

**BAINBRIDGE ISLAND SCHOOL DISTRICT NO. 303**  
**District Budget Advisory Committee**  
**2008/2009**

**Date:** October 21, 2008  
5:30 – 7:30 p.m.

**Place:** Sakai Intermediate

**Committee Members Present**

Faith Chapel, Ken Crawford, Julie Goldsmith, Clayton Mork, Tamela Van Winkle, Peggy Paige, Cami Dombkowski, Brent Peterson, Mary Jeanne Linford, Janice Petaja, Sandy Van Eps, David Flieder, Kyanne Hawkins, Tim Kinkead, Judi Leader, Vicky Marsing, John Velisaris, Mary Curtis

**Information**

*DBAC Committee Roles, Responsibilities and Plans for 2008/2009*

Superintendent Faith Chapel provided a brief historical overview of the work and purpose of previous budget committees. She explained that, given all the financial issues facing the district, the Board felt it was important to have more of a standing budget committee that will meet regularly throughout the year. Members of the committee include district administrators, building administrators, and representatives from the certificated and classified association, board of directors, parents and community. Reviewing the responsibilities of the committee, Ms. Chapel noted it will function in an advisory capacity, understanding that the responsibility for making district budgetary decisions rests with the Board of Directors. Demographic trends and financial projections will be analyzed by the committee, and legal, financial and educational requirements established by the state and federal government, and the needs and priorities of students, staff, parents, and community will be considered. In addition, the committee will formulate budget recommendations that promote student learning, and align with Vision 2010 and the educational goals established by the Board of Directors. One of the important responsibilities of the committee will be to assist with the communication of district budgetary recommendations to other groups and constituents. It was noted that the group would conduct its deliberations in a manner that is open, honest, respectful and cooperative, and that minutes of each meeting will be provided so that there is a common understanding of the topics having been discussed.

Ms. Chapel described the guiding beliefs and principles that continue to be the foundation for the work of the District Budget Advisory Committee (DBAC). The committee will ensure alignment of district educational priorities and goals with the allocation of resources. Vision 2010, a document that establishes the goals and priorities of the district in three major areas, serves as a framework for school improvement plans and will be one of the primary reference tools for assessing budgetary priorities. Another critical principle for the committee will be acknowledging the community's investment in and support of education, and honoring that community through accountability measures and transparency in communication. Other principles include the development of a balanced budget, realistic recommendations, and adherence to established timelines for decision-making. It was noted that current state and

national economic conditions may adversely impact school funding. Responding to questions, Ms. Chapel explained there would be interactive group dialogue that includes communication between the board and the committee, and the committee will be tasked with not only looking forward, but with monitoring the budget reductions already established. She also noted the goal was to be clear and timely in the budget process, taking into consideration the challenge of possible late-breaking changes coming from legislative action in Olympia.

#### *Overview of 2008/2009 District Budget*

Director of Business Services Peggy Paige presented an overview of the district's budget and explained there are five major funds in the district – General (daily operating expenditures), Capital (facilities, renovations, technology), Debt Service (pays for bonds), ASB (student funds), Transportation Vehicle (purchase of buses). All of the funds have separate and distinct revenue sources and do not typically intermingle (although occasional transfers are authorized), and all are restricted as to how the money can be spent. The information presented by Ms. Paige primarily relates to the General Fund and the documents she provided are available on the website. Ms. Paige referenced a “revenue by funding source” pie chart from the District Budget Overview, noting the main revenue for the district is the State General Purpose (basic education apportionment) and State Special Purpose (learning assistance, highly capable, children with disabilities, bilingual, etc.) amounting to 71.1%. This funding is driven by enrollment and is based on a state funding formula. Local taxes constitute 19.3% of the district's revenue, is voter approved and is impacted by levy lid restrictions. Federal funding provides 2.8% of the overall revenue and is minimal because number of students that meet free/reduced qualifications is low. It was noted that the only revenue area the district can adjust to impact budget is in local non-tax, which includes funds from the sale of materials, tuition, participation fees, food service sales, investment earnings, facility use fees, school bus revenues, and donations/gifts/grants from foundations, PTOs and private individuals. The group briefly discussed impact of levy lid restrictions and the disparity that exists between school districts, and the status of the Network for Excellence in Washington State (NEWS) lawsuit against Washington State regarding adequate funding of education (trial begins June 1).

Ms. Paige continued her presentation noting that certificated and classified salaries and benefits total 85.8% and constitute the bulk of the district's total budget. Purchased services make up 8.2% of the budget and include such items as insurance, utilities, consultants, attorneys, auditors, repair services, rentals and printing. The remaining budget, totaling 6%, includes supplies, instructional resources, noncapitalized items, travel, and capital outlay. This is the discretionary area of the budget and can have an impact on school building budgets during times of budget reduction. When the budget is broken down by program, basic education is the largest percentage, followed by special education and support services. Finally, Ms. Paige noted that the district has committed its human resources to student contact, with 79% of the total staff assigned to activities with direct student contact. Another 15% of staff have indirect contact with students and are assigned to Food Service, Transportation, maintenance of buildings and building security. The remaining 6% of staff serve in the district-wide administrative support functions.

#### *Summary of 2008/2009 Budget Reductions*

Superintendent Emeritus Dr. Ken Crawford stated that revenue loss due to enrollment regression and an exhaustion of available reserves required the district to reduce its budget for the 2008/09 school year. He provided a summary of those reductions and revenue source adjustments. Revenue Adjustment options implemented included the following: *Facilities Use Fees* – Fees charged for facility and field use does not fully cover district expenses. User fees will be increased. (\$20,000) *Parking Fees* – Fees charged for student parking at Bainbridge High School do not cover security and maintenance expenses. Annual parking permit fees will be increased. (\$26,000) *Food Services Program* – The cost of providing a food services program does not cover indirect costs (lunchroom supervision, maintenance, insurance, utilities, etc.). Meal costs will be adjusted to provide indirect costs of 7.5% per annum. (\$45,000) *Special*

*Education Program* – High need, low incident disabled students require a level of instruction and service well above funding. Application and procurement of Special Education Safety Net funds will be continued. (\$150,000) *Energy Costs* – Energy inefficiencies within the district’s facilities are escalating costs at unprecedented rates. Cost effective strategies to replace energy inefficient systems and practices will be implemented. (\$22,000) *Vocational Education* – Vocational education is a separately funded program, and related and indirect costs are not fully covered by funding source. Indirect costs will be applied to the program equal to 7.5% of revenue per annum. (\$48,750)

Expenditure adjustment options implemented were as follows: *Certificated Staff Reductions* – Enrollment over a three-year period has dropped by 6%, while certificated staffing over the same period has increased by 2.3% and is fiscally unsustainable. Certificated staffing reduced by 7.4 FTE. *Professional Development* – State funding of the 183<sup>rd</sup> day of the teachers’ contract, intended for professional development, was discontinued. The district cannot sustain this day under the General Fund. The 183<sup>rd</sup> professional development day will be replaced with equal opportunities under technology, math/science grant, and/or Title IIA funding sources. (\$100,000) *Administrative Position* – The Assistant Superintendent for Finance and Operations position was vacated, it remains unfilled and may be restructured in the future. Between January 2008 and August 2009, administrative support will be provided on a part-time, interim basis, realizing a .5 FTE reduction. (\$78,500) *Employee Vacation Time* – Many 260-day classified employees do not take their fully allocated annual vacation, necessitating compensation of annually unused vacation time. Supervisors will work with classified employees at the beginning of each year to schedule vacations. (\$22,000) *Transportation* – Bus route changes were needed to allow for transportation services to be fiscally sustainable through the future. Route consolidations have been implemented. (\$75,000) *Outdoor Education Program* – Costs associated with the supervision, services and travel for the 4<sup>th</sup> Grade Outdoor Education Program have become exorbitant. An on-island or local day program will be implemented. (\$27,850) *Specialists Time* – An enrollment decline has resulted in unassigned or flexible time each day for K-6 art, music and PE specialists. K-6 specialists will be assigned to other duties during their flexible time. (\$40,000) *Co-curricular Stipends* – Student club offerings and activities enhanced during better fiscal circumstances are now unsustainable. Extra or co-curricular stipends will be reduced from 58 – 44 sections. (\$19,310) *Bainbridge High Stipends* – Bainbridge High School currently has stipends that no longer meet program needs. Stipends for class advisors and computer coordinator/supervisors will be phased out or eliminated. (\$13,600) *Sakai Intermediate School Associate Principal* – Sakai Intermediate School enrollment has declined by 20% over the past decade, while core service staffing remains the same. A review of the school’s administrative allocation is indicated. The Associate Principal position will be reduced from .60 FTE to .50 FTE. (\$12,450) *Media Contract* – The media contract for loop film and video streaming may not be fiscally sustainable through the future. Loop and VHS film service will be eliminated. (\$32,000) *School Nurse Staffing* – Full-time school nurse staffing cannot be sustained at Bainbridge High without an infusion of non-general fund monies. A portion of drug, alcohol and tobacco grant dollars will be dedicated to a portion of the BHS school nurse staffing. (\$15,000) *Paraeducator Time* – Paraeducators have worked the afternoons of early release days and non-student attendance (parent conference) days. The cost associated with such is significant. Non-student contact hours/days will be eliminated from the work schedules of respective paraeducators. (\$60,000)

### *September Financial Report and Enrollment*

Director of Business Services Peggy Paige provided the group with a monthly financial report that included a summary of the general fund revenues and expenditures, a cash flow forecast for 2007/08, a summary of fund balances, and budget status/balance data. She noted that the report’s estimated fund balance was 2.7% and has now been adjusted to 2.5% based on updated information on paid accruals and reimbursable expenditures for which revenues have yet to be accrued. Reviewing the report’s summary of revenues and expenses for the General Fund, it was noted that the revenue area of local taxes and local nontax while typically above the district’s budget, a new trend indicates revenue below projected budget. On the expenditures side, items of note included special education being over budget although this was

offset by Safety Net grant monies, a new accounting directive requiring that technology services be purchased from the general fund (although reimbursed from levy dollars), and fuel costs exceeding estimates. In addition to the monthly financial report, the October enrollment was shared with the group. Enrollment for the 2008/2009 school year was projected (budgeted) to be 3825 FTE with the actual October enrollment coming in at 3819.52. It was noted that the end-of-the-year report for 2007/2008 will be presented at the November 13<sup>th</sup> Board of Directors meeting.

## **Discussion**

### *Proposed Changes to Facilities Use Fees*

A draft revision of Board Policy 6113 – Community Use of School Facilities was provided for group review and discussion. Superintendent Chapel explained that last year’s District Budget Advisory Committee, as well as building principals, suggested facility use fees be revised to bring them more inline with actual costs. The policy and procedure are being updated to reflect current regulations and practice. The third element of the policy is Exhibit 6113 – the facility rental fee schedule. The adjustments proposed for the schedule bring fees up to a more typical rate standard and will include costs for utilities, custodial and food services, technology support, and a processing and service charge. The changes will begin to address the actual cost for rental of the facilities. One of the concerns raised by district staff was rental fees were not covering the cost of facility operation and maintenance, and the general fund was being impacted. Dr. Crawford explained the research involved in making the fee adjustments that included consultation with other school systems. He asked committee members to review the policy, procedure and fee schedule and forward their comments via email to Administrative Assistant Kathy Roberts at [kroberts@bainbridge.wednet.edu](mailto:kroberts@bainbridge.wednet.edu). Further discussion of the revisions made to Policy/Procedure/Exhibit 6113 will be put on the agenda for the next District Budget Advisory Committee (DBAC) meeting. The district’s Board of Directors will conduct a first reading of the policy revisions at their October 30<sup>th</sup> meeting.

Superintendent Chapel noted that last year, the budget advisory committee discussed such topics as transportation and special education. She suggested discussion of these topics be continued at the next meeting and asked that other key topics of interest to committee members be forwarded to her attention for future discussion. It was also noted that committee members have varying levels of knowledge related to school finance. In order to assist new members with a basic understanding of school finance, an hour-long study session will be scheduled prior to the next DBAC meeting.

### **Next Meeting:**

November 18<sup>th</sup>

Sakai Intermediate School Library  
4:30 p.m. – School Finance Study Session  
5:30 p.m. – Regular Meeting