

# School Administrative District No. 53

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**Excellence in Education**

Michael A. Gallagher  
Superintendent of Schools

Budget/Finance Committee

Minutes

11/16/10

Members in attendance: B. Poirier, J. Laux, M. Hodgins, Business Manager L. Glidden, administrators S. Shorey and S. Nevens and Superintendent Gallagher

Item 1. Review of October Expenditure Report –Mrs. Glidden had prepared the expenditure report information as usual. Of note, prompting discussion were two over expenditures that occurred during October. One over expenditure included expenses for closing down the old Central Office building and establishing a phone system in the new Warsaw location. The other was in the area of tutoring at Warsaw for a student identified under 504 regulations. This particular over expenditure would be recurring monthly and could potentially add up to several thousand dollars by the end of the year. Although funds were budgeted at Warsaw for 504 costs, each year it is simply an estimate of what the expenditures will be. These over expenditures coupled with the shortage of approximately \$80,000 in unexpended balance forward is of concern.

Item 2. Review of Monthly Budget Calculations chart - As of October 31, 2010, 29.35% of the total budget has been expended in comparison to 29.73% expended at this same time last year. This is also in comparison to 29.66% in FY'09 and 29.07% in FY'08 and 28.52% in FY'07. It was noted that the percent of expenditure at the end of October is approximately .38% lower than last year's expenditure at the end of October.

Item 3. Discussion and determination of how to proceed with building next year's (FY '12) budget – Superintendent Gallagher distributed a sheet highlighting the considerations used in building a budget based on a zero based budgeting process. It included staffing considerations, contracts, utilities, maintenance etc. He also included a list of revenue sources that are typically used to meet the expenditure determinations. A short conversation occurred about using some kind of format such as zero based budgeting would provide the public with confidence that it wasn't a budget that was just a repeat of what happened the previous year. Superintendent Gallagher indicated that each year for many years the budget has been built using zero based budgeting.

Superintendent Gallagher then distributed the budget building criteria regarding class size, programs and infrastructure needs etc. that was developed last year by the board working with administration and the teacher who serve on the District Improvement

Team (DIT) at a board workshop. Those guidelines will be used, although they may need to be modified, for constructing next year's budget.

The committee continued the discussion about a possible percentage of increase to local funds raised over the amount raised for the current year's budget. Superintendent Gallagher distributed two spreadsheets showing an eleven year history of tax dollars raised for education. Of note is that the current year's local assessment is \$8,000 less than it was in 2000-2001, and \$678,000 less than the local assessment in 2004-05 budget year. Recognizing that the state revenues will be reduced and federal revenues used to subsidize the state's funding will be eliminated, local funding would need to increase significantly to maintain the status quo.

The committee thought that it would require at least a 5% increase to the local assessment over the current year's assessment and could be much higher. The final determination was to construct a conservative expenditure budget, and to not consider what the revenues would be at this time. Any guess at the state revenues at this time would be speculative.

With no other business before the committee, the meeting adjourned at 6:40 P.M.

Respectfully submitted,

Michael A. Gallagher