

School Board Work Session

Monday, May 19, 2025 6:30 PM

LS-H MS/HS Media Center, 901 Ferry St., Le Sueur, MN 56058

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **AGENDA ITEMS**

3.1. Policy Discussion

3.2. Physical Education Proposal

4. **ADJOURN**

Adopted: June 23, 2011

MSBA/MASA Model Policy 714

Orig. 2011

Revised: 11/23/2015, 10/15/2018, 12/2/2024

Rev. 2022

714 FUND BALANCES

[Note: The provisions of this policy include the provisions of Statement No. 54 of the Governmental Accounting Standards Board (GASB).]

I. PURPOSE

The purpose of this policy is to create new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB).

II. GENERAL STATEMENT OF POLICY

The policy of this school district is to comply with GASB Statement No. 54. To the extent a specific conflict occurs between this policy and the provisions of GASB Statement No. 54, the GASB Statement shall prevail.

III. DEFINITIONS

- A. “Assigned” fund balance amounts are comprised of unrestricted funds constrained by the school district’s intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance

represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school district's intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An assigned fund balance cannot be a negative number.

- B. "Committed" fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A committed fund balance cannot be a negative number.
- C. "Enabling legislation" means legislation that authorizes a school district to assess, levy, charge, or otherwise mandate payment of resources from external providers and includes a legally enforceable requirement that those resources be used only for the specific purposes listed in the legislation.
- D. "Fund balance" means the arithmetic difference between the assets and liabilities reported in a school district fund.
- E. "Nonspendable" fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- F. "Restricted" fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other

governments, or are imposed by law through constitutional provisions or enabling legislation.

- G. “Unassigned” fund balance amounts are the residual amounts in the general fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

- H. “Unrestricted” fund balance is the amount of fund balance left after determining both nonspendable and restricted net resources. This amount can be determined by adding the committed, assigned, and unassigned fund balances.

IV. CLASSIFICATION OF FUND BALANCES

The school district shall classify its fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned, and unassigned.

V. MINIMUM FUND BALANCE

The school district will strive to maintain a minimum unassigned general fund balance of one million two hundred thousand dollars (\$1,200,000.00).

VI. ORDER OF RESOURCE USE

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

[Note: The school board determines this order.]

VII. COMMITTING FUND BALANCE

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

VIII. ASSIGNING FUND BALANCE

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: Superintendent, Business Manager, and the school district's Finance Committee. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.

An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

IX. STABILIZATION ARRANGEMENTS

[Note: If the school board has established any arrangement(s) for emergencies and other contingencies, the description(s) should be included in this section. The school board needs to specifically define the circumstances or conditions when these amounts may be used, which must be unanticipated adverse financial or economic circumstances. These circumstances or conditions cannot be situations that are expected to or which occur routinely. Stabilization arrangements should be reported as restricted or committed if they meet the criteria or, otherwise, should be reported as unassigned. They should not be reported as assigned. If the school board does not have any such arrangements, this section should be deleted.]

X. REVIEW

The school board will conduct an annual review of the sufficiency of the minimum unassigned general fund balance level.

[Note: The school board should determine the review period adequate for their school district and change “an annual” to “a quarterly” or “a monthly” or some other time frame if appropriate.]

Legal References: Statement No. 54 of the Governmental Accounting Standards Board

Cross References:

Proposal to Reinstate a Physical Education (PE) Teaching Position at the Middle & High School

Submitted by: Cindy Schmidt, Principal – Le Sueur-Henderson Middle/High School

Date: May 15, 2025

Overview:

This proposal recommends reinstating a Physical Education (PE) teaching position at the Middle & High school level. The goal is to address the continuing shortage of elective offerings, improve student supervision and support, and promote student well-being through structured physical activity. This reinstated position would also fill the instructional gap created when Jen Hovick transitioned from her PE/Health role to a Teacher on Special Assignment (TOSA).

Background and Ongoing Challenges:

Over the past three years, Le Sueur-Henderson Middle & High School has experienced a steady reduction in staff due to budget constraints, combined with difficulty attracting qualified applicants for open positions. Departures and unfilled roles in key elective and core areas have included:

- Business
- Spanish
- Science
- American Sign Language
- Physical Education (JH to TOSA)

Despite diligent efforts to recruit and retain qualified educators, several positions have remained vacant or were absorbed due to budget limitations. This has led to a net loss in FTEs, a reduction in course offerings, and less flexibility in building student schedules—especially for elective options.

As a result, students have fewer opportunities to explore personal interests, fulfill graduation requirements in varied ways, or benefit from the engagement and motivation that electives often provide. In many cases, students are placed in additional study halls or repeated courses, not based on academic need, but due to a lack of alternatives.

Rationale for Reinstating the PE Position:

1. **Restore Elective Opportunities and Student Engagement:**
 - A dedicated PE position will reintroduce a high-demand elective, helping to offset the broader loss of elective choices in other areas.
 - Physical education is not only a graduation requirement but also a critical opportunity for students to build teamwork, resilience, and a healthy lifestyle.
2. **Increase Adult Presence and Student Support:**
 - Adding back a full-time teacher enhances daily supervision and adult support across the school day and building.

- This position will provide additional structure and engagement, particularly for students who benefit from physical movement and less traditional academic settings.

3. Address Student Wellness – Physical and Mental Health:

- Physical activity is strongly linked to improved mental health, better academic focus, and overall student well-being.
- A consistent and well-structured PE program supports our goal of educating the whole child and creates space for students to decompress, regulate, and thrive.

Financial Consideration and Long-Term Impact:

While the reinstatement of this FTE represents a financial investment, the impact on student engagement, safety, and wellness makes it a strategic and necessary step. As we continue to rebuild from staffing reductions and limited elective offerings, this position will serve as a foundation for restoring a well-rounded academic experience.

Furthermore, increasing the variety and quality of our course offerings helps support student retention, school climate, and enrollment-based funding.

Conclusion:

Reinstating the high school PE position is a critical move toward restoring balance in our staffing, rebuilding student opportunities, and addressing both academic and wellness needs. This position fills a direct vacancy left by Ms. Hovick's transition and contributes to the long-term stability and success of our high school programming.

I respectfully request the school board's support and approval to move forward with hiring for this essential position.

Thank you for your consideration.

Sincerely,

Cindy Schmidt
Principal
Le Sueur-Henderson Middle/High School