

CROSBY-IRONTON SCHOOLS
FINANCE COMMITTEE MEETING SUMMARY
June 13, 2016

Item 7.3a

The finance committee met in the district office on June 13, 2016 at 5:30 p.m. with the following present: Mike Domin, Barb Neprud and Bob Sandin. Jamie Skjeveland and Bill Tollefson were also present.

Staff Development – The committee reviewed three items relating to staff development, as follows:

Mentoring – The committee received a listing of new hires for 2016-17, which included their anticipated position, their need for a mentor, the assigned mentor, the mentor and mentee stipend, and whether they need a curriculum mentor or not. The total anticipated cost of mentoring for 2016-17, including the stipend for the two staff co-coordinators is estimated at \$7,700 and comes from the funds reserved for staff development.

College in Schools – Master Program in Field of Study – The committee reviewed an agreement proposed by the staff development committee relating to reimbursement of staff for tuition to obtain a master's degree in the field of study. The committee reviewed a request to use the word "should" versus the word "shall" regarding staff reimbursing the School District should the staff not remain in the employ of the School District for at least three years. The committee preferred the word "shall". The amount available is \$5,000 per year, divided into fall, spring and summer sessions. The reimbursement total shall not exceed \$5,000 annually and reimbursement shall not exceed the actual cost for the credits.

2016-17 Staff Development Budget – The committee reviewed the 2016-17 staff development budget by broad program area. With the addition of the \$5,000 for College in Schools funding, the proposed budget totals \$138,000. The staff development budget will be included on the June 27, 2016 School Board agenda for approval.

Staffing Request – The committee heard a request for an additional Title I teacher for 2016-17. The request is based on two factors. First, the 2016-17 Title I entitlement was anticipated to be reduced and, based on the preliminary release of entitlement by the MN Department of Education, the entitlement for Crosby-Ironton has increased. The increase is enough, with the balance of the Title I staffing changes and the expenditures of the planned carryover from 2015-16 into 2016-17 to soften the blow of the reduced entitlement, to allow for one additional teaching position. The data leadership group had met earlier in the day on June 13, 2016 and the review of data reflects the need for additional help in the 4th grade for the 2016-17 school year. If approved conceptually, District staff will work with MDE staff to determine allowable options for providing this additional support without having a supplement versus supplant issue. Options include another section of 4th grade or dividing out 4th grade into smaller units of instruction during base reading and math instruction times and doing traditional Title I auxiliary services the balance of the day. The committee endorsed the concept of the additional Title I staff person and the item will be added to the agenda for approval at the June 27, 2016 Board meeting.

Annual Agenda Items on June Board Agenda – The committee reviewed a number of items that are routinely included on the June agenda in preparation for the upcoming fiscal year. They included:

- a. Annual Agreements
 - i. Ice Time with Hallett Community Center
 - ii. Health Careers Class with CRMC
 - iii. Athletic Trainer Services with CRMC
 - iv. Membership in MN State High School League
 - v. PSEO Agreement with CLC
 - vi. Concurrent Enrollment Agreement with CLC
 - vii. Concurrent Enrollment Agreement with Lake Superior College
 - viii. Approve Contract with NJPA – Family Services Collaborative Workers
 - ix. Lepmiz Speech Clinician Services
 - x. Hearing Interpreter Professional Services Contract

- xi. Student Teaching Agreements
 - xii. Northern Pines for Day Treatment Program
- b. Substitute and Other Employee Wage Rates for 2016-17
- c. Fees
 - i. Meal Prices for 2016-17
 - ii. Activity Fees and Gate Fees for 2016-17
 - iii. Facility Use/Rental Fees for 2016-17
- d. Bidding for Milk, Bread and Trash Collection
- e. Approve Superintendent to Serve as LEA for Title I Programs for 2016-17
- f. Authorize Employment of Barb Neprud for 2016-17 Supplemental Extra-Curricular

These items will be included on the June agenda for approval.

2015-2016 Revised Budget - The committee reviewed the 2015-16 Revised Budget in great detail. Overall, revenues are expected at \$17,149,103 and expenditures at \$16,844,615 or an overall budget surplus of \$304,488. This includes a significant surplus in the Building Construction fund, which is added to the 2015-16 Revised Budget to reflect the receipt of funding under the lease financing agreement for track reconstruction, with the majority of expenses falling into the 2016-2017 school year. Significant budget deficits are projected in the OPEB Irrevocable Trust Fund (as is normally the case), the Operating Capital Fund and the General Fund. The General Fund Unassigned Fund Balance is expected to end 2015-16 \$109,434 higher than the June 30, 2015 fund balance. This is due, in large part to a higher than anticipated and more stable overall enrollment in 2015-16 than anticipated in the 2015-16 Preliminary Budget, anticipated increase state special education aid under a new formula being implemented for 2015-16, and additional revenue of \$31,000 over the prior year in County tax forfeited land distribution. Salaries and benefits are adjusted to reflect contract settlements with all staff, which were generally 1% higher than estimated in the 2015-16 Preliminary Budget.

2016-2017 Preliminary Budget - The committee reviewed the 2016-17 Preliminary Budget in great detail. Overall, revenues are expected at \$15,934,797 and expenditures at \$17,390,229 or an overall budget deficit of \$1,455,432. This includes significant budget deficits in the Building Construction fund based on spend-down of lease finance proceeds received in 2015-16 for the track reconstruction project expected to be completed in 2016-17, OPEB Irrevocable Trust Fund (as is normally the case), the Operating Capital Fund and the General Fund. The General Fund Unassigned Fund Balance is expected to end 2016-17 \$297,810 lower than the estimated June 30, 2016 fund balance. Several factors contribute to the General Fund Unassigned deficit, including having a 2% increase in the General Education formula allowance which is neutralized by an anticipated decline in enrollment from 1,030 to 1,003 in grades K-12. This leaves little to no new money to cover the increased costs of salary and benefits associated with contract settlements. There is also only limited savings experienced as the result of staff retirements at the end of the 2015-16 school year, because more experienced replacement staff were hired (as opposed to beginning staff) and several new staff positions were created, including a new STEAM teacher at CRES, a new reading specialist at CRES, a .25 f.t.e. Dean of Students, and new reading specialist support at the high school.

The meeting adjourned at 9:00 p.m.

Respectfully prepared and submitted by William Tollefson