


**MEMORANDUM**

DATE: December 7, 2021  
TO: Board of Education  
THRU: Karen Melin, Chief School Administrator  
FROM: Andy DeGraw, Chief Operations Officer   
SUBJECT: Budget Committee Report

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**Scope and Function of the Budget Committee:**

The overall purpose of the Budget Committee is to provide input to ensure the district’s budgeting process has “a long-term perspective and is not simply an exercise in balancing revenues and expenditures one year at a time” – National Advisory Council on State and Local Budgeting.

The role of the Budget Committee is to:

- Review and consider all aspects of the district’s budgeting process.
- Determine if the current budgeting process is a goal-driven approach that spans the planning, development, adoption, and execution phases of the district’s SY 2020-2025 Strategic Plan.
- Consider the district’s current budgeting process and provide feedback and input for the establishment of policies and plans to achieve efficiency and best practice in financial management.
- Ensure the budget planning process is timely, accurate, participatory, and comprehensive.

**Budget Committee Working Principles:**

1. Recognize the Strategic Plan as the guiding document for resource allocation.
2. Keep student welfare and success at the forefront.
3. Assure input is evidence-based (data-driven, realistic, and feasible).
4. Support a budget system that is transparent, timely, and objective.
5. Promote participation and awareness by all district stakeholders.

The Budget Committee met three times during the months of October and November and discussed the overall financial position of the district. The group held in-depth conversations about the district’s revenue sources, expenditures, the impacts of the global pandemic, and declines in student enrollment. As part of reviewing the expenditure side of the budget, the committee received comprehensive reports from Executive Directors of various departments within the district. A consistent theme heard and discussed was the departments’ objective to maintain services to students and staff, while at the same time facing the possibility of significant budget cuts. The final meeting with approval for input occurred on Tuesday, November 9, 2021.

The Budget Committee recognizes the district is facing unprecedented financial challenges. A key part of the committee process had members identify, rank, and discuss priorities (District Objectives) to protect within the SY 2020-2025 Strategic Plan in a budget cutting environment. Through this exercise, the committee identified Student Success and Workforce & Organizational Excellence as high priorities. Other items of importance were in the areas of Equity & Inclusion and Communications & Engagement. Members think the areas identified should be preserved to the extent possible in the face of budget reductions.

The highest ranked priorities identified by committee members are as follows:

1. **Student Success:**

- **Competency Based Learning** – The district should ensure that students are acquiring the knowledge and skills that are deemed essential to success in school, higher education, careers, and adult life. The pandemic has created significant challenges to this work, and the committee urges the district to utilize CARES funding as one tool to address these challenges.
- **Instructional Excellence** – Student success is most likely to be achieved through highly effective educators. The district should continue to invest in professional development that engages educators in a cycle of reflection and continuous improvement.
- **Multiple Pathways** – The district should continue to provide multiple options to meet the wide range of educational needs of students and families in our community.
- **Career Technical Education (CTE)** – The district should continue to leverage existing community partnerships and seek additional ones that would effectively prepare students to enter the workforce. CTE partnerships and investments by the district benefit both students and industries that have a difficult time filling high demand positions.
- **Social Emotional Learning** - Students face an ever increasing amount of external and internal social pressures and obstacles that inhibit and/or prevent academic achievement in the classroom. These challenges are magnified and are faced by a higher number of students than before due to the pandemic. The district should preserve programs that promote and focus on meeting the social and emotional needs of students and staff.

2. **Workforce & Organizational Excellence/Staff:** The district's most valuable resource is its staff. Attracting and retaining a highly effective staff is the single most effective way to increase student success and to effectively implement the strategic plan. Given the challenging hiring environment, the district should preserve or expand its recruiting efforts. Additionally, the committee encourages the district to consider demographic shifts and look at new ways to retain its staff.

3. **Workforce & Organizational Excellence/Facilities:** The committee recommends the district consider school closures as a way to consolidate operations in light of significant enrollment declines. Districtwide capacity is currently at 65% with several schools below 60%. This equates to over 5500 empty seats across the school district. While it's possible enrollments will rebound in the future, building capacities have persisted at low levels for many years. There are significant fixed costs associated with maintaining school buildings which include administration, routine and long-term major maintenance, and utility costs, among others. Staffing vacancies have created gaps in services available to students as the district maintains the same number of physical buildings with significantly reduced enrollment. By reducing the number of buildings in operation, economies of scales will be gained, efficiencies will increase, and students will be better served.

4. Additional priorities identified by the committee were **Effective Communication (3.1)**, and **Family Engagement (3.2)**.

The Budget Committee is scheduled to meet again March 9, 2022. Topics will include legislative updates, lobbying and advocacy efforts, updated revenue estimates, and a review of the Proposed Budget.