

School Administrative District No. 53

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Excellence in Education

Michael A. Gallagher
Superintendent of Schools

Budget/Finance Committee

Minutes

3/16/10

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

Item 1. Review budget summary page with new funding, no penalty and \$316,000 reduction - Superintendent Gallagher distributed a budget summary page with the additional \$20 million added to the state's GPA for education spending, which resulted in a \$75,000 increase to the district state revenues, and a reduction in the amount raised as the local share of \$58,732. The impact of the new funding directly impacts the expenditure line of the budget, while the amount of reduction having to be raised for the local share directly impacts local taxes. In addition, the state revenues reflect revenues that would not have been available had we continued to be faced with the penalty for non-consolidation, and an additional \$316,000 removed from the expenditure budget. This resulted in a bottom line tax increase of 9.2% districtwide.

Superintendent Gallagher also addressed two other changes to the budget summary page since the Budget/Finance Committee last viewed the summary. He reduced the amount in additional revenues estimated from \$125,000 to \$85,000. This is based on the anticipation of less revenue from Medicaid than previously thought. This \$40,000 reduction was then made up by increasing the fund balance, undesignated funds carried forward, to \$490,000, up from \$450,000. This was made possible through additional Medicaid revenues received this year, and an additional \$10,000 from the undesignated fund balance.

The budget summary page on the reverse of this first budget summary page was reviewed for Item 2 on the agenda. It too reflected the same changes to state subsidy, local assessment, additional revenues estimate, and undesignated fund balance forward as the first budget summary page discussed. However, the expenditure budget was reduced by \$172,305.26 in order to obtain a 4% increase to taxes. The additional revenues from the state and the lower local assessment amount caused this reduction to obtain a 4% tax

increase from the previous budget summary pages considered by the Budget/Finance Committee from \$243,000 to \$172,000.

Item 3. Review new ideas for fiscal year 2011 cost reductions - Superintendent Gallagher provided another spreadsheet with additional ideas for position eliminations and additional cost savings from eliminating the Kindergarten bus run. The additional savings from elimination of the Kindergarten bus run resulted in an additional \$34,581 less on the contract, and \$41,600 in diesel fuel consumption. The total of all the reductions equaled \$177,798 toward the reduction of \$172,305 to achieve the 4% increase.

Discussion regarding each of the positions included in the list was conducted. Several ideas regarding particular positions surfaced as a means to eliminate further burdens on particular staff members in the district. From these discussions it was determined that the administrative team would need to work out more details and return to the Budget/Finance Committee the specifics of what would occur with the elimination of some of the positions.

Being no further business the committee adjourned at 6:00 P.M.

Respectfully submitted,

Michael A. Gallagher