

Special School Board Meeting

Monday, February 28, 2022 5:15 PM

FHS Library and via Zoom, 1515 11th Street, International Falls, Minnesota 56649

ZOOM MEETING:

When: Feb 28, 2022 05:15 PM Central Time (US and Canada)

Topic: Regular School Board Meeting

Please click the link below to join the webinar:

<https://isd361.zoom.us/j/88475858189?pwd=S2VaV0JPC0NBTHUxNWV6aUxlaHR6UT09>

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Call To Order

1. Roll Call:

- Toni Korpi, Clerk
- Emily McGonigle, Director
- Bruce Raboin, Treasurer
- Ted Saxton, Director
- Roxanne Skogstad-Ditsch, Board Chair
- JoAnn Smith, Clerk
- Jennifer Windels, Vice Board Chair

Non Voting Members:

- Kevin Grover, Superintendent
- Mitch Erickson, Student Representative

2. Pledge of Allegiance

Approval of Agenda

1. Approve agenda as presented. Motion by __, second by __. Motion carried / failed.

COVID Update:

1. Update on COVID plan and masks.

Budget Work Session:

1. Budget update fiscal year 2022.

2. Budget update preliminary fiscal year 2023.

Adjournment

1. Motion by __, second by __ to adjourn meeting
at __ p.m. Motion carried / failed.

Budget Presentation

ENROLLMENT, EXPENSE AND REVENUE PROJECTIONS
FISCAL YEAR 2021-2022 AND FISCAL YEAR 2022-2023

FEBRUARY 28, 2022

Agenda

1. Enrollment Projections

2. Budget Projections:

1. Two scenario's for each fiscal year
 - a. One without COVID funding
 - b. One with COVID funding
2. Revenue Projections:
 - a. FY22 Revised and FY23 Draft
3. Expense Projections
 - a. FY22 Revised and FY23 Draft

3. Fund Balances

Enrollment Terminology

Average Daily Membership (ADM): Count of resident students enrolled in the District

- A student enrolled from the start to end of school year = 1.0 ADM

ADM Served: Sum of resident students attending, plus shared time students, plus students enrolled in.

Adjusted ADM (AADM): Sum of resident students attending, plus tuition students enrolled out, plus non resident students enrolled in

Resident ADM (RADM): All resident students in district excluding non public and home school students

Pupil Units (PU): Weighted sum of Adjusted ADM used to calculate General Education Aid, and Levy

Resident Pupil Units: Weighted sum of Resident ADM.

Extended Time ADM: Students participating in credit recovery program whose ADM may exceed 1.0, but capped at 1.20 ADM.

Adjusted ADM History and Projections

2.28.2022

Grade Level Adjusted ADM:															
FY / Date of Estimate	EC	KG	1	2	3	4	5	6	7	8	9	10	11	12	Total:
2018-2019	18	67	61	78	68	81	80	62	73	79	88	73	88	81	998
2019-2020	16	74	63	57	78	64	82	82	62	77	78	85	78	90	986
2020-2021	15	59	70	57	59	76	62	81	86	65	76	68	89	75	939
<u>2021-2022 Est:</u>															
5/12/2021	15	58	60	70	57	60	76	62	80	84	63	75	65	81	906
12/9/2021	15	59	54	65	59	57	71	67	80	86	60	75	68	84	899
Change in est:	0	-1	6	5	-2	3	5	-5	0	-2	3	0	-3	-3	-7
<u>2022-2023 Est:</u>															
5/12/2021	15	58	58	60	70	57	60	76	62	80	84	63	77	69	889
12/9/2021	15	57	55	54	65	60	57	71	68	80	85	60	76	74	875
Change in est:	0	1	3	6	5	-3	3	5	-6	0	-1	4	1	-5	-14
<u>2023-2024 Est:</u>															
5/12/2021	15	64	58	58	60	70	57	60	76	62	80	84	63	77	884
12/9/2021	15	57	52	55	54	65	60	57	71	68	80	85	60	76	854
Change in est:	0	7	6	3	6	5	-3	3	5	-6	0	-1	3	1	-30
<u>2024-2025 Est:</u>															
12/9/2021	15	56	52	52	55	54	65	60	57	71	68	80	85	60	830

Revenue Budget Assumption

FY 2021 – 2022 Revised Budget

- FY2022 Revenue Estimates:
 - General education revenue estimate: 899 Adjusted ADM
 - Adjusted for Basic Skills now allocated to Fund 04

 - State and Federal revenue projections are based on current calculations

FY 2022 – 2023 Draft Budget

- FY2023 Revenue Estimates:
 - General education revenue estimate: 875 Adjusted ADM
 - Adjusted for Basic Skills now allocated to Fund 04

 - Title programs exclude carry over

 - State and Federal revenue projections based on revenue estimates

Revenue vs Expense Summary

	FY19 Audited	FY20 Audited	FY21 Audited No COVID	FY21 Audited	FY22 Revised No COVID	FY22 Revised w/COVID	FY23 Draft No COVID	FY23 Draft w/COVID 2.22.22
Total Revenue	13,454,707	13,454,932	12,584,394	13,228,072	12,369,095	13,408,772	12,462,852	13,515,065
Total Expense	13,263,242	13,040,750	13,347,219	13,975,824	13,097,898	13,615,541	13,290,940	13,717,476
Revenue Over (Under) Exp:	191,465	414,182	(762,825)	(747,752)	(728,803)	(206,769)	(828,088)	(202,411)

Revenue Budgets with Prior Years Audited
Revised Fiscal Year 2021-2022 and Draft Budget 2022-2023
 As of 2/28/2022

	FY19 Audited	FY20 Audited	FY21 Audited No COVID	FY21 Audited	FY22 Revised No COVID	FY22 Revised w/COVID	FY23 Draft No COVID	FY23 Draft w/COVID 2.22.22
Levy	2,431,356	2,442,224	2,050,794	2,050,794	2,276,567	2,276,567	2,652,269	2,652,269
Gen Ed Aid	8,568,321	8,509,830	8,081,610	8,081,610	7,872,582	7,872,582	7,669,967	7,669,967
Spec Ed (Fed/State)	1,039,980	1,057,247	1,109,068	1,109,068	1,134,542	1,134,542	1,134,542	1,134,542
State Aid Sources	484,181	502,214	447,932	447,932	361,394	361,394	357,524	357,524
Title Programs	409,314	448,732	466,516	466,516	529,260	529,260	458,800	458,800
Local Revenue Sources	320,838	296,281	236,176	236,176	194,750	194,750	189,750	189,750
Other Federal Revenue	200,717	184,148	192,298	192,298	-	-	-	-
COVID Funding	-	14,256	-	643,678	-	1,039,677	-	1,052,213
TOTAL REVENUE	13,454,707	13,454,932	12,584,394	13,228,072	12,369,095	13,408,772	12,462,852	13,515,065
Net Change from Prior Yr:		225	(870,538)		(215,299)		93,757	
							Net Change from FY23 Draft less FY19:	(991,855)

General Education Aid Formula and Basic General Education Aid

As of 2/28/2022

	FY19 ACTUAL	FY20 ACTUAL	FY21 ACTUAL	FY22 REVISED 2.22.22	FY23 ESTIMATE 2.22.22
Formula Allowance	\$ 6,312	\$ 6,438	\$ 6,567	\$ 6,728	\$ 6,863
Formula Increase per FY	\$ 124	\$ 126	\$ 129	\$ 161	\$ 135
Pupil Units (weighted)	1,094.69	1,079.51	1,031.93	990.00	963.00
Net Pupil Unit Change	(80.33)	(15.18)	(47.58)	(41.93)	(27.00)
	FY19 ACTUAL	FY20 ACTUAL	FY21 ACTUAL	FY22 REVISED 2.22.22	FY23 ESTIMATE 2.22.22
Basic Gen Ed Aid Formula	\$ 6,909,683	\$ 6,949,885	\$ 6,776,684	\$ 6,660,720	\$ 6,609,069
Net Change from Prior Yr:	\$ (361,340)	\$ 40,202	\$ (173,201)	\$ (115,964)	\$ (51,651)

From FY19 to FY23 estimated general education aid the District in total is predicted to have a reduction of \$661,954 in general education aid funding due to enrollment decline.

Total Levy and General Education; Basic Skills Revenue

	FY19 Audited	FY20 Audited	FY21 Audited	FY22 Revised	FY23 Draft No COVID
Levy	2,431,356	2,442,224	2,050,794	2,276,567	2,652,269
Gen Ed Aid	8,568,321	8,509,830	8,081,610	7,872,582	7,669,967
Total Levy & GE	10,999,677	10,952,054	10,132,404	10,149,149	10,322,236
Net Change from Prior Yr:		(47,623)	(819,650)	16,745	173,087
		Net Change from FY23 Draft less FY19:			(677,441)
<u>Note FY23:</u>	One time Levy +\$374,000 HVAC Project:				
	Without levy increase total net change FY23 less FY19 is:				(850,528)
	FY19 Audited	FY20 Audited	FY21 Audited	FY22 Revised	FY23 Draft No COVID
Basic Skills:	559,958	516,700	473,608	385,488	293,915
Net Change from Prior Yr:		(43,258)	(43,092)	(88,120)	(91,573)

Expense Budget Assumptions

FY 2021 – 2022 Revised Budget

- FY2022 Expense Budget:
 - Updated for all contract settlements
 - Based on current staffing
- FY2022 Ongoing Expense Supported with COVID Funds:
 - 5.58 FTE Licensed Instructional Positions = approx. \$504,000
 - Software Licenses: \$26,000

FY 2022 – 2023 Draft Budget

- FY2023 Expense Budget:
 - Based on 2023 contract settlements with lane and step changes
 - Includes Bus, Van and Truck (plow) at \$179,000
 - Includes \$65,000 for general adoption cycle
 - Less 2.0 FTE Licensed instructional
- FY2023 Ongoing Expense Supported with COVID Funds:
 - 5.58 FTE Licensed Instructional Positions = approx. \$537,900
 - Software Licenses: \$26,000

Expenses by Object Series

	FY19 Audited	FY20 Audited	FY21 Audited No COVID	FY21 Audited	FY22 Revised No COVID	FY22 Revised w/COVID	FY23 Draft No COVID	FY23 Draft w/COVID 2.22.22
Wages	7,176,253	7,411,842	7,512,104	7,733,437	7,634,700	7,946,585	7,821,953	8,000,633
Benefits	2,334,165	2,386,216	2,320,895	2,376,695	2,419,242	2,471,519	2,516,059	2,544,770
Purchased Services	2,019,481	2,067,888	1,630,136	1,659,221	1,857,720	1,857,720	1,926,169	1,937,856
Supplies and Materials	759,151	764,883	613,511	825,199	601,192	754,673	473,558	681,016
Capital	824,331	262,921	1,113,951	1,224,650	439,333	439,333	412,078	412,078
Other / Misc.	149,861	147,000	156,622	156,622	145,711	145,711	141,123	141,123
TOTAL EXPENSE:	13,263,242	13,040,750	13,347,219	13,975,824	13,097,898	13,615,541	13,290,940	13,717,476
Net Change from Prior Yr:		(222,492)	306,469		(249,321)		193,042	
				Net Change from FY23 Draft less FY19:				27,698

Expense Review – Net Change Prior Years

	FY19 Audited	FY20 Audited	Net Change FY20 - FY19	FY21 Audited No COVID	Net Change FY21 less FY20	FY22 Revised No COVID	Net Change FY22 less FY21	FY23 Draft No COVID	Net Change FY23 less FY22
Wages	7,176,253	7,411,842	235,589	7,512,104	100,262	7,634,700	122,596	7,821,953	187,253
Benefits	2,334,165	2,386,216	52,051	2,320,895	(65,321)	2,419,242	98,347	2,516,059	96,817
Purchased Services	2,019,481	2,067,888	48,407	1,630,136	(437,752)	1,857,720	227,584	1,926,169	68,449
Supplies and Materials	759,151	764,883	5,732	613,511	(151,372)	601,192	(12,319)	473,558	(127,634)
Capital	824,331	262,921	(561,410)	1,113,951	851,030	439,333	(674,618)	412,078	(27,255)
Other / Misc.	149,861	147,000	(2,861)	156,622	9,622	145,711	(10,911)	141,123	(4,588)
TOTAL EXPENSE:	13,263,242	13,040,750	(222,492)	13,347,219	306,469	13,097,898	(249,321)	13,290,940	193,042
Net Change from Prior Yr:		(222,492)		306,469		(249,321)		193,042	

FY2022 Fund 01 – Fund Balance Projection

	Fiscal Year: 2021 - 2022: REVISED 2.18.22; NO COVID						Fiscal Year: 2021 - 2022: REVISED 2.18.22 w/COVID					
	Beginning Fund Balance	Revenue Budget	Expense Budget	Revenue Over (Under) Expense	Adj.	Ending Fund Balance	Beginning Fund Balance	Revenue Budget	Expense Budget	Revenue Over (Under) Expense	Adj.	Ending Fund Balance
	7/1/2021	Budget	Budget	Expense	Expense	6/30/2022	7/1/2021	Budget	Budget	Expense	Expense	6/30/2022
Unassigned Fund Balance	2,913,814	11,078,794	11,701,038	(622,244)	(75,000)	2,216,570	2,913,814	12,118,472	12,218,681	(100,209)	(75,000)	2,738,605
Reserved Fund Balances:												
3rd Party Revenue (SPED)	-	-	-	-		-	-	-	-	-		-
Basic Skills:	213,916	326,294	363,606	(37,312)		176,604	213,916	326,294	363,606	(37,312)		176,604
Basic Skills Ext Time:	20,340					20,340	20,340					20,340
Gifted & Talented:	-	12,864	13,055	(191)		(191)	-	12,864	13,055	(191)		(191)
Learning & Development:	-	185,464	185,464	-		-	-	185,464	185,464	-		-
Long Term Facility Mtce:	(97,356)	345,399	473,055	(127,656)		(225,012)	(97,356)	345,399	473,055	(127,656)		(225,012)
Operating Capital:	350,307	235,963	206,000	29,963		380,270	350,307	235,963	206,000	29,963		380,270
Safe Schools:	-	35,348	37,480	(2,132)		(2,132)	-	35,348	37,480	(2,132)		(2,132)
Staff Development:	85,100	133,968	106,700	27,268		112,368	85,100	133,968	106,700	27,268		112,368
Total Reserved Fund Balance:	572,307	1,275,300	1,385,360	(110,060)	-	462,247	572,307	1,275,300	1,385,360	(110,060)	-	462,247
Assigned Fund Balances:												
Arena Advertising:	56,927	15,000	11,500	3,500	-	60,427	56,927	15,000	11,500	3,500	-	60,427
Technology/PC Purchase FY23	300,000	-	-	-	75,000	375,000	300,000	-	-	-	75,000	375,000
	356,927	15,000	11,500	3,500	75,000	435,427	356,927	15,000	11,500	3,500	75,000	435,427
Balance:	16,354	-	-	-		16,354	16,354	-	-	-		16,354
Total Fund Balance Fund 01:	3,859,402	12,369,094	13,097,898	(728,804)	-	3,130,598	3,859,402	13,408,772	13,615,541	(206,769)	-	3,652,633
2.5 Months Fund Balance:												
Fund Balance 6.20.202X:			2,216,570									
Unassigned @ 2.5 months:			2,437,716									
Fund Balance Over (Under):			(221,146)		(under fund balance policy)							

FY2023 Fund 01 – Fund Balance Projection

	Fiscal Year: 2022 - 2023: DRAFT V2 2.25.22 NO COVID						Fiscal Year: 2022 - 2023: DRAFT V2 2.25.22 w/COVID					
	Beginning Fund Balance	Revenue	Expense	Revenue Over (Under) Expense	Adjust.	Ending Fund Balance	Beginning Fund Balance	Revenue	Expense	Revenue Over (Under) Expense	Adjust.	Ending Fund Balance
	7/1/2022	Budget	Budget			6/30/2023	7/1/2022	Budget	Budget	Expense	Adjust.	6/30/2023
Unassigned Fund Balance	2,216,570	10,832,838	11,789,495	(956,657)	(75,000)	1,184,913	2,738,605	11,885,051	12,216,031	(330,980)	(75,000)	2,332,625
<u>Reserved Fund Balances:</u>												
3rd Party Revenue (SPED)	-	-	-	-	-	-	-	-	-	-	-	-
Basic Skills:	176,604	226,699	360,574	(133,875)		42,729	176,604	226,699	360,574	(133,875)		42,729
Basic Skills Ext Time:	20,340	-	-	-		20,340	20,340	-	-	-		20,340
Gifted & Talented:	(191)	12,540	13,055	(515)		(706)	(191)	12,540	13,055	(515)		(706)
Learning & Development:	-	180,211	180,211	-		-	-	180,211	180,211	-		-
Long Term Facility Mtce:	(225,012)	790,464	363,800	426,664		201,652	(225,012)	790,464	363,800	426,664		201,652
Operating Capital:	380,270	238,950	423,000	(184,050)		196,220	380,270	238,950	423,000	(184,050)		196,220
Safe Schools:	(2,132)	33,749	37,720	(3,971)		(6,103)	(2,132)	33,749	37,720	(3,971)		(6,103)
Staff Development:	112,368	132,401	111,585	20,816		133,184	112,368	132,401	111,585	20,816		133,184
Total Reserved Fund Balance:	462,247	1,615,014	1,489,945	125,069	-	587,316	462,247	1,615,014	1,489,945	125,069	-	587,316
<u>Assigned Fund Balances:</u>												
Arena Advertising:	60,427	15,000	11,500	3,500	-	63,927	60,427	15,000	11,500	3,500	-	63,927
Technology/PC Purchase FY23	375,000	-	-	-	75,000	450,000	375,000	-	-	-	75,000	450,000
	435,427	15,000	11,500	3,500	75,000	513,927	435,427	15,000	11,500	3,500	75,000	513,927
Non Spendable Fund Balance:	16,354	-	-	-		16,354	16,354	-	-	-		16,354
Total Fund Balance Fund 01:	3,130,598	12,462,852	13,290,940	(828,088)	-	2,302,510	3,652,633	13,515,065	13,717,476	(202,411)	-	3,450,222
2.5 Months Fund Balance:												
Fund Balance 6.20.202X:						1,184,913						
Unassigned @ 2.5 month:						2,456,145						
Fund Balance Over (Under):						-1,271,232						(under fund balance policy)