

School Administrative District No. 53

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Excellence in Education

Michael A. Gallagher
Superintendent of Schools

Budget/Finance Committee

Minutes

2/15/2011

Members in attendance: B. Poirier, J. Laux, M. Hodgins; Administrators F. Anderson, S. Nevens, A. Miller, S. Shorey, Business Manager, L. Glidden and Superintendent Gallagher

Item 1. Review of December Expenditure Report – The January expenditure report was distributed and reviewed. Two new areas were identified as over expended – instructional books at Warsaw and dues and fees in Special Education. The instructional books that were purchased filled a need that was not budgeted. The Special Education dues and fees budget was underfunded. Mrs. Glidden explained that the over expenditure for contracted services line would be correct since the town had incorrectly billed the district for town water when the water to the Hartland Ave. office had been previously turned off.

Item 2. Review of Monthly Budget Calculations chart - As of January 31, 2011, 52.67% of the total budget had been expended in comparison to 54.75% expended during the same time frame last year. This is also in comparison to 54.39% in FY'09 and 53.20% in FY'08 and 51.79% in FY'07. It was noted that the percent of expenditure at the end of January is lower most of the past years expenditure at the end of January boding well for a positive fund balance at the end of the fiscal year.

Item 3. Development of FY '12 budget – Superintendent Gallagher presented budget information on four different spreadsheets. The first spreadsheet listed additional revenues and reductions made to the first version of a budget summary page shared at the January budget committee meeting. Additional revenues included an estimated \$80,000 in additional state funding. This projected increase was based on the Governor's proposed budget which would add \$22 million state-wide to GPA. Other additions included \$77,504 from the Jobs Bill that was carried over from this fiscal year, and estimates from Maine Care of \$30,000 as well as an additional \$10,000 from miscellaneous revenues (state agency client, interest income). The reductions were able to be made by removing two special education Ed. Techs. from the regular budget to Local Entitlement. These changes, when compared to the preliminary budget summary spreadsheet, resulted in reducing the amount that would need to be raised locally to \$569,753 more than what was raised locally for this current year's budget. It would represent a 16.65% increase to the amount raised locally.

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The committee then reviewed two sets of ideas to reduce the budget. The first set included the reduction of the 2/5th guidance position at the elementary level, the Spanish program and the drama program at Warsaw. This reduction would amount to \$133,206 and reduced the amount to be raised locally to \$362,547 more than last year. It would equate to a 10.6% increase to the amount raised locally.

The committee then reviewed the another set of ideas which included reducing the elementary art and music positions/programming to half-time and the elimination of one grade 7-8 teaching position. This reduction would amount to \$104,484 and reduce the amount to be raised locally to \$332,063 more than was raised locally for this current year's budget. It would represent a 9.71% increase to the amount raised locally.

After reviewing the ideas for reductions, committee members asked whether there were other ideas for cost savings. They specifically asked about sharing staff with other districts i.e. Administrator of Special Services or Curriculum Specialist; increasing the district's buying power by working with other surrounding districts for supplies/goods; and reducing insurance costs. Superintendent Gallagher responded to these questions. He stated that sharing administrative staff with another district for administrators that already fill multiple rolls in the district, is not feasible. He added that Mrs. Shorey works with the total PK-12 population and Mrs. Miller also works with the administration at MCI to coordinate instructional programming. He also expressed that with the reductions of administrative staff from this current year's budget (one assistant principal) and with the disability loss of PK-8 Assistant Principal Mr. Kane the administration's capacity has been dramatically affected. He also indicated that he spoke with the salesperson who provides the district's scholar supplies who indicated that although he could coordinate our purchasing with other area districts, the pricing that he currently is able to offer us would not be any different if working with other districts. Mrs. Glidden indicated that large bulk purchases of goods are an issue because of a lack of storage space in the district. The district is locked into employee health insurance plans; however, Mrs. Glidden is exploring programs and pricing with different providers of disability insurance. Our current property/casualty and liability insurance goes out to bid every five years, so that we obtain competitive rates.

The committee also asked about restructuring the building administration to have one principal and one assistant principal for all PK-8 schools. Superintendent Gallagher indicated that perhaps in a single school that structure could be possible, however, in the current school configuration it would not be effective. It would further reduce the administration's capacity to perform the required/necessary tasks. In addition the cost savings/difference between having a Principal or an Assistant Principal would not be more than \$10,000 to \$15,000.

The committee then discussed the importance of reducing the increase to local assessments to less than 10% in hopes that it could be accomplished in other ways rather than reducing the elementary art, music and teaching position at Warsaw (the second set of ideas for reductions). Superintendent Gallagher shared that the district was required to raise 10.54% more locally to gain the state funding. Arguably this could justify a 10% increase in the local assessment. The committee agreed.

The committee felt that another committee meeting needed to be established prior to the next full board meeting and selected Wednesday, March 2 at 5:00 P.M. This meeting will be used to do more work on the FY '12 budget and plan a board budget workshop to be held prior to the March 7, 2011 regular board meeting.

With no other business before the committee, the meeting adjourned at 6:15 P.M.

Respectfully submitted,

Michael A. Gallagher