

**Finance and Capital Committee Meeting  
Minutes of Meeting  
December 5, 2022, 2022**

Board members present: Mark Stebbins, Bart Bezio, Angela Lamell, Lisa Barry, Katie Orost, Patti Hayford, Mark Nielsen  
Others: Deb Clark, Dylan Laflam, Brian Pena, Rene Thibault

**Note: All votes taken are unanimous unless otherwise noted.**

**1. *Call to Order, Approval of Agenda and Public Comment***

M. Stebbins called the meeting to order at 6:30.

**L. Barry moved to approve the agenda as presented M. Nielsen seconded and the motion was passed.**

No members of the public were present.

**2. *Consent Agenda Items***

There were no consent agenda items.

**3. *FY24 Budget Update***

Deb presented the preliminary LNMUUSD budget, announced that the December 1, tax letter had been received. Deb informed the Committee that the news was not as bad as originally forecast and that as the budgets now stand, using FY23 equalized pupil numbers and FY23 CLA numbers, the tax rates are estimated to drop by approximately \$80 per \$100,000 of property value. However, the Tax Commissioner warns that the increase in market values of properties and inflation pressures on budgets statewide is projected to drive up tax rates in general. The Commissioner estimates tax rate growth of 4% in FY24.

Deb described the move of all Special Ed costs (Para Educator costs) to the SU to align with the new block grant Special Ed funding system. This makes the SU budget look like it has “exploded” however the assessment seems to be offset by the move of those Para Educator costs to the SU. The schools are not growing like the SU is, there seems to be some shifting of investments.

Good news for FY25 regarding act 127. The new pupil weighting enacted with Act 127; Long Term Weighted Average Daily Membership, shifts the student counts upwards at the LNMUUSD, and indicates the State initiative to shift resources more towards districts with higher needs will benefit LNMUUSD in FY25 by increasing their taxing capacity.

**L. Barry moved to recommend to the LNSU/LNMUUSD board that use of \$33,970 in capital funds be authorized for the email migration project, A. Lamell seconded and the motion was passed.**

**4. *Other Business***

Deb asked if the Committee would like to meet at 5:00 on the 19<sup>th</sup>. She noted that this year is particularly challenging with all the different meetings that the Board members are involved in

and how the holidays are hitting the schedules. Deb asked that if questions could be presented to her ahead of time, she can be prepared to address those questions so that the meeting may be more efficient given the limited amount of time available. Deb announced that she doesn't expect a lot of changes to the budgets, just that she would dig deeper to identify possible duplicate, or missing, items.

Mark Stebbins asked about the "ESSER Cliff". Deb acknowledged that the end of ESSER funding is not a big issue in FY24, but that it is FY25 that may be impacted negatively. Mark also mentioned concerns about FY25 and beyond when the large Education Fund surpluses may no longer be available to help hold tax rates down. Lisa Barry and Mark Stebbins requested a summary listing of the ESSER initiatives, knowing that it will be difficult to cut some of the services that ESSER is now funding.

Deb noted that these preliminary budgets current use 100% of surpluses from FY22. The FCC may want to recommend that some of these surpluses be reserved, once we have all FY24 tax rate values, for use in subsequent years to help bridge any gaps as Ed Funds surpluses dwindle and the new student weighting system takes effect. Deb also noted that the elementary level capital reserves are depleted; nothing left.

D. Clark informed the Committee that at the full Board meeting Dylan would be presenting a "pros & cons" on the two Central Office options chosen at the previous meeting, and that based on the prior meeting the FCC seemed to be focused on McClelland and Build, so that is where we are prepared to focus tonight's discussion, the FCC indicated agreement that these two options are the focus.

Deb announced that the eFinance Path Forward group will recommend to the Legislature to not for schools to adopt eFinance.

**5. Adjourn**

**It was moved and seconded to adjourn at 5:59 p.m. and the motion was passed.**

*Minutes submitted by Deborah A. Clark*