

Finance Advisory Council
Tuesday, February 7, 2017
4:30 PM - 5:30 PM
Crystal Lake Education Center - Media Center

Attendees

- Community Members:
 - Patrick Arling
 - Alan Williams
 - Kelly Hendricks
 - Tom Neitzke
- Board of Education Members
 - Director Judy Keliher
- ISD194 Staff
 - Michael Baumann
 - Jaber Alsiddiqui
 - Emily Herman
 - Todd Mooney

Meeting Minutes: Started at 4:31 PM [Presentation](#)

- M. Baumann - Welcome! We have one item on the agenda and it is intentional. I want to talk about what this Finance Advisory Council (FAC) does. All should have a copy of the [Charge from 2014](#). I worked with the Board of Education (BOE) and the Superintendent to vet this in 2014. Although the agenda item says Charge, I don't think the Charge is problematic. However, I do think that process or method may be an issue. We have multiple advisory councils throughout the district.
 - Please note: Superintendent could not attend due to personal reasons. Director Erickson could not attend because he is chairing the 917 meeting tonight.

I would like to discuss process and what other neighboring districts are doing. Quick review of the Charge: Purpose, Level of Authority to Superintendent (I think this is a "yes/and" with the BOE). Both of those are good. The challenge is our process. If, as financial planners for the district, we are planning--- the process and the timing of the process is challenging. Nothing is immune to the political process. If I am doing things that are insensitive to that process, I am not doing my job. What I mean by that is if the FAC is processing information before it is reviewed by the BOE, it can be problematic.

- T. Neitzke - I don't think it is any different planning committees I serve on that advise the City Council. I ask that financial advisors ask the BOE to ask us for our help.
- M. Baumann - I think we need to talk about the process. I don't think the items are the issue. I think the items are the right things to discuss. I just don't think the process is right. I don't want to speak for the BOE but the political dynamic is the biggest concern. I looked at neighboring district ([see chart 4 of PPT](#)). Looked at surrounding districts. How

does ours match up? I don't see a radical difference in what their statements say about their purpose. Their Charges doesn't talk to the process. I talked to my colleagues - they pointed out the same problems I have: the BOE decision making process ahead of the advice of the advisory council.

So, I would like to have a discussion around the process. Discuss ideas and process. Floor is open.

- Director Keliher - can I share how and why FAC was started? History - we were going into some levy questions. School finances are not simple. BOE knows it because we live it. The FAC was developed to help public members understand the finances and we would have an educated group of people that can help our community understand the levy needs and the financial needs. The other piece is we do have a couple of different advisory councils. Curriculum in example in place because of statute. It goes to the Curriculum group to review and process then it goes to the BOE. But others it is reviewed by the BOE in work session, then at FAC, then to the public BOE public session. I am hearing T. Neitzke say that FAC should review first
- T. Neitzke - that is a great example. If it is just review information here and get back to the community, that's not leveraging the committee. The Long Term Facilities Task Force did a lot of heavy lifting. Curriculum Committee. Can't just communicate one way. We need to all have buy-in when we go back to the committee.
- Director Keliher - yes, the Long Term Facilities Task Force was pretty short term and focused on a specific topic. The FAC committee did review levy presentations and the feedback was extremely helpful. Could be different roles and feedback based on the needs at that time.
- P. Arling - being a part of the chamber, I didn't understand all the school finance at the time, I still don't know it all. I got the sense that after 6 or so months, when the budget is primary union wages, pretty limited areas for input from us. What does technology do? Is there light at the end of the tunnel for taxpayers on technology? Agree that our role isn't really input but considering technical information.
- M. Baumann - curious what A. Williams thinks as a new member? I have been trying to present the information that the BOE is seeing, listen to what FAC says about that, looking to confirm/deny the direction/planning/thinking, assess if we are on right path or wrong path. This group has serious background in finance but not school finance and that is different. I want it to be meaningful and not waste of time for people. Also, I want to follow the direction of the BOE.
- A. Williams - not much we can do from a heavy lifting perspective. So much controlled by formulas, we don't have control over that. At some level, it is to be a buffer between the BOE/Admin and the Community. For instance, the levy thing. Levy is a calculation. Don't know why you would ever reduce from the beginning...what is legislated for a levy?
- M. Baumann - the sensitivity around that seems to be that if the District announces you are going to levy the max allowed. The time cycle between that notification saying what City, State, and District may tax you at this level and the actual taxation is the issue. School districts do not have control the timing. The State/County control that. My thinking on that, as decision makers, we want to optimize our options. But clearly communicate.

- A. Williams - if you say that, you are going to reduce that anyway. Our role is about how to communicate that and how the community would understand it better. When you are in it, you know it. Our role is find out better ways to communicate.
- Director Keliher - that perspective is why this charge got started in the first place. That is where this all started.
- T. Neitzke - M. Baumann shared that this is what our surrounding districts have. I always drive by best-in-class in industry. Bring new ideas, don't look at neighbors. Look at world-class and look at best-in-class. I challenge that we should be more than communicators. I saw an article that Dr. Snyder linked that nothing has changed in education in 100 yrs. I think it is good to have a different perspective. Ask first, are we the best in the industry? We have 50 KPIs, most normally have 5 KPIs. I think the BOE can use us and utilize our knowledge. Bringing a dashboard into the system. Ask BOE how to measure success. I think FAC can bring a different perspective. Look beyond neighboring districts. What are best-in-class district's doing? We, FAC members, can help drive that research. This new levy is a little bit of a surprise. If we had that five year look, what are we going to need to do. You guys probably already knew that. We didn't communicate during the last levy that we had another levy coming up. Shouldn't rely on Sun Current to relay information. We need to do it. We should have communicated the levy is coming up. That is a reflection on everyone in this room. We should have been communicated with. I don't think we should assume that the community isn't interested. I think we should figure out a way to get the community engaged. I think in industry, finance people are critical to communicating that and how we measure success. I would like to be a part of that. I would like to be tapped.
- M. Baumann - so this group could work as a team to develop the KPIs that would shape that message. Would that be of interest to the group? We would have to break down into sub-groups?
- Director Keliher - are you talking about the ones under Finance?
- M. Baumann - Yes
- Director Keliher - looking at the KPIs would be good.
- T. Neitzke - it would be great to hear what the BOE would say, I wouldn't break it up into four. The first thing I would say is the first top five. Then break it down. I went out and talked to a Supt in Iowa. That is how we could be different. I think we could help lead that matrix.
- Director Keliher - so maybe that is the start of the process. Look at the four goals and look at the KPIs below them.
- P. Arling - look at the schools and the initiatives. See how those would meet the KPIs. Put together a way to evaluate. Good example - AVID program. Making college ready - but no one was determining if they went to college and finished. Just an example. Getting programs together - nice to see how business people look at that.
- K. Hendricks - Lot of initiatives, during levys, do we know if we are realizing AROI. Oak Hills - the advanced program. Additional open enrolled students from other districts - now they are in 8th grade. Now they are in regular classes or gifted. Not the advanced programs - just in honors. There's no challenge to those kids. Did we increase our

revenue based on those initiatives? I can't speak to the success. We haven't gone back and looked at it. Looking at specific initiatives during the planning and the back phase. If we are going out for dollars and we have cut programs

- Director Keliher - the question too is with reinstating. Do we even want to and/or are we beyond that now? Is there something better to put in place instead of going backwards? Are you talking about Impact Academy? We also did Ignite at Oak Hills. Now we have MNCAPS, AVID.
- K. Hendricks - Middle School does nothing
- M. Baumann - I think we are onto something. My theory of action is, every program should have metrics and review. That stirs back and gives gravity to what stays and what goes. Its AROI. We should have metrics for everything. i.e. LinK12. Design metrics and cost benefit in that. That is in the business and military systems as a standard. That is not a part of the culture in education. I am not making an excuse here. I am saying I think we are onto something here. Organizations need to have quantifiable data instead of the "mood ring." So maybe we can develop something here and use your talents to develop that. I could start piecing together something along that line of thinking. There is a lot out there. I can organize that and define that.
- Director Keliher - here is the question I have. I am on the MNCAPs Advisory, we have Tech, SPED, etc. All these different advisory groups. All of them, have financial impact. For us, how do we know what the other advisory groups are advising BOE/Admin on that will have a financial impact on. Is it something that would benefit members of FAC to review at these advisory councils? Is that something this group would play a role in?
- M. Baumann - I would start more basic. What is AROI, define the metrics, and then apply to any program.
- Director Keliher - this group creates those metrics. Then it would be up to the other leaders on these advisory committee?
- M. Baumann - I am seeing it as something Admin would leverage.
- J. Alsiddiqui - One of the areas I am thinking - we are talking about process. I like the idea of the group digging into it. I want to be clear the time commitment. This is something for the group to consider. If we want to dig more, I think we could have something tangible and get it to the BOE. We have to think about the time commitment. Is this group willing to increase the time commitment?
- Director Keliher - every other month.
- M. Baumann - depends on the level of task. It might be twice a month to start. Work group orientated. I would try to shape all of that. We went to the quarterly because we want max participation and good lead time. I have felt from the beginning, FAC is more reactive than advising because the mechanism to advise is not present. I wanted to bring you what we bring to the BOE and get your thoughts to bring back to the BOE and to capture lessons/refinements. It is a tough thing to do but I do think there is an opportunity with KPIs, and there is knowledge in this group. I would welcome that. We would have to discuss if we would want to do that and if we do, what is the frequency of meetings? Then I have my bosses review that and we develop next steps.
- P. Arling - Difficult to stay engaged quarterly.

- M. Baumann - Maybe monthly with homework? Are we interested in KPIs? The world run by those who show up.
- P. Arling - Director Keliher, tell me the process when someone comes to you with a program like Ignite.
- Director Keliher - it really comes from curriculum. What are our students needing? It is coming from academic side. When it comes to what is needed - that is when Michael comes in to make it happen and crunch the numbers. Our job as the BOE is policy setting. We are the high level, big picture, and the vision and advocating for student achievement. It is Michael and his team working with the teachers and different jobs to figure out the numbers, costs, and how this is going to be. In year one we look at the program and how it performed with student achievement. We don't always determine program success financially by the end of year one. From a policy standpoint we look at how programs support our strategic goals.
- P. Arling - BOE makes the ultimate decision if it is approved.
- Director Keliher - Yes - with a recommendation from the Supt and Admin.
- P. Arling - could MNCAPS be put into a piece of existing curriculum?
- Director Keliher - the cost of the program, we are investing a ½ FTE, the teachers that would have been teaching those in high school just moved over. Most programs we do implement, the charge to the Admin is cost neutral. We do try to keep them cost neutral until we are taking on like Ignite to bring revenue back here. It is a different experience for the kids. One of my Strive students is a part of MNCAPS. She doesn't enjoy math but wants to be a nurse. She is taking math through MNCAPs with hands on. She now loves it and gets math. Different type of learning. It is different for some students.
- J. Alsiddiqui - to me this is a financial group. When we look at all these programs. We need to look at the financial plan and everything needs to fit in that. How do you measure success? Any program that comes into that we ask, does it fit into the overall success? Does it fit into the overall financial picture? This is one area we don't do a good job looking at. It should be right in front of everyone. Program should put together with a financial plan and vetted through the measurement metrics. I think this group can vet that and put it together. That would be great for the district to use.
- M. Baumann - I wish there were straighter lines in education. We need the Admin that can coach, teach, and mentor that kind of process. It's tough to get buy in and shift culture of leadership to work in this manner.
- T. Neitzke - this is a great opportunity for the BOE to ask the future Supt. Look to see how that will align. I would like be able to discuss with my neighbors. If best-in-class says "5th grade band" would get academic return on investment. Then we can take the emotions out of it. I think it is best to remove as much of the emotions as possible and make fact based decisions. At the end of the day, we only have so many resources. I'd like to make sure we are maximizing. I don't know if we survey or not. Survey kids after they leave 5 years out. That is a long process but that's okay. I know this moves slower than business. That is how we use finance and success. Willing to spend more time. Here to find sources.

- P. Arling - Do we have ways to track students. I don't know that we have access. Jason Molesky was trying to figure it out.
- Director Keliher - kids disconnect from here once they are out the door.
- M. Baumann - There is a high utility to tracking post-graduation from LAPS. In this district, because of the lack of resources, we need to be able to maximize program analysis in order to have a clear method to prioritize. What is the method for cyclic review? What is the data collection requirement and method? What is the leadership commitment to that? I believe the BOE would be very happy with a system that was feeding them accurate KPI information. I think Admin would be better set to persuade others in debate with solid communicable data than having any other means.
- T. Neitzke - hopefully we wouldn't have to start from scratch. Who is already doing a good job?
- Director Keliher - start with Strategic Plan...
- T. Neitzke - I don't know, who are the best schools in the country and look for their method of conducting this analysis.
- M. Baumann - we need to organize it and make it the Lakeville Way. I do think the information is out there. I think there are work groups we can pursue and assess their work for our use.
- Director Keliher - started on some KPIs but they need to be reviewed and perhaps updated, refreshed and/or fine tuned.
- M. Baumann - I am willing to get on it. Change frequency to monthly meeting for FAC.
- T. Mooney - I am here as a labor representative. I need to take this back to labor and say this is why we are where we are at. I am not going to be a financial expert. However, I can take back information I acquire here to the labor group and present it around labor interests.
- T. Neitzke - Developing those KPIs and ensuring the KPIs are well communicated. Educating the public and the kids. Even make this fun for them to stay engaged. Social media tied in - drawings. Survey students. Don't want to just rely on Sun ThisWeek or an internet Dashboard. Have a push vehicle and not a pull vehicle for the information to the community.
- M. Baumann - Excellent! Got some planning and communicating to do. Thank you for your time and discussion.
- T. Neitzke - does the BOE need anything with change?
- Director Keliher - I don't think anything is changing. Are you going to change Charge?
- M. Baumann - no, states meeting monthly or as necessary. I think the language is flexible enough. I can assess next steps with the Supt and Board and we can try to move forward with this work.

Adjourn - 5:27 PM