

CROSBY-IRONTON SCHOOLS
FINANCE COMMITTEE MEETING SUMMARY
May 17, 2017

Item 7.3a

The finance committee met in the district office on May 17, 2017 at 5:30 p.m. with the following present: Barb Neprud, Bob Sandin and Tom Nixon who was sitting in for Mike Domin who was absent. Jamie Skjeveland and Bill Tollefson were also present.

2016-17 Enrollment – The committee received information on the enrollment counts through May 5, 2017 of the 2016-17 school year. Enrollment remained stable from February through the end of the school year. The average monthly enrollment calculates to 1,029 students, which is 26 students higher than the enrollment upon which the 2016-17 Preliminary Budget was based. The 2016-17 Revised Budget was based on 1,028 students, which convert to 1,158 pupil units.

Long-Range Planning – The committee discussed several potential long-range planning initiatives which they are interested in investigating more fully. Those concepts will be explored in greater detail in upcoming months.

2017-18 Ongoing Planning – Planning continues for the 2017-18 school year. One issue of concern is that the number of students who attended kindergarten round-up and/or are signed up for enrollment into kindergarten in September 2017 is only approximately 50 students. The 2017-18 Preliminary Budget is built upon 78 kindergarten students, as is the elementary staffing model. In the event that the actual kindergarten enrollment is lower than anticipated and planned for, alternative plans are being developed which will provide 3 sections of kindergarten, with one kindergarten teacher moved to a different assignment for 2017-18. For example, once the U.S. Department of Education releases Title I entitlements to the Minnesota Department of Education (MDE), finalization of the staffing plan for Title I may be able to include one additional teacher.

2016-17 Revised Budget – The committee reviewed the 2016-17 Revised Budget, which will be forwarded to the School Board for adoption at the May meeting, in great detail. Overall, revenues are expected at \$16,991,212 and expenditures at \$17,797,719 or an overall budget deficit of \$806,507. This includes a significant deficit in the Building Construction fund, which reflects expenditures for the balance of the track reconstruction project incurred after July 1, 2016 through project completion, as well as revenue from financing the tennis court expansion project and anticipated tennis court project expenditures expected to be incurred before June 30, 2017. 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 2016-17 \$108,222 higher than the June 30, 2016 fund balance. This is due, in large part to a higher than anticipated and more stable overall enrollment in 2016-17 than anticipated in the 2016-17 Preliminary Budget resulting in \$173,394 in additional General Education Revenue after adjustment of declining pupil aid; anticipated increased state special education aid of \$60,000 under a new formula system that began in 2015-16; and a one-time adjustment of \$59,600 to 2015-16 special education tuition based on an appeal the School District made to MDE regarding the residence of a family with multiple special education children who were attending a charter school and which the District prevailed resulted in tuition costs being shifted to the real district of residence. The 2016-17 Revised Budget process also included an over/under budget analysis of 2015-16 year-end results as well as current trends. This resulted in identification of \$129,500 in budget decreases and \$72,850 in budget increases, for a net budget decrease of \$56,650. Other changes included the elimination of both the revenue and expenditure budget for the Education Innovation Partners (EIP) grant that will not be part of 2016-17 operations and a 2016-17 mid-year budget reduction associated with discontinuance of the secondary reading specialist program.

Tom Nixon left the meeting at 6:30 p.m.

The committee continued with a more detailed review of the General Fund and all of the other operating and non-operating funds within the budget.

The meeting adjourned at 8:30 p.m.

Respectfully prepared and submitted by William Tollefson