

**Iowa City Community School District
Financial Oversight Committee Meeting Minutes
Educational Services Center
1725 N. Dodge Street
Iowa City, Iowa 52245
Tuesday, April 9, 2024**

Generated by Kim Colvin on Thursday, April 11, 2024

Members present: Molly Abraham, JP Claussen, Charlie Eastham, Jayne Finch, Mitch Lingo, Ruthina Malone, Lisa Williams
Also present: Matt Degner, Superintendent; Chace Ramey, Deputy Superintendent; Eliza Proctor, Executive Director of Elementary Schools; Lucas Ptacek, Executive Director of Secondary Schools; Adam Kurth, Chief Financial Officer; Nick Proud, Chief Human Resources Officer; Ashley Reedy, Director of Special Education; Kristin Pedersen, Director of Community Relations; Brady Shutt, ICEA President; Kim Colvin, Board Secretary

A. Opening

Chair Eastham called the meeting to order at 5:00 pm.

B. Approve Minutes

Motion by Malone, seconded by Williams to approve the minutes of the March 5, 2024 Financial Oversight Committee Meeting. All were in favor and the minutes were approved.

C. Discussion Items

FY25 Budget Overview

Kurth provided a budget overview.

Certified Budget Final Rated and Supplemental State Aid

- Final levy rate is 16.81854
- Supplemental State Aid
 - Set at 2.5%
 - Increase to general fund, including per-pupil categoricals
 - Translates to a 2% increase in authority, factoring in certified enrollment decline of 61 students
- Minimum Teacher Salary Requirements and TSS
 - Minimum teacher salary of \$47,500 for 2024-2025
 - Increases to \$50,000 for 2025-2026
 - TSS increase related to legislation of \$1,020,000 for FY25
 - This should be sustained through future SSA increases

Unspent Balance Projections

- Projected End-of Year Unspent Balance and Percent of Authority FY24: Projected End-of Year Unspent Balance: \$130,989, Percent of Authority: 0.1%
 - FY25: Projected End-of Year Unspent Balance: \$2,349,727, Percent of Authority: 1.2%
 - FY26: Projected End-of Year Unspent Balance: \$6,599,434, Percent of Authority: 3.3%
 - FY27: Projected End-of Year Unspent Balance: \$9,754,682, Percent of Authority: 4.7%
 - FY28: Projected End-of Year Unspent Balance: \$11,721,093, Percent of Authority: 5.5%
 - FY29: Projected End-of Year Unspent Balance: 12,438,538, Percent of Authority: 5.8%
- Key Factors and Assumptions
 - SSA is assumed to be 2.5% for FY26 through FY29
 - Less than 2.5% would substantially impact future projections
 - Projections include impacts of all recent board actions and future items that have been previously shared (e.g., additional reductions for FY26)
 - Forecast assumes slight annual enrollment declines
 - Assumes stable miscellaneous income
 - Does not yet include cost impacts for AEA funding changes, which may be positive or negative pending additional information

Budget Reduction Implementation Monitoring

- Financial Dashboarding
 - We are working to implement elements of real-time financial dashboarding, improving insights into financial performance and areas of need
- Financial Reporting & Analysis
 - Ongoing development of our financial reporting mechanisms and practices, including public and internal reporting and analysis
- Departmental Reviews
 - Reviews with department heads to evaluate progress towards budget reduction goals along with development of improved access to financial information
- Benchmarking

- Benchmarking against previous years and peer districts informs targeted adjustments and fosters opportunities for financial optimization
- Continuous Evaluation & Improvement
 - Rigorously monitor both our financial processes and budget reduction strategies for efficiency & effectiveness, including refinements to enhance our fiscal health and operational outcomes
- Change Monitoring & Analysis
 - Maintain flexibility to respond to changing legislative and regulatory environments, including rapid assessment of changes for our budget and identification of opportunities

Funds and Categoricals

- Key Funds
 - General Fund
 - Revenues: Property Tax, State Aid, Grants, Miscellaneous Income
 - Allowable Uses: Salaries, Employees, Benefits, Services, Materials & Supplies, Transportation
 - Management Fund
 - Revenues: Property Tax
 - Allowable Uses: Insurance (property, liability, unemployment), Early Retirement Benefits, Arbitration, Mediation, Cybersecurity
 - Student Activity
 - Revenues: Activity Fees, Student Fees, Fundraising, Tickets
 - Allowable Uses: Co-curricular activity support, Athletics, Clubs
 - Capital Projects (Sales Tax)
 - Revenues: Sales Tax, Bond Proceeds
 - Allowable Uses: Capital Projects, Any PPEL purpose
 - Physical Plant & Equipment Levy (PPEL)
 - Property Tax
 - Allowable Uses: Purchase & Improvement of Buildings & Grounds, Construction & Repair, Property Lease, Technology, Buses, Equipment
 - Debt Service
 - Revenues: Property Tax, Transfers (from PPEL and SAVE)
 - Allowable Uses: Payment of Principal and Interest on Debt
 - Enterprise Funds
 - Revenues: Federal, State, Meal Sales, Tuition
 - Allowable Uses: Food Service, Breakfast & Lunch, Child Care
- Selected Categorical Funding Types
 - Early Intervention Supplement
 - Purpose: Early literacy and class size reduction/general fund purposes
 - Flexibility: May be used for any general fund purpose
 - Home School Assistance Program (HSAP)
 - Purpose: Programming for homeschooled students enrolled with a partial enrollment
 - Flexibility: May be transferred to flex fund with public hearing
 - Professional Development (Teacher Quality)
 - Purpose: Teacher professional development activities and associated costs
 - Flexibility: May be transferred to flex fund with public hearing
 - Teacher Leadership & Compensation
 - Purpose: Instructional improvement, teacher retention and recruitment, teacher collaboration
 - Flexibility: May be transferred to flex fund with public hearing or used for TSS purposes with no board action
 - Teacher Salary Supplement (TSS)
 - Purpose: Increasing teacher salaries
 - Flexibility: None

D. Agenda Setting

The next meeting will be on May 14, 2024 and will be either a Financial Oversight Committee meeting or Operations Committee meeting.

E. Adjourn

Motion by Malone, seconded by Finch to adjourn. All were in favor and the meeting adjourned at 5:46 pm.