

The finance committee met in the Forum Room on June 2, 2020 at 3:30 p.m. with the following present: Abby Geotz, Tommy Sablan and Mike Domin. Jamie Skjveland and Bill Tollefson were also present.

Employee Assistance Program for All – The committee heard an update on the cost of providing an Employee Assistance Program (EAP) to all employees. Currently an EAP is available only to support staff and administration who subscribe to health insurance coverage through the Sourcewell pool. This proposal would provide an EAP to the balance of the support staff who do not subscribe to group health insurance coverage and to the teachers who get health insurance coverage through PEIP. The EAP would be through Health Partners and a cost of \$1.10 per employee per month, which is estimated to be about \$1,500 per year. Costs will be covered by wellness funding.

Early Learning Staffing – The committee received information on the enrollments to-date for early learning for the 2020-2021 school year. Enrollments are down, but the enrollment process has been hampered by being moved to an electronic system and due to the COVID-19 pandemic. After a great deal of discussion, a mixed committee recommendation was to proceed with proposing to place a probationary early learning teacher on non-renewal for half time.

District Assessment Coordinator – The committee was updated on current plans for providing district assessment coordinator (DAC) services through the District Office using a group help plan that will include principals and counselors at each building. This plan will be effective for the 2020-2021 school year.

High School Clerical Staffing – The committee reviewed the high school clerical staffing again, now based on the DAC services being coordinated through the District Office. With that proposal being accepted, the plan will be to reduce the half-time secondary guidance counselor clerical position starting in 2020-2021.

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 – *program suspended due to COVID-19*
 - iii. Athletic Trainer Services with CRMC
 - iv. PSEO Agreement with CLC
 - v. Concurrent Enrollment Agreement(s)
 - vi. Approve Contract with SourceWell – Family Services Collaborative Workers
 - vii. Lepmiz Speech Clinician Services
 - viii. Hearing Interpreter Professional Services Contract(s)
 - ix. Student Teaching Agreement(s)
 - x. Northern Pines for Day Treatment Program
 - xi. Memorandum of Understanding with Headstart
- b. Substitute and Other Employee Wage Rates for 2020-2021
- c. Fees
 - i. Meal Prices for 2020-2021
 - ii. Activity Fees and Gate Fees for 2020-2021
 - iii. Facility Use/Rental Fees for 2020-2021
- d. Bidding for Milk, Bread and Trash Collection
- e. Approve Superintendent to Serve as LEA for Title I Programs for 2020-2021
- f. Authorize Employment of Barb Neprud for 2020-2021 Supplemental Extra-Curricular

g. Combined Polling Place Resolution for School Elections Held on Other Than Statewide Election Days – Calendar 20201

These items and recommendations were reviewed by the finance committee and will be included on the June agenda for approval.

2019-2020 Revised Budget – The committee reviewed in great detail the 2019-2020 Revised Budget, which will be forwarded to the School Board for adoption at the June meeting.

Overall, revenues are expected at \$41,219,951 and expenditures at \$19,315,923 or an overall budget surplus of \$21,904,028. The overall budget totals are increased significantly because the 2019-2020 Revised Budget includes budget in the Building Construction Fund from the transactions associated with selling the School Building Refunding Bonds of 2020A after the successful election on November 5, 2019. Expenditures exceed revenue in the Operating Funds portions of the budget by \$750,000.

The Unassigned General Fund is expecting to operate at a deficit of \$254,491 which will decrease the Unassigned General Fund fund balance to an estimated \$1,669,829. Due to higher than anticipated enrollment, General Education revenue will actually provide \$148,074 more in revenue than was expected in the 2019-2020 Preliminary Budget, but this increase is largely offset by a \$115,720 anticipated reduction in Special Ed Aid after reconsidering the potential impact of tuition changes in 2018-2019, which are now final.

The Reserved for Basic Skills revenue continues to decline and expenditures continue to increase, resulting in a deficit in that reserved fund balance of \$223,001. This will bring the projected fund balance in this reserve to \$329,014 at June 30, 2020 and will mean that there will be one more year of fund balance spend down before the fund balance will be fully spent and excess expenditures will need to be shifted to the Unassigned General Fund and reduced.

The 2019-2020 Revised Budget was calculated, in large part, on the assumption that operations during 2019-2020 were normal. This approach preserves historical budget trend. The COVID-19 pandemic, however, created a situation starting on March 18, 2020 through the end of the 2019-2020 school year, that was far from normal. This will result in budget to actual variances that are larger than they have been in prior years. For example, Spring sports was cancelled, but coaches were paid as normal. Spring sports officials and transportation to and from events were budgeted as normal, but were not paid. This will create a favorable variance at year end.

The impact of the COVID-19 pandemic has had little impact on the General Fund, but has had a surprisingly large and negative impact on the Food Service Fund. It is expected that the Food Service Fund will experience an operating deficit approaching \$100,000. This is due to the mandate to keep staff employed after school was closed for the year on March 18, 2020 and the mandate to continue to feed students. Because the National School Lunch program requires congregate dining, which was no longer possible due to COVID, funding shifted to a program called the Summer Food Service Program (SFSP). With staffing maintained at a level that could easily accommodate preparation and serving of 900 lunches and 600 breakfast a day, the lower lunch and breakfast counts of 250 per day were too low to allow the increased SFSP meal reimbursement rates to offset the high overhead staffing costs that needed to be maintained.

2020-2021 Preliminary Budget – The 2020-2021 Preliminary Budget will be reviewed at a finance committee meeting to be held on June 11, 2020.

The meeting adjourned at 8:10 p.m.

Respectfully prepared and submitted by William Tollefson