



District Improvement Team (DIT)

Meeting

May 5, 2011

5:00 – 7:00 pm, Room 275

ATTENDANCE:

Percent of DIT members in attendance: 34%

CALL TO ORDER:

Co-Chair's Cathy Roth and Kathy Abshire called the May 5th meeting of the District Improvement Team to order at approximately 5:05 p.m. In attendance were members of the 2010-11 DIT as well as new members who are beginning service for the 2011-2012 school year. All in attendance introduced themselves, and outgoing members were presented with a certificate of appreciation for their service on the DIT.

Federal Grants Program Update

Associate Superintendent for Finance Karen Wilson presented a brief overview of the district's Federal Funds program. The district estimates that there will be approximately \$10 million in federal funding, from all sources, to support campus-specific projects next year. This includes Title I funds targeting at-risk, Low SES students, Title IIA funds that support professional development district-wide, as well as funding to support migrant students (currently 8 in SBISD) and homeless students (currently 400 in SBISD). Typically, the amount of funds allocated to SBISD for these various programs is fairly stable from year to year. Some funds are shared with local private schools within the SBISD attendance zone.

In the past two years, we have had the additional benefit of funding from the American Recovery and Reinvestment Act which will conclude this summer. Additionally, Dr. Klussmann added that the \$893 million in federal funding now coming to Texas has already been factored into the state budget process and will not be used to provide additional funds to school districts. Dr. Klussmann also noted that the nature of federal funding is changing with more block grants and programs such as Race to the Top.

Five Year Plan Update:

Dr. Klussmann reviewed the Five Year Plan process that has been underway over the past few months to prepare for the launch of the Spring Branch Plan 2012-2017 that will go into effect in July 2012. The product of the three Visioning Weekends is a draft of Findings and Directions that will under gird the next plan. In June, the SBISD Board of Trustees will work to develop the goal or goals statement(s) that will be our focus for the next five years. In a more comprehensive way than the last five year plan, we will take much time next fall seeking feedback about the proposed plan from staff and the community. Next spring will be spent planning for the implementation of the new five year plan beginning July 1, 2012. This plan will be more focused and more simplified than the first five year plan, for which we are currently in Year 4. Elaine Sorsby, one of several

members representing the DIT on the Task Force noted how much she appreciated Duncan's remarks about the fact that it doesn't cost a penny to change and strengthen our culture in support of kids. Dr. Klussmann affirmed that there will still be 33,000 students in SBISD next year who expect and deserve a great education. In spite of budgetary challenges, the district cannot afford to become stagnant. We must continue to focus on improvement.

Budget Update:

Dr. Klussmann provided the DIT members with an update on the district budget. Currently, the House of Representatives has approved cuts to public education of about \$8 billion. The Senate budget is currently at \$4 billion in cuts to public ed. The two things we must watch for are both the amount of the cuts and the distribution of cuts. In many models, we are being hurt significantly, with the current range of revenue cuts to SBISD ranging from \$17 million per year of the biennium up to \$45 million/year.

SBISD's budget for 2011-12 is based on cuts of \$20 million in state funding. Should the final state revenue reduction to SBISD exceed the \$20 million, we will use our fund balance to cover the shortfall. The best case would be use of \$10 million in fund balance for each of the next two years. If the state budget reduction exceeds \$40 million, we would double up the use of fund balance up to \$20 million for next year. We would then most likely hold a tax ratification election to try to secure the additional 13 cents on the general fund tax rate that we are permitted to raise by law. The choice the voters would then have to make is whether to increase property taxes, knowing that on 11 of the 13 cents SBISD would only keep about 68% of the funds locally due to recapture (Robin Hood), or incur another round of cuts for the 2012-13 school year similar to what we had to do this year. Were we required to make another \$17 million in cuts for the 2012-13 school year, student programming would be impacted.

We are not planning on a second round of cuts for this year, Dr. Klussmann noted. He also reminded the DIT members that the state has put us in this situation and that a tax election doesn't fix the problem, just helps us break even. Unfortunately, even though state leaders have called on districts to be more efficient, SBISD is not getting any credit for being a highly efficient district based on both the comptrollers STAR rating (4.5 of 5) or ERG ratings. We are also being penalized based on a law dating back to 1954 that allowed us to have up to \$1.57 in tax rate on the general fund side (most districts had \$1.50 cap) so we are losing the benefit of the additional seven cents we have had in our tax revenue model for over 50 years. Additionally, SBISD is being penalized for continuing to offer the 20% Homestead Exemption.

He noted that as of the end of this week, we anticipate that fewer than 40 of the 180 staff members under contract whose positions were eliminated will not have yet been reassigned. There are still about 100 at will employees and 49 on probationary contracts whom the district is working hard to support. Career counseling, including the option for two days of release time to attend career counseling seminars, together with 90 days of career counseling is being provided. Unlike other districts that are just utilizing the Texas Workforce Commission, SBISD has gone a step beyond to provide support for our employees whose positions have been eliminated as a result of the state budget crisis. Dr. Klussmann noted that over 150 calls to notify staff of new assignments have been made this week, and he praised the SBISD Human Resources Dept. for their hard work to expeditiously and effectively handle this difficult time.

When asked about how the cuts were made, Dr. Klusmann reviewed the process for how the seniority worked for categories of positions such as programs (like Counseling or School Improvement Specialists), teachers and other positions.

When asked what will happen in the future for individuals who are placed into assignments at new campuses after being on the Reassignment list this year, Dr. Klusmann noted that the district will have discussions in the future about whether those individuals reassigned would have a one-year pass where they wouldn't be penalized two years in a row. However, at this time, we still don't know what the state budget decisions will end up being.

When asked about the possibility of 13 cent tax ratification election, Dr. Klusmann noted we would have no more taxing authority beyond that amount, based on current law. The best fix would be for the state to allow local school boards more authority over their revenue, with a stair-step model of gradual increase.

When asked about our fund balance, Dr. Klusmann affirmed the fund balanced expected at the close of the 2010-11 budget will be approximately \$58 million. We monitor debt rating agencies and cash flow to determine how much we could remove from our fund balance without detriment to either our credit rating or our seasonal funding needs without having to borrow during the low-cash months in the fall.

Dr. Klusmann was asked to clarify the 24:1 ratio. He noted that we will cap elementary (pk-4th) class sizes at 24. The cap for 5th grade will be 27. Secondary class size ratios will reflect an increase of 2 students.

Approval of the Low Enrollment Waiver

On behalf of Kim Gollihar, SBISD PEIMS Coordinator, Linda Buchman reviewed the district's request for the DIT to approve the Application for Low Attendance Days Waiver for the 2010-2011 school year. As explained, districts can apply for this waiver for days resulting in reduced attendance of 10% or more relative to the prior year, for circumstances of bad weather, health, safety or other permissible reasons. This year, on February 1st, 2nd, 3rd and 10th, inclement weather resulted in a total of 13 schools qualifying for attendance waiver status. A motion was made by Richard Jennings and seconded by _____ to approve the waiver. The waiver vote was unanimous in favor of approval.

Spring Branch Speaks

Trustee Pam Goodson informed the DIT members about Spring Branch Speaks, a community-based group that is advocating in Austin on behalf of public education and especially SBISD. Over 1100 are currently subscribed to their website and email list serve. Interested members can sign up at www.springbranchspeaks.com.

DIT Calendar for Next Year

Dr. Klusmann noted that at the fall meeting in September the DIT will more closely review the proposed calendar of meeting dates. DIT members are invited to participate in various district

committees. Thus, it may be that the group decides to meet every-other month in order to allow time for members to attend other district committee meetings as well. These representatives to other task forces and committees will, in turn, report back to the full DIT on the other task force operations.

There being no further business, the DIT meeting was adjourned at approximately 6:10 p.m.