

**BAINBRIDGE ISLAND SCHOOL DISTRICT NO. 303**  
District Budget Advisory Committee  
Meeting Minutes

Date: April 27, 2015

Place: Board Room – Commodore Campus

Time: 5:00 p.m.

Attendees: Faith Chapel, Peter Bang-Knudsen, Peggy Paige, Tamela VanWinkle, Lynn Stellick, Sheila Jakubik, Janet Woolever, Judy Leader, Viki Walaskay, Michael McCloud, Sandra Van Eps, Vicky Marsing, Mairead Shutt,

Superintendent Faith Chapel introduced the committee and opened with the meeting agenda.

- Budget Development Guidelines & Assumptions
- District Financial Data & Enrollment Projection
- Legislative Budget Proposals & Update

Budget Development Guidelines & Assumptions

The budget development guidelines were approved by the Board of Directors six years ago and have been used by the District Budget Advisory Committee (DBAC) and district and school administrators to determine budget priorities. The guidelines were presented and reaffirmed by the board in March.

- Focus financial resources on programs and services that directly support student learning as outlined in the district’s vision, educational goals and priorities.
- Maintain a safe learning and working environment for students and staff
- Maintain the district’s financial integrity and investment in facilities, technology and other physical assets.
- Provide an essential level of support services for district operations.
- Assure revenue generating programs break even.

Budget decisions should be legal, practical, sustainable, timely, cost effective, commensurate with adjustments in student enrollment, evaluated on an ongoing basis, and clearly communicated to constituent groups.

For the past six years, the budget development process focused on strategies to address significant reductions in state funding for K-12 education. The district cut and reduced services

and positions in order to balance the budget. All employee groups experienced reductions in compensation. Two surveys were completed approximately three years apart asking for input and program prioritization.

Improvements in the 2014-15 state allocations allowed the district to reinstate a few staff positions and provide modest increases in funding for educational programs/services to meet new requirements.

#### District Financial Data & Enrollment Projection

Director of Business Services Peggy Paige presented the budget assumptions for the 2015-16 school year: Assume enrollment will be stable (3,660), increase in levy revenues of \$300,000, some enhancements to state funding (unsure of net result), funding from Bainbridge Schools Foundation (BSF), and a total fund ending balance of 6%. A 6% fund balance is an increase in the district minimum fund balance from 3% to 6%. A 6% fund balance will benefit the district in future bond ratings. The board will be discussing Policy 6022 Minimum Fund Balance.

Director Paige distributed the March financial report. The budget is behind on revenues due to lower enrollment, local non-tax was a timing issue but revenues are expected to come in at or above the estimate. Expenditures are slightly below the estimate but expect to see an increased expense in special education. Additional funds will not be available to contribute to the budget next year. The goal for the fund balance will be slightly under \$2.4 million. Financials are always reported to the board at the second meeting of the month. Payroll and purchase orders are encumbered in the financial numbers. Special education is one of the most subsidized programs for all districts. BISD is subsidizing almost \$2 million above and beyond state/federal funding for special education.

#### Legislative Budget Proposals

Three budget proposals for the state – (Significant increase in MSOC but still does not completely cover the MSOC costs/full funding –\$600,000 gap). The big dispute is how to pay for the increase in educational expenses.

- Governor's Budget (book 1/December), (book 2/January) – BISD increase 2,229,890
- House Budget - BISD increase 2,966,251
- Senate Budget – BISD increase 2,246,228

The funding of districts and employees for the state is a challenge due to grandfathered compensation plans and levy lids. Mercer Island can levy 9% (\$4 million/38% of state funding) more from the local population than BISD (29%). An increase in FTE due to McCleary will require more supplemental funding from the local levy dollars.

The Republicans have a different compensation/levy reform proposal than the Democrats. A levy swap is being discussed – raising teacher, classified and administrative pay and having the same amount taken away at the local level resulting in no net increase. The Senate Republicans are looking for revenue to fund McCleary from an increase in the state property tax. The funds

will go to the state and be distributed. The Senate Democrats are looking at funds from capital gains and not extending some tax exemptions. Both sides are discussing limiting levies. Our local levy is \$1.64 per thousand resulting in \$8.7 million.

### Potential Staffing Changes

Enrollment is steady but we are seeing a shift in student course registration. At the high school, a partial reduction in force (RIF) will occur for choir, Japanese, French, health, woodshop. And a lower enrollment in 5<sup>th</sup> grade will result in the reduction of one grade 5 teacher. Certificated staff must be notified by May 15.

Concern was expressed about the incoming freshman class at Eagle Harbor High School not being able to accommodate 15 additional students. Superintendent Chapel responded that numbers continue to change and decisions will be made once the number is solid and determine at what point staffing is added.

Bainbridge School Foundation funding is focused on how staff is utilized to meet instructional needs and goals. The number one item is to meet the range of needs of students from the highly capable to struggling learner. The Schools Foundation will fund:

- Fill Critical Gaps – Class Size Reduction K-2 and Professional Development.
- Academic Support & Challenge – Reading and Math, High School Intervention, Achieve, Scholarships for Full-Day Kindergarten, and College Readiness/Career Guidance & PSAT.
- Innovation – K-5 Design & Engineering Specialists, Edible Education, Robotics/Destination Imagination, STEM Coordinator, Math, Circle of Friends, Classroom Grants.

The district is looking at the highest priority needs and making minimal adjustments. Rather than having two full-time highly capable people, place the individuals within the schools. Also recommending redistribution of instructional coaches to be more school based. The instructional headcount is proportional to the student enrollment. An instructional coach onsite will also provide direct services in case management at the schools. The district is also recommending a full-time CTE Director funded by a state CTE budget, not the general fund.

The meeting adjourned at 6:56 p.m.

Future DBAC meetings: May 26 and June 9