

School Administrative District No. 53

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Excellence in Education

Michael A. Gallagher
Superintendent of Schools

Budget/Finance Committee

Minutes

1/25/2011

Members in attendance: B. Poirier, J. Laux, M. Brooks, 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 December expenditure report was distributed and reviewed. Of note, were six new areas that were over expended. Three areas were under MCI for tutoring expenses. Every year when building the budget the amount budgeted in this area is an estimate. If nothing changes these budget lines will continue to grow as the year continues by about \$1,300 per month. Another budget line discussed was for in-district travel. (This expenditure was incorrectly recorded in this line. This line still has a positive balance. The amount expended was for transportation costs associated with transporting a homeless student.) Another larger over expenditure was in the area of medical insurance (\$995). This was for medical insurance for an employee who was not taking insurance last year but chose to take full family medical insurance this year. This line will continue to increase as we move through the year.

Item 2. Review of Monthly Budget Calculations chart - As of December 31, 2010, half-way through the budget year, 45.27% of the total budget had been expended in comparison to 46.41% expended during the same time frame last year. This is also in comparison to 44.35% in FY'09 and 43.58% in FY'08 and 43.33% in FY'07. It was noted that the percent of expenditure at the end of November is approximately .65% lower than last year's expenditure at the end of November.

Item 3. Presentation of FY '12 expenditure budget – Superintendent Gallagher shared a copy of the proposed expenditure budget for FY '12. The spreadsheet showed two years prior actual, current budget, current year actual to date, the proposed 2011-2012 budget and the difference from the current year budget. The bottom line of the proposed budget was an increase of \$11,635.22 over the current year expenditure budget. However, when making the comparison it is important to remember that this year's budget revenues were buoyed by \$195,164 in stabilization funding that will not be available for the FY '12 budget year.

Item 4. Probable state revenues - The committee then reviewed a draft of the budget summary page reflecting the predicted/preliminary state revenues that were shared by the

DOE on January 24, 2011. The preliminary FY '12 state revenues reflect a decrease in state subsidy of \$283,554 from this current year. Additionally the mill rate (the amount to be raised locally) changed from 6.9 mills in this current year to 7.42 mills for this year. This means that in order to obtain next year's state funding the district must raise an additional \$280,554 more than it did for this year's budget. Currently the additional revenues estimate was projected to be zero. The uncertainty of Medicaid/Maine Care funding and other revenue sources are difficult to predict. It is also anticipated that only \$100,000 may be available for undesignated fund balance carried forward. This would be a reduction of \$400,000 from the amount used in this current year. Given all the information highlighted above, the impact on the amount of the local assessment would be \$775,189 higher than this current year. This represents a 22.66% increase in the school assessment.

To address this significant increase, the administration will prepare information in various areas for the committee to review.

Item 5. Administrative reorganization recommendation – Superintendent Gallagher recommended that the district hire a new Warsaw Middle School Principal. The rationale for this is that Mr. Kane who is currently out with a disability indicated that it is unlikely that he would return to work next year but that he would like to be able to do so. A portion of Mr. Kane's salary will be budgeted if he is able to return later in the next school year. No one will be hired to take his place during his disability leave. Therefore the administration will consist of two principals, a curriculum specialist, a director of special services and a superintendent.

With no other business before the committee, the meeting adjourned at 6:10 P.M.

Respectfully submitted,

Michael A. Gallagher