

**NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138  
NORTH BRANCH AREA EDUCATION CENTER  
38705 GRAND AVENUE  
NORTH BRANCH, MN 55056  
SCHOOL BOARD WORK SESSION  
THURSDAY, FEBRUARY 27, 2020  
5:30 PM**

**AGENDA**

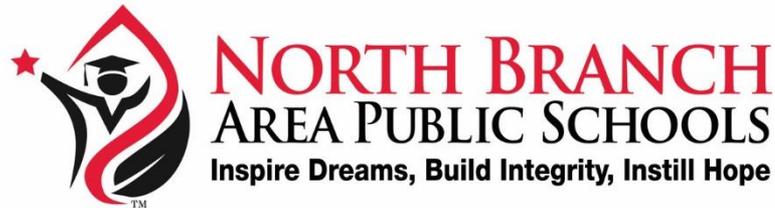
Notice is hereby given that the School Board of North Branch Area Public Schools will hold a School Board Work Session on Thursday, February 27, 2020 at 5:30 PM in the North Branch Area Education Center  
38705 Grand Avenue  
North Branch, MN 55056, 38705 Grand Ave, North Branch, MN 55056.

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Work Session Topics
  - A. Budget Discussion
  - B. Debrief Budget Boot Camp
- V. Adjournment

# *2020-21*

# *Budget Recommendations*

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Presented to school board February 27, 2020

# Budget forecast

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## Projection of budget adjustments needed for 2020-21

- Deficit of \$500,000
- After reductions, the fund balance is projected to be above 5% fund balance target by the end of FY 21

## Causes:

- State funding not keeping pace with inflation
- Special education cross subsidy
- Declining enrollment reduces revenue

Structural deficit projected into the future

# General Fund Balance

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Revised 19-20 Budget			
	2018 - 2019	2019 - 2020	2020 - 2021
Fund Balance Beginning of Year	\$ (395,984.00)	\$ 653,108.00	\$ 1,523,770.00
Revenues	\$ 30,318,456.00	\$ 32,518,851.00	\$ 32,426,505.00
Expenses	\$ 29,269,364.00	\$ 31,648,189.00	\$ 32,852,724.00
Surplus (Deficit)	\$ 1,049,092.00	\$ 870,662.00	\$ (426,219.00)
Fund Balance End of Year	\$ 653,108.00	\$ 1,523,770.00	\$ 1,097,551.00

# General Fund Balance after Reductions

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After Budget Adjustments	2018 - 2019	2019 - 2020	2020 - 2021
Fund Balance Beginning of Year	\$ (395,984.00)	\$ 653,108.00	\$ 1,523,770.00
Revenues	\$ 30,318,456.00	\$ 32,518,851.00	\$ 32,426,505.00
Expenses	\$ 29,269,364.00	\$ 31,648,189.00	\$ 32,371,468.00
Surplus (Deficit)	\$ 1,049,092.00	\$ 870,662.00	\$ 55,037.00
Fund Balance End of Year	\$ 653,108.00	\$ 1,523,770.00	\$ 1,578,807.00

# Budget recommendation

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Address deficit through reduction in expenses

- Staff reductions
  - Attrition: Resignations, retirements
  - Layoffs, reassignments, transfers
  - FTE numbers don't reflect the number of staff impacted
- Utilization of capital levy and Long Term Facilities Maintenance (LTFM)

# Positions Reduced

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.67 Business Office Clerk  
.33 Community Education Clerk  
1.0 Maintenance Technician  
.5 Schoolkeeper  
2.0 Intervention Teachers  
1.0 Science Teacher  
1.0 Behavior Technician  
3.75 Educational Assistants  
1.0 Teacher on Special Assignment

**11.25 - Total FTE Reduced**

# Budget guiding principles

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School district staff adhere to the following guidance, provided by stakeholders and articulated in the school district's Continuous Improvement Plan:

- Class sizes
- Career and technical education
- Expand gifted and talented
- Arts opportunities
- Fulfill promise of 2017 referendum
- Financial literacy and life skills
- Behavior support

# Signature programs protected

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## The school district is maintaining signature programs:

- Project Lead the Way K-12
- Air Force JROTC
- ProStart
- Computers for every student 5-12
- Robotics offerings
- The arts
- Language
- Music and more

## Other notable changes:

- Expand gifted and talented programming
- WIFI on buses discontinued for lack of use
- Appoint Interim Middle School Principal to full-time Principal
- Hire full-time Middle School Asst. Principal
- Implement weather-related e-learning days
- Expand co-teaching to 11th grade English Language Arts
- \$20 increase to activity fees
- Explore Knowledge Bowl for grades 5-6
- Develop community fitness center use process
- Finalize energy conservation guidelines
- <sup>9</sup> Repair digital sign at Ed Center

# Recommendation summary

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Eliminate structural deficit for 2020-21  
Reductions of \$480,713

Is this enough?

- 2020-21 budget reflects current increases in state funding and current assumptions regarding expenses
- Enrollment is projected to continue to decline
- Teachers and custodians have settled contracts for the coming school year, but other employee groups will need to be addressed
- Housing starts may be helpful for enrollment increases
- Budget has been created based on our most current information

Formal recommendation for board consideration: Thursday, March 5

# Communications

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## Communication Plan

- **Informing constituents**
  - **Internal:**
    - **Individual affected staff notified Thursday, Feb. 27**
    - **Staff meetings Friday, Feb. 28**
  - **External:**
    - **Website, School News, press release**
- **Seeking input**
  - **Phone line and e-mail**

## Budget Update - Budget recommendation

# Questions?

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# Budget Update 2020-21

## \*Budget recommendation



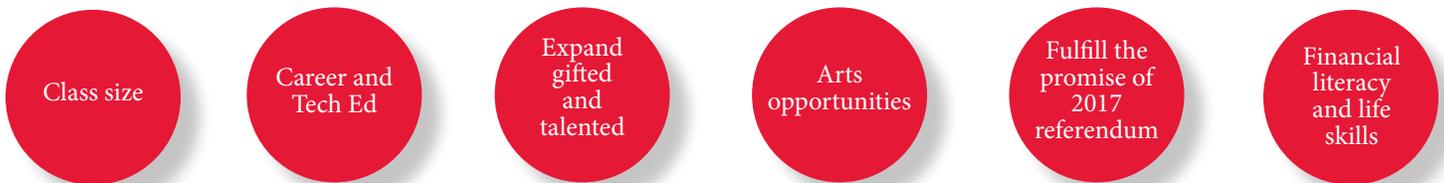
Due to a continued pattern of declining enrollment affecting roughly 40% (Schools for Equity in Education) of school districts in Minnesota; combined with funding from the legislature not keeping pace with inflation, and special education under-funding, North Branch Area Public Schools must realize savings for the 2020-21 school year. However, needed adjustments to the 2020-21 budget are mitigated by several factors:

- Ended 2018-19 better than projected
- Current enrollment higher than projected, but continues to decline overall
- Safe schools allocation of \$99,000
- Staff development support for media specialists



**NBAPS vision: Inspire dreams, build integrity, and instill hope in our students, our staff, our families, and our communities**

To address the projected deficit for the 2020-21 school year, North Branch Area Public Schools (NBAPS) has identified \$480,713 in budget savings through the Budget Boot Camp (BBC) process. As part of that process, NBAPS focused on the following priorities:



## Budget recommendation highlights

### Staffing reductions:

The following positions are recommended for reduction:

- .67 Business Office Clerk
- .33 Community Education Clerk
- 1.0 Maintenance Technician
- .5 School Keeper
- 2.0 Intervention Teachers
- 1.0 Science Teacher
- 1.0 Behavior Technician
- 3.75 Educational Assistants
- 1.0 Teacher on Special Assignment (TOSA)

Total FTE Reductions Recommended: 11.25

### Other highlights:

- Expand gifted and talented programming
- WIFI on buses discontinued for lack of use
- Appoint Interim Middle School Principal to full-time Principal
- Hire full-time Middle School Asst. Principal
- Implement weather-related e-learning days
- Expand co-teaching to 11th grade English Language Arts
- \$20 increase to activity fees
- Explore Knowledge Bowl for grades 5-6
- Develop community fitness center use process
- Finalize energy conservation guidelines
- Repair digital sign at Ed Center
- Add a behavior technician at Sunrise
- Class size reductions in 5th and 6th grade



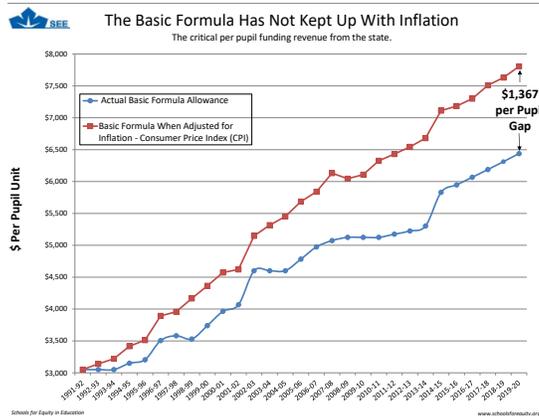
# Change is Needed Now!

Although the need to make fewer budget adjustments for the 2020-21 school year is great news for North Branch Area Public Schools, challenges remain. Enrollment projections continue to show a pattern of decline for upcoming years, and the school district projects a loss of 25 students for the 2020-21 school year.

As well, staff costs the school district has been able to fund through construction dollars will revert back to the general fund once construction projects are complete.

Most importantly, state revenue continues to fall short of even inflationary increases. Schools for Equity in Education notes:

*While the general education basic formula was increased 2% for the 2019-20 (current) school year and is set to increase 2% for the 2020-21 school year, this vital source of school funding has not kept pace with inflation. The organization Schools for Equity in Education has calculated a \$1,367 per pupil gap between the 19-20 actual formula allowance and an inflation-adjusted formula allowance. For TCU the impact of this is enormous, equating to a \$2.7MM gap between funding and inflationary costs in the 19-20 school year alone.*



**This chart demonstrates how state funding has fallen behind inflation by over \$1,300 per pupil, based on the Consumer Price Index (CPI).**

## Budget questions or comments?

Do you have questions about school district budgeting or state funding? Would you like a better understanding of state education funding prior to contacting lawmakers? Use the information below to contact the school district. Staff presented a budget recommendation to the school board on Thursday, Feb. 27, and action is expected by the school board on March 5. Both meetings are open to the public.

The following options exist for providing input on the budget recommendation:

- E-mail: [budgetinput@isd138.org](mailto:budgetinput@isd138.org)
- Voicemail: 651-674-1080

For disability accommodation or a language interpreter, call the district office at 651-674-1000

**Governor Tim Walz**

130 State Capitol

75 Rev Dr. Martin Luther King Jr. Blvd.

St. Paul, MN 55155

Toll Free: 800-657-3717

Email: <https://mn.gov/governor/contact/>

**Rep. Anne Neu (32B)**

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Email: [rep.anne.neu@house.mn](mailto:rep.anne.neu@house.mn)

**Rep. Brian Johnson (32A)**

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651-296-4346

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**Senator Mark W. Koran (32)**

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Minnesota Senate Bldg, Room 3101

St. Paul, MN 55155

Phone: 651-296-5419

Email: [carl.martins@senate.mn](mailto:carl.martins@senate.mn)

**Education Finance**

**Committee Chair**

**Rep. Jim Davnie (63A)**

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Phone: 651-296-0173

Email: [rep.jim.davnie@house.mn](mailto:rep.jim.davnie@house.mn)

**E-12 Finance and Policy Chair**

**Senator Carla J. Nelson (26)**

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Room 3235

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Phone: 651-296-4848

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