

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

Date: January 20, 2009
Place: Bainbridge High School Library
Time: 5:30 – 7:30 p.m.

2008/09 Budget Status Report

Director of Business Services Peggy Paige provided a brief summary of the Monthly Financial Report for November. She noted the report did not as yet include the salary adjustments for classified staff. Revenues for Transportation were reported as being below last year due to the additional funding bonus for transportation received in 2007. If a funding bonus is provided this year, it will most likely be received in the next few months. Federal revenues (special purpose) were significantly above average due to a change in the grant processing system that required school districts to have all grant applications substantially complete by September 1. It was noted that by year-end, federal revenues would level out. Regarding expenditures, Ms. Paige noted the averages again did not reflect the classified salary increase. There had also been a large curriculum materials purchase in October and changes had been made in payment methods for extracurricular contracts and grant activities for professional development. The December Financial Report will provide a better understanding of budget trends. The November report also included the General Fund cash flow forecast and a summary of fund balances. On a positive note, Director of Human Resources Cami Dombkowski announced transportation revenues from pupil ridership exceeded expectations by \$75K. The increase in ridership was attributed to special promotions by the PTOs, increased parking fees at the high school and word of mouth from the local group “Island Moms.”

Governor’s Budget – Education Component

Superintendent Faith Chapel provided an overview of the education portion of the Governor’s budget and a spreadsheet delineating how the proposed reductions would affect the Bainbridge Island School District. Overall, K-12 educational programs will sustain a 5.6% reduction in funding, if the Governor’s budget was adopted in its current form. Public safety programs face a 6.3% reduction, early learning a 6.4% reduction, higher education a 7.6%, social and health services a 12.2% and natural resources 12.2%. Ms. Chapel noted key areas in the proposed budget that will impact the district are the I-728 Student Achievement funds, which are reduced by 21% in 2009/10 and 23% in 2010/11, and the I-732 cost-of-living provisions which are suspended for both years. This would mean a net loss of approximately \$466K. Another of the key issues within the Governor’s budget that will not impact the district but potentially will have a devastating effect on many other districts in the state is a 33% reduction in what is known as “levy equalization” assistance. This is assistance the state provides to districts that don’t have the capacity to raise local levies or are “property poor.” It is anticipated there will be quite a bit of debate around the proposed reduction in levy equalization in addition to the I-728 funding reductions. It was also noted that legislators have expressed concern over the proposed cuts in the area of social and health services, which could lead to consideration of further reductions in funding for education.

It was noted that in addition to reductions in state allocations, the district anticipates an additional reduction in student enrollment. Current projections in student enrollment for next year will be 3,770 – 55 students less than was budgeted for 2008/09. This translates to a reduction of \$285K in lost state revenue. Another element of the Governor’s budget that will be up for debate is no cost-of-living raise for state employees. Even if there is no cost-of-living provided by the state, the district has employees that move up on the salary schedule related to years of experience and education. This employee compensation is estimated to be \$125K, which also has to be considered within the budget planning process. In order to begin the district’s budget planning process, knowing the final state budget may not be completed until late spring, three scenarios have been suggested – reductions of \$500K, \$1M and \$1.5M. The group discussed a number of other issues for budget consideration including analysis of the spreadsheet contained in the Governor’s budget, anticipated changes in non-employee related costs, the budget impact of home schooled children that access district programs, Kindergarten enrollment projections, and the district’s policy regarding out-of-district student enrollment.

Budget Planning Process for 2009/2010

Ms. Chapel provided the committee with a draft of the 2009/10 General Fund Budget Development Process for review and comment. She noted the hope had been that the committee could gather information from constituent groups and use a streamlined process to develop budget recommendations for next year. However, with the release of the Governor's budget and updated projections regarding state revenues, the district is faced with budget reductions greater than originally anticipated. Because of the current economic conditions and resulting financial impact, Ms. Chapel suggested a more comprehensive budget process be implemented that involves analysis of key components of the district's budget by subcommittees. She recommended that subcommittees be established in the areas of transportation, custodial services and maintenance, central administration, special education/instructional support services and school educational programs (K-6 and 7-12). Three areas not recommended for subcommittee review included food services, technology and capital projects because they were either cost-neutral or were almost entirely funded via voter-approved bonds. The group briefly discussed when the next technology levy would be presented to voters, how many staff are supported by both the technology levy and capital bond, and the impact of last year's increase in per meal costs. It was suggested that the task and role of the subcommittees be clarified and that the Board and DBAC set the parameters within which analysis of each key component of the district's budget is conducted. In addition, some hesitation was expressed by district staff not wanting to be in the position of advocating for positions, should staff reductions be necessary, although the dire budget conditions were clearly acknowledged and having a voice in the process was vitally important. Those staff indicated the issue would be brought to their association for discussion. The group also discussed examples of multiple scenarios for reduction in the key component areas such as transportation and consideration of a two-bell schedule, and the use of available technologies to provide community discussion forums to gather ideas and input. It was also agreed the seriousness of the budget situation for next year needs to be communicated to staff, parents and the community.

Ms. Chapel distributed a set of key questions to frame subcommittee discussions, a list of general guidelines (as outlined in the DBAC Roles and Responsibilities document) and specific guidelines (developed for the 2008/209 budget planning process) for group consideration. It was suggested that two questions be added to the key questions for subcommittee use/consideration: 1) Is there a better way to utilize the PTOs (listed under "revenues"). 2) Is there a better way to utilize parent volunteers (listed under "efficiencies"). Another suggestion was to gather the data to be analyzed and determine those expenditures that get the most value out of a school day. It was noted that the priorities gathered during last year's DBAC process clearly placed at the top those things closest to the classroom such as quality instructional materials. Regarding facilitation of the individual subcommittees, district leadership would be assigned as follows: Transportation – Cami Dombkowski (Director Human Resources/Transportation) and Glen Tyrrell (Supervisor of Transportation), Custodial and Maintenance – Tamela Van Winkle (Director of Facilities and Capital Projects), Central Administration – Faith Chapel (Superintendent) and Peggy Paige (Director of Business Services), Special Education and District Instructional Support Services – Dr. Clayton Mork, School Educational Programs: K-6 and 7-12 – Julie Goldsmith (Associate Superintendent of Curriculum and Instruction). It was recommended that the subcommittees remain small but include staff, administrative, and parent/community members. The primary tasks of the subcommittees will be to analyze data, identify priorities and develop options for DBAC and Board considerations. Subcommittee meetings will be scheduled from January through early March, with regular reports provided to DBAC. It was noted that the purpose of the subcommittee process was not to make recommendations but to look at realistic possibilities for budget reductions using creative thinking and brainstorming. DBAC members with interest in particular areas are welcome to be part of the subcommittee work and members can forward the names of other interested staff/parent/community people to the Superintendent's Office. To assist with a better understanding of school finances, it was suggested that each subcommittee be provided with a short "budget 101" session prior to beginning their work.

Next Meeting:

~~February 10, 2009~~

New Date: February 24, 2009

5:30 – 7:30 PM

Bainbridge High School Library