

Policy Committee Meeting

Tuesday, May 28, 2024 4:30 PM

Davis Center, 1250 West Broadway Avenue, Minneapolis, Minnesota 55411

1) **Call to Order and Roll Call**

2) **Adoption of Agenda**

3) **Acceptance of Minutes**

3)a. April 23, 2024

4) **Reports and Discussion**

4)a. Regular Policy Reviews

4)a.1. Review Policy 3700 (Fund Balance)

4)a.2. Review Policy 4016 (Family Medical Leave Act)

4)b. Student Behavior Policy Discussion

4)c. Personal Electronic Devices/Cell Phone Policy Discussion

5) **Adjournment**

**OFFICIAL MINUTES
MINNEAPOLIS BOARD OF EDUCATION**

**POLICY COMMITTEE MEETING
APRIL 23, 2024**

CALL TO ORDER

Chair Lori Norvell called the meeting to order at 4:32 p.m., a quorum being present.

ROLL CALL

Present: Directors Sharon El-Amin (arrived after roll call at 4:36 p.m.), Adriana Cerrillo, Collin Beachy, Lori Norvell (4)

Absent: Director Faheema Feerayarre (1)

APPROVAL OF AGENDA

Beachy moved to approve the agenda.

On a voice vote, the motion was adopted unanimously.

APPROVAL OF MINUTES

Beachy moved to approve the minutes from the March 26, 2024 meeting.

On a voice vote, the motion was adopted unanimously.

REPORTS AND DISCUSSION

Site Council Policy Implementation Update

Staff provided an update on the progress of implementing the Policy 1692 (School Site Councils).

Minnesota School Boards Association (MSBA) Policy Audit Review of 3000 Chapter Recommendations

Staff provided an overview of the audit and review process being conducted in partnership with the Minnesota School Boards Association (MSBA).

NEW BUSINESS

Adoption of Policy 5025: Gender Inclusion (2024-0022)

Beachy moved to forward the proposed adoption of Policy 5025 to the full board with the committee's recommendation.

On a voice vote, the motion was adopted unanimously.

ADJOURNMENT

Without objection, Chair Norvell adjourned the meeting at 5:29 p.m.

Minutes submitted by Ryan Strack, Assistant to the Superintendent and Board.

Meeting materials: <https://meetings.boardbook.org/Public/Agenda/1807?meeting=632165>

DRAFT

Minneapolis Public Schools Policy 3700

Orig. 10/30/1990

Rev. 06/28/2011

02/29/2024

3700 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

Sound financial record keeping and reporting is an essential element in maintaining the fiduciary duty of the school board to the public. 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 District will strive to maintain a minimum unassigned general fund balance of [____ percent of the annual budget.] [____ months of operating expenses.]

[Note: School Districts need to select one of the bracketed choices above and fill in the blank. The other bracketed choice should be deleted. If a minimum fund balance is specified, a stabilization arrangement such as that specified in Part IX below that sets aside specific stabilization amounts may not be necessary.]

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: _____. ***[Specify individual(s), such as the superintendent, business manager, etc., or an entity, such as the finance committee, authorized to make these assignments.]*** 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 the District and change "an annual" to "a quarterly" or "a monthly" or some other time frame if appropriate.]

Legal References

Statement No. 34 of the Governmental Accounting Standards Board
Statement No. 54 of the Governmental Accounting Standards Board

Cross References

Policy 2100 (Superintendent Role and Functions)
Policy 8110 (Purposes and Role of the Board)