

Robbinsdale Area Schools

Annual Report to the School Board
2020-2021

Financial Advisory
Council

FAC 2020-2021 Membership & Meetings

- ▶ Gregg Fishbein, Chair
- ▶ Howard Schwartz, Secretary
- ▶ Earl Hoffman
- ▶ Lennie Kaufman
- ▶ Greg Kugler
- ▶ O. Barry Rogers
- ▶ Terry Swanson
- ▶ Pam Lindberg, Board Treasurer
- ▶ Greg Hein, Exec. Dir.-Finance
- ▶ Bylaws require a minimum of four (4) meetings per year; FAC met five (5) times:
 - ▶ 11/10/20; 1/12/21; 3/23/21; 5/11/21; 5/23/21
- ▶ Other attendees: Dr. Stephanie Burrage, Karylann Marchand, Kelly Smith, Nichol Sutton, Ginny Vergrugge, Kristine Wehrkamp
- ▶ Earl Hoffman, Greg Kugler, and Howard Schwartz were also invited to attend several Cabinet Task Force meetings

FAC Duties and Responsibilities

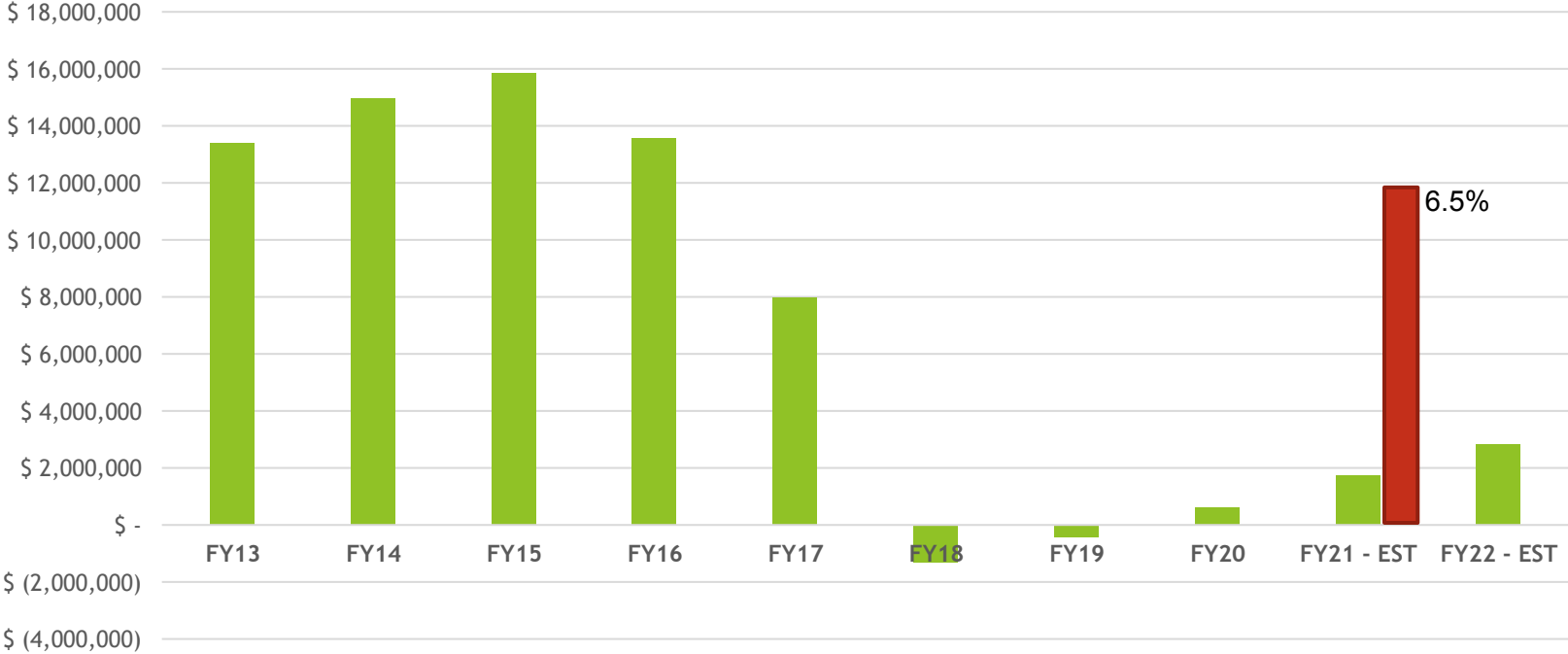
(per School Board Bylaws)

- ▶ Provide financial advice and support to the Board and to the Administration
- ▶ Evaluate the District's economic conditions
- ▶ Provide insights re: overall District financial condition
- ▶ Review present and future revenue/expenditure projections
- ▶ Make recommendations re: future budget targets and assumptions

Discussion Points and Issues

► Unassigned Fund Balance Concerns:

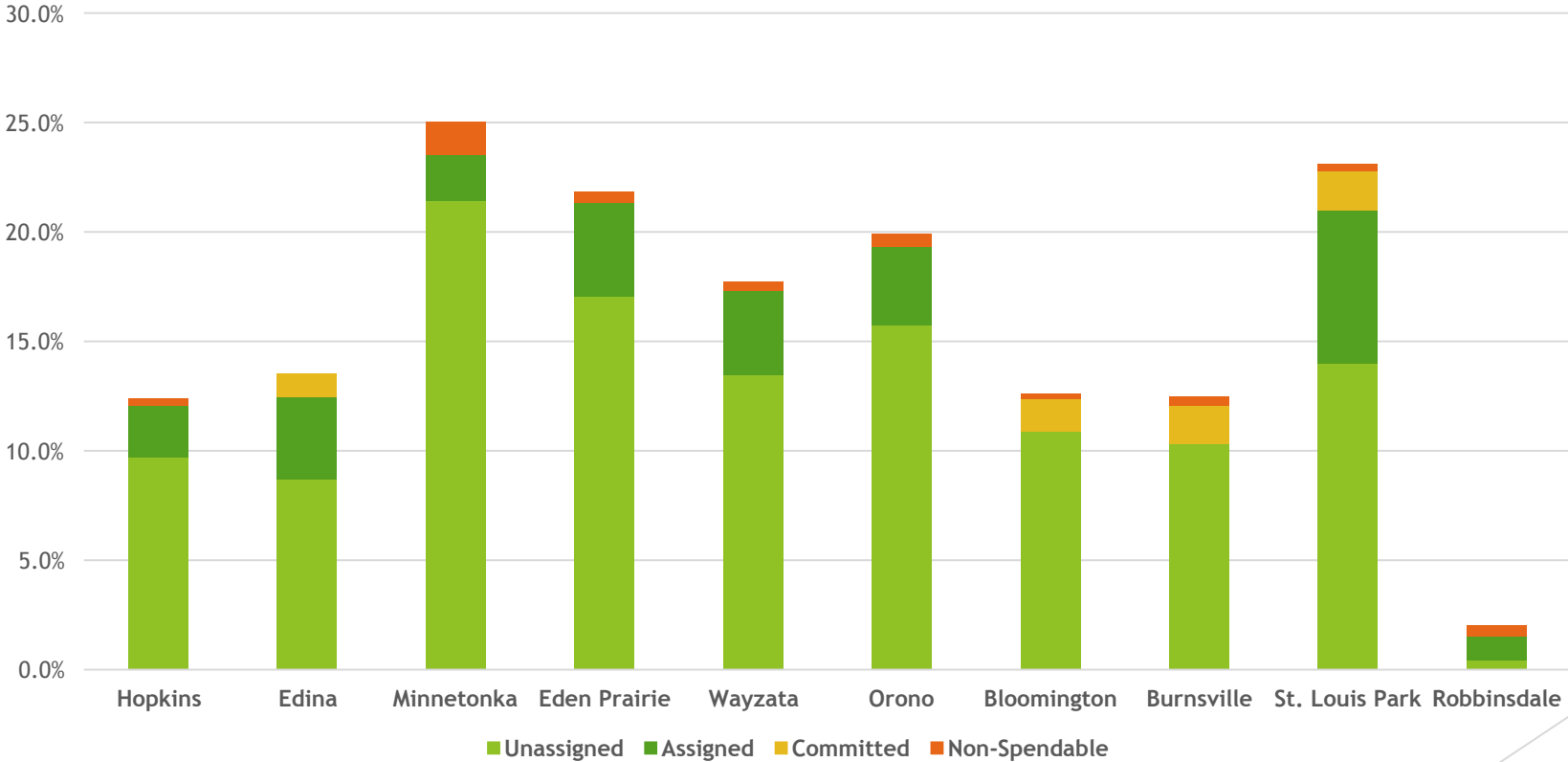
General Fund Unassigned Fund Balance History



Discussion Points and Issues

► Unassigned Fund Balance Concerns:

FY20 Fund Balances as % of General Fund Expenses by School District



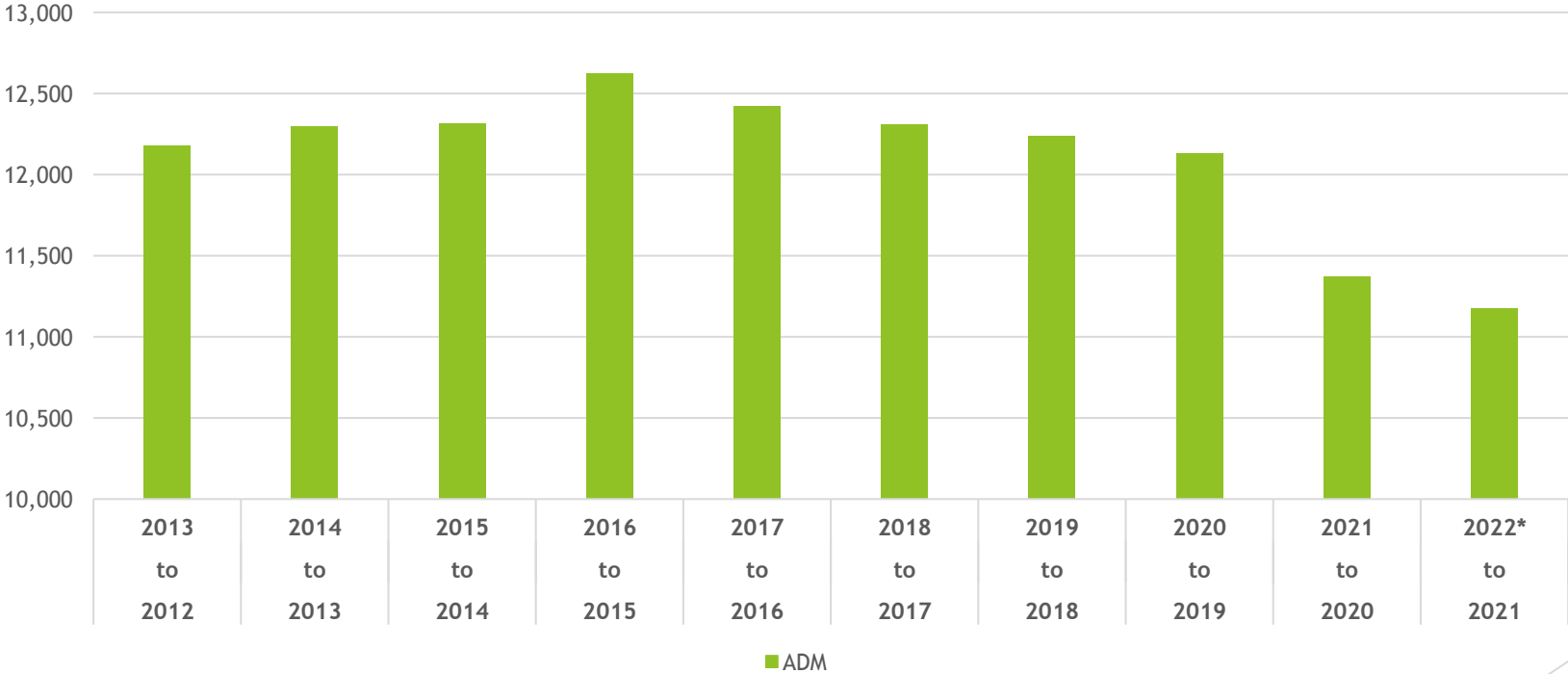
Discussion Points and Issues

- ▶ Enrollment/Revenue Projection Concerns:
 - ▶ Enrollments projected to continue declining - 3,545 students (27%) living in the District open-enrolled in other districts or attended private and charter schools, resulting in millions of lost ADM dollars. Every effort must be made to retain resident students in addition to attracting open enrollees.
 - ▶ Two-bucket lottery policy turns down resident students in preference for non-resident students for various magnet programs (REI, SEA) - limited number of seats also encourages resident parents to seek out-of-District alternatives (e.g., RSI Kindergarten).
 - ▶ More transfer bus options for magnet schools need to be provided. Transfer bussing, particularly between Cooper and Armstrong, needs to be readdressed so that Armstrong students can attend the District International Baccalaureate program.
 - ▶ Concerns regarding Pathways plan and other new programs...projected costs vs. added revenue streams plus student retention

Discussion Points and Issues

► Enrollment/Revenue Projection Concerns:

District Enrollment by Year
 (ADM = Adjusted Average Daily Membership)



Discussion Points and Issues

- ▶ Revenue and Expenditure Projection Concerns:
 - ▶ Self-insured medical plan fund sustained a negative balance of \$1.9 million as of 6/30/21.
 - ▶ Long-term debt, bond rating, and cost of capital continue to be a concern in light of current inflationary and post-pandemic trends
 - ▶ Food service bad debt needs to be addressed for the long term when federal subsidy disappears. Compensatory funds rely on free - and reduced cost lunch paper work. Federal subsidy for school meals is a blessing (no increase in debt) and a curse (no incentive for parents to apply).
 - ▶ FAC is still waiting on an accurate space utilization and leasehold study as pertains to student occupancy. Should the District consider shuttering one or several buildings and renegotiating one or several leases?

Discussion Points and Issues

- ▶ FAC Duties and Performance:
 - ▶ Continue emphasis on audit evaluations, budgeting process, financial performance, tax levy determination, and factors like enrollment that affect revenue
 - ▶ Push for increased direct involvement with the School Board when reviewing long-term financial goals, actual vs. budgeted performance, and key performance indicators
 - ▶ Sync FAC meeting calendar with School Board agenda in order to provide meaningful and timely recommendations

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QUESTIONS???

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