

5RiversOnline

How will the funding work?



5RiversOnline Funding

- The funding will work much like it currently does for our Alternative Education Programs
 - GCED reports MARSS
 - Aid flows to student's resident district
 - GCED will bill a share of the expenses to each participating district, based on enrollment



Current Full Time Enrollment

Breakdown of K-6 and 7-12

- 47 Elementary
- 94 Secondary
- 141 Total
- 159.80 pupil units

Breakdown by District

- Cannon Falls – 10
- Goodhue – 10
- Kenyon – Wanamingo – 18
- Lake City – 9
- Red Wing – 80
- Zumbrota – Mazeppa – 11
- Non GCED Residents – 3

Revenue Projections

Current formula allowance

$\$6,728 \times \text{Current PUs } 159.80 = \$1,075,134.40$

- General Education Revenue flows to the student's resident district
- Resident district also generates referendum revenue, local optional revenue, and other aids that use adjusted pupil unit as the base measure



Expense Projections

1.0 Principal – \$148,777.30

3.0 K-6 Teachers – \$194,706.78

2.64 Secondary Core Teachers – \$190,708.13

0.87 Specialists – \$68,028.53

Total Staff Expenses – \$602,220.74

Expense & Revenue Projections

Staffing - \$602,220.74

Supplies - \$61,880.47

Tech Devices - \$10,000

Edgenuity - \$5,600

Marketing - \$5,000

Total Expenses - \$699,701.21

Per Pupil Unit (PPU)

$\$699,701.21 \div 159.8 \text{ PU} = \$4,378.61 \text{ PPU}$

Revenue = \$6,728.00 PPU

Expense = \$4,378.61 PPU

Remaining in Resident District = \$2,349.39 PPU



So why are we doing this together? Not six separate online schools?

Let's take Red Wing's enrollment of 80 since it is the largest and run through revenue/expense projections.

Revenue - 80 students

Breakdown of K-6 and 7-12

- 25 Elementary Students
- 55 Secondary Students
- 80 Total Students, 91 PUs

Projected Revenue

$$91 \text{ PUs} \times \$6,728 = \$612,248$$



Expense Projection - 80 students

1.0 Principal - \$148,777.30

2.0 Elementary Teachers - \$129,804.52

2.64 Secondary Core Teachers - \$190,708.13

0.87 Specialists - \$68,028.53

Subtotal Staff Expense - \$537,318.48

Staff Expenses - \$537,318.48

Supplies - \$15,000

Curriculum - \$61,880.47

Tech Devices - \$10,000

Edgenuity - \$5,600

Marketing - \$5,000

Total Expenses - \$634,798.95

Revenue vs Expenses - 80 students

Revenue = \$612,248.00

Revenue PPU = \$6,728.00

Expenses = \$634,798.95

Expense PPU = \$6,975.81

Loss PPU = \$247.81

Non Monetary Benefits of Jointly Operating 5RiversOnline

- **One application** needed to be prepared vs six separate applications for approval to provide online instruction - Special Education, ELL, SAAP Services
- **GCED staff prepared the application** in conjunction with district leadership, instead of 6 districts each having to complete the application separately using internal and external staff.
- We would have been **competing with each** other for students due to proximity
- Because it is a program under the GCED umbrella, students can still be connected to their resident district for after school activities and some in person classes.

So will this result in additional revenue for member districts?

- Perhaps..... It depends on how student was included in the member's enrollment projections
 - Did the student attend school elsewhere in 2020-21?
 - Then more than likely this is new revenue for the member district
 - Did the student attend school with the member district in 2020-21?
 - Then more than likely it is not new revenue
 - The district more than likely staffed for the student to attend in person and is now under contract to keep those staff all school year
 - The unknown is if 5RiversOnline was not an option, would the student have gone to another online provider and the district would have lost the revenue and still generated the staff expense.

The 5RiversOnline application proposed many staffing positions that were not filled with the unknown of where enrollment would end up.

The application process with the MDE requires applicants to plan for when the Online School would be fully operational. Our staffing plan included 47.65 FTE and was based on an eventual enrollment of 650 students in future years.

Areas of need include:

- School Counselor/School Social Worker (Request for 1.0 FTE)
- EL Teacher (Request for .5 to 1.0 FTE)
- We will continue to monitor enrollment for changing staff needs
- MARSS - related but not direct cost to 5RO (Request for .5 to 1.0 FTE)

Needs for Board Consideration

“Online learning is not the next big thing, it is the now big thing.”

- Donna J Abernathy

Looking Forward to 2022-23



Things we can do better:

- Plan to begin 2022-23 Enrollment in February.
- Provide enrollment projections to members to aid in their planning
- Request needed FTE early by subject area so districts can provide staff
 - District's may be able to reduce their staff to meet budget targets by scheduling staff to teach with 5RiversOnline.

