 2019-2020 Budget reflects the same fall student enrollment (271) HOWEVER, the March 2020 student enrollment is 16 less students



# ***THE FINANCIAL CONDITION OF THE GREENBUSH MIDDLE RIVER SCHOOL DISTRICT***

## ***THE CURRENT 2019-2020 SCHOOL YEAR BUDGET***

For the 2019-2020 school year, the budget deficit for the operating funds is estimated to be  $-\$335,391$  to  $[-\$400,000]$ . Factors contributing to this school years operating deficit are as follows:

The State Demographer indicates: Among the most persistent problems facing greater Minnesota and rural America is a people shortage. Even as Minnesota's population has risen — it grew by nearly 400,000 since 2010, an increase of 7.5% — rural Minnesota hasn't shared in the gains.

From 2010 to 2018, the seven-county economic development region in Minnesota's northwest corner, which includes Roseau, suffered a 1.3% population decline, according to the U.S. Census Bureau. Roseau County has felt that even more acutely, losing population at more than double that rate.

The percentage of manufacturing workers 55 and older in Roseau County has more than doubled between 2008 and 2018, meaning almost one in three manufacturing workers here are 55 and older. And the problem will get worse before it gets better, as baby boomers continue to retire.

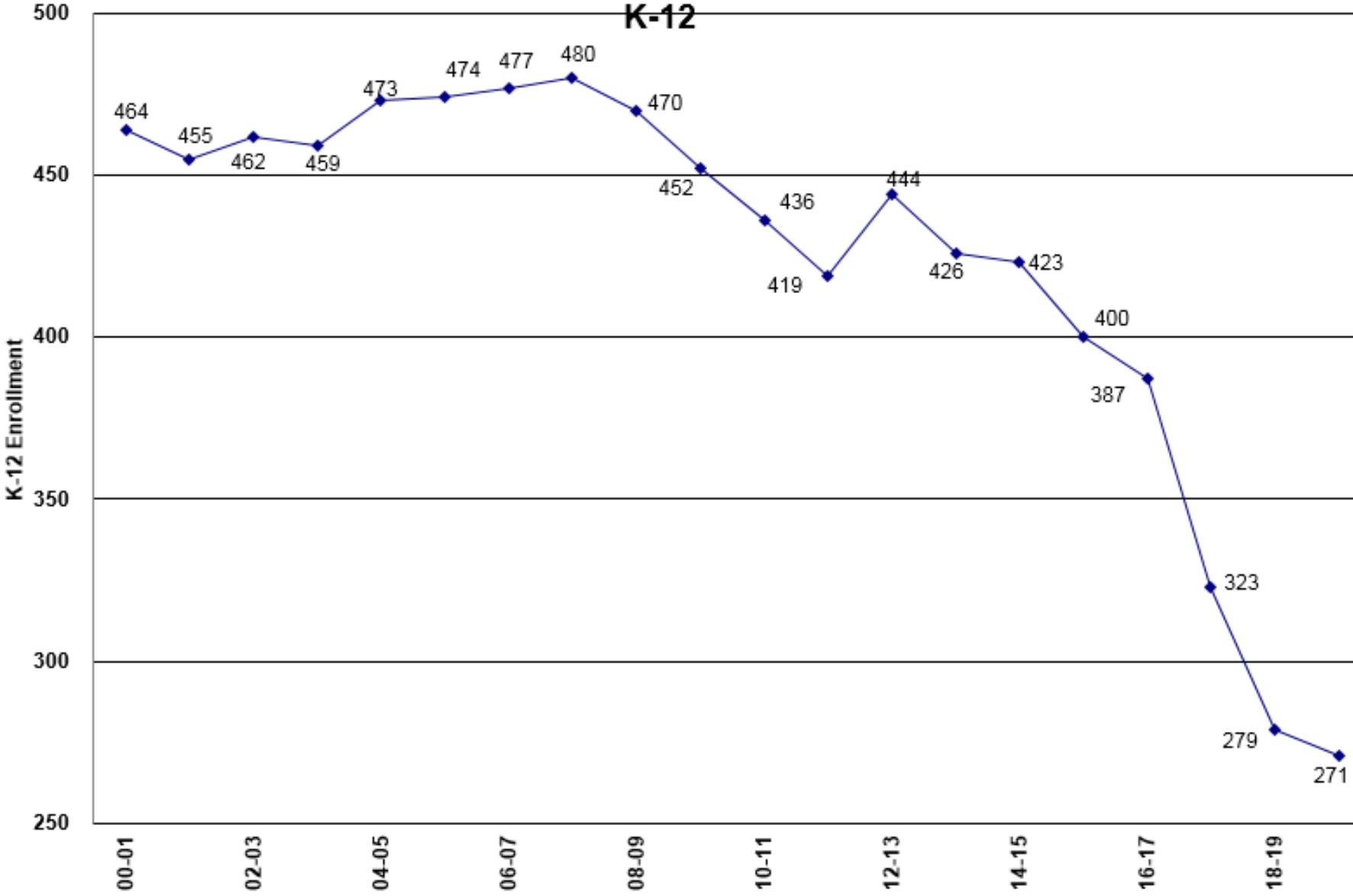
With that said, the parent option to open enroll their student(s) to neighboring schools after the [full] closure of the Middle River School has had an adverse impact on K-12 enrollment and therefore affecting state-aid or revenue generated by pupil count.

For PAST, PRESENT, and [projected] FUTURE K-12 enrollment, see tables & graphs slides to follow:



# FALL ENROLLMENT BY SCHOOL YEAR

K-12





## GMR K-12 ENROLLMENT

Student enrollment as October 1, 2018

Grade Level Of Students	GMR
K	17
1	14
2	12
3	19
4	19
5	16
6	20
<b>TOTAL K-6</b>	<b>117</b>
7	17
8	22
9	24
10	30
11	32
12	37
<b>TOTAL 7-12</b>	<b>162</b>
<b>TOTAL K-12</b>	<b>279</b>

2018-2019 School Year

Student enrollment as October 1, 2019

Grade Level Of Students	GMR
K	21
1	17
2	15
3	13
4	18
5	21
6	16
<b>TOTAL K-6</b>	<b>121</b>
7	21
8	15
9	25
10	24
11	32
12	33
<b>TOTAL 7-12</b>	<b>150</b>
<b>TOTAL K-12</b>	<b>271</b>

2019-2020 School Year

Student enrollment as March 10, 2020

Grade Level Of Students	GMR
K	21
1	18
2	14
3	13
4	17
5	20
6	16
<b>TOTAL K-6</b>	<b>119</b>
7	21
8	11
9	22
10	21
11	30
12	31
<b>TOTAL 7-12</b>	<b>136</b>
<b>TOTAL K-12</b>	<b>255</b>

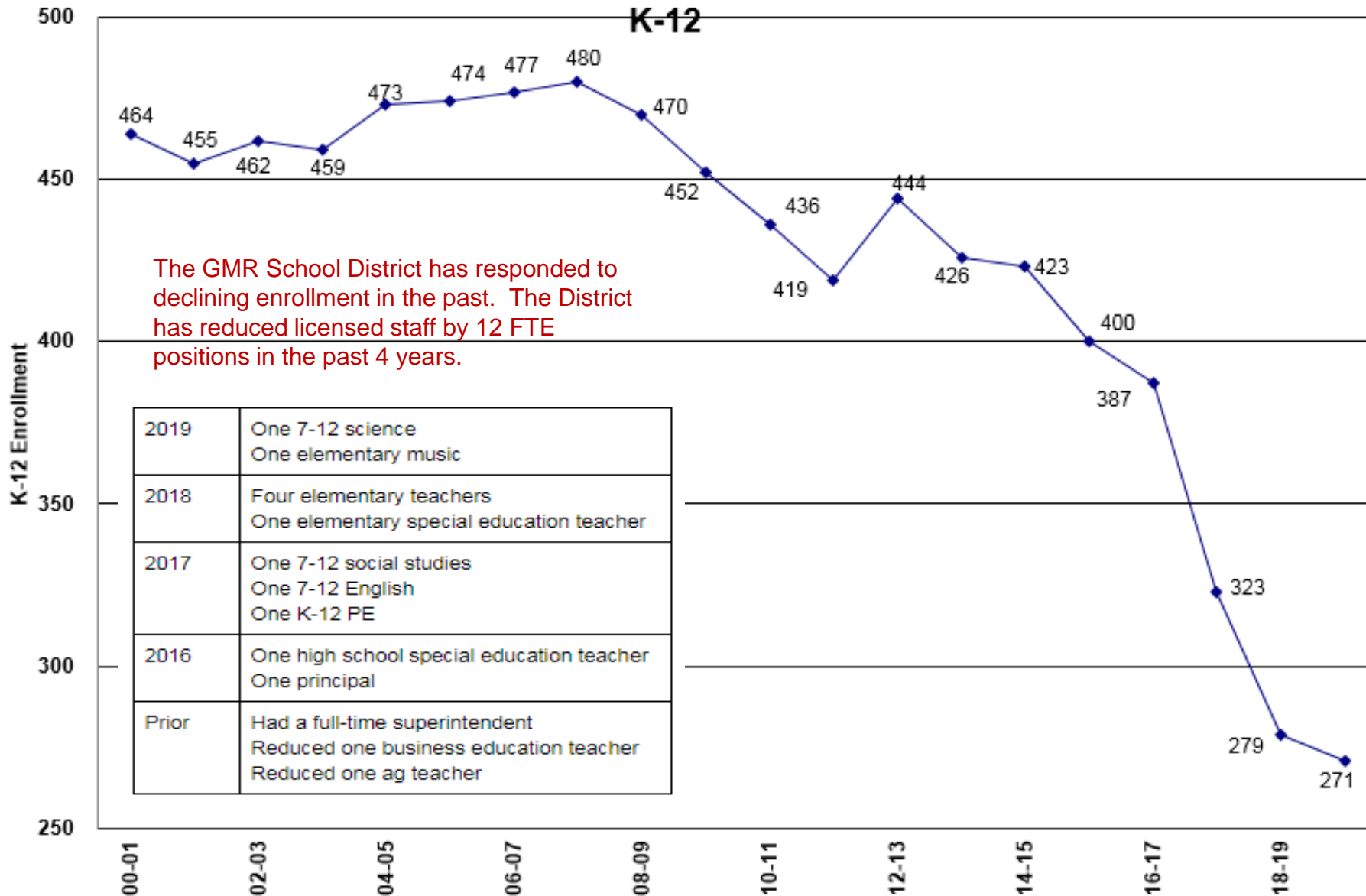
## ACTUAL STUDENT ENROLLMENTS VS. PROJECTED FUTURE STUDENT ENROLLMENTS

\* Determined by using Grade Progression Method

School Year	15-16	16-17	17-18	18-19	19-20	20-21	21-22	22-23	23-24	24-25	
	< ----- Actual Fall Census ----- >						< ----- Projected Future Enrollments ----- >				
Age is < 1	21	19	25	14	26	--	--	--	--	--	
Age 1	25	21	22	13	16	22	--	--	--	--	
Age 2	32	22	23	23	22	16	22	--	--	--	
Age 3	32	33	25	21	22	22	16	23	--	--	
Age 4	26	30	32	20	23	20	20	15	20	--	
Age Birth to 4	136	125	127	91	109	80	59	37	20		
Grade K	26	23	21	17	21	16	14	14	10	14	
Grade 1	33	25	21	14	17	22	17	14	15	11	
Grade 2	22	32	22	12	15	15	19	15	13	13	
Grade 3	27	23	25	19	13	13	13	17	13	11	
Grade 4	18	26	15	19	18	10	11	10	13	10	
Grade 5	29	19	22	16	21	18	10	11	10	13	
Grade 6	35	35	16	20	16	21	18	10	10	10	
	< ----- Elementary Grade Summary ----- >						< ----- Elementary Grade Summary ----- >				
Grade K	26	23	21	17	21	16	14	14	10	14	
Grade 1 to 6	164	160	121	100	100	99	87	77	74	69	
Grade K to 6	190	183	142	117	121	115	101	91	84	83	
	< ----- Secondary Grade Summary ----- >						< ----- Secondary Grade Summary ----- >				
Grade 7	33	33	21	17	21	14	18	16	9	9	
Grade 8	38	37	26	22	15	21	14	18	15	9	
Grade 9	40	36	31	24	25	14	19	13	16	14	
Grade 10	32	38	36	30	24	24	13	18	12	16	
Grade 11	30	32	36	32	32	23	23	12	17	12	
Grade 12	37	28	31	37	33	31	22	22	12	17	
Grade 7-12	210	204	181	162	150	127	109	100	82	76	
	< ----- K - 12 Summary ----- >						< ----- K - 12 Summary ----- >				
Grades K - 6	190	183	142	117	121	115	101	91	84	83	
Grades 7 -12	210	204	181	162	150	127	109	100	82	76	
Grade K - 12	400	387	323	279	271	242	210	190	167	159	

# FALL ENROLLMENT BY SCHOOL YEAR

K-12

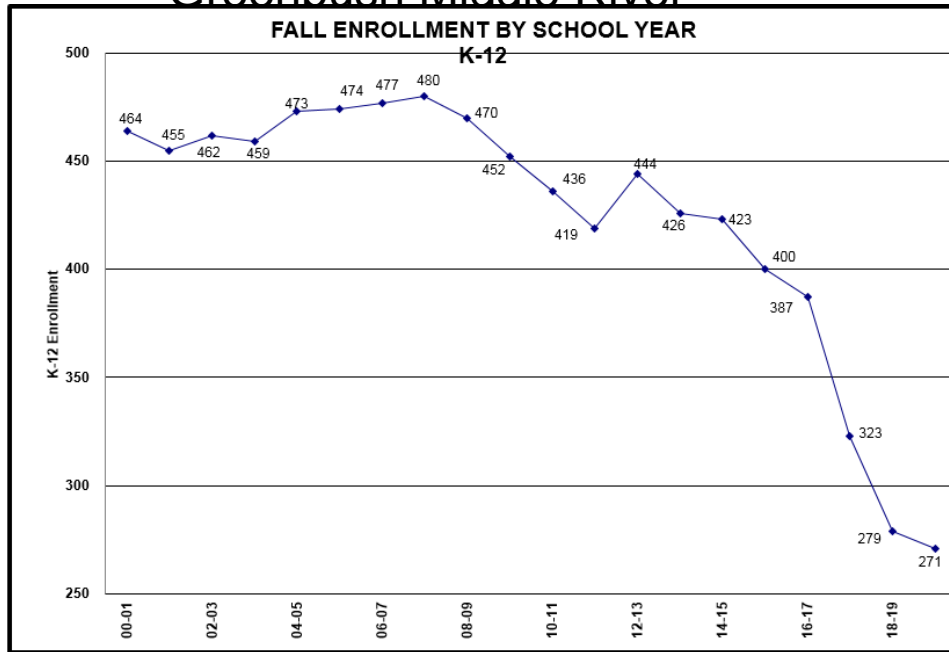


2019	One 7-12 science One elementary music
2018	Four elementary teachers One elementary special education teacher
2017	One 7-12 social studies One 7-12 English One K-12 PE
2016	One high school special education teacher One principal
Prior	Had a full-time superintendent Reduced one business education teacher Reduced one ag teacher

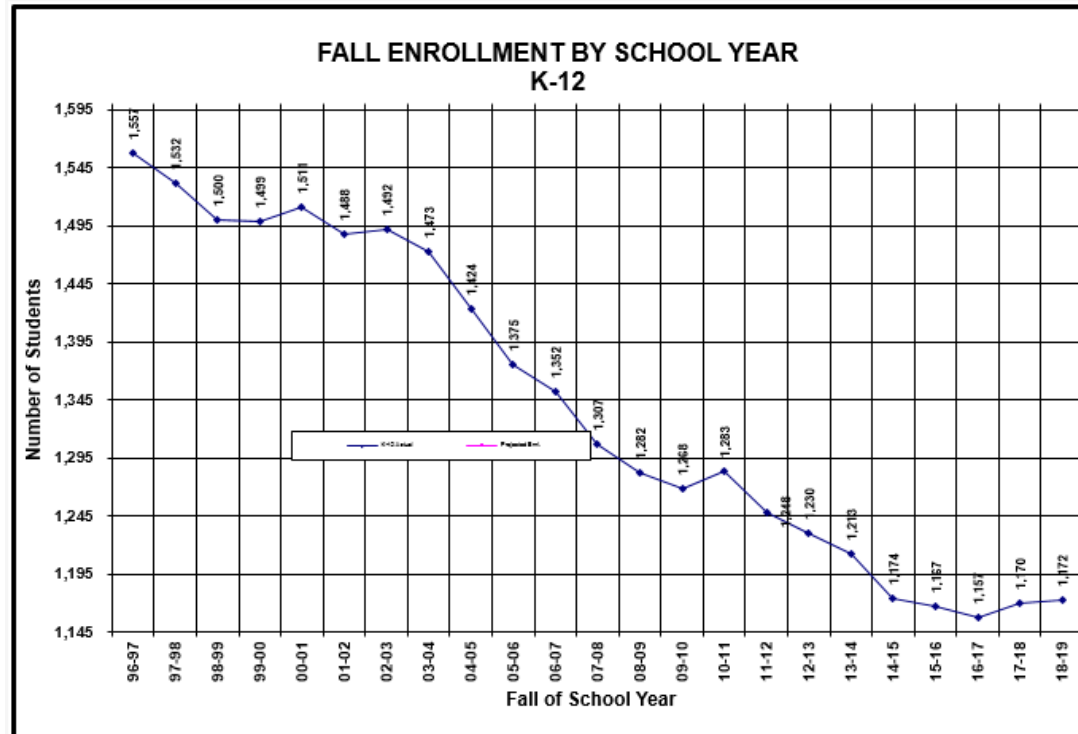


# Greenbush Middle River

Past



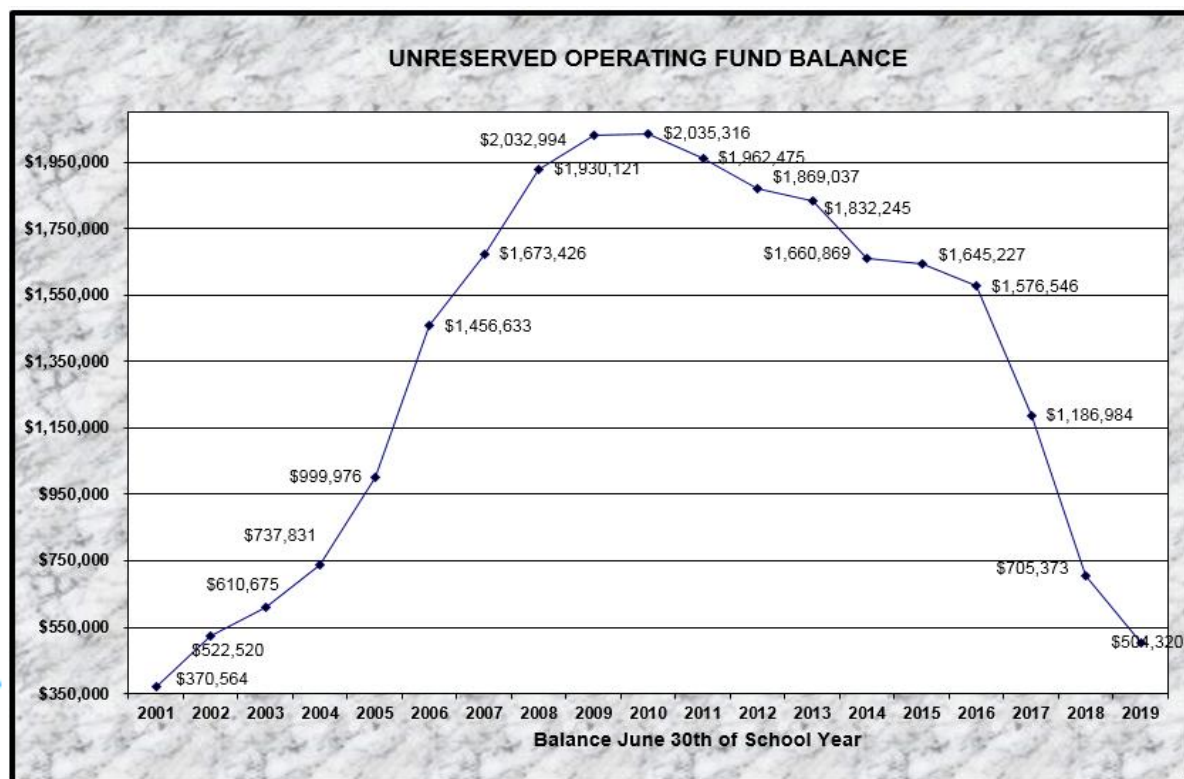
Roseau



June 30th of Budget Year	General Fund Balance	Percent Change over Previous Year	K -12 Enrollment
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2001	\$370,564		464
2002	\$522,520	✓ 41%	455
2003	\$610,675	✓ 17%	462
2004	\$737,831	✓ 21%	459
2005	\$999,976	✓ 36%	473
2006	\$1,456,633	✓ 46%	474
2007	\$1,673,426	✓ 15%	477
2008	\$1,930,121	✓ 15%	480
2009	\$2,032,994	✓ 5%	470
2010	\$2,035,316	✓ 0%	452
2011	\$1,962,475	✓ -4%	436
2012	\$1,869,037	✓ -5%	419
2013	\$1,832,245	✓ -2%	444
2014	\$1,660,869	✓ -9%	426
2015	\$1,645,227	✓ -1%	423
2016	\$1,576,546	✓ -4%	400
2017	\$1,186,984	✓ -25%	387
2018	\$705,373	✓ -41%	323
2019	\$504,320	✓ -29%	279

## Graphic depicting the impact of enrollment and its affect on General Fund Balance



Source: School District Financial Audit statements

While declining in enrollment & the corresponding revenue, there will be an increase in the cost for operations in 2019-2020 and beyond.



**Transportation**

**Food Service**

**Buildings & Grounds**

**Utilities**

**Instructional Supplies**

**Personnel**

**Licensed**

**Non-licensed**

**Paras**

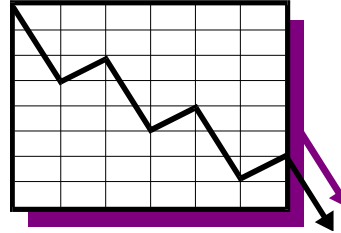
**Bus Drivers**

**Kitchen**

**Custodians**



# – The Problem –



- In 2019-2020 and beyond, Revenue will not be sufficient to maintain the current level of programs and services without deficit spending.
- Specifically, In its Unreserved General Fund, District #2683 is expected to deficit spend ~\$375,000 between anticipated revenues and expenditures for the 2019-2020 school/fiscal year. It is assumed this amount (*at minimum*) will be carried over into 2020-2021.



# Challenge

- I. If the District is to stay out of a financial bind in the future, the school [Board] needs to address budget issues to stay ahead of a wave of [greater] potential problems.

Or, *wait and see* approach



- II. Do not make any budget reductions...  
The 2020 Legislature may provide much needed revenue in the form of an additional state aid formula increase and / or special education increase. The MN Office of Management and Budget released a revised Budget Forecast on Feb. 27, 2020 indicating the State of MN has a \$1.513 billion dollar surplus.

Source: <https://www.mprnews.org/story/2020/02/27/minnesota-budget-surplus-grows-slightly>

## Increase (*enhance*) revenues

Increase fees

Seek to maximize revenue

eg: improve Free & Reduced lunch applications which affect (increase) the amount of revenue received for Title programming

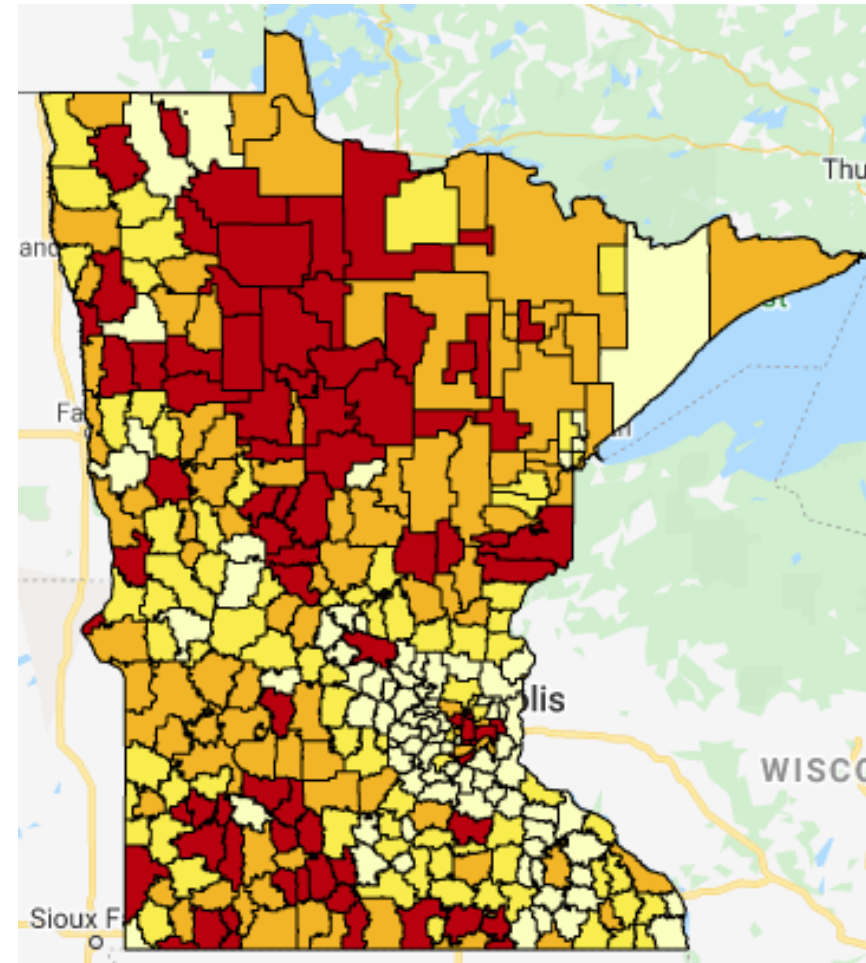
eg: Title IV funds NOT previously received or applied for.

## Reduce expenditures

Seek to improve program efficiency in the areas of buildings & grounds, transportation, etc., etc.

Percent Students Eligible for Free and Reduced Priced Meals 18-19 School Year

5	to	27.99	Lowest Percentages
28	to	35.99	Below Districts Median
36	to	45.99	Above Districts Median
46	to	91	Highest Percentages



# GREENBUSH MIDDLE RIVER SCHOOL DISTRICT

## DEFICIT REDUCTION SUGGESTIONS

**Directions:** The Board of Education and the School Administration is soliciting suggestions for making expenditure reductions. Although the primary responsibility for the school budget rests with the Board and the Administration, soliciting suggestions from residents and employees will ensure that all reasonable deficit reduction measures have been considered.

When making a deficit reduction suggestion, please phrase your suggestion in terms of a single action. Do not make a broad generalization about the school program. These kinds of statements are difficult to convert into specific cost cutting measures. For example, if you believe that too much money is spent on student athletics, state which sport(s) the school district should delete rather than making a general statement. Another example, if you believe the school district has many frills, identify each item that you consider a frill.

**Deadline:** Please return this form to the district office, principals' office, or your immediate supervisor ASAP but no later than \_\_\_\_

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

Note: Use the back of this form for the identification of more deficit reduction suggestions.

**Identifying Respondent by Classification (optional):** Some respondents may have more first-hand information regarding the possibility of reducing expenses for specific programs. For example, a bus driver may have more relevant information regarding the reduction of expenses for student transportation than a food service employee. Therefore, please identify yourself by placing a check next to the most appropriate group:

- |  |   |  |  |
|--|---|--|--|
| <input type="checkbox"/> Pupil Transportation Employee | <input type="checkbox"/> Buildings & Grounds Employee | <input type="checkbox"/> Food Service Employee       | <input type="checkbox"/> Instructional Aides       |
| <input type="checkbox"/> Office Employee               | <input type="checkbox"/> Secondary Teacher            | <input type="checkbox"/> Elementary Teacher          | <input type="checkbox"/> Special Education Teacher |
| <input type="checkbox"/> Parent                        | <input type="checkbox"/> Student                      | <input type="checkbox"/> Resident of School District |  |

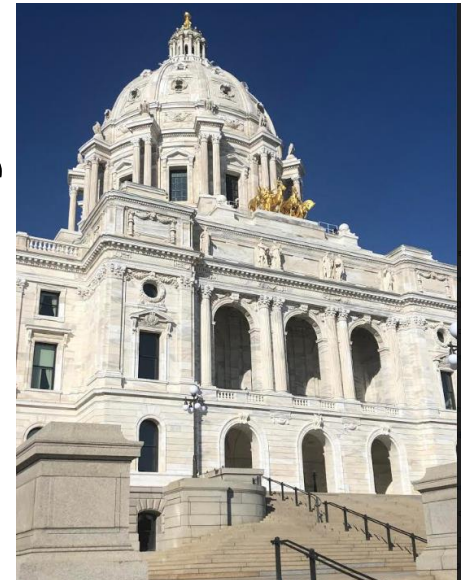


# Increase (*enhance*) revenues

- **Local Operating Referendum**

A local school tax called a “referendum” or “operating” levy or “excess” levy. Under MN law, school districts can ask voters to approve an operating levy to provide additional funding for operating local schools. If voters agree, the money comes from local property taxes.

*The Legislature and Governor decide the maximum amount that districts can raise in this way.*



**REFERENDUM AUTHORITY 2019 - 2030**  
after 2019 November Elections

# 2683

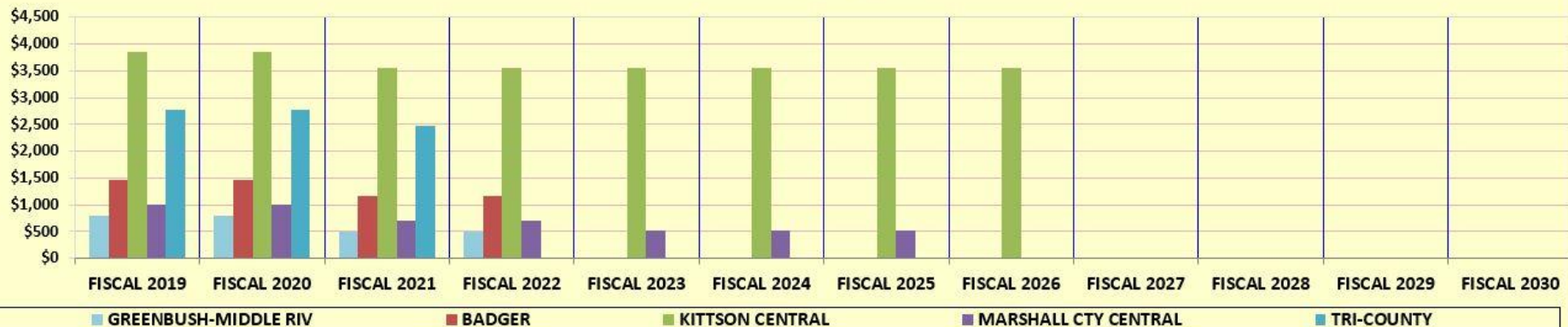
GREENBUSH-MIDDLE RIV



**Total Referendum Authority After FY 2021 LOR Conversion from Ref Phaseout Report**

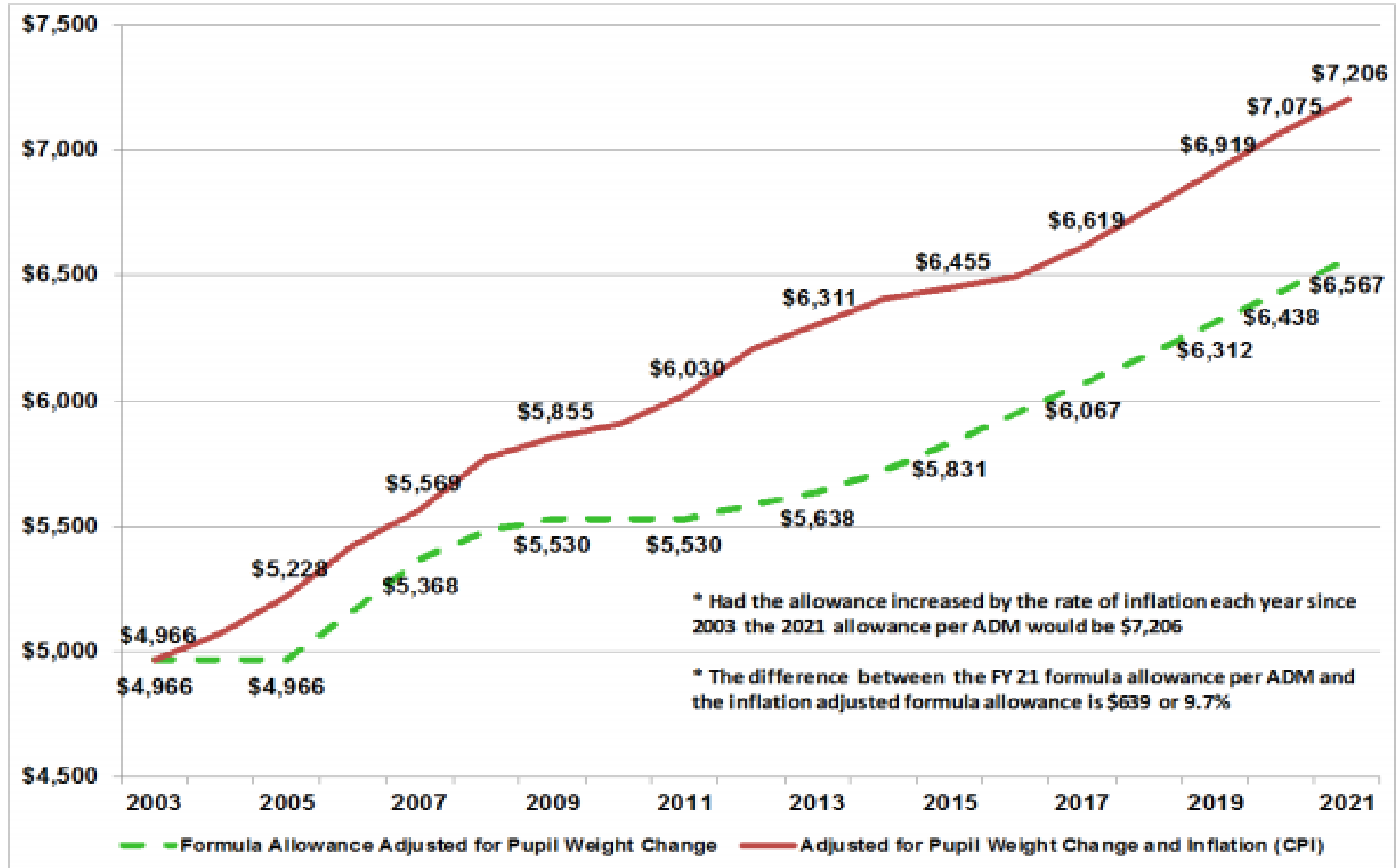
(1) Major Dist. (9) Comparison Districts	District Names	Number of Ref. Elections since 1991	FISCAL 2019	FISCAL 2020	FISCAL 2021	FISCAL 2022	FISCAL 2023	FISCAL 2024	FISCAL 2025	FISCAL 2026	FISCAL 2027	FISCAL 2028	FISCAL 2029	FISCAL 2030	
2683	GREENBUSH-MIDDLE RIV	(2)	\$806.05	\$806.05	\$506.05	\$506.05									Graphed
676	BADGER	(5)	\$1,470.29	\$1,470.29	\$1,170.29	\$1,170.29									Graphed
2171	KITTSOON CENTRAL	(14)	\$3,846.00	\$3,846.00	\$3,546.00	\$3,546.00	\$3,546.00	\$3,546.00	\$3,546.00	\$3,546.00					Graphed
441	MARSHALL CTY CENTRAL	(6)	\$1,006.72	\$1,006.72	\$706.72	\$706.72	\$529.83	\$529.83	\$529.83						Graphed
2358	TRI-COUNTY	(14)	\$2,776.00	\$2,776.00	\$2,476.00										
356	LANCASTER	(5)	\$3,738.42	\$3,833.67	\$3,604.82	\$2,778.13	\$2,838.51	\$2,900.79	\$2,965.26	\$2,042.98	\$2,088.10				
2856	STEPHEN-ARGYLE	(14)	\$1,371.00	\$1,371.00	\$1,071.00	\$1,071.00									
447	GRYGLA	(2)	\$511.93	\$511.93	\$211.93	\$211.93									
390	LAKE OF THE WOOD	(4)	\$324.24	\$324.24	\$24.24	\$24.24	\$24.24	\$24.24	\$24.24	\$24.24	\$24.24	\$24.24			
561	GOODRIDGE	(6)	\$1,927.43	\$1,927.43	\$1,627.43	\$1,627.43	\$1,627.43	\$1,627.43	\$1,627.43						
Average of Districts Selected			\$1,777.81	\$1,787.33	\$1,494.45	\$1,293.53	\$1,713.20	\$1,725.66	\$1,738.55	\$1,871.07	\$1,056.17	\$24.24			

**Referendum Authority 2019 - 2030**



## General Education Formula Allowance, 2003-2021

### Adjusted for Pupil Weight Change and Inflation (CPI)



Source: MDE August 2019 Inflation Estimates



Per pupil allowance for Fiscal Year 2019-2020 would need to increase by another \$639 (9.7%) to have kept pace with inflation since 2002-2003. \$568 million annually (source: MREA)

### **TIMELINE FOR LEVY REFERENDUMS - NOVEMBER 3, 2020**

1. Have the board adopt the resolution calling the special election at least seventy-four (74) days prior to the election date (no later than August 21, 2020).
2. Notify the Commissioner of Education and the County Auditor of each county, in which the school district is located in whole or in part, of the date of the special election and of the question(s) to be voted on at least seventy-four (74) days prior to the election date (no later than August 21, 2020).
3. Coordinate the printing of the ballots for the special election and of the various absentee voting materials and have absentee ballots available at least forty-six (46) days prior to the date of the special election (no later than September 18, 2020).
4. Obtain from the County Auditor of each county, in which the school district is located in whole or in part, a list of each taxpayer in the district and mail the required referendum notice to each taxpayer at least fifteen (15) but no more than thirty (30) days prior to the date of the special election (no earlier than October 4, 2020 and no later than October 19, 2020).
5. Submit a copy of the required referendum notice to the Commissioner of Education and to the County Auditor of each county in which the school district is located in whole or in part at least fifteen (15) days prior to the date of the special election (no later than October 19, 2020).
6. Post the Notice of Special Election at the administrative offices of the district at least (10) days prior to the date of the special election (no later than Friday, October 23, 2020)
7. Publish the Notice of Special Election in the official newspaper for two (2) consecutive weeks with the last publication being at least one (1) week prior to the date of the special election (October 20, 2020 is the last day for publication of the first notice and October 27, 2020 is the last day for publication of the second notice).
8. Post the sample ballot at the administration offices of the district at least four (4) days before the date of the special election (no later than October 30, 2020) and post two sample ballots at each polling place on election day. The sample ballots shall not be printed on the same color paper as the official ballot.
9. Have the board canvass the results of the special election between November 6, 2020 and November 13, 2020 (between the 3<sup>rd</sup> and 10<sup>th</sup> day following the election) and notify the County Auditor of each county in which the school district is located in whole or in part of the results of the election.
10. Notify the Commissioner of Education of the results of the referendum revenue authorization election within fifteen (15) days (no later than November 18, 2020) after the results of the referendum have been certified by the school board or, in the case of a recount, after the results of the recount have been certified by the canvassing board.

***THE ABOVE TIMELINE IS BASED UPON MINNESOTA STATUTES 2019. FAILURE TO ABIDE BY THESE TIMELINES MAY RESULT IN A NEGATED ELECTION.***





