

Paul Bunyan Education Cooperative
Board of Delegates Minutes
May 26, 2026 1-2:30 pm WESB 200

The Paul Bunyan Education Cooperative (PBEC) Board of Delegates met on Tuesday, May 26, 2026, 1 pm in the Washington Educational Services Building, Room 200.

Roll Call: Dan Stifter, Jon Clark, John Ward, Cindi Hills, Tommy Sablan, Nicki Linsten-Lodge, Peter Grant, Kurt Stumpf, Mike Malmberg, Jennifer Johnson, Kristi Crocker, Kim Huether. Guests: Ryan Krominga, Chip Rankin

Absent: Rick Aulie, Sara Nagel, Ross Nelson

Call to Order: Jen Johnson called the meeting to order at 1:07 pm.

1. **Approval of the Agenda:** Dan Stifter made a motion to approve the agenda. Tommy Sablan seconded the motion. All present voted in favor thereof. Motion carried.
2. **Approval of Consent Agenda:** The consent agenda is used for those items on the agenda that usually do not require discussion or explanation as to the reason for board action. At the request of any Board of Delegate member, an item shall be removed from the consent agenda and placed on the regular agenda for discussion.
 - A. Minutes: approval of previous meetings minutes. Minutes from the November 6, 2025 meeting are linked/enclosed for your approval.
 - B. IOWA -Designation of Identified Official with Authority for Education Identify Access Management

The Minnesota Department of Education (MDE), Professional Educator Licensing Standards Board (PELSB), and Office of Higher Education (OHE) require annual designation of an Identified Official with Authority (IOwA) for each local education agency that uses the Education Identity Access Management (EDIAM) system. The IOwA is responsible for authorizing, reviewing, and recertifying user access for their local education agency in accordance with the State of Minnesota Enterprise Identity and Access Management Standard, which states that all user access rights to Minnesota state systems must be reviewed and recertified at least annually. The Identified Official with Authority will authorize user access to State of Minnesota Education secure systems in accordance with the user's assigned job duties, and will revoke that user's access when it is no longer needed to perform their job duties. The Executive Joint Powers recommends the Board Authorize Jennifer Johnson, Jennifer.Johnson@isd181.org, JMaciej77 to act as the Identified Official with Authority (IOwA) for the Paul Bunyan Education Cooperative 6050-52.

Mike Malmberg made a motion to approve the Consent Agenda. Dan Stifter seconded the motion. All present voted in favor thereof. Motion carried.

Introductions: Those present introduced themselves and their role.

Presentation: Jen began her presentation with the purpose and shared mission of: pooling resources for rural education to ensure high-quality, specialized supports for every student. In August 2025, PBEC received a separation notice from Brainerd Public Schools. This led to a request for proposal for a finance and governance review which was completed by CESO. After months of research and work to build a transparent financial redesign, BPS unanimously decided to stay with PBEC in February of 2026. There have been twelve PBEC board meetings this year compared to four in a typical year which has led to today's proposal to finalize the Bundled Billing Model, the Fiscal Host Fee and the Joint Powers Agreement.

Jen proposed a unified approach to secure long-term operation health of PBEC including: hybrid bundled billing, transparent host fee, infrastructure and space. The special education federal dollars from the six school districts in the cooperative are not enough to sustain costs. PBEC invoices the districts two times a year. This proposal utilizes a 30/70 allocation formula. 30% is based on general education enrollment and the remaining 70% is based on the actual number of special education students serviced. This is NOT based on the Dec 1 resident student count, but on actual students in seats. This model distributes the costs fairly across the districts. Third Party Billing funding goes directly to the districts from MDE, not the PBEC. Previously, districts paid a flat fee of \$60,000, to cover PBEC infrastructure, which created a financial burden on smaller districts who were paying the same fixed rate as larger members regardless of size or student population. Jen shared charts depicting the per pupil costs by districts with both the old model and the proposed 30/70 model.

Mike Malmberg made a motion to approve the modernized 30/70 Bundled Billing Model for the FY2027 cycle, replacing the historical fragmented methodology. Peter Grant seconded the motion. All present voted in favor thereof. Motion carried.

Brainerd Public Schools provides fiscal host services which include Payroll and Benefits, Accounts Payable, Accounts Receivable, Human Resources, Hiring, Facility Compliance Oversight. The fiscal host fee has been at 2% of total expenditures of the cooperative since the conception of the JPA. Jen is proposing increasing that to 3.5%. This is not a cost assigned to each district, but is taken off of Brainerd's invoice. Two percent of expenditures calculate out to \$111,000. Increasing the rate to 3.5% totals \$195,228.97.

Dan Stifter made a motion too approve the updated Fiscal Host Agreement with Brainerd Public Schools, including the 3.5% administrative fee. Kurt Stumpf seconded the motion. Discussion was held regarding the pooling of federal funds across all districts. Due to the increased percentage change, there is potential for fewer dollars to be available for staffing and resources. All present voted in favor thereof. Motion carried.

The Joint Powers Agreement was created in 2012 and amended in 2016. An attorney was recently hired to review and revise the JPA for clarification. This is to align with current state law and practice - not a structural overhaul. Charter schools are not part of the JPA. Further into the presentation there will be information regarding accessing the charter schools at a 15% administrative fee beginning July 2026. A copy of the red-lined agreement was included in the board's packet. The Joint Powers Agreement will be reviewed every three years.

Peter Grant made a motion to approve the updates to the Joint Powers Agreement as presented. Kurt Stumpf seconded the motion. All present voted in favor thereof. Motion carried.

Rent for office space of the PBEC staff was considered part of Brainerd's fiscal host fee. The proposal is to have a separate lease agreement securing \$7 per square foot rate for three years. There is a lease levy option available to school districts to include these costs. The total footprint is currently 13,413 which includes hallways and restrooms for an annual total of \$93,892. Once staffing plans and locations of office space in member districts have been determined, the plan is to reduce the amount of square footage for a cost savings.

Charter School Associate Members: Discovery Woods and Crosslake Community School have been associate members of PBEC. Students frequently move between charter, nonpublic and member districts so it's important to retain the relationship to allow uniform practices and align messaging. The charters are billed actual costs of staff's salary and benefits based on the hours staff spends in those schools. As of July 1, 2026 Jen will be asking for a 15%

administration surcharge for operational and administrative support costs. This will generate a \$13,327 revenue offset.

Jen summarized the presentation by stating that ultimately all of this work is for the students. As of April 2026, PBEC infrastructure supports 2375 total special education students, ranging from 162 students in Crosby-Ironton to over 1200 in Brainerd. By pooling resources, every district guarantees access to highly specialized professionals that would be difficult to sustain individually.

The final thought shared was a reminder to contact legislators and be vocal at the state level for increased funding. At 8% currently, MN is the lowest in the United States.

Next Meeting Date: Jen will send invites out via email to schedule dates for the 26-27 school year.

The meeting adjourned at 2:15 pm.

Submitted by Kim Huether

Attachments:

- Agenda
- Minutes November 6, 2025
- PBEC cost distribution
- PBEC Joint Powers