

BUDGET COMMITTEE WORKSHOP
BEAVERTON SCHOOL DISTRICT 48
BEAVERTON SCHOOL DISTRICT ADMINISTRATION CENTER

Budget Committee Workshop

January 18, 2011

The Budget Committee of the Beaverton School District conducted a Budget Workshop at the Administration Center on January 18, 2011 at 6:30 p.m.

Board Members Present:

Karen Cunningham
Tom Quillin
Mary VanderWeele
Sarah Smith
LeeAnn Larsen
Lisa Shultz

Budget Committee Members Present:

Brett Baker
Dave Bouchard
Carrie Anderson
Carmin Ruiz
John Burns
Cheri McDevitt
Cameron Irtifa

District Administration Members Present:

Jerome Colonna	Superintendent
Carl Mead	Deputy Superintendent
Ron Porterfield	Deputy Superintendent
Claire Hertz	Chief Financial Officer
Sue Robertson	Chief Human Resource Officer
Steve Langford	Chief Information Officer
Maureen Wheeler	Public Communication Officer
Holly Lekas	Level Administrator
Brenda Lewis	Level Administrator
Barbara Evans	Level Administrator
Vicki Lukich	Level Administrator
Dick Steinbrugge	Executive Administrator for Facilities
Robin Kobrowski	Administrator for Assessment and Curriculum
Andre Schellhaas	Finance Manager
Gayellyn Jacobson	Budget Manager
Jessica Ho	Senior Budget Accountant
Mary Jean Katz	Principal
Shirley Brock	Principal
Ken Yarnell	Principal
Steve Day	Principal
John Metcalf	Classified Staff
Guy Weisenbach	Classified Staff
Terry Nolan	Certified Staff
Ari Cosey	Certified Staff

Visitors: 8

Media: 1

WELCOME AND OPENING REMARKS

Tom Quillin

The meeting was called to order at 6:30 p.m. School Board Chair, Tom Quillin, opened the meeting and briefly went over the agenda. He noted it is crucial we remind ourselves we are here for the 39,000 school children of the Beaverton School District. He thanked everyone for the work they do and stated he had four points he wanted to review. The first was the Budget Committee Goals approved by the Board:

The District will develop a budget to:

1. Ensure operation of the basic functions during extraordinary State fiscal revenue shortfalls
2. Support the outcomes of the District Goal and Strategic Plan for 2010-15
3. Maintain or rebuild a 5% fund balance in the general fund by the end of the 2011-13 biennium
4. Increase efficiencies of District operations, programs and practices to offer the highest quality programs possible

The Budget process will:

1. Encourage participation from all sectors of the community
2. Communicate and clarify budget questions for the public
3. Include in-depth review of the following budget topics: grants, operations and facilities, and school cost centers
4. Review initiatives adopted by the district in prior years including a fiscal evaluation

Quillin noted that the approval of the Budget occurs at the May 17th meeting and may precede the May state revenue forecast. There is the potential for some changes, but we may not be able to wait for the forecast to approve our final budget. We will need to be as proactive as we can to make our best budget in advance based on the February State revenue forecast and then the board can make any adjustments needed in the adopted budget.

He reviewed the board policies guiding the budget process including the Budget Transfer Authority Policy. This allows the board to modify appropriations up to 15 percent or less after a budget has been adopted.

Chief Financial Officer, Claire Hertz shared the policy is new, and was discussed at the October Budget Workshop with Betsy Miller-Jones. The board has now adopted the policy.

OPENING COMMENTS

Jerry Colonna

Superintendent, Jerry Colonna thanked the staff, volunteers and budget committee members who were present. He stated we are dealing with some of the most precious resources individuals have when we are cutting as deeply as we may be. Things like a person's livelihood or their children's health insurance, and our decisions are important and need to be precise. He shared he is working with eight groups to receive the best information to make the best decisions possible.

These groups are:

- Internal Budget Committee, which is made up of 29 individuals
- Three employee organizations
- School Board
- Budget Committee Members
- Superintendents and Chief Financial Officers from 21 districts throughout the State
 - We will be attending a meeting where Superintendent's and CFO's will meet to talk about our common messages.
- Confederation of School Administrators
- Oregon School Board Association
- Oregon School Business Officials
- Lobbyist, Ozzie Rose who works for us through the ESD
- Legislators and Lobbyists

- Superintendent's Council
- Principals
- Listening Sessions
- Employee Forums, phone calls and emails

The second point he made was about communications and pointed out that Claire Hertz, CFO, Sue Robertson, Chief Human Resource Officer, and Superintendent Jerry Colonna, made videos that are on the Web giving the basics about the financial situation the District is in. We have several face to face opportunities to hear suggestions during our Listening Sessions and Friday Employee Forums. We are composing a letter to the community to give basic ideas about the budget and conducting a series of faculty meetings where central administrators are going to all of the 51 schools and meeting with faculty.

His third point was we will look different next year and into the future. There will be fewer staff members, fewer programs, and fewer curricular offerings. The expectations around class size, instructional time, days, and instructional offerings will possibly look different. This budget round we have the effects of the first three where we cut 80 million dollars and did not cut days or staff to the extent that other districts did. We tried to preserve the classroom and instructional time.

He stated we are currently working on three levels of budget. The first one is the worst-case scenario where the state is going to appropriate \$5.4 billion for the next two years to fund K-12 education. \$5.4 billion means that we will have to cut, \$40 million from the rate that we are now spending. The mid-level is an appropriation of \$5.6 billion. In that case we would be cutting \$35 million. The best-case scenario is the legislature appropriating \$5.8 billion and would mean we would have to cut \$30 million. The \$5.4 billion budget is where we are working now and will adjust that upward as we receive more information. February 1st is when the Governor will share his printed budget recommendations with the legislature. We will work very hard and support you in every way we can to support the budget decision making process.

ROLE OF THE BUDGET COMMITTEE

Tom Quillin

Board Chair Tom Quillin shared that there are specific items the Board is chartered to do. Those are to establish budget development guidelines, approve the budget calendar, appoint the budget committee members and adopt the budget. The Budget Committee meets for a grand total of approximately 15 to 20 hours and as a whole is not able to invest the amount of time that our staff does. We will be most effective as a committee when we are able to remain strategic and be advisors on priorities.

Quillin welcomed the newest member of our committee, Carmin Ruiz.

REVIEW, REVISE AND ADOPT BUDGET Committee Ground Rules

Jerry Colonna

Superintendent Colonna reviewed the Budget Committee Agreements the Committee worked on in October with Betsy Miller-Jones.

He highlighted two points: Being familiar with the District's Strategic Plan and the plan would be presented in detail at the first Budget Meeting including what resources are required to accomplish this. The first Budget Committee Meeting is scheduled for

April 12, 2011 and the District is prepared to meet the recommendation at that time. He also offered if anyone would like information before that date, that we would be more than happy to accommodate those requests.

The second point was item E in the working agreements. It states: *As a general guideline, overall pre K-12, district-wide benefits should be prioritized higher than individual programs or cost centers.* He stated he knew that this was difficult for everyone but the Committee is being asked to be a system leader and a systems thinker with a \$300 million general fund budget and 39,000 students. He feels the best work we can do together is to make critical decisions about systems in the district. The other items in the working agreements are similar to what were established in the past but he would be happy to answer any questions anyone had in regards to these.

Mary VanderWeele commented that in regards to the timing of the Strategic Plan being presented. She would be in favor of working that in sooner. Jerry responded the District would be happy to do that, possibly as we plan for the next agenda or we can leave it for the following Chair.

Tom Quillin stated he would like to leave that decision for the formally elected Chair and commented he felt it was a valid request.

VanderWeele commented whoever becomes the new committee chair needs to be aware that during the Budget Committee retreat it was brought up that the committee needed help in being able to come to consensus about the Budget Committee role. She feels the time spent with Betsey Miller-Jones was beneficial but we need more clarity around the role of the Budget Committee and we have a process aligned with that role. She feels strongly it is very important the Committee come together around this role so they can move forward.

Quillin offered his help in offering more information if there were any questions in regards to the role of the Budget Committee.

Brett Baker asked if we had allotted time during this session to address the subject of the role of the Committee and Quillin responded time was not given to that subject this time.

ELECT CHAIR AND VICE-CHAIR

Tom Quillin

Tom Quillin explained the next process was to elect a Chair and Vice Chair. There are 14 voting members and 8 non-voting members on the Committee. In order to elect the two positions we need a majority vote of eight. He noted Jeff Hicks was absent and there were only 13 of the 14 voting members present. Tom explained if a majority was not possible tonight, he would continue to act as Committee Chair and they would try again at the next workshop.

Quillin asked for nominations.

Sarah Smith nominated Dave Bouchard. Cameron Irtifa nominated John Burns. Nominations were closed.

There were seven votes for Dave Bouchard and six votes for John Burns. Quillin explained since there was not a majority he would move on to the Vice Chair and revisit the election of the Chair in the second round.

Mary VanderWeele asked if the situation would benefit from a discussion. Tom replied it needed to be brief as we were already running over schedule and it may be more effective to wait until next time as the entire Budget Committee would be present.

Lisa Shultz moved that the committee have five minutes of discussion and then another vote.

Mary VanderWeele seconded the motion. The motion carried.

Mary VanderWeele explained she has had an opportunity to discuss qualifications with John Burns but not Dave Bouchard. She would like to hear what both would seek to achieve.

Both candidates spoke to their qualifications.

Dave Bouchard stated that he was willing to withdraw his nomination.

Mary VanderWeele suggested the possibility of having co-chairs. She said that Portland Public Schools is doing this and felt symbolically it would help to bring them together.

John Burns explained this is a change that can not be solved in five minutes. He would need to reach out to a number of people who have done this. In his experience, the Chair is a facilitator and encourages communication and the position plays a central role.

Quillin stated the committee was at the close of the discussion and it brought forth an unclear path. He asked Dave Bouchard to become a member of the Budget Committee because he could bring budget experience from the public sector. Quillin felt Bouchard could bring knowledge and experience to some difficult decisions that the committee is going to have to make this year. Quillin stated if the committee was unable to have a majority vote, they would need to elect a chair at the next meeting.

Lisa Shultz spoke to the motion she had made earlier to have a five minute discussion and then take a second vote.

Quillin asked Bouchard if he still considered himself a nominee and Bouchard responded in the affirmative.

A second vote was taken and the count was seven votes for Dave Bouchard and six votes for John Burns.

Mary VanderWeele moved to have both candidates as co-chairs.

Quillin stated he didn't know if the committee could make this decision tonight. Neither of the nominees had been consulted in regards to this change and restructure of the committee.

Quillin moved on to nominations for the vice chair position and asked for nominations.

Sarah Smith voiced a concern about moving forward with the vice chair nominations. She felt having one of the nominees as vice chair would be a strong point in bringing the committee together.

Lisa Shultz moved to postpone the election of the vice chair position until the next meeting.

Cameron Irtifa seconded the motion. The motion carried.

Mary VanderWeele requested to resolve her motion to submit both as co-chairs.

Tom Quillin stated they needed to modify the structure of the committee to have co-chairs, and then decide on it at the next meeting. He then asked Mary if she would like to make a motion to restructure the committee.

Mary VanderWeele moved to restructure the committee leadership and to vote on it tonight.

Cameron Irtifa brought to the committee's attention Tab 1. It states the budget committee shall select, at its first meeting, a presiding officer from its membership.

Tom Quillin stated he was aware of the rules and they did not have the eight votes required to complete the task. He then asked if there was a motion.

Mary VanderWeele repeated the motion to restructure the committee leadership to allow for two co-chairs in place of chair and vice chair position. This would be for this budget cycle 2011-12 only.

Cameron Irtifa seconded the motion. The committee voted. The motion did not pass with a 7-6 vote.

Dave Bouchard asked VanderWeele her vision, how it would work and who would preside over the meetings. She stated in Portland they focus on the skill sets of each individual and then one presides over the meeting. She shared that it might be a welcome division of labor for this position.

Brett Baker shared it is hard enough to have one person chair. It would make it more difficult to have two co-chairs. He would not be in favor of co-chairs.

Quillin shared as a Chair he would not want to work with a co-chair. He wouldn't want to do it on the Board, because it would make decision making extremely difficult. He wouldn't want to do it on the Budget Committee for the same reason.

Cameron Irtifa stated if it works in another district then why can't we give it a chance. It might bring the committee together.

Carrie Anderson stated it is still two people leading either way, and they are agreeing to come together to lead. She feels the group should come to a decision tonight.

John Burns stated given the comments made about the limited time to make decisions, it makes sense to combine the efforts.

Lisa Shultz stated given what a difficult year it is, the amount of work there is, how we have two experienced, hard working individuals to share the position, she would tend to vote for it.

Tom Quillin asked all in favor to modify the committee structure to accommodate the position of two co-chairs. There were seven for the motion and six opposed. The motion failed for a lack of majority of eight votes. Tom stated he was not going to

move forward to restructure the committee on such a close vote. He asked all committee members to be in attendance at the next meeting. He thanked the outgoing Chair Brett Baker and Vice Chair Cameron Irtifa.

APPROVAL OF MINUTES FROM MAY 25, 2010, JUNE 2, 2010, AND OCTOBER 22, 2010 MEETINGS
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Tom Quillin

Tom Quillin asked for a motion to approve the minutes.

John Burns commented he remembered a comment made by Betsy Miller-Jones during the October 2010 workshop and asked for clarification. He remembered the comment to be, "Most of these words are about approving money and you are dealing with cuts." Lisa Shultz stated her memory of the statement was everything was designed for an increasing budget not for a decreasing situation like we have.

Claire suggested that we capture the sentiment in this meeting's minutes as a comment.

Cheri McDevitt made a motion to approve all three sets of minutes as written.

There was a second. A vote was taken and the motion carried.

PUBLIC COMMENTS

Tom Quillin

Marilyn Welch, Music Teacher at West TV Elementary, advocated for keeping music programs intact.

STAFFING CALENDAR

Sue Robertson

Sue Robertson, Chief Human Resource Officer, shared the staffing planning calendars were to help the committee see what is involved in staffing the schools and departments. It is an interdepartmental agreement and is vastly complicated by the upcoming reductions. Robertson commented the District will be reducing staff and have fewer employees, but will also be hiring in special needs areas. High needs tend to be Special Ed and high-level math positions. If we don't have someone internally with the licensure, then when someone leaves, we hire.

Late hiring impacts the quality of the applicant pool. In the past, we have been able to get out there before other districts, but that may be difficult now. Our recommendation is the committee finish its work by mid-March with prioritized packages. We could then have decisions ready to move forward and know what could be added back in if the scenario ended up not to be worst case. We could begin the staffing process with employees by Spring Break. Reductions by program tend to be less complex than by student teacher ratio. It is driven by a narrower band of licensure. Staffing and any kind of reductions need to be completed by July 31st to meet payroll deadlines. We came very close to not meeting those deadlines last year. It will be more difficult with more reductions and more transfers and less staff. There is a lot of work that goes on behind the scenes for all of this to take place. There are a couple of potential cost considerations: by contract, classified employees require two weeks notice of layoff; by contract, licensed employees are paid to relocate if notified of involuntary transfer after June 30th. Employee benefit costs are paid through August if the RIF occurs after June 30th and there are unemployment costs to consider.

Elimination of positions does not necessarily equate into an equal number of staff

losing their job, because there will be attrition. As people leave we can put staff in those positions. The average rate of attrition in the past has been 98 licensed employees, 84 classified and 3 administrators on an annual basis.

BUDGET UPDATE

Claire Hertz

Claire Hertz, Chief Financial Officer, introduced the staff Budget Committee Members. She shared an article, *America's Commitment to Equity Will Determine Our Future*, by Linda Darling Hammond. Claire commented offered the entire book to anyone on the budget committee who would like to read and learn alongside the administrators in the district.

Claire shared student demographics in the district.

- January 2009/10 enrollment was 38,050 grown over 600 students from last year to present
- 51 schools
- 4,114 Employees
- Grown to 46.1% Minority
- Grown to 38% Free and reduced lunch
- Grown to 13.5% Sped
- Grown to 12.6% Tag
- Grown to 2.8% Homeless
- English Language Learners have declined from 14.2% - 13.5%
- There are 90 languages represented in district

Claire reviewed *Expenses by Object*, and shows how the district has spent over last two years. The District spent 91.3% of the budget in 2008-09, 94.8% of the budget in 2009-10. The bulk of the savings was in services and supplies. For the current year, 86% of the budget is for personnel and benefits.

Next was a summary of what we have reduced in the last three years representing \$80 million. In 08-09 we had \$4 million in sustainable and \$17 million in non-sustainable reductions. In 09-10 it was \$16 million in sustainable and \$18 million in non-sustainable and in 10-11 it is \$10 million sustainable and \$13 million in non-sustainable. The totals are \$31 million sustainable and \$48 million non-sustainable for a total reduction of \$80 million over the last three years.

Q -Is the salary in 09-10 an over expenditure or is there commensurate revenue from the additional 600 students that required additional expenses?

A -Claire responded some of it was because it was a negotiation year, we had not budgeted an increase and what was agreed to in the contract was higher. There was also an increase in enrollment, so it's a combination.

Hertz explained the *5.8 Billion Funding Projections* handout. This chart shows what will happen over the next four years. It shows spending history beginning in 08-09 through to the present, and moves into the projections of sustainable and non-sustainable expenditures over the next biennium.

In the first year, 2011-12 if the District makes 100% sustainable reductions, the District would have to cut \$30 million, and then a \$2 million reduction in 2012-13.

The figures include making a lot of assumptions based on projections of rollup costs based mostly on CPI or contractual amounts. If the reductions were 50% sustainable,

the first year would need to be reduced by \$30 million, and the second year would be \$16 million. Moving into 2013-14 and 2014-15 there is an assumption of 1% CPI for revenue increase, with a 49/51% revenue split between the two years. A 49% in 13-14 and a 51% of state school funding in 14-15.

She reminded the committee the figures on these pages are projections and they will change every time they are made, because circumstances change with every monthly payroll. If the District were to do a 50-50 split, it would give time for attrition to move forward over the next two years, and would help to ease a reduction in force. There would still be elimination of positions, but the people would leave through retirement and on their own. If we did 100% sustainable we would reduce most of it in the first year and not have enough attrition to cover all the reductions.

Some of the non-sustainable reductions will require employee agreement adjustments. The District would need agreement from all parties to carry these forward.

Q - John Burns asked if there was a document to reference the assumptions made in the projections?

A - Claire stated that no, there was nothing specific in the packet, and the District will provide information for the next meeting.

Q - Dave Bouchard stated that he was looking at the total expenditures, and the total resources calculated for 2011-12 exceed the projections for this budget year. Is that correct? Why is the increase between this budget year \$44 million more, and so much more than the previous budget years?

A - Claire Hertz responded the increases resulted from \$14.5 million is PERS, rollup costs, increased enrollment, contractual obligations and returning some special education expenses previously paid through stimulus funds. Hertz shared a worksheet that detailed the major components of the roll up costs.

Hertz reviewed the 2011-12 Staff Reductions Scenarios at three funding levels. The model assumes all reductions will be in staffing from the three employee groups. This is not the recommendation for balancing the budget but it shows the size of hole the District needs to fill. It is much bigger one than what the District has dealt with in the past.

The last handout was what we have been shared with all staff, schools and departments. The front side is a budget summary and the back side is an input collection form.

Superintendent Colonna added Administrators would be at each of our 51 schools to get input on these three questions from staff. It will take us until the end of January to complete that. We will compile this information and sharing themes with the Budget Committee.

Carrie Anderson commented on the last point where it states, "one student increase in class size would save \$4.3 million," and thought at a minimum it should say "average." She felt that it oversimplified how the budget could be fixed.

Lisa Shultz commented one of the most difficult things to explain is an increase in class size is never by just one student. She agreed to a change in the wording to help the public understand better.

Anderson stated the presumption is for every one child increase in a class would save \$4.3 million, and that is not true. One student in the average and how it is implemented in a large school verses a small school is tremendously different. It is an over simplification of what actually happens.

Cheri McDevitt explained that it is a formulaic one student, not one individual student.

COMMUNITY OUTREACH BOARD Subcommittee Report

Karen Cunningham &
Sarah Smith

School Board Member Karen Cunningham explained the Community Outreach Subcommittee was about getting better community input, not just quantity. Timing was important and helped to stop some of the emotional tug of war that comes with that kind of public testimony. Their unanimous recommendation is to consolidate the public testimony to the Budget Committee into two sessions. These sessions would be what have been Listening Sessions in the past, and they would be made into official Budget Committee Meetings.

They would be timed so one comes after the budget assumptions and one comes after the draft budget. There would be additional Budget Meetings after those sessions so the committee could get staff input on the public comment and use it to help make decisions. If you added the minutes of the two sessions, we would have more time for public comment than we have now. The other budget meetings would not have public testimony, which would give the committee more time for discussion.

School Board Member Sarah Smith added some of the public comment can cause a hijacking of emotions and some of the comments are not based on facts.

We are working very hard to bring forward the facts of the budget to the public so that when the communication comes to the committee it's as educated as possible and the committee can then communicate with each other, fully listen and move forward.

Karen Cunningham shared that the committee wants to encourage people to communicate between those times via email or the suggestion form on the District web site.

John Burns commented all meetings are still open to the public and there is no division of access. The next step is to build a process of more information.

Lisa Shultz shared that she liked the idea of having an entire meeting dedicated to public input.

Mary VanderWeele commented she wants to go back to the role of the budget committee, and make sure that it is aligned with the community input and the right decision maker. In further explanation, if a comment is given about programmatic changes then the comment is directed to the people who make the decisions.

LeAnn Larsen shared she had a concern about limiting public testimony to only two evenings and getting the information out to all of the stakeholders.

Claire Hertz stated both of the Listening Sessions are on the adopted budget calendar, one for March 30th and the other on April 21st. She wanted to clarify the committee

was using the adopted calendar.

Tom stated he was unclear whether the proposal adds two new additional listening sessions or changes the dates of the existing ones.

Karen responded the proposal changes those listening sessions into actual budget committee meetings. All of the budget committee members would be present to hear the public testimony.

Tom Quillin asked for clarification whether the subcommittee was asking for different dates.

Sarah Smith commented that Claire Hertz expects us to work with the adopted calendar. Do we need to reference any of staffing dates that Sue Robertson recommended?

Claire Hertz clarified what went into setting the calendar such as scheduling rooms and input of the budget committee from the October retreat. She also stated that the staffing timelines were taken into account when the dates were selected.

Lisa Shultz commented that she liked the proposal. It gives all parties an opportunity to hear a message and then respond to it. It separates the process of response and decision-making. She recommended even if the dates don't change, the use of the meeting times does conform to the proposal.

John Burns replied that when the proposal was created that it was intended it could be used this year with the current approved dates.

Tom Quillin wanted to know if there was a plan on how to educate the public of the changes proposed.

Maureen Wheeler commented if the committee decides to vote and move in this direction, a plan would be put in place to inform the public of the changes, dates and locations. We are currently scheduled in the High Schools and wanted to know if the committee would like to stay with that venue. She also said the public could use the Budget Suggestion form on the web page to give input.

Tom Quillin expressed his appreciation and reinforced how important he felt it was to educate the public of these changes. He then asked if there was a motion to modify the agendas to change the current listening sessions into full Budget Committee meetings to hear public input.

Sarah Smith made the motion. Dave Bouchard seconded it.

Cheri McDevitt asked if we would be modifying the format to reflect the more welcoming atmosphere established in the listening sessions.

Hertz suggested she would work with the committee chair to modify the format.

Mary VanderWeele requested clarification. She felt that the motion did not address the issue of no more public input at the work sessions and that input would be taken only at the amended listening sessions. There was an affirmation from the committee.

VanderWeele suggested an amendment to the motion to alter the current work sessions and meetings to have public input only at the amended public listening

sessions. There was a second on the amendment. The amendment carried.

A vote was then taken on the amended motion: To reconstitute the agendas of the Listening Sessions to full budget committee meetings on March 30, 2011 and April 21, 2011 and to modify the agendas of the regular meetings to eliminate the agenda item allowing public comment. The amended motion carried.

REVIEW GRANT BUDGETS

Carl Mead & Craig
Irwin

Carl Mead, Deputy Superintendent of Teaching and Learning and Craig Irwin, Senior Grant Accountant, summarized the grant funding to the Beaverton School District and how it is utilized.

Carl Mead spoke about the Small Learning Communities grants, which was a multi-million dollar grant for four high schools. He reviewed the ARRA federal funds the District has received over the last couple of years and IDEA which is Special Education funding. He spoke about the new federal Arts for Learning grant. The work will begin this coming Spring and will be in sixteen of our elementary schools. 120 teachers at the third, fourth and fifth grade level, and over 3,000 students will benefit from this grant. It will encompass all 33 elementary schools over the next three years. Mead spoke about the Mentor Grant from the State of Oregon. There are six mentors working with 68 teachers over the last year. The teachers work with nearly over 7,500 students across the district. The teacher retention rate for 2007-08 and 2008-09 was 78.1 percent. In 2008-09, the District was able to retain 87.6 percent of teachers.

Craig Irwin went over the Budget Process for grants and explained when times are tough grants provide the District with revenue. Most of those grants come with strings attached. Ninety two percent of the grants received come from Federal sources. The remaining balance comes from State, County or private sources.

There are two types of grants, the formula grants and the competitive grants. Formula grants like IDEA are federal grants calculated on a formula basis. The competitive grants such as the Small Learning communities grant and the new Arts for learning grant.

Over the last 20 years, grant funding has increased from \$2.7million dollars in 1991 to \$18 million currently. In the last two years there has been the ARRA (American Recovery Investment Act) or the stimulus funds. This comes in two ways. One is a supplement to existing grants and the District also received two large blocks of funding. This years stimulus funding totaled \$18 million and this is the last year for the funding.

The bulk of grant money goes for salaries and benefits. About 77 percent of grant money goes to this.

The grant budgeting process is a three-step process. The first step is the appropriations budget, step two is the operational budget and step three is the individual budgets.

One of the most important things to know is a grant comes with strings. How we can use the funds starts with the application process. The District must submit a budget before receiving funds. Every expenditure must meet governmental guidelines and the District must show every dollar is spent according to those guidelines.

The District has to be aware of supplementation verses supplanting. The funds must be used to supplement existing programs.

With the stimulus funding we are responsible for reporting how the dollars are spent. The key words are transparency and accountability.

Finally in the area of accountability are the audits. If you look in the CAFR you will see an entire section devoted to audits that will show every grant the district has received.

Thoughts for moving into the future with the federal or governmental grants, there will be a discontinuation of some funding. The District must be competitive to participate in the market when looking at grant funding. The District must seek out innovative grant funding. The final item is transparency and accountability. The amount of reporting and accountability involved in stimulus dollars are going to be the way of the future.

Lisa Shultz asked if Craig Irwin could speak to how much time the individual administrators in schools are involved in the reporting and accountability piece especially interested in what would be a division of labor.

Irwin answered a lot of work is distributed across the district in rolling up the numbers. We receive information from Principals and departments.

Leann Larsen stated when a grant is done and funding ends, it can go one of two ways. Either the program ends or the District sees it as valuable and picks it up with say general funds. Can you speak to that and what it looks like?

Carl Mead spoke to the Title IV, Drug Safe Schools Grant, which will discontinue after June. He explained the District will need to find another source of funding for this program as it has prevented a lot of expulsions due to drugs. Students and parents can take a class in lieu of the expulsion process. Another example is the Small Learning Community grants have been valuable in the high schools for teachers to find time to come together to learn and understand standards and curriculum areas. Once those funds go away the District won't be able to replace them.

John Burns asked whether any of these is obligating the District to continue funding when funding ends. Do any of these have purse strings the District will be responsible for?

Carl Mead replied the only one he is aware of is the Arts for Learning Grant the District just received. The intent behind the grant is a sustainability of practice. After five years the District will have the research to support it the funding to continue our practices.

Carrie Anderson asked what the maintenance of effort was for the stimulus dollars we received, or is it once it's gone it's gone?

Carl Mead responded once its gone it's gone.

Lisa Shultz stated as we move forward, I can see we may have accepted a grant where there wasn't quite enough to make it through the whole school year. To fund that effort we might have added some funds to run the program through the end of the year. Is it possible to accept only the amount of funds required to get you through the school year? How does that work?

Craig Irwin replied that in terms of federal grants the guidelines are pretty well developed. They are established by the federal government. There have been some situations where there is split funding where the District supplements the grant money.

Tom Quillin stated the District needs to be mindful of how to be competitive. Please help position the District to be competitive.

Craig Irwin commented that this will be an interesting year in that there is a change of philosophy at the federal level.

AGENDA FOR NEXT WORKSHOP - FEBRUARY 22
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Tom Quillin

Prior set agenda items:

- Revenue update
- Review of school cost center budgets
- Physical evaluation of district initiatives

Updated agenda items:

- Election of chair and vice chair
- Discussion of strategic plan
- Modify no public comment
- Discuss the role of budget committee
- Review learning from outcomes based budget process

Cheri McDevitt asked if the physical evaluation of district initiatives is where we are going to discuss the effectiveness of the decisions made so far.

Tom gave an affirmative to McDevitt's question.

John Burns asked Claire Hertz if she could get the assumptions information out and possibly review it at the next meeting.

Claire stated she would get something out to the committee.

CLOSING REMARKS

Jerry Colonna

Jerry Colonna reminded the committee during the workshop with Betsy Miller-Jones it was agreed a staff member would record the data requests, research requests, and clarifying data requests and then reiterate these at the end of the meeting. Gayellyn Jacobson is ready to do that; I would appreciate it if you heard something differently to please mention it at this time.

Gayellyn Jacobson reported on the recap of meeting actions:

Motions:

- Chair/Vice Chair - no decision
- Change to co-chairs - not passed
- Minutes approved
- Modify listening sessions to be workshops and dedicated only to taking public comment with no public comment taken at other workshops

Information needed by next meeting:

- John Burns requested assumptions for the multiyear projections
- Change to one page budget document (Coin page) on one student increase

formula

- Budget Committee to indicate if they wanted the book “The Flat World and Education,” by Linda Darling-Hammond. Please contact her if you want this book.

New agenda items:

- Election of Chair and Vice Chair
- Discussion of Strategic Plan
- Role of the Budget Committee
- Review learnings from outcome based budget process
- Fiscal evaluation of budget initiatives – talk about effectiveness of things budget committee has approved in the past

There were no clarifications or changes.

Jerry Colonna shared leadership is difficult especially in the public sector. He was proud of the professionalism exhibited tonight and the creative ideas that were brought to the table. He stated he did feel that Marilyn Welch was the highlight of the meeting and an example of a teacher making a tremendous difference. He appreciated the efforts that went into all the presentations tonight. He wanted to remind everyone he and Maureen would still be holding the existing listening sessions separate from the two mentioned tonight. So there will be more opportunities for the public to express their input.

Budget Committee Workshop adjourned at 9:02 p.m.

Tom Quillin
Acting Budget Committee Chair

Debby Wohlmutter
Recording Secretary