

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

Date: February 28, 2012
Place: Board Room – Commodore Campus
Time: 5:30 p.m.

INFORMATION

State Budget Legislation

Superintendent Faith Chapel called the meeting to order and welcomed the committee. She highlighted three “take-aways” committee members should have by the end of the meeting: an understanding of the current status of the Legislature’s budget work; the initial projected budget gap for the district; and a review of strategies to address the budget gap. The group would also talk about next steps at the conclusion of the meeting.

The February 21st and February 28th editions of the This Week In Olympia (TWIO), published by the Washington Association of School Administrators, were distributed to the group. The February 21st TWIO provided a summary of the 2012 State House operating budget proposal, and the February 28th summarized the 2012 Senate operating budget proposal. Ms. Chapel noted both budget proposals have minimal reductions to K-12 funding and reflect the favorable court decision related to the McCleary vs. State of Washington. In addition, a more positive economic forecast announced in February, as well as a significantly lower caseload for state services, has reduced the state budget gap. Comparing the House and Senate budget proposals, Ms. Chapel noted the House proposal included some minor K-12 reductions in a variety of areas, a “savings” based on a delay in school districts’ general apportionment payments, and a delay in school districts’ Local Effort Assistance (LEA or levy equalization) payments. Comparatively, the Senate proposal was a very positive package for K-12 education, with zero proposed K-12 reductions and the same apportionment/LEA delay strategies. Regarding pensions and health benefits, both proposals were similar. Ms. Chapel noted the Legislature is due to complete their session March 9, 2012.

District Enrollment & Financial Update

Superintendent Chapel shared the February 2012 enrollment report, which showed the district was 32 students below the projected enrollment related to budget. It was noted while the district is conservative in projecting enrollment each year, the changes made in requirements for the Alternative Learning Experience (ALE) program had a significant impact on enrollment. The district is in the process of conducting a long-range demographic study with new information gathered from the 2010 Census.

Director of Business Services Peggy Paige provided a brief summary of the General Funds financial report through January 31, 2012. She stated the total General Fund revenues were 3.9% less than for the same period last year and close to average. Tax collections were up compared to last year and were not expected to exceed budget estimates by year end. Local revenues were well above the average, primarily due to the generous contribution of the Bainbridge Schools Foundation in November. Transportation is consistent with budget estimates and will not be adjusted for actual ridership until later in the year. Prior year Federal Revenues reflect the receipt of Ed Jobs funds in December. As a percentage of budget, Federal Revenues are currently above the expected average. The timely approval of grant applications by OSPI has made it possible to request grant reimbursement claims earlier this year.

Ms. Paige noted General Fund expenditures for the year were 1.9% lower than for the same period last year, with year-to-date expenditures below average. Extracurricular expense was noted as being up compared to prior year and currently expected to exceed budget estimates. Total Special Education costs were down 2.8% compared to last year and below the 3-year average. It was noted that costs were being well contained in this category. Regarding the area of support services, expenditures generally were below last year. While utilities reflect some variations in payment patterns, the current trend would indicate being below budget in this area. Central Office expenditures to date currently indicate reduced expense for election costs and legal fees. Related to cash flow, Ms. Paige stated the

district's closing cash balance was such that it should well manage the proposed July 2012 one day delay in apportionment by the state.

DISCUSSION

Budget Development Timeline & Process

Superintendent Chapel distributed the 2012/2013 Budget Development Timeline and Budget Development Guidelines for group review. The timeline includes dates for budget data and materials to be submitted by district departments to Business and Human Resources for review, and for DBAC and the School Board to review budget priorities and reductions. She noted a key goal on the timeline was to have a preliminary budget ready for board review in June.

District Improvement Plan 2011-13

Ms. Chapel presented the District Improvement Plan 2011-2012 and 2012-2013, and the District Improvement Planning Document (draft – February 2012) for group review. The documents describe the district's mission as “*a learning organization to ensure that every student is future ready: prepared for the global workplace; prepared for college; and prepared for personal success.*” The plan commits the district to the following priorities: Priority 1- High Quality Instruction and Instructional Leadership; Priority 2 – High Quality Curriculum that Supports Instructional Goals; and Priority 3 – High Quality Assessment that Informs and Supports Individualized Instruction. Several key components of the plan include the current work related to the teacher/principal evaluation pilot, the Mathematics Curriculum Review, and several assessment initiatives (MAP, DRA2, etc.), all of which will require staff professional development. Ms. Chapel explained the importance of understanding the district improvement plan and its priorities to make sure financial resources are aligned to those priorities that benefit student learning.

Projected Budget Gap 2012-13

The draft 2012-13 General Fund Projected Budget Gap summary sheet was shared with the group, and Ms. Chapel noted the changes were a “budget to budget” comparison. Noted on the summary were the total reductions in revenues and increased costs, the preliminary budget gap for 2012-13, and the adjusted budget gap that included a renewal of the Bainbridge Schools Foundation donation pledge (a copy of the draft projections will be posted on the district website). Ms. Chapel reviewed the information with the committee, highlighting the staffing adjustment to align with enrollment, increased costs related to salary and benefit adjustments, costs associated with utilities, training for staff (Math and teacher evaluation), local levy changes, and a projected decrease in enrollment (-100 students) for 2012-13. To provide a historical perspective, the 4-Year History of Budget Adjustments (2008/2012) document was distributed to the committee members. It was noted that the total adjustments to revenues and expenditures for 2008-2012 was \$6,663,161. The group also reviewed the budget information and input survey data from April 2011, which reflected the budget priorities of staff, parents and community at that time. Ms. Chapel asked the committee to break into two discussion groups for the last few minutes of the meeting to review the past budget reductions as preparation for the next DBAC meeting.

Next Meeting:

March 13
March 27
April 10
April 24
May 8
May 22
June 5