

CROSBY-IRONTON SCHOOLS
FINANCE COMMITTEE MEETING SUMMARY
November 15, 2018

Item 7.3a

The finance committee met in the district office on November 15, 2018 at 4:30 p.m. with the following present: Tom Nixon, Bob Sandin and Joe Dwyer. Jamie Skjeveland and Bill Tollefson were also present.

2018-19 Enrollment – The committee received information on enrollment for the 2018-2019 school year through the first week in November. Enrollment declined by 3 students between the first week in October and the first week in November, lowering the student count from 1,014 to 1,011 and the pupil unit count from 1,111 to 1,107. The average of the first Friday of each of the first three months has declined to 1,113, which is still well above budget, but will continue to decrease as more months with enrollment lower than September are added to the average.

2018-19 Budget Items – The committee reviewed a request for an add to the 2018-19 Revised Budget. It is the addition of a Junior High Girls Basketball Coach position. Last year, there were seven (7) students on the junior high roster and this year there are twenty-two participants on the roster. The added cost, including FICA and retirement, would be just under \$2,400. The committee suggested proceeding with approval of the position at the regular November School Board meeting and for process to commence to fill the position, as the season has started. If a person can be selected before the November agenda is finalized, that person will be included on the November agenda as a hire.

Preliminary Budget Assumptions for 2019-2020 – The committee reviewed a number of planning assumptions as work begins on the calculation of the 2019-2020 Preliminary Budget.

Funding Formulas – General Education Revenue is currently included in state statute at the 2018-2019 rate of \$6,312 and it will be up to the 2019 legislature to make any adjustments. The committee discussed the recent trend of a 2% annual increase to the General Education formula allowance and was comfortable having that adjustment included as an assumption for budget planning purposes. The committee also reviewed the most recent Fall MARSS reports, showing decreases in the number of students approved for free and reduced meals on October 1, 2018. This very likely will result in another year of decreased Compensatory Revenue compared to the prior year. The calculation from MDE should be released in the next few days.

Enrollment – The committee reviewed an initial enrollment projection for 2019-2020. The projection provided an update of final 2017-2018 enrollment as end-of-year MARSS reporting is now coming to a close. 2018-19 enrollment was updated to enrollment on November 1, 2018 and the 2019-2020 enrollment used the November 1, 2018 enrollment rolled forward with one student subtracted from every other grade level, as has been the practice for the past number of years. This projection will serve as the basis for initial calculations and will be updated as actual enrollment trend over the balance of the current school year becomes available.

Federal Programs – The committee briefly discussed federal programs and how to plan for the 2019-2020 fiscal year. The entitlement for 2018-19 was higher than the planning estimate and some additional unspent carryover allowed for the addition of a .60 f.t.e. Title I position added for 2018-19. This full-time position includes the .40 f.t.e. previously used for Title I preschool and added an additional .60 f.t.e. to work with K-6 WIN programming in math and reading.

Staffing – The committee was updated on several retirements that have been announced or are planned. The committee (and the Board) appreciate staff willingness to provide as much advance notice as possible, as it allows for much better planning, both financially and in terms of recruitment of replacement staff.

Personnel – The committee was updated on the health insurance renewals for both health insurance plans. PEIP will be increasing 2.4% and Sourcewell will be increasing 12.58%. Both plans are renewed and staff are now able to enroll or change plans under the open enrollment process the will conclude on November 21, 2018. The committee also was updated on the impact of the new rates on the amount that employees will have to contribute towards health insurance as a payroll deduction starting in December.

Budget Review – As part of the business office’s ongoing improvement plan, and in concurrence with recent discussions with both the School District’s auditor and the recent Standard and Poors’ credit review process, the business office is exploring new ways to use the School Board and the finance committee to help alleviate the annual audit finding of lack of segregation of accounting duties. To that end, the committee received expenditure reports by UFARS object series showing expenditures year-to-date and the percent of budget spent. Additional reports were also provided for the same point-in-time for each of the last two fiscal years. This allowed a comparison of year-to-date expenditures and found that current trend in most of the object series is consistent with prior fiscal years. The committee suggested the possibility of looking at a total of five (5) years of data instead of three (3) years, as a way to have better trend. This will be explored in future meetings. The option of continuing to update the budget scorecard, which has been used in the past as a way to track revenue and expenditure changes that will be incorporated into the next budget calculation, was viewed as a positive tool for monitoring also and will be presented at future committee meetings.

The meeting adjourned at 5:50 p.m.

Respectfully prepared and submitted by William Tollefson