

CROSBY-IRONTON SCHOOLS
FINANCE COMMITTEE MEETING SUMMARY
May 17, 2021

Item 7.2a

The finance committee met in the District Office conference room on May 17, 2021 at 4:30 p.m. with the following present: Abby Geotz, Kim Coughlin and Mike Domin. Jamie Skjeveland, and Bill Tollefson were also present.

2021-2022 Planning

Define and Refine Marketing Focus and Goals – The committee discussed a variety of marketing related topics under consideration as planning for 2021-2022 continues. There included the possibility of creating promotional videos for a variety of “spotlight” or “highlight” areas, such as CTE and CRES STEAM. The promotional materials should reach out to students, as well as parents. Options like Google ads were briefly discussed, where the target audience can be identified and the messaging can get in front of that target audience when they are using the Internet and social media services. The focus area should be considered to be within a 100 mile radius. Focus should be on why you (the student) should attend Crosby-Ironton Schools and why you (the parent) should send your student to Crosby-Ironton Schools. A budget of \$10,000 will be added to or set aside within the 2021-2022 Preliminary Budget to allow for the start of this marketing approach.

2021-22 Staffing -

Summer of 2021 Days for High School Counselor – The committee considered moving the number of extended summer days for the secondary counselor from 8 to 6. *Post meeting update that changes in assignment, including doing District Assessment Coordinator duties, that happened after this meeting will result in this issue being revisited at the June finance committee.*

Special Education Teacher Staffing – There are two teachers assigned to special education that are operating under an Out-of-Field Placement (OFP). The process outlined by PELSB requires that school districts with teachers working under OFP licenses need to advertise for these positions annually and, should a properly licensed teacher apply, the properly licensed teacher will need to replace the teacher on OFP. During the 60-day advertisement period, a licensed special education teacher applied, which will result in the need to non-renew a probationary teacher working on a special education OFP. This non-renewal will be included on the May 2021 Regular Board meeting agenda.

Title I, II and IV Staffing – MDE released initial 2021-2022 Title allocations on April 28, 2021. The allocations for Crosby-Ironton will be down \$31,000 over the prior year. With the current staffing model in Title I of 4.0 f.t.e. and utilization of the carryover estimated from 2020-2021 to 2021-2022, expenditures will outpace available revenue by roughly \$60,000. The need to change the focus of the Title II application for 2021-2022 from class size reduction to something else, will also result in a first grade homeroom teaching position shifting from being paid with Title II resources to becoming a non-federal district expense. With the availability of federal COVID funding that will be available out as far as September 30, 2024, and the need to restrict 20% of the ESSER III allocation for use exclusively on addressing learning loss, the committee determined to maintain the 2021-2022 staff plan and use a combination of Title and ESSER III funds to cover the expenses. The committee noted that this is not to be perceived as a permanent solution, but with the restriction on ESSER III funds for learning loss creates an ideal way to facilitate Title I goals and will be an excellent strategy from both a funding and an instructional perspective.

Early Learning Staffing – The committee was updated on current pre-registration numbers for early learning programs. Registrations are down, and if they remain low, there will be excess staff in this area. The committee discussed a potential reduction of .50 f.t.e., the need to not have staff employed and not being assigned to perform productive job tasks, and brainstormed potential additional job tasks such as early learning outreach and home visits if excess staff is the result of final Fall registrations in these programs. There was also concern that parents maybe delaying decisions until more information is known about the impact that COVID will have on the educational models used in 2021-2022. With those things considered, the committee preferred to hold off on a staffing reduction at this time, but to once again consider this issue should registration figures in the Spring of 2022 be low.

Health Paraprofessional Position Briefing – The committee had met with the school nurse and explored nursing department staffing at the April finance committee and had decided to reduce the nurse paraprofessional position by .50 f.t.e. but to keep the individual employee employed performing a combination of nurse paraprofessional and regular paraprofessional duties. The existing employee has indicated that she has been considering career change options for a couple years and viewed this change as a sign that she should pursue something different. With that personal decision made, she resigned effective at the end of the 2020-2021 school year. The committee proposed that the other half of the position also be eliminated, effective with the start of the 2021-2022 school year.

High School Math Department Staffing – The committee revisited the rationale for preferring fully licensed math teachers to be employed in the high school math department, as opposed to teachers who have a limited license that restricts them to teaching seventh and eighth grade math only. If the future trend is to move from a 4 teacher department to a three teacher department, the licenses of the staff in that department need to be such that they can be assigned to teach math courses spanning the full 7th through 12th grade spectrum. The committee supported this concept and will continue to implement staffing changes in this department in the same way, should any additional staffing changes be presented.

Custodial/Maintenance Staffing – The committee reviewed the current custodial/maintenance department staffing and how specific tasks were being completed and the level of staffing available on any given work day. The plan will be to redesign the maintenance portion of this department and consider changes for the start of the 2021-2022 school year.

Other Staffing Options – The committee continued to discuss other staffing option considerations and expressed a desire to move forward with options and development of a timeline and plan.

ESSER Funding Requests from Other Organizations – The committee was updated on two requests from other governmental organizations to consider redirecting ESSER funding from the school district to those other organizations. One request was to consider providing 3.5% of ESSER III funds to help fund the creation/initial operation of a children's museum in the Brainerd area. The other request was to consider applying any ESSER funding toward Crow Wing County's goal of providing complete, hard-wired access to broadband Internet all across the county. Although the committee saw the goals associated with both requests as admirable, their first instinct was to consider first the needs for uses of ESSER funding to maintain the educational and financial health of the Crosby-Ironton School District. This does not preclude a revisiting of these requests once more concrete plans have been defined for Crosby-Ironton, as well as for the projects being proposed by the requesting outside organizations.

Enrollment Report – The committee was provided with the final, standard enrollment reports, which had been updated through the first week in May, 2021. Enrollment has remained stable through April and May, reflecting in stable enrollment counts. The biggest area of change was in a reduction in the number of parent-elected distance learning students, as some parents seemed to be ready to send those children to in-person and hybrid instruction with the start of the fourth grading period of the 2020-2021 school year. For example, the number of CRES students in parent-elected distance learning has decreased from 80 students earlier in the year to 57 students as of the first week in May. This does not change the overall enrollment

figures, as parent-elected distance learning students count in the overall enrollment regardless of the instructional delivery model those students receive instruction under.

2020-2021 Revised Budget – The committee spent the rest of the meeting going through the updates incorporated into the 2020-2021 Revised Budget, which will be proposed for adoption at the May Regular Board meeting. Highlights included:

The overall budget, including both operating and non-operating funds, is projecting revenues of \$19,027,095 and expenditures of \$21,986,251. This is an overall deficit of \$2,959,156, which is to be expected during the non-bond sale years where the budget includes an active building construction fund, because expenditures are financed by previously accounted for bond sales and represent expenditure of bond proceeds in the out years. Building construction is expected to reflect expenditures exceeding revenue by \$3,150,000.

The most important area of the budget is the General Fund Unassigned Fund Balance. The June 30, 2020 starting point was updated from the estimate from the 2019-2020 Revised Budget to actual, which created a higher fund balance starting point. Revenue and expenditures were updated and now reflect a projected unassigned deficit of \$315,209, compared to a projected deficit on \$520,295 in the unassigned General Fund in the 2020-2021 Preliminary Budget. The Restricted for Basic Skills/Compensatory continue to reflect a deficit of over \$200,000 as revenues outpace unadjusted expenditures in that area. The overall General Fund deficit is projected to be \$614,393.

More specifically, the 2020-2021 Revised Budget General Fund revenue projection has increased by \$316,759 over the 2020-2021 Preliminary Budget and the 2020-2021 Revised General Fund expenditure budget has increased \$98,945 over the 2020-2021 Preliminary Budget. Revenue growth exceeding expenditure growth creates the positive improvement to fund balance.

Overall revenue changes were based on a number of factors. Enrollment was lower than originally anticipated, with the K-6 enrollment being 13 pupil units lower than projected and overall enrollment down 5 pupil units after mid-year enrollment factors are removed. This results in a decrease in General Education Revenue of approximately \$40,000. The special education aid projection was updated based on MDE's calculations, resulting in a decrease of \$50,000 in revenue (based on an assumption of special education tuition of \$253,361), but was offset by a \$122,128 special education aid payment for 2019-2020 that exceeded the June 30, 2020 receivable, primarily due to less than anticipated special education tuition for 2019-2020. This results in a special education revenue increase of about \$72,000. The largest revenue increases were based on federal COVID-based funding streams. The 2020-2021 Preliminary Budget included revenue and expenditure budgets for ESSER I and GEER I, but the 2020-2021 Revised Budget now also included revenue and expenditure budgets for Coronavirus Relief Funds (CRF) of \$266,816 and a Crow Wing County COVID sub-grant of \$61,463. On a less significant scale, other COVID-based factors resulted in revenue changes, including a budget reduction for Athletic Admissions as ticket prices were waived for 2020-2021; and a \$5,427 increase in Shared Time revenue because home school student counts were up slightly and some of those students came to school for one or two classes.

Overall expenditures are expected to increase by \$98,945 comparing the 2020-2021 Preliminary Budget to the 2020-2021 Revised Budget. This is primarily due to higher expenses under the COVID-based federal grants, which are offset by reductions in other areas of expenditures. For instance, a preliminary expenditure increase of \$10,000 to fund PPE was able to be removed because PPE was an eligible expense of the COVID-based grants. A winter with significantly less snowfall created the ability to reduce the snow plowing budget by \$40,000. A custodian out on a worker compensation claim allowed for an expenditure reduction of \$33,550. Reduced transportation services during periods of complete distance learning and hybrid learning models resulted in an expected reduction of \$25,000 in transportation costs for fuel and other liquids. A mid-year reduction of a clerical position in the high school guidance department provided an expenditure reduction of \$18,250.

In the other Operating Funds, revenue and expenditures were adjusted to reflect results due, in large part, to COVID-based factors. The Extra Curricular/Student Activities Fund revenues and expenditures both saw decreases as things like fundraising was reduced and activities like band/choir tour were delayed to future years. Food Service saw several program funding changes that result in reductions and changes in the learning model over the course of the 2020-2021 that resulted in less meals than normal. These changes reduce revenue while we maintain the same or very similar cost levels, especially for staffing, and we expect that the Food Service fund balance will decrease sharply. The Community Service Fund also

experienced operational challenges during 2020-2021, including no community education courses being offered. Elementary sports were able to be operated, but marginally compared to normal, and early learning actually ran the most normal learning model of any other grade levels. Also, not presently budgeted, will be a look at some potential use of ESSER funds to further enhance the Reserve for Community Service fund balance to take some of the pressure off in the future.

The meeting adjourned at 8:50 p.m.

Respectfully prepared and submitted by William Tollefson