

March 19, 2007 MEETING - DISTRICT BUDGET

Orcasboard.org – site where notes will be posted

In attendance: Mimi Anderson, Marta Branch, Phil Branch, Janet Brownell, Glenn Harris, Susan McCaull, Suzanne McClure, Sharron Mierau, Roann Mietzner, Sara Morgan, Coleen O'Brien, Lyn Perry, Julie Pinardi, Michelle Reed, Barb Skotte, Susan Stolmeier, Linda Sullivan, Laura Tidwell, Keith Whitaker, Morgan Paige, Leah Armbrust, Phill Heikinen, Kathy Collister, David Mierau, Doug Tidwell
Facilitator: Lisa Byers

The GOAL for today's meeting is to:

- (1) Answer questions raised at the last meeting and identify more questions.
- (2) Agree on a problem statement

Lisa encouraged those present to keep asking questions before developing solutions..

Glenn and Ben presented additional information and answered questions.

Answers to Questions:

1. How are enrollment numbers determined for the budget?

There are three ways to calculate enrollments. For each class:

1. straight cohort by grade level
2. weighted cohort – enrollment not coming in as expected
3. roll up

When a school district is in financial trouble, like OISD, the ESD requires that enrollment calculations be done using the lowest number for each of these calculations for each class. Ben has done the calculations (worksheet will be made available) and has projected enrollment – 456.88 (Wc)

Ben noted that the state requires K-3 student/teacher ratio to be lower than 4-12 student/teacher ratio.

Ben went over the content of a set of spreadsheets -- 15 page document.

There were questions about financial figures and Lisa stated that Janet Brownell has agreed to serve as the conduit for those questions. Anyone with ideas or questions about finances, should email Janet at maxdigger@hotmail.com. She will seek to get answers and put them in layman terms as best she can. Send questions to Janet no later than Wednesday, March 29th. Janet will email Tony with questions asked so visit Orcasboard.org to see questions being asked.

2. What is the correlation between sources of funding and how it was used?

ANSWER: Power point presentation about school finances will be posted on the web.

3. Want spread sheets that show all the line items... ANSWER: Satisfied by Ben's spreadsheets.

Document.

4. Understanding reasons for declining enrollment. ANSWER: Susan McCaull will review information collected by principals and write a one page paper with information on theories.
5. Models for enrollment projections (done)
6. Where are the limitations from state funds and limitations on M&O levies? Glenn responded by stating that the District is limited by state statute to a maximum levy income equal to 24% of expenses. The only way to do a special levy is to pay off debts for capital expenses through a bond issue. The next levy will be voted on in Feb. 2008, and that will not start generating revenue until the 08-09 school year. The only way to change this is through a change in the legislation.
7. Why were we in the black and now we're in the red? Glenn answered:
 - Declining enrollment.
 - On-going unfunded mandates in BEA at the state level.
 - Declining revenue in federal programs. Forest reserve monies are about to expire.
 - Special education costs continue to go up and school is not given additional appropriation.
 - Money is taken out of general fund. What's the drop out rate?
 - What's the mobility rate? The district has had many changes over the past three years.
 - Budget has not been consistent and there are increased costs.
 - District has offset that with a reserve.
 - This year and last year the district has been borrowing from county's treasury.
 - Board has delayed decisions in cutting personnel and programs. Good news is that programs have remained in place. Bad news is that the problem is now big.

Kathi Collister suggested that the board has consistently overfunded the administration.

The group then focused on developing a **PROBLEM STATEMENT**. Lisa will post this on the website and seek input for revisions. The initial ideas for the statement were:

Because....

1. the OISD is at risk of having the ESD take over management of the district;
2. the proposed solution for staff/admin cuts has instigated problems.
3. the budget put forward for 07/08 needs to comply with state requirements for budget presentation that does not include private fund raising assumptions
4. there has been a history of poor financial record keeping and it is therefore difficult to determine budget-to-actuals

5. we're attached as a community to the legacy of public school strengths
6. it is difficult to maintain climate for learning with volatility in the school culture
7. there is declining enrollment
8. the reserves have been depleted and should be up to 7.5% in 3 years
9. it is necessary under strained financial conditions to project a conservative yet realistic enrollment and costs
10. this problem is not new -- it has simply taken a crisis to bring attention to the years of problems

Therefore....

There is a need to balance the 07/08 budget and build a reserve fund while maintaining a rich, educational high quality program while minimizing cuts to staff

Lisa will post the problem statement and anyone who has questions about the problem statement, should direct their questions to her at her email address: opalclt@opalclt.org

Various individuals volunteered to accomplish the following **HOMEWORK:**

Laura's going to create visuals for other ways to look at the budget

Phil will research what other groups have done.

Marta will research ALE numbers.

Susan will research why students are leaving the district and/or not coming.

Janet will field questions about financial questions and data

Kathi will research state funds.

Glenn will research how district can best take care of itself with the next levy

Glenn will ask ESD to give us an outline for a recovery process

NEXT MEETING: Friday, March 30, 3:15, School Library