

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

Budget Committee Workshop

May 11, 2010

The Budget Committee of the Beaverton School District conducted a Budget Workshop at the Administration Center on May 11, 2010 at 6:34 p.m.

Board Members Present:

Mary VanderWeele
Jeff Hicks
Karen Cunningham
Sarah Smith
Lisa Shultz
LeeAnn Larsen
Tom Quillin - via telephone conference call

Budget Committee Members Present:

Brett Baker
Cameron Irtifa
Dave Bouchard
Cheri McDevitt
John Burns
Carrie Anderson
Mark Schick

Jerome Colonna	Superintendent
Sarah Boly	Deputy Superintendent
Bud Moore	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	Regional Administrator
Brenda Lewis	Regional Administrator
Carl Mead	Regional Administrator
Vicki Lukich	Regional Administrator
Dick Steinbrugge	Executive Administrator for Facilities
Arlene Hirsch	Principal
Linda Hall	Principal
Mike Chamberlain	Principal
Karen Burch	Classified Staff representative
Cathy Hall	Classified Staff representative
Joanne Walker	Classified Staff representative
Jan Minten	Certified Staff representative
Terry Nolan	Certified Staff representative
Kelly Bordwell	Certified Staff representative

Visitors: 60
Media: 1

WELCOME AND OPENING REMARKS

Budget Committee Chair Brett Baker welcomed everyone to the meeting. He briefly reviewed the agenda for the meeting. The next meeting will be held on May 25, 2010.

APPROVAL OF MINUTES from 3-16-10 & 4-13-10

Budget Committee member John Burns moved that the 3.16.10 minutes be approved with no changes. The motion was seconded and passed unanimously.

Budget Committee member Cameron Irtifa moved that the 4.13.10 minutes be approved with no changes. The motion was seconded and passed unanimously.

PUBLIC COMMENTS

Beaverton Education Association (BEA) president David Wilkinson spoke briefly about the proposal that will be brought forward by principal representatives a little later in the meeting. He noted that he agrees with the Principal Recommendation list and asked the Budget Committee to support the recommendation.

Doug Taylor, founding member of Beaverton Together, advocated for prevention/intervention specialists positions in the District.

Grace Butler, Cedar Mill library media specialist, advocated for library media specialists and specialists positions in the District.

Amanda Elliot and Andrea Burke - advocated for specialists positions and library media specialists positions in the District.

Tracy Bumsted, parent of Greenway student, advocated for specialists positions in the District.

Silvia Asson, parent of former students and teacher, advocated for students and staff in the District.

Molly Curran, parent of a Findley student, advocated for PE programs in the District.

Sarah Olson, teacher at Nancy Ryles, advocated for student supervisor positions in the District.

Katja Freeborn, parent and teacher, advocated for equity in the schools and advocated for equal opportunity for all students at different neighborhood schools.

Heather Irace advocated for specialists positions in the District.

EVIDENCE BASED BUDGET MODEL

Larry Picus and Allan Odden reviewed a PowerPoint presentation which addressed how Picus and Odden believe that the District can link the budget to the strategic plan.

*Linking Budget to the
Beaverton Strategic Plan*

By
Allan Odden and Lawrence Picus

Beaverton, Oregon
April 13, 2010

Progress to Date

- **Showed how the Beaverton Strategic Plan's THRIVES strategies link to the Evidence-Based model**
- **Working with teachers and principals**
 - To create a Beaverton vision of a more effective school
 - To calibrate all of the elements of the model to serve as a strategic budgeting guideline



Progress to Date

- **Developed a zero based budgeting model to allow the district to compare current staffing with strategic budgeting priorities**



Key Elements of the School Models

- **School Administration**
- **Core and elective teachers (average class size)**
- **Professional Development** – instructional coaches, time for collaborative team work, pupil free days, trainers
- **Strategies for struggling students** – tutors, ELD, Extended day, Summer school, Special Education
- **Pupil support** – guidance counselors, nurses, social workers, psychologists, family outreach
- **Library**
- **Instructional materials, technology, student activities, and other dollar per pupil resources**
- **Supervisory aides, clerical staff**



Progress to Date

- **Asking district staff to set priorities**
 - **Met with principals four times**
 - **Met with teachers**
 - **Work closely with the finance office**



Priorities

- **School models seen as holistic**
- **When models are finalized, everyone in the system must support their integrity – principals, central office and school board**
 - **Model calls for less administration at middle schools and more instructional coaches – can't just cut site administration**



Priorities

- **Collaborative teacher work was the highest priority of teachers and principals**
 - **Found strategies to provide collaboration time at all three school levels**
 - **Within the current instructional day**
 - **Within the existing contract for individual plan time**
 - **Using current staffing ratios**



Priorities

- **After core and elective teachers (and collaborative teacher time) the two top priorities are**
 - **Instructional coaches**
 - **Tutors**
- **The instructional leadership team includes site administrators, instructional coaches and tutors**



Additional Decisions on Priorities

- **Other elements of the model need to be considered**
- **Goal is a set of school models that guide budget decisions in the future**



Contact Information

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BUDGET COMMITTEE Q & A / DISCUSSION

Following Picus and Odden's presentation, the Committee asked the following questions, and Picus and Odden responded:

Q - You put a lot of emphasis on instructional coaches, what is their roll? What is lacking at the school district that we need instructional coaches with such a great priority?

A - We've found, in other districts and schools across the country that have made a large progress in improving student performance and reducing achievement gaps, is that they have teachers who work in collaborative groups. Instructional coaches help teachers improve their teaching practices and help teachers work together as a team, but also, importantly to use student data as a diagnostic tool.

Q - We've had instructional coaches in the District for five years, so can you talk a little bit about the gains that the District has seen, have we done correlations between what we've had existing in the District, and what has been our experience here in the District? Have you tried to factor that in?

A - We know that there has been a mixed experience with instructional coaches in the District, as is the case with many other districts. Odden is not familiar with data in Beaverton, but believes that practice, in almost every other place, that has moved forward has been that instructional coaches have been strategic.

Q - It seems like there is a trade-off, in the studies that have been done on instructional coaches, have they factored in class-size as well as having instructional coaches available?

A - We don't have a study with instructional coaches with class sizes x, y and z. We do have studies where districts have used coaches with tremendous effects and the districts have schools with widely ranging class sizes, in many urban districts, closer to the class sizes you have in Beaverton. Larry and I have concluded that coaches, when used well, have a huge impact on student learning gains.

Q - Have we looked in to utilizing senior teachers or retired teachers as instructional coaches?

A - There are a variety of ways to get coaches. One strategy is to bring back retired teachers. Other strategies are to bring in principals who coach well. In many places, someone might be a half time coach and a half time teacher or a half time coach and a half time principal. That allows you to find the people who would be good coaches.

Q - In other districts where you've observed the efficacy of coaching and student achievement, what measures of student achievement, or what kind of data that you've seen collected, not OAKES-like, that might be better?

A - In almost all of the cases where they do studies, the measure of student impact has been state tests. Most people in these other districts have expressed more comfort in using the state tests as a measure of performance, admitting that not all the state tests are all that great, but they give common measures of results across schools and across kids.

Q - As to your presentation, in outlining the priorities, you've talked about two important stakeholder groups that you've worked with, staff and administration, and it seemed like, in developing those priorities, those guiding priorities are in some ways aligned with our strategic plan, which was developed with input from all stakeholder groups including students, and parents and community members. I've seen some of the priorities there, but some are missing, such as personal learning goals, collaboration among parents, teachers and students, focused areas of technology, sustainability. It would be interesting to see more of your model to see how our district's strategic plan is reflected and supported by your model.

A - In terms of the priorities, we haven't gotten through the whole process, but just a couple of comments on the areas that you've mentioned. The personal learning goals, in a certain sense, once you have core teachers and elective teachers and an instructional team and time for collaborative work can accommodate setting a personal learning goal for all students without additional cost. Those goals would come out of the analysis of the diagnostic and benchmarked performances from students. Our final report will include translation of the THRIVES elements into the evidence based model. We know that having both academic and non-academic learning goals and tracking progress on this is eminently doable with these kinds of resources.

Q - When will that additional information you just mentioned be ready for review?

A - That will be provided at the June 3rd meeting.

DELIVERY OF BUDGET MESSAGE AND PROPOSED BUDGET DOCUMENT

Superintendent Jerome Colonna thanked everyone for coming to the meeting. Colonna noted that for the past two years, our country has endured the most severe financial depression that it's seen since 1929. We've seen Oregon's unemployment rate more than double and one in six homeowners, nationally, live in homes that have a higher mortgage value than they do the existing value of the property. In the Beaverton School District, as of last week, we had 1385 homeless students. The District has 14,194 students who are living under the national poverty guidelines. Additionally, there was an article in the New York Times last week that indicated 82% of the nation's 13,300 school districts would be cutting up to 275,000 staff members or an average of 21 full-time staff members per district. Keep in mind, of the 13,300 districts in the nation, 11,000 of them have fewer than 2,000 employees. That makes the number of 21 staff members quite large and daunting.

Oregon's long term budget projection, between the costs of essential services and necessary revenue shows a long-term gap of up to \$2 billion dollars per biennium to the end of the decade. This means that we could well be in the current economic climate, given the current revenue structure, in for very difficult financial times for the next biennia. These projections beg for sustainable reductions where and when reductions are necessary.

In the last two years, in this District, we have cut \$23 and \$34 million dollars respectively from the General Fund. For next year, we are proposing another \$12 million in reductions. Our proposed budget is very lean. However, we are blessed with an outstanding staff who will give our community the very best that they can. This proposed total general fund budget for 2010-11 is \$320,103,000 of which almost 60% is allocated for instruction for 38,460 students or 370 students more than the current year. That is really important because most school districts in our state and most school districts around our nation are not growing. So, not only are they receiving less revenue, but they also have fewer students, and that is a double edge sword. The fact that we gained students this year in our economic decline and we're also gaining students next year is not typical across our state and across the nation.

We are proposing an operating contingency for this budget of \$16 million. We are proud that the projected ending fund balance is at 6.8% or \$20.7 million dollars. This is up from a recent low of 3.6%. It's quite a gain, something we've really worked hard to do.

We're making our recommendations with a three year timeline in mind. There are some major goals that we've aimed for in the past two years that we will be bringing forward again this year in the proposed budget. The number one goal is to protect the instructional core, keep as many employees as possible, delivering direct services to our students.

This budget starts, and I emphasize the word starts, to focus on aligning District resources with the five-year District Strategic Plan, and with an emphasis on student individual growth and achievement. Where possible, we're trying to give school leaders more flexibility because of the complexity of each of our 51 schools at three different levels. The need that the individual schools have to fund unique programs to meet the needs of targeted student populations is very important.

The District Budget Committees' purpose is to review, discuss, revise as needed, and finally, approve the proposed budget and property tax level presented to you by the District budget officer. This approval is scheduled for May 25th as we have mentioned earlier. We will continue to aggressively pursue private business and public sector partnerships that can bring improved benefits, valuable products, and needed services to our students and staff members.

All of us who have worked with the Budget Committee during this budget process thank each member for their hard work and we will continue to do our very best to assist you in this vitally important work that has such a great bearing on the future of our community.

Chief Financial Officer Claire Hertz thanked everyone for their commitment to the Budget Committee. She thanked staff for their work and also thanked Kim Valetski for her efforts on the artwork of the budget document.

Hertz commented that this year, the Budget Committee has been very active. Staff has tried to be responsive to requests of Budget Committee members, meeting with Budget Committee members in person, talking on the phone, taking public testimony and have received ongoing input throughout the process. Budget Committee input has been helpful, and Hertz hopes that the information provided to the Committee has been helpful as well.

Given the current economic times, this process has been very challenging for everyone involved. The following PowerPoint presentation will cover an overview of the budget, highlights of the Variance Report, and will review changes in APU, or FTE, due to enrollment growth and budget reduction. It will look at the current service level and changes and expenditures from 2009-10 to 2010-11 fund balance projection. Staff will need a recommendation from the Budget Committee on a \$350,000 item and then we'll go through next steps.

2010-11
Proposed Budget
Beaverton School District
May 11, 2010

CREATIVITY

Proposed Budget

- Budget overview
- Variance Report
- APU Summary
- Current Service Level
- Fund Balance Projection
- Committee Recommendation
- Next Steps

Budget Overview



Budget Overview

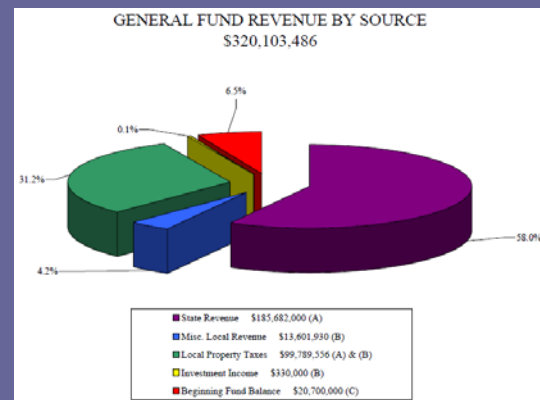
- Passage of Measures 66 & 67 in January
 - Special Legislative Session in February - \$200 million Rainy Day Fund Transfer included a mixed message from Salem
 - House Speaker Dave Hunt message – “use these funds to ensure they keep their doors open for a full school year. That’s most important to us in the legislature.”
- Source: Corvallis Gazette Times, March 30, 2010*
- Governor’s message – “as we begin to plan for the 2011-13 biennium...anticipated General Fund shortfall of approximately 15 percent.”

Source: Letter to Secretary of State March 29, 2010

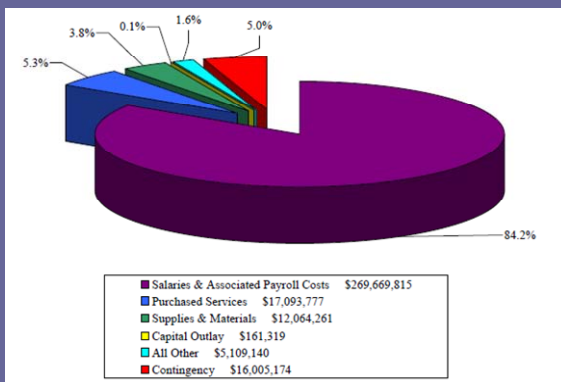
All Funds Overview

Fund	Total
General Fund	320,103,486
Special Revenue Funds	84,030,951
Debt Service Funds	61,775,104
Capital Projects Funds	40,959,000
Internal Service Funds	6,940,520
Trust and Agency Funds	354,303
Total All Funds	514,163,364

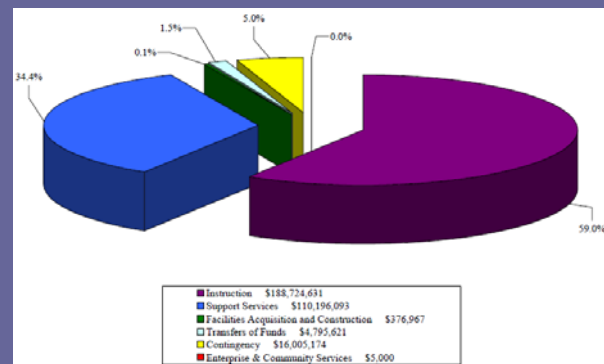
General Fund Revenue



General Fund Expenses by Object



General Fund Expenses by Program



General Fund Reductions

- Plan for two years
- Year 1: 2009-10 Reductions through Attrition
– \$34.8 Million
- Year 2: 2010-11 Staffing Allocation Changes
– \$12.3 Million



Variance Report

General Fund Budget Variances

- 110 Salaries – Adding back two day for certified, 2009-10 mid-year salary changes to 2010-11 full year, enrollment growth, budget reductions and contract negotiations for 2010-11
- 1110/1120/1130 School Programs – same as above
- 1220/1250 Special Programs – Staffing transfer from Restricted to Less Restrictive Programs

Budget Variances (continued)

- 2210 Improvement of Instruction - Resource Specialists were moved to IDEA funding and Response to Intervention Specialists were moved to general fund
- 2490 Other Principal Service - Teaching and Learning staff transferred into incorrect function, and will be corrected for the approved budget
- 5200 Transfer of Funds - Additional bus lease payments in the Debt Service Fund supported by increased depreciation received through State School Fund

Other Funds Budget Variance

- 270 Grants Fund - One-time 2009 Federal Stimulus Package as well as a major shift in focus for the U.S. Department of Education from formula to competitive grants
- 280 Long-Term Planning Fund - no transfer of funds from the Sustainability Fund
- 400 Capital Projects Fund - majority of the 2006 Bond Proceeds being spent on construction projects in FY 2010



APU Summary

2010-11 APU Summary

- 2009-10 APU
- Plus enrollment growth adjustments
- Less budget reductions
- Less enrollment decline adjustments
- Equals 2010-11 APU

General Fund APU Summary

Employee Group	APU Change
Certified	(40.6)
Classified	+4.7
Administrative	(3.0)
Total APU	(38.9)

Notes:

- Budget reductions totaling 70-80 APU were offset by enrollment growth
- An additional administrator has been reduced in Special Revenue Funds totaling (4.0) administrator reductions
- Most employees in reduced positions will be placed in open positions through attrition

Current Service Level



Current Service Level

A budgetary term that refers to any budget proposal which requests future funding for service provision "at the current level." The current service level will reflect changes due to inflation, labor contract changes, caseload changes, and any other changes required to continue to provide the same level of service.

Source: <http://www.leg.state.or.us/glossary.html>

General Fund Expenses: 2009-10 to 2010-11

2009-10 Projected Expenses	283,200,000
2006 \$10 M Bus Lease Debt Service	1,200,000
2009-10 Two Days Certified Staff	1,750,000
2009-10 Mid Year Salary Adjustment	2,650,000
2009-10 Mid Year Step Increase	3,080,000
2010-11 Additional Staffing - Enrollment	4,180,000
2010-11 Step Increase	5,000,000
2010-11 Salary Adjustment	2,687,000
2010-11 Projected Expenses	303,747,000

Projected Fund Balance



General Fund Balance

	2008-09 Actual	2009-10 Projected	2010-11 Projected
Beg Fund Bal	9,708,337	17,182,975	20,682,975
Total Revenue	298,665,612	286,700,000	299,403,486
Total Expenses	291,190,974	283,200,000	304,098,312
End Fund Bal	17,182,975	20,682,975	15,988,149
% EFB	5.6%	6.8%	5.0%

Committee Recommendation



General Fund Budget Add Back

Proposed Budget General Fund Expenses	304,098,312
Estimated General Fund Expenses	303,747,000
Available for Add Back	351,312

Note: Equivalent to 4.4 Teachers – District Finance Work Group will make a recommendation to the Budget Committee

Next Steps



Possible Updates

- Possible Changes for approved budget
 - Update Arco Iris Charter School – loss of students
 - General Fund reduction (~\$189,000)
 - Update Teaching & Learning Staff Coding
 - May economic forecast
- Other

Next Steps

- Approve Budget May 25th
- Publish Budget Summary
- Odden and Picus EBB Workshop June 3rd
- Budget Hearing June 16th
- Board Adopts Budget June 16th

Process for 2011-12

- Begin year with budget committee retreat
- Survey Committee Members for Availability
- Debrief 2010-11
- Budget Process for 2011-12
- Budget Document – Incorporate best practices through Meritorious Budget Award

Debbie Nicolai and Mike Chamberlain presented the following information on behalf of all principals in the District:

Principal Recommendation
Supported by District Budget/Finance Work Group
RE: unallocated Budget Resources (\$351,000/approximately 4.4 APU)

Process

- As the proposed budget was finalized, some unallocated resources were identified.
- Principal Representatives to the Budget Committee and the Association of Beaverton School Administrators president met to determine a recommendation for allocation of these resources which would support strategic plan implementation focused on improved student achievement.
- The Internal Budget/Finance Work Group identified needs presented by committee representatives and reviewed and discussed the principals' proposal.

Considerations

- The implementation of a new allocation methodology designed with fewer resources will create unanticipated gaps and/or difficulties in addressing complex staffing needs.
- The 1% APU (Average Person Unit) Staffing Reserve has historically failed to meet all identified needs.
- Needs identified by the District Budget/Finance Work Group include:
 - Place in Sustainability fund
 - Reduce class size in high school core classes
 - Increase counselor allocations
 - Restore small school specialists
 - Restore middle school world language positions
 - Restore APU to schools who lost staff with the ratio adjustment for the add back of 6 Prevention/Interventions Specialists (Sunset High School, Aloha High School, ISB Middle School, Conestoga, Findley and Terra Linda)
 - Other need possibilities not yet identified.
- The 4.4 APU will not meet any of the listed needs in their entirety.
- There are critical needs that cannot yet be identified, which would not be met with the limited APU Staffing Reserve.
- Historically, the Staffing Reserve is allocated in the fall. This proposed additional APU and allocation process would involve a spring roll out which would better support secondary school schedules.
- The combination will empower principals to better address critical needs that impact student achievement.

Recommendation/Proposal

- Combine these two funding sources to increase the ability to meet unanticipated staffing needs. \$351,000 (4.4 APU) + 1% APU Staffing Reserve of \$1,270,500 (15.751 APU) Total: \$1,621,500 (20.151 APU)
- Principals will direct the allocations based on consensus utilizing a process they determine which will include criteria

Timeline for Allocation Determination

- May 17, 2010 - Principals will establish a process criteria and timeline.
- End of May - initial allocations determined.
- August 23 Principal groups meet - to address vital verifiable opening of school allocation needs.
- September 10, 17, 24 and October 1 - Weekly meetings to review enrollment and allocate APU to schools

BUDGET COMMITTEE Q & A / DISCUSSION

Chair Baker led a Budget Committee Q & A/Discussion segment. He asked Committee members to bring their ideas forward during this discussion period.

Following the presentations by Hertz and principals Debbie Nicolai and Mike Chamberlain, the Committee made comments, and asked the following questions to which staff provided the following answers:

Budget Committee member Mark Schick proposed taking that money (the \$351,000) and the remaining balance of the sustainability fund to reinstitute the Elementary Licensed Specialist positions.

Budget Committee member Cheri McDevitt proposed eliminating all of the prevention/intervention specialists (nine positions) that were on the original proposed reduction list because the guidance counselors in schools should be able to do this work and use that money to pay for the five elementary licensed specialists we've lost.

Budget Committee member Cameron Irtifa disagrees with the previous proposal and does not want to consider that option.

McDevitt noted that prevention/intervention services would continue to be provided by guidance counselors, and that, as principals recommend, she proposes eliminating those services.

Budget Committee member Karen Cunningham commented that principals are looking at the big picture of the District. Every person/position that the Committee adds back, ultimately removes a person from somewhere else. Principals are the ones who know the big picture and know the needs of their students. Cunningham thinks that the Committee needs to respect that.

Budget Committee member John Burns commented that has been a considerable increase (\$320,000,000) with expenditures totaling (\$304,000,000). Starting with the \$283,000,000 projected from 2009-10 reflects an increase over the year. Administration has been able to save consistently in the same categories, but spent an additional \$3.4 million over the prior year in salaries.

Burns believes that the APU information that the Committee was given is current APU plus an additional \$3.4 million in salaries. That is the beginning of our CSL, which includes middle school language teachers and the specialists at elementary and the prevention/intervention specialists. That is all included in the \$283.2 million. We have a list of proposed additions to the CSL, if you add that all together; it comes to \$319 million, and we have \$320 million, which includes the \$16 million contingency. Why are we still talking about cutting \$12 million?

Hertz replied when we balanced the budget last year, we said we'd use an attrition model for reducing positions. We also budgeted for no enrollment growth in 2009-10, because in 2008-09 we did not have any

growth. When we did have enrollment growth in 2009-10, we did not go back and complete the attrition reduction. We kept positions in place because we had enough students to support those positions. Equating the increase to 44 positions, we cannot go back and tell exactly what positions, because we didn't budget for specific positions to be reduced. The plan was to collect, through attrition, throughout the year, the budget reductions. We didn't finish collecting attrition because we had no need to do so. In terms of the CSL, we've given you what the differences are between the 2009-10 and 2010-11 and when we reviewed the APU summary, it reflects a net adjustment including reductions as well as increases for enrollment projections.

Burns commented, we added 550 kids to our projected budget of 37,536 and we took care of that with attrition. Those 550 kids are part of our CSL. We're expecting 370 more students for 2010-11. Part of your CSL roll-up is \$4.18 million for additional staffing. There is staffing in the CSL roll up for the increase and adds up to \$319 million so the \$12 million dollars is not enumerated. The aggregate between the two years, you're adding \$7.5 million in salaries. I don't get to this current list of 7 items, \$12 million in cuts. We've got to make choices, and the numbers don't add up there.

Hertz commented that when she and Superintendent Colonna met with Burns on Friday, she showed Burns the summarized version of a very detailed spreadsheet with the net changes in APU and the 38.9 APU total overall reductions. In that number, there are enrollment additions, enrollment reductions and budget reductions combined which equates to the net 38.9 overall reduction.

It seems to Burns, according to the summary there were 163 certified additions, to help cover an additional 940 student growth. Included in these budgets are 200 reductions. We are starting 163 positions ahead with the \$7.5 million. Burns doesn't think we're putting the money in the right place if we're cutting things like prevention/intervention specialists, elementary specialists, and middle school language teachers.

Hertz clarified that 149.5 APU are allocated for classroom teachers, .5 APU goes to specialists, 3.0 go to guidance counselors, and 10 go to other certified staff in schools.

Budget Committee member Jeff Hicks agreed with Cunningham's earlier comments. He wanted to emphasize that we've heard from principals, our hired experts who work in buildings every day. He doesn't want us to start choosing things for the building principals. He doesn't believe that is the business that the Committee wants to be in. He doesn't want the Committee to value things in the moment.

Budget Committee staff representative Terri Nolan asked about convertible funding that equated to 43 APU, and she noticed that there is no number associated with the convertible funding reduction. Is that still somewhere between 43 and 50 positions?

Hertz replied that the reason staff have been reluctant to put a number with the Convertible Staffing item is because it was allowed to be used for licensed, classified and other items. Convertible staffing is now gone. It has been reduced, and the balance has been moved to student/teacher ratios.

Nolan requested clarification that the convertible staffing is positions that are being reduced, whether it is certified or classified, there are still somewhere 40 - 49 bodies that are being reduced from schools? Nolan would like more information about the case load size for individual teachers and about how decisions the Budget Committee may make will impact class size for the next year.

Budget Committee Lisa Shultz asked about page 127 in the Budget Document and the comparative page in the variance document. She would like more information about the object 1740 and object 1920. Shultz would like more information about these changes.

Hertz noted that these changes are due to some Governmental Accounting Standards Board (GASB) 54 accounting requirements. Due to these required changes and the lack of carbonated beverage revenue, athletic participation fees have been moved in to General Fund along with the costs for running those programs. In the past, contributions and donations have been accepted by various groups and expenses have been credited. This line item will net to zero. The new reporting is an improvement in accounting policy.

Schick asked questions about two different variance items. Reference H, function code 2110 for \$361,000 and reference CC, function code 5110 for the purchase of 18 new buses. Why are we buying new buses if we're reducing staff? Couldn't we hold off purchasing buses if we're reducing staff?

Hertz replied that some of the expenditures referenced in variance "CC" are for debt service for purchases that have already been made. Regarding bus purchases, we did skip a year of purchases due to bad economic times.

In February, Deputy Superintendent Bud Moore spoke to the need for buses. We are looking at continuing in 2010-11 the implementation of the 2006 Board authorization. We will lease-purchase only 18 of the 30 buses for which approval was given by the Board in 2006. Eight are perceived to be necessary to service increased capacity, four will be used because of expanded transportation for option programs and boundary adjustments, four will be added to our spare bus fleet which has dwindled over time, two of the buses will replace current buses that are broken down and that are too costly to repair. The net increase of bus fleet will be 16 buses.

Hertz noted that the District receives 70% of back from state school fund. The debt service transfer does not include the money we'll be receiving for depreciation.

Shultz asked about the teaching and learning portion of the budget message "in addition while we were able to delay instructional material adoption purchases during 2009-10, we will not be able to do so for the upcoming year." What is being purchased? Are we purchasing all the math and language arts materials?

Deputy Superintendent Sarah Boly shared that we are catching up for elementary and middle school math. We are not completely catching up with language arts. High school math is also in line for purchase for 2010-11.

Shultz requested that we clarify that statement in the budget message for the adopted budget.

Budget Committee member Sarah Smith commented that there has been a lot of discussion about equality and equity and they don't mean the same thing. Smith believes that it would be good if we looked at it from a bigger perspective and she would like to go back and agree that we have the principals who are trying to look at this from a larger perspective. We have specialty areas where we are serving special students in many different considerations. So, to say that we have to look at it with an equal perspective from every school versus equality of what the individual school needs are. There is a huge balance there that needs to come in to play and we need to be looking at asking the principals to evaluate their need. We need to look at the services that are being provided by the programs that are being lost - this needs to be taken into consideration. We need to look beyond the numbers perspective and look at the personal perspective too. Smith believes that textbooks can be replaced or buses can be replaced in future years, but once we lose these teachers, they can't be replaced.

Burns addressed the Printing Service Fund 614, page 231, of the document. In 2008, we had a beginning fund balance of \$10,709. We are proposing a beginning fund balance of \$120,000? It is Burns' understanding that the goal of this fund is to pay for itself as it goes.

Hertz and Steinbrugge replied that there are equipment purchases that need to be made

Burns commented that this is in the vein of Smith's comment. Cutting people seems to be forever. Equipment, a bus, whatever, might be nice to know the detail and argue against cold, hard equipment.

Budget Committee Member Mary VanderWeele, first spoke to whether the Budget Committee should be deliberating and deciding on these issues, or whether we should refer these to the principals. She thinks there is a very legitimate question about the role the Budget Committee and our expertise and our time to make these decisions well. VanderWeele thinks an illustration of that was tonight where we asked someone to

justify their position in one minute, however, she thinks that is inappropriate and not the data on which the decision about someone's job should be made.

On the other hand, we are in the middle of a process right now, and the Superintendent brought this reduction list to the meeting last time as the District's best thinking and he invited the Budget Committee to weigh in and make it better and specifically to consider public comment. We are in the middle of that process here and we've had these workshops, we've had listening sessions, and we've been asked by the Superintendent to do that, and it's very hard then to come, and then, although very appealing to offload that decision. VanderWeele is having a hard time with that, given that we're in the middle of the process right now, although she does think that there are very legitimate questions about the role, and those are things that we should clarify going forward.

VanderWeele has a couple questions about staffing and the bus lease debt service too. She's emailed those to Hertz. VanderWeele remains highly concerned about a number of the proposed reductions that contact and connect with students very directly, in particular, the loss of the elementary specialists. She cannot say it any clearer than the voices we've heard from Cedar Mill and Montclair and Greenway tonight.

VanderWeele noted that she's spoken to several of the small school principals in her zone, and although PE and music will still be offered it might not be even every week, and it would be certainly less, and in the case of those four schools, roughly half of what is currently being offered. She closed with words from one of those principals:

"In speaking of the specialists, they are invaluable to our students and our school. I'm not merely concerned about the loss of one position, I'm concerned about the to our schools' culture. Our specialists currently lead the majority of programs that make our school the special community that it is. Tiger Peace Team, Battle of the Books, Newberry club, Holiday Choir, Field Day, Fitness Challenges, Individual Student Mentoring, when we lose a resource it's not just a position; it's a critical cog we need to turn the wheels of the entire learning community."

Hertz replied that the bus lease debt service (\$1.2 million) is \$950,000 for bus leases and \$250,000 particulate filters and transportation service center. Those purchases do receive the 70% reimbursement for depreciation which is not included in the \$1.2 million.

Regarding the additional staffing enrollment (\$4.8 million) equates to \$3.6 million in teachers, a couple of assistant principals, the bulk of it is teachers and a small component of it is classified staff.

Shultz commented that there have been a lot of efficiencies put in place in the District, how are we reporting and understanding savings? How are we tracking efficiencies?

Hertz replied that most of our expenses are allocated based on student counts. These expenses are not based on inflation, it is an allocation per student. Utilities, this year, were held flat because of usage savings across the District. We have reduced our utility usage enough to cover the amount that we would normally add back in inflation.

Superintendent Colonna spoke to process. Colonna hopes that the Committee sees the process as helpful. Staff wanted to present the District's best thinking around the \$351,000 addition, as a recommendation and wanted to present other areas of consideration as well.

Baker polled the Committee to see if the District can move ahead with putting the document together and how the Committee would like to direct staff to move forward. The following options were discussed:

- Add back the elementary licensed specialists by trimming buses, eliminate the standards facilitator at the option schools and use the remaining sustainability fund.
- Reduce the prevention specialists and use the sustainability fund to return the elementary specialists back in to the budget.

- Let the principals do their job. Don't adjust the recommendation list that has been presented today for a second time but take the principals recommendation on the extra money.

The Committee additionally discussed the following:

- Let the principals do their work
- Add back the elementary licensed specialists to the budget
- Reduce the ending fund balance below the required 5% ending fund balance to 4.8%.

Superintendent Colonna suggested that the District will move forward using the principals' recommendations and adding back the five elementary licensed specialist positions and will focus on finding non-salary reductions and will bring back recommendations to the next meeting.

SET AGENDA FOR NEXT MEETING - MAY 25

Revenue update, Approval of the budget and tax rates

ADJOURN

Budget Committee Chair Brett Baker adjourned the meeting at 10:16 pm.

Brett Baker
Budget Committee Chair

Jennifer Bridgewater
Recording Secretary