

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

Date: November 16, 2009
Place: Bainbridge High School Library
Time: 5:30 p.m.

Enrollment Update

Superintendent Faith Chapel provided an update on enrollment for November reporting the total held steady from October with a student count of 3772 FTE. She noted the FTE for K-4 was approximately five students higher than last year.

Fiscal Year-End Report – 2008/2009

Director of Business Services Peggy Paige provided an overview of the fiscal year-end report for 2008/2009. She stated revenues came in above budget. The loss in apportionment, due to a small enrollment decline and a mix factor adjustment, was offset by increased in SafetyNet funding, enhanced transportation funding, and additional Federal grant allocations. Expenditures for 2008/2009 were below budget as a result of savings in benefits, transportation and food supplies, utilities and staff development/travel. The district's final year-end Unreserved Fund Balance was at 2.8%. Ms. Paige noted that while the percentage was above official board policy of 2%, it was below the district target goal of 3%. The group also reviewed the Budget Status report for the fund balance as well as further detail (by object) of both revenues and expenditures.

State Forecast Update

Superintendent Chapel distributed copies of the DBAC Budget Development Recommendations approved by the School Board on June 10, 2009. Those committee recommendations included total additional revenue options of \$359,500, and total budget reductions options of \$1,832,362 for the 2009/2010 school year. By mid-December, the district will have collected two months worth of data and staff can begin to analyze trends within the budget. It was noted that the Bainbridge Schools Foundation had pledged \$350K for staffing and professional development for the 2009/2010 school year. Additionally, they raised \$260K this past spring during the *Save Our Teachers* campaign, bringing over \$500K in donations that support Bainbridge schools.

Ms. Chapel expressed gratitude for the passage of the Capital Bond and the work by staff, parents and community members that supported the successful outcome. She stated that some of the bond monies would be designated to conservation projects and would ease the drain on the General Fund, as would the new Wilkes Elementary School and other renovation projects. Ms. Chapel noted the school board would be discussing renewal of both the technology and program and operations levy for the February 2010 election ballot.

Ms. Chapel shared with the committee, a presentation prepared by the State Office of Financial Management (November 16, 2009) entitled *The 2009-11 Budget Story*. The overview of the past eighteen months noted that Washington saw the largest drop in revenue in recent memory – closing a \$9 billion shortfall through cuts to programs and services, use of Recovery Act funds, and fund transfers, including the Rainy Day Fund. It was noted that as revenue projections continue to decline, the state would need to cut more to stay in balance. Reduction options are limited by constitutional and federal spending mandates, which will narrow the choices. A chart depicting the actions taken last year to balance the budget was included and examples of the cuts and efficiencies implemented by the state were described. Percentages of reduction by budget areas were as follows: Low Income Health Care – 11%, Other Human Services – 8%, All Other – 8%, Higher Education – 7%, K-12 Education – 5%. It was noted that 48 other states have addressed or still face budget shortfalls for 2010 – only Montana and North Dakota have not. Washington State is now facing an additional \$2B shortfall for this year. The sources of that shortfall include revenues dropping (\$1.26 billion as of the November revenue collections) and costs rising along with emerging issues (\$742 million to date). Revenue uncertainty continues with, according to state Economic and Revenue Forecast Council, state revenues and job growth lagging behind the economic recovery. With the majority

of the state's \$31 billion budget protected, possible areas for more cuts from the non-protected budget areas include: (a) Mental health and developmental disabilities services (\$1.6B). (b) Prisons/community supervision of offenders (\$1.6B). (c) Care for low-income elderly (\$1.3B). (d) Economic support for low-income families (\$1.1B). (e) K-12 non-basic education funding – class size reductions, others (\$635 M). (f) Higher education – mostly financial aid (\$500M). (g) Juvenile corrections (\$198M). The timeline of the state's supplemental budget includes the Governor's supplemental budget being released mid-December, the final revenue forecast released February 18, 2010, and the legislative session scheduled to be adjourned March 11, 2010.

Following the state budget presentation, Ms. Chapel announced Representative Christine Rolfes was sponsoring a community forum on school funding and education reform. The event is scheduled for Tuesday, December 1st from 7:00 – 8:30 p.m. in the Bainbridge High School Commons. One of the event speakers will be Foster Pepper Attorney Tom Ahearne who represents the Network for Excellence in Washington Schools (NEWS) and has expertise in the complexities of school finance. A representative of the Office of the Superintendent of Public Instruction is also expected to speak.

Budget Development

Ms. Chapel explained it had been expected the district would be looking at approximately \$500K in budget reductions for the 2010/2011 school year. However, with the new state revenue loss estimates that could lead to reductions of enhanced K-4 and I-728 funding, the district could face budget reductions of \$1 - \$1.2 million. Committee discussion included the importance of survey feedback as further reductions are contemplated, and the impact of the better than expected enrollment count. Ms. Chapel noted the school board added additional meetings to their schedule (November 24 – special, December 10 – regular, December 17 – special) and would engage in important budget-related discussions including the renewal of the Program and Operations Levy.

Next Meeting:

- December 15
- January 19
- February 9
- February 23
- March 16
- April 6
- April 20
- May 4
- May 18
- June 1