

Manitowoc Public School District
Minutes of the Finance & Budget Committee Meeting
Wednesday, August 3rd, 2022 at 4:00 pm

Committee Members present were Collin Braunel, Chair, Kathy Willis, and Tony Vlastelica. Other board members present: Matthew Phipps. Director of Business Services Angela Erdmann and Interim Superintendent Jim Feil were also in attendance.

I. CALL MEETING TO ORDER

Committee Chair Braunel called the meeting to order at 4:02 pm.

II. UPDATES FROM THE BUSINESS OFFICE - (Information/Discussion)

Director Erdmann shared that the business office has been busy completing the annual audit. After work on the audit is complete, attention will shift back to budget preparation. District-wide and building budgets will be brought to the Finance and Budget Committee at the August 17th meeting. In addition the Business Office and Human Resources Office have been working on the Skyward Implementation. As shared earlier in late spring, the business office continues to examine staffing needs of the Business Office. Erdmann has drafted some initial options that will be brought forward to the committee in the near future.

III. ESSER FUNDS UPDATE AND PURCHASE REQUEST - (Information/Discussion/Action) Director Erdmann shared an overview of total funding, private and public school amounts, along with a summary of expenditures for all schools to date. There was discussion regarding what types of purchases qualify for ESSER funding. It was shared that there were combinations of one time expenditures/supplies to mitigate the spread of COVID, educational technology, and staffing positions intended to close the achievement gap brought on by the effects and remote learning during the pandemic. The committee asked for a list of all positions covered by COVID funds. Erdmann added that we are required to spend 20% of ESSER III funding on Evidence Based Instructional Strategies (EBIS) to ensure that we are using funding on closing the achievement gap. MPSD earmarked ESSER II funds for upgrades to HVAC/ventilation systems, similar to other schools.

Interim Superintendent Feil mentioned that we will have to carefully consider staffing as the funding disappears. It was also added by Erdmann that while these specific positions were added, that a critical analysis could mean that some of these positions would continue if staffing overall was reconsidered in other areas. Currently, the amount of staffing rolled over to support positions added is approximately 11.5 FTE based on an approximately \$100,000 value.

Erdmann shared the request to use \$336,664 to purchase replacement teacher laptops that are approximately 7 years old. These laptops are well beyond their typical lifespan of 3-4 years old, and not updating/functioning well - even causing delays in instruction at times. It was also shared that while we would be using one-time funding this time to purchase the replacements, that we would be assembling a long-range plan to work replacement laptops into the budget moving forward to avoid the critical mass of need that has amassed at this time in the future. Willis also mentioned that she has heard feedback from teachers in other committees and conversations regarding the frustration with the teacher workstations and that the new devices would fix this need so that teachers are able to focus on instruction. Braunel asked that for future purchases that we look into possibilities with leasing laptops to explore all possible options for a replacement cycle for devices. Vlastelica asked if the technology selected the devices. Erdmann shared that technology provided the quotes shared with the committee and selected the Dell one that met all of the criteria they feel meets our needs the best.

Motion was made by Willis to purchase the teacher laptops, seconded by Braunel to be approved by the full board.

IV. 2021-22 BUDGET ADJUSTMENTS - (Information/Discussion/Action)

Erdmann shared the annual process for amending and updating the budget. With preliminary, unaudited final figures, we are within our initial budget of revenues and expenditures for both the full budget and Fund 10 Operating budget. Due to the need for the bookkeeping procedures required for moving Debt Service funds over to Fund 38 due to the funds being misclassified in prior years, the district was required to expense the funds from Fund 10 to Fund 38. Overall this caused the district to have more expenditures in Fund 10 compared to Revenues. This will mean we will go into Fund Balance approximately \$90,000. While we are going into Fund Balance, our overall position is neutral as the bookkeeping was merely to record the transfer of funds as required to make the advanced payment of callable debt and Fund 10 was essentially overstated during the period of time after the receipt was recorded to the incorrect fund.

Motion was made by Braunel to approve the Budget Adjustments, seconded by Willis to be approved by the full board.

V. 2022-23 BUDGET UPDATE - (Information/Discussion)

Erdmann shared that the committee will be able to view the next round of the budget at the August 17th meeting. The district has been taking a deeper dive into each of the budgets in an effort to provide more detail and a higher level of understanding of the budget for the Finance and Budget Committee. District Level and Building Budgets will be brought forth at the next meeting of the committee.

VI. FUTURE BUDGET SCENARIOS - (Information/Discussion)

Erdmann shared information regarding MPSDs rankings in comparative revenue with the Committee. The information included MPSD's ranking in Taxpayer Levy, State Aid, Federal Funding, and Overall Revenues. Erdmann did share caution in evaluating the Taxpayer and State Aid Portions due to the varying equalized value across the state. With MPSD land values being lower, we receive additional state aid, therefore we will rank higher in aid, yet lower in local tax levy. Still, MPSD ranks 9% from the bottom in local tax levy amounts per student meaning that per pupil our taxpayers fund less per pupil than 91% of the state. Federal and State Aid Revenue Per Pupil was mid-range compared to other school districts. Total overall revenues per student were the lower 4% compared to the state, which means that 96% of other districts receive more funding per pupil compared to the MPSD. This is due largely to the fact that we are a low-spending district in the revenue limit calculation.

Erdmann assembled 9 different budget scenarios that ranged from including a continuation of the operating referendum and varying amounts of additional per-pupil aid. Our main concern overall as a district is that the revenue limit formula is not being adequately aided. While possible per pupil aid increases are an important part of the scenarios along with various referendum scenarios, understanding the district's total financial position through impacts on fund balance are critical.

While the district is examining the budget carefully with the Finance and Budget Committee to ensure that funds are budgeted to reflect current needs, it is clear that the committee will need to explore referendum options that will meet the future needs of the school district.

VII. ADJOURN

Motion to adjourn by Vlastelica, seconded by Willis at 5:57 p.m. Motion carried, 3-0. Meeting adjourned.

Respectfully submitted,

Angela M. Erdmann

Acting Secretary

August 8th, 2022