

**GRAND FORKS SCHOOL BOARD
FINANCE COMMITTEE
GRAND FORKS PUBLIC SCHOOL DISTRICT #1
MEETING MINUTES
May 21, 2019**

A meeting of the Grand Forks School Board Finance Committee was held on Tuesday, May 21, 2019, at the Mark Sanford Education Center with Bill Palmiscno presiding.

Committee Members Present: Doug Carpenter, Amber Flynn, Bill Palmiscno, Misty Brustad, Dr. Terry Brenner, Scott J. Berge, Jody Thompson, and Catherine Gillach.

Committee Members Absent: Matt Spivey.

Others Present: Meeting Secretary Cindy Johnson.

Call to Order. The meeting was called to order at 5:03 p.m.

Review of 2017 Budget Reduction Results. It was reported that a majority of line items reduced in 2017 continued to be held at the reduction level in 2018-2019.

Estimated 2019-20 Revenue/Expenses.

Estimated 2020-21 Revenue/Expenses.

Berge reviewed detailed projections for general fund revenue and expenses for 2019-2020 and 2020-2021. Revenue assumptions used were:

- For 2019-2020, increases of 3.1% in local sources, 1.5% in state sources, and 5% in federal sources for an overall average of 2.2%.
- For 2020-2021, increases of 1% in local sources, 4.5% in state sources, and 3% in federal sources for an overall average of 3.5%

Expense assumptions used were:

- For 2019-2020, increases of 3% in salaries, and 3% in fringe benefits, a decrease of 3.4% in other expenses, and a 3% increase in utilities for an overall average increase of 2.1%.

- For 2020-2021, increases of 3% in salaries, 3% in fringe benefits, 2.6% in other expenses, and 5% in utilities for an overall average increase of 3%.

The ending general fund balance was projected to be \$9,864,524 in 2019-2020 and \$6,162,248 in 2020-2021.

Flynn joined the meeting at 5:22 p.m.

Discussion was held on several budget and operating considerations that were suggested by Berge including:

- New strategic plan.
- Facilities master plan.
- Involving key stakeholders throughout budget process.
- Changes in student enrollment.
- Timing of referendum and use of the funds.
- Analysis and reduction of non-labor expenses were possible.
- Teacher contract negotiations.
- Consideration of staff ratios, outsourcing services, benefits changes, and other options.
- Philanthropy initiatives and Foundation for Education growth opportunities.
- Additional grants.
- Legislative advocacy for additional funding.
- Consolidation or closing of schools.

Estimated Facilities Priority Projects

Expenses. Below is a list of projects for 2019-2020 totaling \$4.35 million was reviewed.

- Century boiler replacement - \$400K
- Central cooling tower replacement - \$800K
- Phoenix boiler replacement - \$400K
- South boiler replacement - \$700K
- Red River phase 2 heat pump replacement - \$250K

- Red River Phase 2 skylight replacement - \$250K
- Ben Franklin Phase 2 window replacement - \$200K
- Twining boiler/HVAC repair - \$1M
- Carpet at various schools - \$200K
- Roofs at various schools - \$150K

Berge left the meeting at 5:50 p.m.

It was requested that the Buildings & Grounds director prioritize the 2019-2020 projects list in the order that items have to be completed.

Teacher Contract Negotiations Parameters. Brenner reported the Board Team’s counteroffer of 4.8% in Year 1 and 4.7% in Year 2 has a 3% and 3% impact on the general fund budget.

Palmiscno said that it was a good offer and agreed that it is a best offer.

Carpenter said that the revenue and expense numbers discussed at this meeting show that it is a best offer.

Flynn said that she did not think a mediator could say that the Board Team did not negotiate in good faith with this counteroffer even if all other GFEA Team proposals were rejected. The focus has been to put more money in the teachers’ pockets, which is what the counteroffer will do.

Assistant Director of Special Education Position. Dr. Brenner requested consideration of creating a new assistant director of special education position. A draft job description of the position was provided. Over the past three years, due to an increase in students with IEPs with significant issues, Dr. Lee’s role has become more involved in legal fires relative to what the District can and cannot do with special education. These demands significantly affect Dr. Lee’s availability to meet the regular demands of the day-to-day operations of the Special Education Department.

Dr. Tricia Lee, Executive Director of Special Education, reported about the complexities of the students’ needs and the need for more capacity to support teachers and students. Legal counsel has had to be involved on a nearly

ongoing basis this year to mitigate several things. Lee reported that 18% of the student population is in special education, which is higher than the state and national averages. She anticipates more students will be enrolled in special education next year. Since 2013, the special education student enrollment has increased by 230 students. In addition to case management provided at the school level, currently 87 students are case-managed by four coordinators or Dr. Lee.

It was moved by Carpenter and seconded by Flynn to recommend to the School Board that the position be created. Motion carried with all voting members present voting aye. Absent: Spivey.

Target Number of Classroom FTEs for 2019-2020. Thompson reported the District projects the number of classroom FTEs for 2019-2020 to be reduced by three to five at the elementary level. Class size may increase a little and there might be more combination classrooms. Thompson and Gillach are working on the secondary level but overall expect that the number will also be reduced.

Approval of Minutes. It was moved by Carpenter and seconded by Flynn to approve the minutes of March 6, 2019, as written. Motion carried with all voting members present voting aye. Absent: Spivey.

Adjournment. The meeting was adjourned at 6:27 p.m.

APPROVED _____
(Date)

Bill Palmiscno, Committee Chair