

Dawson-Boyd School Board
Tuesday, May 28, 2024 6:00 PM
Upstairs High School Commons Area
Board Work Session

Google Meet joining info:

Board Work Session
Tuesday, May 28 · 6:00 - 7:00pm
Time zone: America/Chicago
Google Meet joining info

Video call link: <https://meet.google.com/bwe-gehj-buo>
Or dial: ?(US) +1 260-297-0129? PIN: ?799 496 378?#

Meeting Agenda

1. Call to order

The purpose of this meeting is to identify anticipated fiscal needs including operating costs and facilities, and to revisit funding options. To develop a survey to facilitate stakeholder input.

2. Adopt/Amend Agenda

- a. Revisit general fund projection
- b. Pool: revisit cost estimates to rehabilitate the pool vs. repurpose as a multi-purpose room
- c. Childcare: overview of work with First Children's Finance, commitment to find solutions outside of our academic space
- d. Bus garage: current condition, visibility
- e. Chris Ziemer: facilitates options
Chris Ziemer
- f. Revisit previous PMA presentation
Chris Ziemer
- g. Develop questions for stakeholder survey
Chris Ziemer

3. Adjournment

FY 2025 Budget Reductions



Dawson-Boyd Finance and Budget

- Annual General Fund Budget of Approximately \$8.1million.
- Basics of School Finance:
 - Fund 1 - General Fund - 80% is staff salaries and benefits
 - Fund 2 - Food Service
 - Fund 4 - Community Service
 - Fund 6 - Construction
 - Fund 7 - Debt Service
- Fund 1 can be used to cover shortfalls in other funds; however, the reverse is not true.
 - Funds 2, 4, 6, and 7 are restricted by state law and cannot be moved to Fund 1.



Dawson-Boyd Fund Balance Policy

Dawson-Boyd Policy 714 states, “The school district will strive to maintain a minimum unassigned general fund balance of two (2) months of operating expenses.”

2 months of expenses = \$1,972,000 or 15%

Why?

District revenue is dependent upon taxes (commercial, agriculture, and homestead) as well as state and federal revenue. State revenue is the largest within a school district budget. State revenue funding formulas are decided at the legislative level and funding formula enhancements continue to not keep pace with inflation. Revenue is not fully realized in situations in which property taxes are not paid, are not paid timely, and/or if property valuations are disputed by the owner.



Statutory Operating Debt (SOD)

- Dawson-Boyd Schools began fiscal year 2024 with a 4.54% general fund balance. (Fund Balance Policy = 15% - 4.54% actual general fund balance = 10.46% below our policy).
- Our 4.54% general fund balance plus an additional 2.5% beyond our general fund balance was 7.04% away from SOD
On June 30, 2023.
- Minnesota Statutes 123B.81, subd. 2
 - Governs Statutory Operating Debt for School Districts



Statutory Operating Debt (continued)

2023 Minnesota Statutes

123B.81 STATUTORY OPERATING DEBT.

Subdivision 1. **Operating debt.** The "operating debt" of a school district means the net negative unreserved general fund balance calculated as of June 30 of each year in accordance with the uniform financial accounting and reporting standards for Minnesota school districts.

Subd. 2. **Statutory operating debt.** If the amount of the operating debt is more than 2-1/2 percent of the most recent fiscal year's expenditure amount for the funds considered under subdivision 1, the net negative undesignated fund balance is defined as "statutory operating debt" for the purposes of this section and section [123B.83](#).

Subd. 3. **Debt verification.** The commissioner shall establish a uniform auditing or other verification procedure for districts to determine whether a statutory operating debt exists in any Minnesota school district. The standards for this uniform auditing or verification procedure must be promulgated by the commissioner. If a district applies to the commissioner for a statutory operating debt verification, the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted pursuant to subdivision 3 determines that a statutory operating debt exists, a district must follow the procedures in section [123B.83](#) to eliminate this statutory operating debt.

Subd. 5. **Certification of debt.** The commissioner shall certify the amount of statutory operating debt for each district.

Subd. 6. [Repealed, [1Sp2003 c 9 art 1 s 54](#)]

Subd. 7. **Applicability.** This section is applicable only to common, independent, and special school districts and districts formed pursuant to Laws 1967, chapter 822, as amended, and Laws 1969, chapters 775 and 1060, as amended. This section does not apply to Independent School District No. 625.

Subd. 8. [Repealed, [2007 c 146 art 11 s 19](#)]

History: [1976 c 271 s 32](#); [1977 c 447 art 7 s 9-12](#); [1980 c 609 art 7 s 7](#); [1982 c 424 s 130](#); [1986 c 444](#); [1987 c 398 art 7 s 42](#); [1991 c 130 s 37](#); [1992 c 499 art 12 s 29](#); [1Sp1995 c 3 art 16 s 13](#); [1996 c 412 art 13 s 6](#); [1998 c 397 art 6 s 29-35,124](#); [art 11 s 3](#); [1Sp2005 c 5 art 1 s 6](#); [2007 c 146 art 11 s 4-6](#); [2009 c 96 art 5 s 4-6](#)



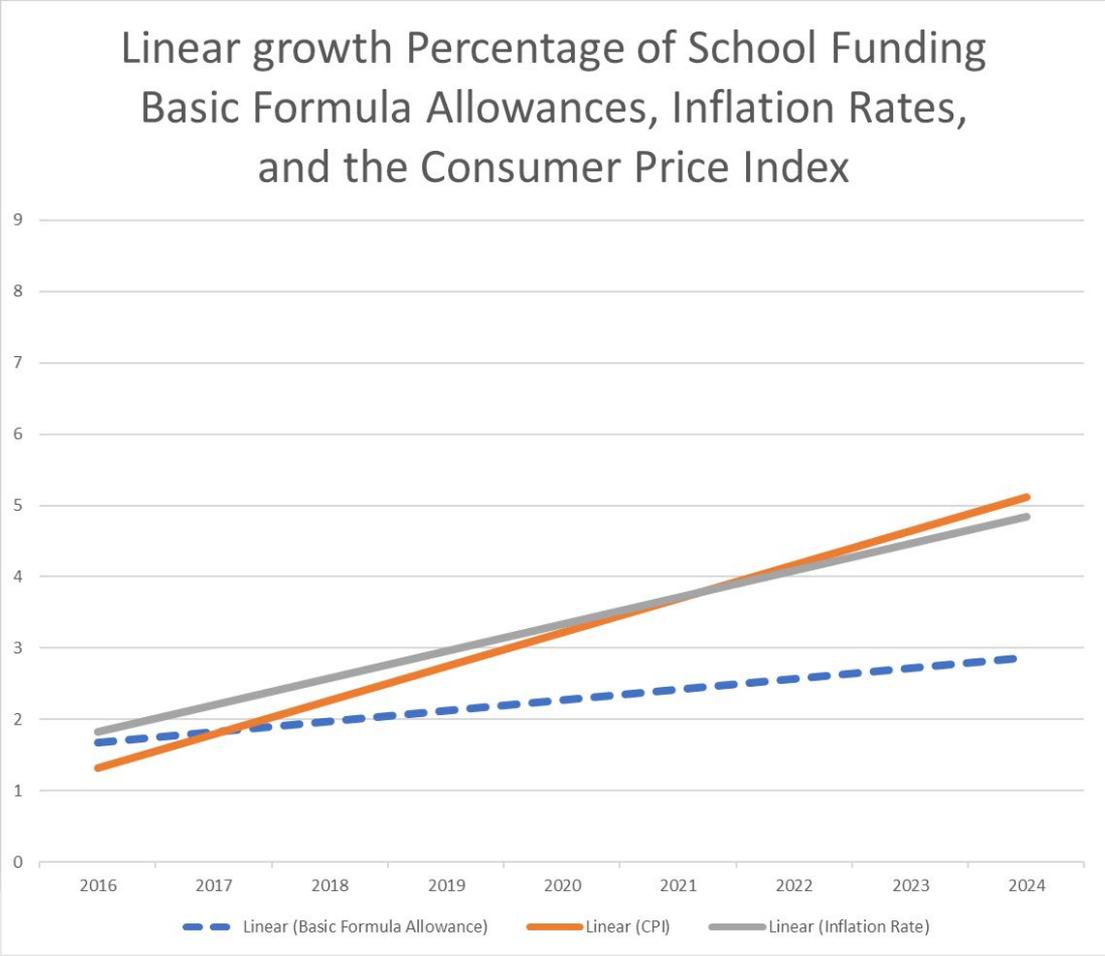
Statutory Operating Debt (SOD)

When a district goes into SOD, they must submit a plan to the state of MN demonstrating how they will get out of SOD in 3-5 years.

Local control essentially goes away. Everything must be approved by the state of MN.



How Did We Get Here?

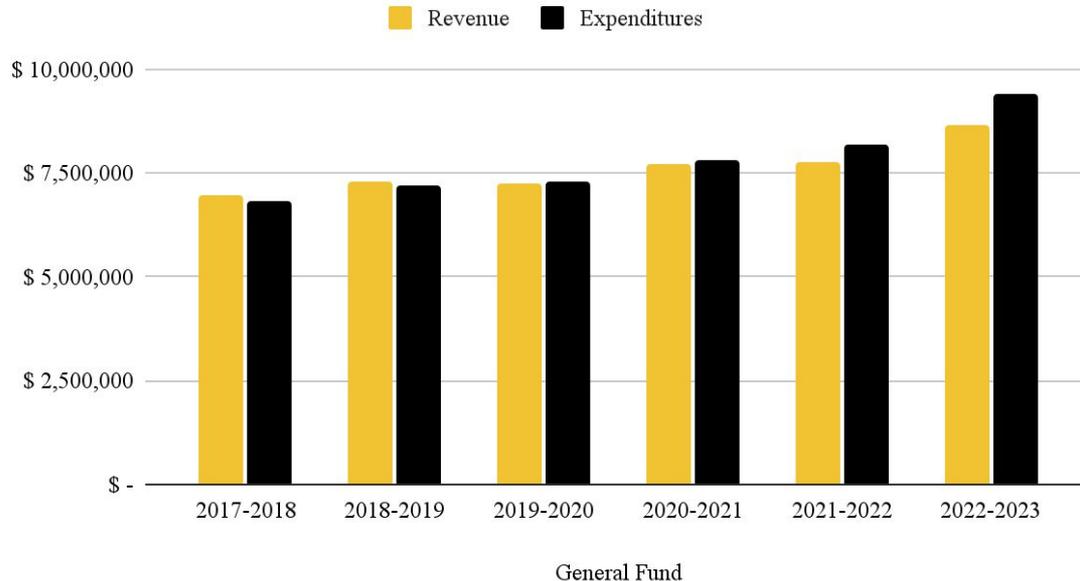


How Did We Get Here?

General Fund	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Revenue	\$ 6,965,496	\$ 7,310,308	\$ 7,243,962	\$ 7,711,494	\$ 7,754,013	\$ 8,649,628
Expenditures	\$ 6,813,787	\$ 7,183,773	\$ 7,298,774	\$ 7,799,292	\$ 8,172,555	\$ 9,425,982
Result	\$ 151,709	\$ 126,535	\$ (54,812)	\$ (87,798)	\$ (418,542)	\$ (776,354)
Change from Previous Year		\$ (25,174)	\$ (181,347)	\$ (32,986)	\$ (330,744)	\$ (357,812)

From 2019 to 2023 (4 fiscal years), the General Fund deficit was \$1,337,506.

Revenue and Expenditures



Not a result of mismanagement. Some explanations include:

- Phase 2 security cameras being expensive but more economical to install during construction
- New furniture

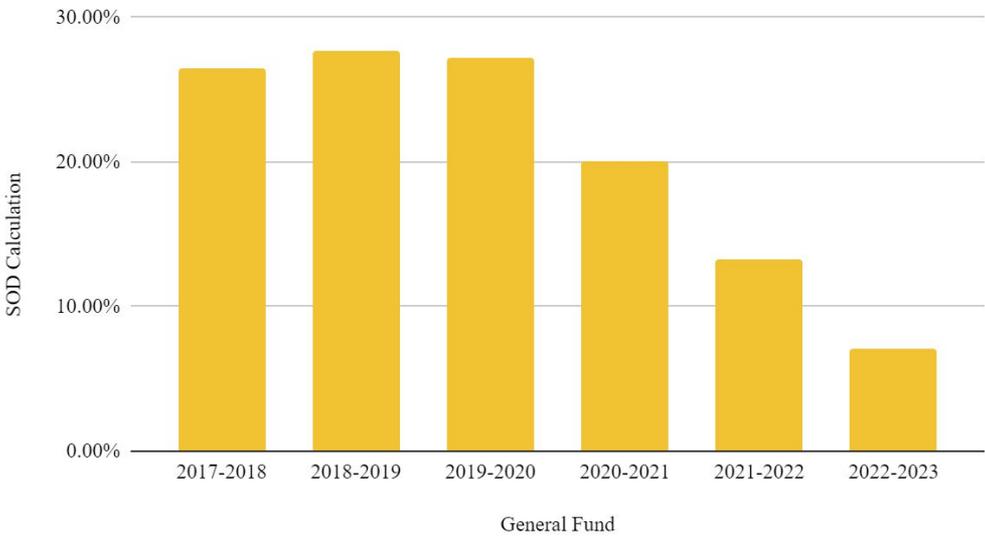


How Did We Get Here? (continued)

General Fund	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Fund Balance	\$ 1,575,775	\$ 1,725,741	\$ 1,727,194	\$ 1,370,223	\$ 972,700	\$ 594,078
MDE Expenditures	\$ 5,948,386	\$ 6,225,734	\$ 6,358,769	\$ 6,844,537	\$ 7,353,602	\$ 8,440,749
SOD Calculation	26.49%	27.72%	27.16%	20.02%	13.23%	7.04%

From 2018 to 2023 (5 fiscal years), the General Fund Balance has decreased by \$1,131,663.

SOD Calculation vs. General Fund



In 2017-2019, we set aside funds for school safety (security cameras) and equipment (furniture). This built up our general fund in anticipation of larger purchases.

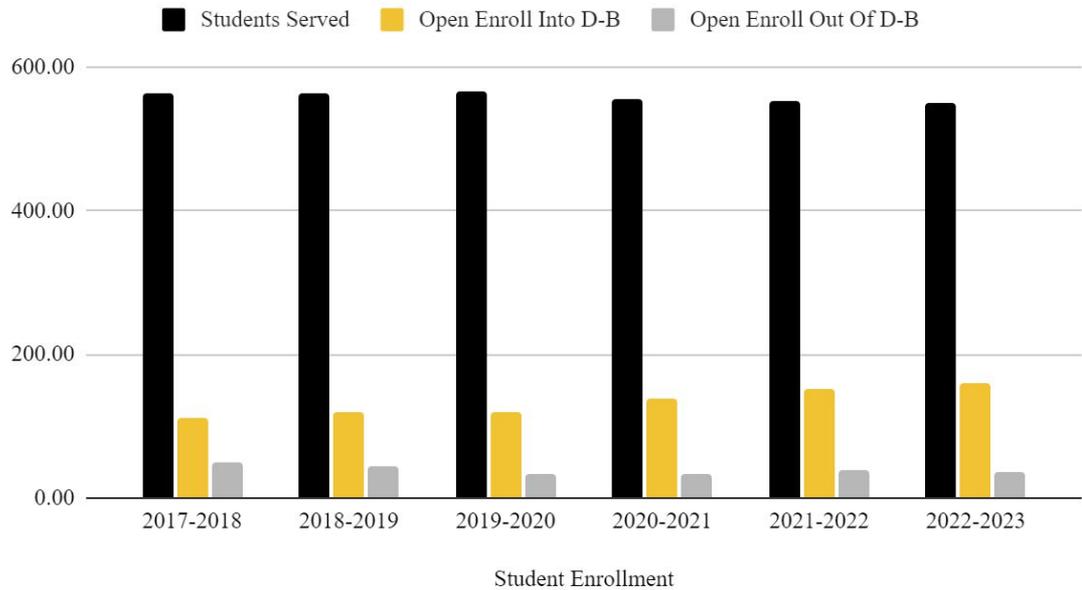


How Did We Get Here? (continued)

Student Enrollment	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Students Served	561.80	563.86	566.16	555.26	552.15	548.57
Open Enroll Into D-B	111.15	118.26	119.49	137.55	152.07	159.28
Open Enroll Out Of D-B	50.38	44.26	34.15	33.00	38.78	36.18

Since 2017, open enrollment into D-B has increased by 43.3%; open enrolled in students don't generate as much funding.
Between 2017 and 2023, students served decreased by 13 students, which is a 2.4% reduction.

Students Served, Open Enroll Into D-B and Open Enroll Out Of D-B



Five Year Budget Projection (part 1)

With no adjustments to revenues or expenditures we will likely be in SOD by June 30, 2026 (SY 2025-2026).

Categories	FY 2022	FY 2023	Chg	FY 2024	Chg	FY 2025	Chg	FY 2026	Chg	FY 2027	Chg	FY 2028	Chg
Revenue	7,754,013	8,649,628	11.6%	8,107,221	-6.3%	8,441,689	4.1%	8,557,403	1.4%	8,635,483	0.9%	8,708,240	0.8%
Expenditures	8,172,555	9,425,942	15.3%	8,249,707	-12.5%	8,763,756	6.2%	9,068,644	3.5%	9,389,633	3.5%	9,746,299	3.8%
Difference over/(under)	(418,542)	(776,314)		(142,486)		(322,067)		(511,241)		(754,150)		(1,038,059)	
Assigned/Unassigned Fund Balance	955,657	568,329		425,843		103,776		(407,465)		(1,161,614)		(2,199,674)	
Fund Balance %	11.7%	6.0%		5.16%		1.18%		-4.49%		-12.37%		-22.57%	

Operational Adjustments (\$811,613) (\$1,210,787) (\$1,767,761) (\$2,570,059) (\$3,661,619)

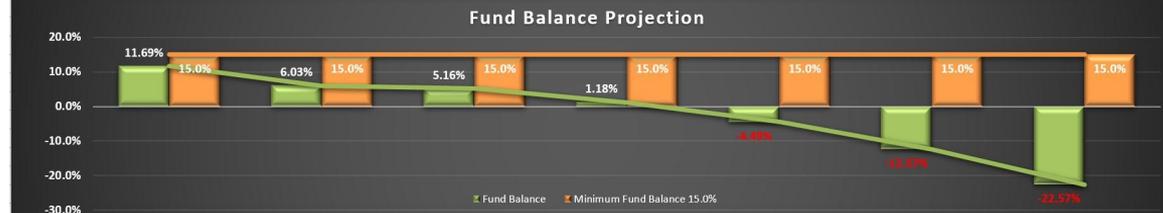
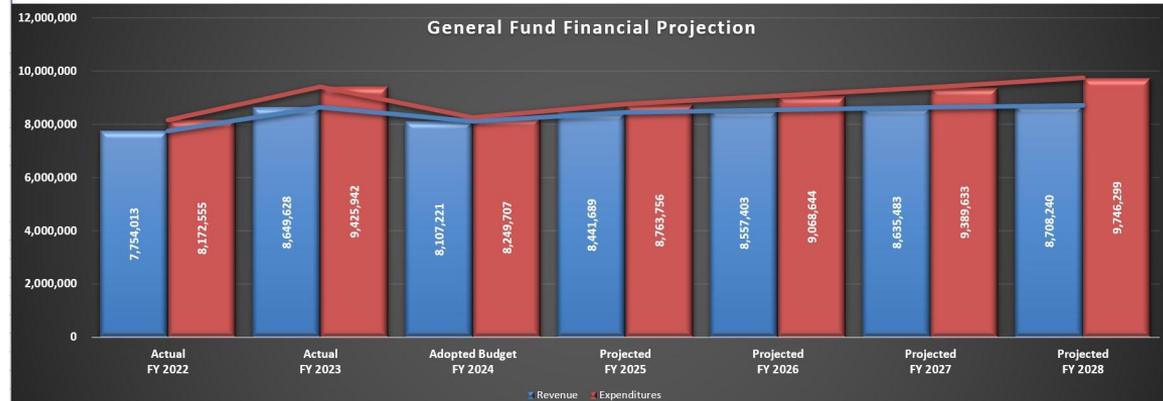
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Assumptions

General Formula increase 2% FY 2025, and then 2-3% based on CPI

Expenditure increase of 3.0% annually

(\$10,021,839) in total operational adjustments needed to meet minimum fund balance requirement



What Are Our Options?

1. Increase Revenue:
 - a. Increase Enrollment
 - b. Pass an Operating Levy
 - c. Pass a Capital Projects Levy

2. Decrease Expenses From Our General Fund

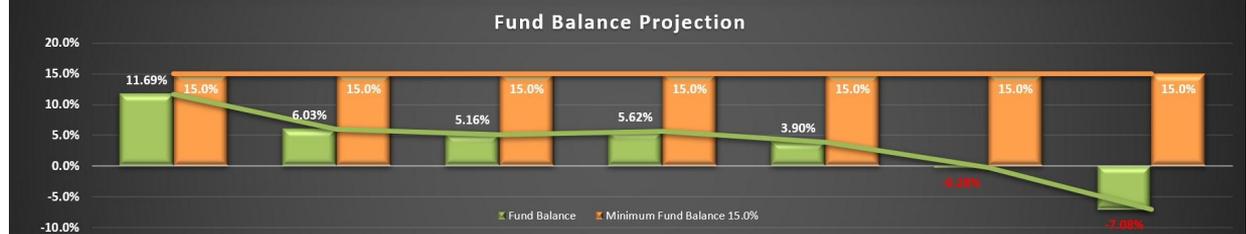
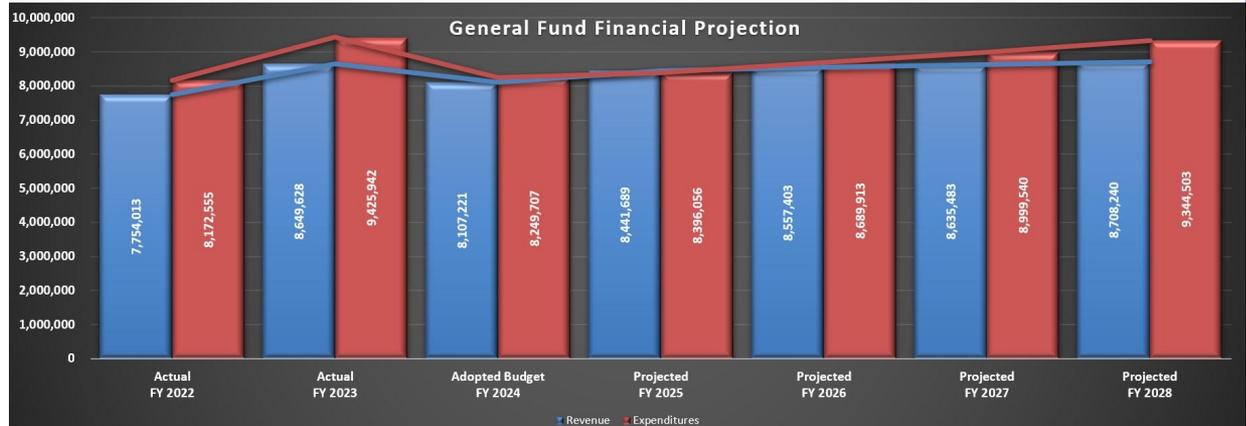


Five Year Budget Projection (part 2)

With \$367,700 in reduced expenditures for the 2024-2025 school year, we are projected to be in SOD by June 30, 2028 vs June 30, 2026).

Categories	FY 2022	FY 2023	Chg	FY 2024	Chg	FY 2025	Chg	FY 2026	Chg	FY 2027	Chg	FY 2028	Chg
Revenue	7,754,013	8,649,628	11.6%	8,107,221	-6.3%	8,441,689	4.1%	8,557,403	1.4%	8,635,483	0.9%	8,708,240	0.8%
Expenditures	8,172,555	9,425,942	15.3%	8,249,707	-12.5%	8,396,056	1.8%	8,689,913	3.5%	8,999,540	3.6%	9,344,503	3.8%
Difference over/(under)	(418,542)	(776,314)		(142,486)		45,633		(132,510)		(364,057)		(636,264)	
Assigned/Unassigned Fund Balance	955,657	568,329		425,843		471,476		338,966		(25,090)		(661,354)	
Fund Balance %	11.7%	6.0%		5.16%		5.62%		3.90%		-0.28%		-7.08%	
Operational Adjustments				(\$811,613)		(\$787,932)		(\$964,521)		(\$1,375,021)		(\$2,063,030)	
Assumptions												S.O.D.	

General Formula increase 2% FY 2025, and then 2-3% based on CPI
 Expenditure increase of 3.0% annually
(\$6,002,116) in total operational adjustments needed to meet minimum fund balance requirement



Budget Reduction Process

- For 2024-2025 Budget
 - Superintendent and business manager gathered and analyzed data
 - Board work session with Michael Hart of PMA discussing the urgency and need for a combination of budget reductions and increased revenue
 - Superintendent and business manager gathered and analyzed data to identify possibilities.
 - Leadership team discussed, made changes and came to consensus
- For Future Budget Years
 - Superintendent and business manager gather and analyze data
 - Board work sessions to examine needs
 - Team of stakeholders including staff and community members will examine data to provide input on potential budget adjustments
 - Leadership team discuss, make changes and come to consensus



Recommendations

Reduction Areas	Estimated Savings
Pool will remain closed: resulting in an annual operating cost savings	\$ (48,000.00)
AR/STAR assessments replaced with Fastbridge assessments (READ Act requirement) *Subsequent years will save \$5,000 because of training cost in the first year.	\$ 1,751.60
Tech reductions - Planned replacement of phone, voice, and network equipment will wait until future date	\$ (92,300.00)
Activities Budget - lawn groomer purchase will wait	\$ (20,000.00)
No short term subs for HS - students go to study hall and work on coursework in google classroom.	\$ (31,242.50)
Reduce 1 FTE custodial position (achieved through attrition)	\$ (48,000.00)
Realignment of paraprofessional support through use of support rubric (achieved through attrition)	\$ (39,162.60)
ECSE reduction to a .5 FTE (this will be a new hire)	\$ (23,781.36)
Reduce 1 FTE HS special education position (reduction of an existing position)	\$ (66,963.74)
Grand Total	\$ (367,698.60)



In the heart of our quaint town, the Dawson-Boyd School District stands as a testament to the power of small communities to offer expansive opportunities to their youth. As the Superintendent of Schools, I've witnessed firsthand how our educational environment not only fosters academic excellence but also nurtures the diverse talents of our students. In this spirit, I want to bring to the forefront an initiative that extends beyond the classroom walls — the revival or repurposing of our community swimming pool.

The significance of a school in a small town like Dawson-Boyd transcends the conventional role of education. Our school is the heart of the community, a place where lifelong bonds are formed, and where every student is given the attention and support they need to thrive. Our commitment to providing a broad spectrum of activities — from sports to the arts, from academic competitions to community service — has always been our strength. However, the scope of these opportunities can be magnificently expanded by reviving or repurposing the Dawson-Boyd Schools swimming pool.

For years, the pool served as a vibrant hub for family gatherings, phy-ed classes, and lessons, but time and wear have led to its decline. The conversation about its future has been circulating within the community, emphasizing not only a revival of the pool to its former glory and usage rates, but also a thoughtful repurposing to serve broader interests. As we face a crucial decision regarding one of our community resources, our swimming pool, I want to reflect on its valuable role in our lives, and the disappointing necessity that has arisen: the need to close our pool due to significant repairs.

The Value of Our Pool as a Community Resource

The pool serves as a gathering place for individuals of all ages to enjoy the benefits of water. It's a venue where friendships are made, skills are developed, and community spirit is nurtured. From exercise classes to early childhood gatherings, our pool enhances our community's quality of life in invaluable ways.

The Importance of Low Impact Exercise and Swimming Lessons

Swimming offers a fantastic form of low-impact exercise, catering to a broad demographic from toddlers to seniors, particularly benefiting those with mobility issues. Our pool has been pivotal in providing a venue for staying active and healthy. Furthermore, swimming lessons at our pool have been essential in teaching life skills and ensuring water safety for both children and adults.

Physical Education and Team Sports

Over the years, our pool has also been integral to physical education programs, offering a unique setting for learning and growth. It has supported team sports and individual achievements, fostering discipline and camaraderie among our youth.

A Time for Community Reflection and Decision

However, the necessary repairs and upgrades to meet safety and operational standards present us with a significant challenge. The details regarding the necessary repairs and annual cost of operations and the expenses for necessary repairs to restore our pool are outlined below:

Necessary Repairs for Usability:

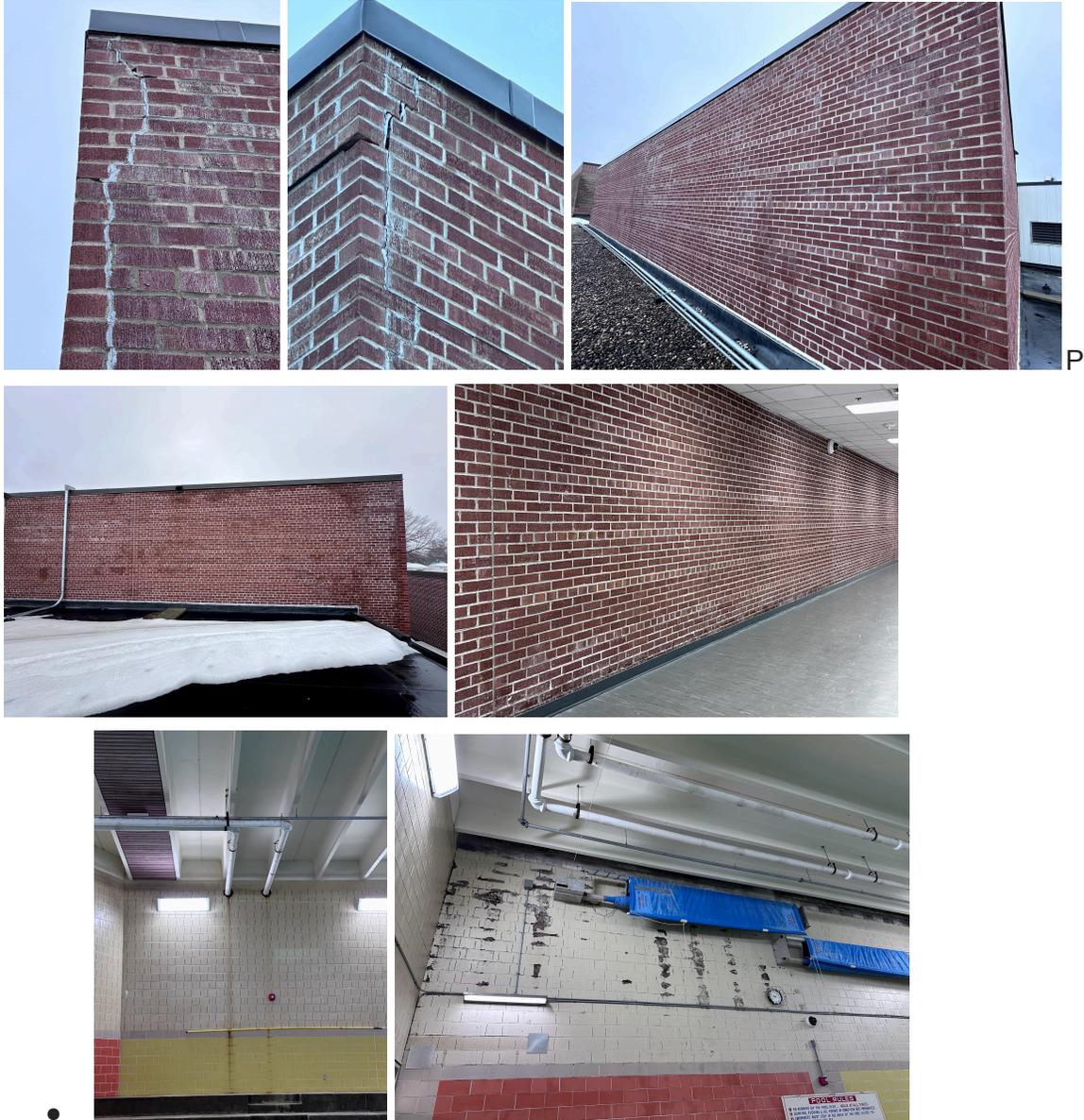
The district has been aware for some time that the air exchange and air flow in the pool is inadequate to meet the needs of the space. The result has been a prolonged period of deterioration of interior and exterior walls, ceilings near the pool, and of our chemical room and equipment. To address this concern, the district included the air exchange for the pool to be bid with our upcoming indoor air quality project. The mechanical engineer of record projected the cost of replacing the unit to be approximately \$452,000. The lowest bid came in at \$750,000. The reason for the difference is an inability to purchase a unit that fits in our penthouse. The unit required to meet the needs under current construction codes is too heavy for our roof. Replacement of the unit with a unit that meets the needs of our pool will require a new roof structure for support. At the January 11th school board meeting, the school board voted to remove the unit from the project bid due to affordability of the entire indoor air quality project.

Fast forward to January 24th when the variable frequency drive of our existing unit failed. The cost of repair with limited assurance of long-term viability of the unit forced us to close and drain the pool to eliminate further structural damage while the school board considers our options. To prepare for the conversation, we gathered photographic evidence of needed repairs, data about the current usage rate, costs of annual operation and ongoing maintenance, and costs of repair.

Pictures

Because the air exchange and flow are inadequate, we have moisture building in and deteriorating our walls and some ceiling.





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Inadequate airflow and exchange also led to corrosion of our pool equipment.



Cracks in the bottom of the pool result in leaks and added water expense.



Annual Operating Costs:

Annual Operational Costs of Pool		
Expense	Per month	FY23
Electric	\$2,013.12	\$24,157.44
Gas	\$1,123.20	\$13,478.40

Pool chemicals	\$765.00	\$9,180.00
Custodial weekend checks	\$520.00	\$6,240.00
Insurance	\$19.17	\$230.00
	\$4,421.32	\$53,055.84

Ongoing Maintenance Costs:

Ongoing Maintenance	Cost	Frequency	7 year total
Drain/clean pool (water cost)	\$1,162.50	every 2 years	\$4,068.75
Drain/clean pool (labor cost)	\$750.00	every 2 years	\$2,625.00
Grates	\$190.00	every 7 years	\$190.00
			\$6,883.75

Annual Operating Budget:

Annual Operating Cost	\$53,055.84
Ongoing Maintenance / 7	\$983.39
Annual Operating Budget	\$54,039.23

Repair Options:

Option 1: Minimum Possible Repairs (restore pool to operation without controlling for adequate air exchange or water leakage)	
Variable Frequency Drive	\$2,200.00
Replacement Lights (6 lights x \$759 + \$700 installation)	\$5,254.00
Drain/clean pool (water cost)	\$1,162.50
Drain/clean pool (labor cost)	\$750.00
Grates	\$190.00
Total	\$9,556.50

Current Repair Estimates (repair pool for long-term future)

Replace the existing pool air-handling equipment	\$987,000.00
Chemical and Filtration Room	\$560,000.00
Replacement Lights (6 lights x \$759 + \$700 installation)	\$5,254.00
Grates	\$190.00
Repair cracks and reskim the bottom of the pool	\$311,560.00
Repair, tuckpoint, acid wash brick and cut in expansion joints in exterior masonry	\$150,000.00
Scrape, repair and re-paint interior masonry wall	\$24,000.00
	\$2,038,004.00
Soft Costs:	
Fees/Permitting/Testing	\$468,750
Bond Costs	\$0
Contingency	\$163,050
TOTAL:	\$2,669,804

** This table has been edited since the release of information in the community ed brochure to reflect consistent components for comparison.*

Pool Usage

It is important to consider the current use rate of our pool. Unfortunately, usage since the pandemic has changed the landscape of some historical data, so we opted to examine the most current usage according to door access. This is not exact in that some individuals access the door to peak in while others may be swimming as a small group with only one person accessing the door and walking through with a couple of friends who also have memberships. The pool is typically open Nov through March because it relies on boiler heat. This year, the pool closed on January 24th due to necessary repairs. In that timeframe, usage was as follows:

- PE Classes
 - 3rd-6th grades (168 students) - 5 forty minute sessions per grade (13+hours/year)
 - 7th-9th (136 students) - 8 thirty minute sessions per grade (12 hours/year)
- ECFE
 - Target use twice monthly for six months
 - Average attendance 20 students with parents
 - 2 actual sessions this year
- Community Center
 - 7 people access pool 10+ times
 - 36 total people accessing (19 access only 1-2 times)
 - 182 total accesses

- Health/wellness employee group - 6 people in 3 sixty minute sessions
- Special Events
 - Birthday parties - 0
 - Lifeguard training - 0

This situation brings us to a crossroads, offering us an opportunity to deeply consider whether the cost and use of the pool represent the best use of our resources or if we should consider other opportunities to enrich our community. The decision to invest in repairing the pool or to repurpose our resources for other community projects is a significant one that requires thoughtful discussion and community engagement.

Very Preliminary Estimate of Repurposing Pool Space to a Multi-Purpose Room:

Although repurposing the space would require a lot of community conversation, one option we have looked at as a potential repurpose of the pool space is a true multi-purpose room that could be used for baseball, softball, golf, dance, basketball, volleyball, phy-ed classes, and youth sports. The purpose for consideration of this option is the high demand for gym space that we are currently unable to accommodate.

Anticipate usage and benefits based on demand for space would include:

- Playing JH basketball and volleyball games without disrupting varsity practices. The elementary gym has proven to be too small to effectively run practice for varsity teams or host JH games. The elementary court is undersized to begin with and allows for no seating.
- Expanding our ability to host basketball, volleyball, and wrestling tournaments for youth, junior high, and JV levels which bring a great number of people to our community.
- Enabling us to host 6 mat wrestling tournaments such as the West Central / Camden Conference Individual Tournament. Additional mats greatly improve our ability to run boys, girls, and JV brackets at the same time.
- Improving access to the locker rooms through this space. Locker room access would allow us to lock the hallway doors which increases safety and security of our building commons and academic spaces.
- Consolidating all of our “usable” gym space to one area. Again, the benefit to safety and security cannot be underestimated. The elementary gym would still be available as an elementary indoor recess space but would not be required to host events that it is not capable nor designed for.
- Allowing us to leave the bleachers out when we have games on back to back nights. Setting up the bleachers takes a great deal of time for our staff. There is also a wear and tear on the gym floor and bleacher components everytime they are set up and taken down.

Budgetary Information on Conversion of Pool into Multi-Purpose Gym

ITEM / ITEM DESCRIPTION	Fill In Pool and Convert to a Multi-Purpose Gym	Quantity / Project SF	Unit	Unit Cost / SQ Cost	Notes:
FUTURE IMPROVEMENTS					
SCENARIO #1:					
FILL IN POOL AND CONVERT TO MULTI-PURPOSE GYM					
Demolition of Concrete Bleachers and Walls at Entry	\$75,000.00	1	LS	\$75,000.00	Remove existing concrete block walls and concrete bleachers over east tunnel
Interior Improvements					
Fill in Pool	\$135,000.00	1	LS	\$135,000.00	Fill in Pool Basin w/ Rigid Insulation and Concrete Floor Slab over the top
Fill in Surge Tank at Chemical Room	\$25,000.00	1	LS	\$25,000.00	Remove Equipment, Fill in Surge Tank, Etc.
New Composite Floor Slab at Existing Concrete Bleachers	\$25,000.00	1,000	LS	\$25.00	New Rubber Gym Flooring System - Budgetary Number
New Gym Flooring	\$122,000.00	6,100	SF	\$20.00	New Mondo Rubber Gym Flooring System (Includes \$5/SF of Floor Prep)
Clean Up Finishes in Chemical Room/Pool Office and Replace Frames/Doors	\$20,000.00	1	LS	\$20,000.00	Clean Up Finishes in Chemical Room/Pool Office and Replace Frames/Doors
Block Repair and Painting of Pool Walls	\$70,925.00	14,185	SF	\$5.00	Patch existing concrete block and paint walls and ceiling
New Basketball Hoops (Game Court)	\$36,000.00	2	EA	\$18,000.00	Wall Mounted Adjustable Basketball Hoops
New Basketball Hoops (Practice Courts)	\$24,000.00	4	EA	\$6,000.00	Wall Mounted Adjustable Basketball Hoops
Volleyball Sleeves and Standards	\$5,000.00	1	EA	\$5,000.00	Volleyball Sleeves and Standards
Acoustic Treatments	\$80,000.00	1	SF	\$80,000.00	Acoustic Wall and Ceiling Panels

Mechanical					
Replace Pool Unit w/ new Air-Handling Unit and Ductwork Connections	\$325,000.00	1	LS	\$325,000.00	Replace Pool Unit w/ Air-Handling Unit
Structural reinforcement of adjacent Roof, Roof Curbs and Roofing tie-in	\$140,000.00	1	LS	\$140,000.00	Connections to and re-use Ductwork - Requires further Study
Electrical					
Electrical hook-up of new Air-Handling Equipment	\$30,000.00	1	LS	\$30,000.00	Power and VFD for new Air-Handling Equipment
Power for Basketball Hoops	\$10,000.00	1	ALL OW	\$10,000.00	Power to Basketball Hoops
Replace existing Lighting w/ LED	\$48,800.00	6,100	LS	\$8.00	New LED Lighting (Includes removal of existing Lights)
Scoreboards	\$10,000.00	2	EA	\$5,000.00	New Multi-Sport Scoreboards for Basketball, Volleyball, etc.
Exterior Walls					
Repair, tuckpoint, acid wash brick and cut in expansion joints in exterior masonry	\$150,000.00				Current estimate based on initial review - Additional in depth review will require more study.
CONSTRUCTION SUBTOTAL		\$1,331,725.00			
SOFT COSTS					Varies as a % of Construction Cost
Fees/Permitting/Testing	\$425,421.00				
Bond Costs	\$0.00				Placeholder - [Districts Financial Advisor] to provide if Project is to be financed
SUBTOTAL		\$425,421.00			

CONTINGENCY	\$94,538.00				8% of Construction Cost (5% Construction Contingency & 3% Cost Escalation)
SUBTOTAL	\$94,538.00				
TOTAL	\$1,851,684.00				

** This table has been edited since the release of information in the community ed brochure to reflect consistent components for comparison.*

This estimate is ***very preliminary***. Some additional considerations include:

- We originally thought of the option that the existing pool unit could be used to serve this space until it failed completely. Our engineers are still studying this option; however, it might not be a feasible option for the following reasons:
 - The existing unit relies on the heat of the pool water to help condition the space. Put simply, it removes (or is supposed to) humidity and re-captures the heat and uses it to maintain a comfortable temperature in the space. With the pool removed from the equation, any heating coil is likely too small in the unit to keep up with code requirements for heating outside (fresh) air that would be needed to serve the space (this would be an issue in the coldest months of the year).
 - There is no condensing unit associated with the current unit so there would be no air-conditioning to the space. This would be a district choice as it isn't that long ago that we started air-conditioning those spaces.
 - The budget includes new equipment, structure and electrical that would be needed for a new air exchanger. At approximately \$495,000. This is significantly cheaper than the \$987,000 that we bid in alternate #1 to replace the pool unit. The biggest question here is the structure. The elementary gym unit didn't require any structural modifications due to the unit size (smaller than the replacement pool unit). If the locker room or penthouse roof can support the new multi-purpose room air-handling unit, then the \$140,000 in that number could be reduced or possibly eliminated.
- This bid assumes improvements would fully build out this space for the use as a multi-purpose gym that includes the following:
 - Multi-purpose rubber floor that would support basketball, baseball, softball, dance, cheer, and volleyball.
 - Powered basketball hoops are figured into the estimate.
 - Volleyball sleeves and standards are figured into the estimate.
 - Basic scoreboards that could support these sports (primarily basketball and volleyball) for lower grade/tournament games.
 - Acoustic panels on the walls to deaden the sound.
- Bleachers are not figured into the number as the long dimension of the court doesn't provide a lot of room for them during basketball. They could be added on one side for volleyball, but likely wouldn't be usable for basketball. The area behind the main hoops could be used to set up chairs.

Annual Operating Cost if Space is Converted to a Multi-Purpose Room

Annual Operational Costs		
Expense	Per month	Annual
Electric	\$266.67	\$3,200.00
Gas	\$266.67	\$3,200.00
Pool chemicals	\$0.00	\$0.00
Custodial weekend checks	\$0.00	\$0.00
Insurance	\$0.00	\$0.00
	\$533.33	\$6,400.00

We find ourselves at a critical juncture where your input, support, and active participation are more vital than ever. Whether through attending community meetings, providing feedback, or participating in discussions, your voice is essential in shaping the future of our community resources.

Together, we can make informed and collective decisions that best serve the interests and well-being of our entire community. Thank you for your understanding, engagement, and commitment to our community's future.



First Children's Finance

Dawson-Boyd Area

Lac Qui Parle County, MN

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Strategic Supply Planning

The Strategic Child Care Supply Planning Process is a facilitated community planning process designed to engage a Core Team of community leaders to support and expand the child care capacity in their community. First Children’s Finance works with the Core Team to understand the current child care landscape and create goals to address child care needs.

This program was made possible through generous funding provided by the Department of Human Services and the Southwest Initiative Foundation.

Background

Dawson-Boyd Area, MN

The Dawson-Boyd area was selected to engage in community consultation around the supply of child care through the Child Care Strategic Supply Planning Process. The Core Team, led by Holly Ward, from the Dawson-Boyd Public School District, participated in a process that included:



- 10 hours of facilitated meetings by First Children’s Finance Minnesota Team Staff
- Identification of goals to increase high-quality child-care slots
- Planning support, facilitation, and technical assistance from First Children’s Finance
- A Strategic Child Care Supply Plan that guides in efforts to increase the supply of high-quality childcare.

Community Information

The Dawson-Boyd Area is based in Lac Qui Parle County, Minnesota. The Dawson-Boyd Area is a progressive community in the Southwest Region of Minnesota with a population of about 2,444. The geographic region listed in Figures 1 and 2 below represents the area of focus for the Strategic Supply Plan.

Figure 1: Defined Cities and Zip Codes

Cities	Zip Codes
Dawson	56232
Boyd	56218
Clarkfield	56223

Figure 2: Defined County and School District(s)

County	School District(s)
Lac Qui Parle	ISD #0378 Dawson-Boyd Public School District

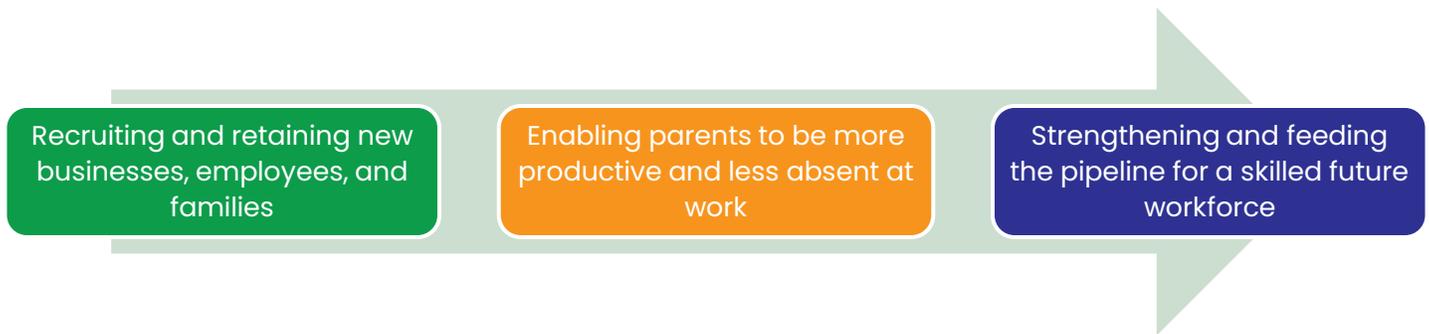
Core Team

The following people participated in the Core Team meetings to address the child care supply needs in Dawson-Boyd Area defined community. The primary contact for this project is Core Team Lead, Holly Ward, Superintendent, Dawson-Boyd School District.

Name	Organization Affiliation
CORE TEAM LEAD: Holly Ward	Superintendent – Dawson Boyd Public Schools
CORE TEAM MEMBERS:	
Tony Aafedt	CE Director – Dawson Boyd Public Schools
Brett Buer	Dawson Boyd School Board
Shelby Borg	Minnwest Bank – Mortgage Banker
Ben Bothun	Lac Qui Parle County – County Commissioner
Crystal Bothun	Johnson Memorial Health Services - CAO
Loren Femrite	Crossroads Lutheran - Member
Kiona Hermanson	Countryside Public Health – Community Health Strategist
Allysa Hurley	Dawson-Boyd Schools – Music Teacher
Brandon Hurley	Dawson-Boyd Schools Teacher
Collene Jacobson	Prairie Five Child Care Aware – Childcare Startup and Retention
Ann Jenson	SWEMS – Executive Director
Carrie Kleven	Dawson-Boyd Public Schools – Admin Assistant
Marge Knudson	Prairie Five Child Care Aware – Child Care Aware Director
Polly Kruger	Crossroads Lutheran –Member
Stacie Larson	Family Child Care Provider - Dawson
Bruce Lund	Dawson-Boyd School Board
Megan Lynch	PURIS- HR Manager
Lynn Marotzke	Jennie-o Turkey Store – HR Manager
Scott Marquardt	Southwest Initiative Foundation - Staff
JT Schacherer	Dawson City Council – Council Member

Importance of High-Quality Child Care in Communities

In rural communities, the ebbs and flows of the local economy greatly influence the sustainability and supply of child care. Because of this, First Children's Finance addresses child care and early education challenges through a framework of regional economic development. A robust supply of high-quality child care fosters community growth through:



The connection is clear; when our children thrive, so do our communities. Investing in early care and education is not only the right thing to do for our youngest citizens but the best thing to do for our economic growth and prosperity.

Supply Demand Gap Analysis

As part of the Strategic Supply Planning Process, the Core Team was provided with information to help them understand factors that contribute to child care challenges. First Children's Finance leveraged different data sources to pull together an illustrative picture of the child care capacity in the community (see Figure 3). These data sources include US Census Information, Minnesota Department of Human Services, Minnesota Department of Health, Minnesota Department of Education, and First Children's Finance research and data.

The Supply Demand Gap Analysis completed by First Children's Finance for Dawson-Boyd Area dated November 2023, shows a deficit of 70 slots for children birth to 5 living in households where all available parents are in the workforce. Analysis completed by First Children's Finance found capacity of licensed and regulated full day year-round care in Dawson-Boyd Area at only 107 children. Results showed multiple zip codes within the defined community with zero child care slots available.

Figure 3: Dawson-Boyd Supply-Demand Gap Analysis

Zip Code	City	Licensed Family Child Care	Licensed Child Care Center	Certified Child Care Center	Expected Child Care Capacity	Expected Number of Children Under Age 5	Expected Child Care Need
56218	Boyd	0	0	0	0	5	-5
56232	Dawson	5	1	1	90	110	-20
56223	Clarkfield	2	0	0	17	52	-45
TOTAL		7	1	1	107	167	-70

How Is the Need Supported Today?

When there is a gap in the licensed and regulated child care slots available in a community compared to the children potentially needing care in the community, families find unique ways to meet their needs outside of licensed or regulated childcare. The following are common ways that parents may fill their need for child care and may be present in Dawson-Boyd Area.

Legal Non-Licensed Care / Family, Friends, & Neighbors

In the State of Minnesota, a person may legally provide non-licensed care if they provide care to immediate relatives and one family. This includes the caregiver's own children. If a person is providing child care for more than one non-related family, they are required to be licensed. "Related" means any of the following relationships by marriage, blood, or adoption: parent, grandparent, brother, sister, stepparent, stepsister, stepbrother, uncle, aunt, child, niece, nephew. Related also includes a legally appointed guardian.

Illegal Unlicensed Care

Child Care is provided in a setting that requires licensing or regulation, but the provider has chosen to provide care without the proper license or following regulatory guidelines.

Under-Employment / Shift Alignment

Parents may work split shifts, work part-time, or limit their work hours to stay home with their children. There may be children in the community whose parents have left the workforce and are not looking for employment because of child care challenges. These families are not included in the data in this report, but parents may enter the workforce if viable child care options were available.

Out of Area Care

Parents with children in the region studied may take their child to care outside of this report's area. This may be due to parents' work location, access to care, or other reasons.

Family Child Care – By the Numbers

First Children’s Finance evaluated the current supply of family child care to identify trends that needed further examination.

- The average length of service is slightly higher than the state average.
- At 29% the number of providers with more than 20 years of service is lower than the state average. Providers with more than 20 years of service typically indicates that they may be nearing retirement.
- Providers with less than 5 years of service and those with more than 20 years of service are most at risk for turnover in an industry that already sees tremendous employment turn-over rates.

Figure 4: Family Child Care- By the Numbers | DHS

Dawson-Boyd-Clarkfield Area	Local	State
Total Family Child Care Providers	7	6,177
Average Length of Service	15.86 years	14.12 years
Less than 5 years / Service	1 / 14%	1,642 / 26.58%
More than 20 years / Service	2 / 29%	2,023 / 32.75%
Non-Owner Occupied	0 / 0%	243 / 3.93%
Non-Residential Dwelling	0 / 0.0%	52 / 0.84%

January 2024

Average Cost of Care

Child care is a large investment for families with children. A review of the market rate survey of child care providers was conducted as part of the CCSSP to inform child care investments in the area.

The following chart shows the average cost of child care investment on a weekly basis at the 75th percentile for each age group in both a center and family child care setting. This number means 25% of child care programs charge more than this number and 75% of child care programs charge less.

Figure 6: Area Market Rates – Lac Qui Parle County: Price Cluster 1

Age Group	Child Care Center		Family Child Care	
	Weekly Rate	Annual Rate	Weekly Rate	Annual Rate
75 th Percentile – Infant	\$180.00	\$9,360.00	\$140.00	\$7,280.00
75 th Percentile – Toddler	\$165.00	\$8,580.00	\$135.00	\$7,020.00
75 th Percentile – Preschool	\$155.00	\$8,060.00	\$130.00	\$6,760.00
75 th Percentile – School Age	\$130.00	\$6,760.00	\$125.00	\$6,500.00

The Child Care Assistance Program (CCAP) is a statewide program that helps low-income families afford child care. Families must qualify financially to receive CCAP funding. The amount of CCAP awarded to families varies depending on income levels. CCAP reimbursement rates are based around the 75th Percentile market rates and there is a maximum reimbursement rate a county can award to qualifying families. The maximum reimbursement rates can vary from county to county.

Because high-quality child care programs cost more to operate, there is a CCAP differential for programs volunteering to participate in the Parent Aware Star Rating Program. If a child care program has a Three-Star Parent Aware rating, the CCAP maximum reimbursement rate increases by a 15% differential. Three-Star Parent Aware rated programs are required to implement curriculum throughout their entire program. If a child care program has a Four-Star Parent Aware rating, the CCAP maximum reimbursement rate increases by a 20% differential. Four-Star Parent Aware programs are also required to implement curriculum and assessment tools throughout their entire program. Below is the 20% differential maximum CCAP reimbursement rate for Lac Qui Parle County providers who are Four-Star Parent Aware rated.

Figure 7: CCAP with 20% Quality Differential – Lac Qui Parle County

Age Group	Child Care Center		Family Child Care	
	Weekly Rate	Annual Rate	Weekly Rate	Annual Rate
20% Quality differential – Infant	\$216.00	\$11,232.00	\$168.00	\$8,736.00
20% Quality differential – Toddler	\$198.00	\$10,296.00	\$162.00	\$8,424.00
20% Quality differential – Preschool	\$208.00	\$10,857.60	\$156.00	\$8,112.00
20% Quality differential – School Age	\$180.00	\$9,360.00	\$150.00	\$7,800.00

Community and Business Impacts of the Child Care Issue

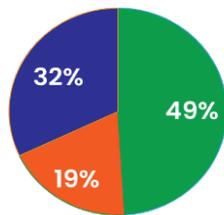
Beyond families and children, the greater community and local businesses can also be impacted by child care challenges and issues. Child care is often framed as an economic development issue by communities facing declining populations or challenges with the work force. These issues can compound and further extend into the business community by causing loss of workers due to unavailable child care or by businesses relocating to environments with better availability of care. The chart below illustrates the impact that child care challenges can have on workforce development. This data was collected from various communities that participated the Rural Child Care Innovation program from 2022-2023.

Figure 8: Local level economic impact

Local Level Economic Impact of Child Care

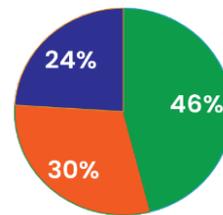
35% of parents withdrew from the workforce or declined employment due to child care issues

Has the shortage of child care impacted your ability to **attract** employees?



■ Yes ■ No ■ We do not track this data

Has the shortage of child care impacted your ability to **retain** employees?



■ Yes ■ No ■ We do not track this data

RCCIP Communities 2022-2023

Primary Industries

Additionally, First Children’s Finance examined the top industries in Dawson within available Census Data. The top industries (see Figure 9) can impact child care needs based on when shift workers are needed, as well as beginning and end time of employee shifts. In Dawson, two of the top industries are educational services and wholesale trade. Often, these industries do not accommodate remote work conditions. Without sustainable child care options, hiring new employees and retaining current employees in these fields can quickly become a challenge. During Strategic Supply Plan Meetings with First Children’s Finance, the Core Team was asked to brainstorm ways to address the child care needs of all types of working families within their community.

1. Health Care & Social Assistance

2. Educational Services

3. Wholesale Trade

Figure 9: Top Industries in Dawson | U.S. Census 2021

Data Overview

Dawson-Boyd Area

Child Care Need Analysis



56218 - Boyd
56223 - Clarkfield
56232 - Dawson



7
Licensed family child care

1
Licensed child care center

1
Certified child care center

Dawson-Boyd-Clarkfield
Population: 2,444

107 Current child care capacity
FCF Calculation

Birth to 5 spots needed
FCF Calculation

49 Lac Qui Parle County

43 School District #378

70 Zip Codes



177

Children under 5
with all
parents working

Estimate based on the ACS 2021

82%



Children under 5
with all parents
in the workforce

Estimate based on the ACS 2021



11%

Infant & Toddler Need
FCF Calculation

\$542
per month/preschool
Cost of Family Child Care
County level data from
2021 DHS Market Rate Study
50th percentile price cluster 1

\$642
per month/preschool
Cost of Center Child Care
County level data from
2021 DHS Market Rate Study
50th percentile price cluster 1



First Children's Finance

November, 2023

Core Team Planning Meeting

Throughout the winter of 2023-2024, the Core Team, a group of community stakeholders interested in the supply and sustainability of child care, met to discuss the child care shortage in the Dawson-Boyd area, and to develop strategies to increase the number of high-quality child care slots. Below are the primary topics addressed in the conversations and the goals developed to address the child care shortage.

What resources exist in the community that could be useful to increase child care capacity?

How can our community increase the number of high-quality child care slots?

How can we better support new and existing child care providers?

After discussing these core topics, the Core Team brainstormed the following ideas that could potentially be utilized to make an impact and support the child care needs in the community.

Brainstorming Ideas

Below is a summary of the results of the brainstorming session.

1. CDA Collab with the school
2. Topic focused training opportunities
3. Tax/Accounting training
4. Hiring bonus
5. Childcare aware
6. Volunteers
7. Qualified sub list
8. Presbyterian Church
9. Crossroad Lutheran Church
10. Rural Churches
11. Tax-Forfeit House
12. Re-purpose pool
13. Grace Lutheran Ed Wing
14. School Addition
15. Vacant Buildings
16. Inter-generational programs
17. Funeral Home
18. Local faith based community
19. DB School

20. Community Builders
21. City of Dawson
22. AGP
23. PURIS
24. JMHS
25. Crossroads Church
26. EDA
27. County
28. Dawson Development
29. UMVRDC
30. Funding Grants
31. Dawson Development
32. Parent Aware
33. Paid Trainings/Re-certification
34. Advertise a conversation starter
35. PBS: Blackjack babies' recognition
36. Local Ads: Dawson Sentinel, KLQP
37. STF: Madison Community Event
38. E.C. Provider Retention & Support/Sustainability
39. Home + Center Collaboration/Networking
40. Community Help Page.

Below is a summary of the results after narrowing down to the top 4 ideas.

1. Facilities and Locations
2. Financial Support and Funding
3. Opportunities for Community Education & Engagement
4. Early Childhood Workforce Development

Once the work of narrowing down a generous list of ideas was completed, the Core Team began to work on the right-sized strategies to meet their community's child care needs. The Core Team worked as a group to create SMART goals around the top four ideas. Each SMART goal was assigned a team and team leader who will lead the effort of creating a plan for how to put that goal into action.

Goals



SMART Goal 1:

Explore local locations to house a childcare facility & develop inventory of building sites by May 30, 2024

Project Team Members: Carrie Kleven, Tony Aafedt, Bruce Lund, JT Schacherer, Scott Marquardt, Holly Ward, Ann Jenson, Loren Femrite

Objective of the Goal: Pick a location to house childcare facilities in our community to help with the storage of space for childcare.



SMART Goal 2:

Establish a community childcare fund by April 1st. By August 1st establish a fundraising target.

Project Team Members: Holly Ward, Crystal Bothun, Brandon Hurley, Ben Bothun, Tony Aafedt

Objective of the Goal: Fund to support the growth & preservation of childcare in the Dawson community.



SMART Goal 3:

Over the next year, increase opportunities for community education and engagement of existing child care facilities and providers and the ongoing need for more.

Project Team Members: Kiona Hermanson, Shelby Borg, Stacie Larson

Objective of the Goal: Educating the community and expanding their knowledge as to what child care really is.



SMART Goal 4:

By May 2024 we will hold 2 informational sessions on careers in childcare. Sessions will be for high school students and community members and could include career fairs, career readiness classes and FACs classes.

Project Team Members: Allysa Hurley, Collene Jacobson, Marge Knudson, Megan Lynch

Objective of the Goal: Through our outreach, recruitment and educational efforts, we aim to inform the public about the shortage of childcare options, the need for new providers and offer assistance in guiding individuals down the pathway to achieving these objectives, whether that be through providing assistance in obtaining the necessary education or information and support needed to start a new child care program.

Project Recommendations

Dawson, Minnesota is a rural area with a long history of community partnership in bringing needed services to the area. The city of Dawson, located in Lac Qui Parle County, Minnesota has a committed Core Team of individuals that are heavily invested in the child care landscape of their community. First Children's Finance recommends that the Core Team engage in the following activities:

1

Always run financials before committing to a project – look for a broad base of support. Having an accurate understanding of enrolment numbers, staffing needs, and tuition rates are needed to create sustainability in the current child care climate.

First Children's Finance offers financial modelling and financial analysis consultations.

2

Continue to engage the community in this project.

Community investment to support new and existing child care businesses are critical to maintaining quality programs.

3

Continue to involve and support existing providers.

Ongoing support to all types of existing child care in the area should be considered to retain the existing providers. Efforts should be made to ensure current child care providers continue to feel supported and have access to resources they need to stay in the field.

4

Remain committed to this process and flexible to adjust your plan.

Roadblocks will happen. This does not mean that SMART goals need to be rewritten. Regroup to identify any new action steps that need to be created to keep your ideas and solutions moving forward.



First Children's Finance

Founded in 1991, First Children's Finance is a national nonprofit organization based in Minneapolis, Minnesota with regional offices in Iowa and Michigan. First Children's Finance works to stabilize, improve, and expand high-quality child care businesses serving low and moderate-income families. First Children's Finance provides financing, child care business training and consulting, and builds partnerships that connect child care businesses with the resources and expertise of the public and private sectors.

First Children's Finance understands the issues and challenges child care businesses face in today's world. We have industry specific expertise and a shared commitment to the success of child care.

In addition, First Children's Finance aligns its work with child care leaders, businesses and regional initiatives that are committed to quality. We define quality as the creation of environments that support healthy brain development for young children to enhance early learning. FCF brings a unique perspective, approach, and experience to providing business planning and financial assistance to our child care and economic development partners.

For more information about First Children's Finance visit www.firstchildrensfinance.org