

Budget Committee Meeting

Tuesday, September 29, 2020 from 5:30-7:30 p.m.
Administrative Center – Board Room (Zoom)

Agenda

A. Call to Order

B. Roll Call

*Erin Morotti, Board Committee Chair
Andy DeGraw, Chief Operations Officer
Tara DeVaughn, FEA Secondary Representative
Coby Haas, FEA Elementary Representative
Lynn Weckesser, FPA Elementary Representative
Graham Storey, FPA Secondary Representative
Mark Herrmann, Community Representative*

*Ryan Hinton, Non-Represented Representative
ESSA Representative TBD
ESSA Representative TBD
Student Representative TBD
Greg Kahoe, Parent Representative*

Recruiting for 2 Parent Representatives & 3 Community At-Large Representatives

C. Adoption of the Agenda

D. Approve Meeting Notes

E. Opening Remarks - Erin Morotti

F. Introduction to the Committee Process – Andy DeGraw

1. What is our Purpose?
2. Committee Best Practices
3. Linking Budget to the Strategic Plan
4. Budget 101 – Revenues and Expenditures

G. Group Discussion

1. Review of 2020-21 Committee Report
2. What is important to us? - Strategic Plan Exercise
3. Date for additional meeting

Upcoming Meetings:

- ✓ September 29, 2020
- ✓ October 13, 2020
- ✓ November 10, 2020
- ✓ March 9, 2021
- ✓ April 13, 2021



[Budget Committee Webpage](#)



[2020-21 Approved Budget](#)



[Policy 236.1: School Board Committees to Advise Administration and the School Board](#)



[Budget Committee Report - Presented December 3, 2019](#)

Budget Committee Meeting

Administrative Center - Board Room
520 Fifth Avenue, Fairbanks, Alaska
Wednesday, February 26, 2020 from 5:30-7:30 p.m.

Administrative Center – Board Room
Meeting Notes

A. Preliminaries

1. Call to Order & Roll Call

Chief Operations Officer Andy DeGraw called the meeting to order at 5:32 PM. Budget Committee meetings are recorded and will be available on the district's website.

Committee Members Present:

*Erin Morotti, Board Committee Chair
Andy DeGraw, Chief Operations Officer
Tara DeVaughn, FEA Secondary Representative 5:34
Coby Haas, FEA Elementary Representative
Bruce Bell, FPA Secondary Representative
Charles Rollins, ESSA Elementary Representative*

*Melissa Walker, ESSA Secondary Representative
Joe Hannah, Exempt Representative
Mark Herrmann, Community Representative
Danielle Malenius, Student Representative
Greg Kahoe, Parent Representative – 1st meeting*

Committee Members Absent:

*Lynn Weckesser, FPA Elementary Representative - abs
Casy Price, Community Representative - abs
Michael O'Brien, Community Representative - abs*

Staff Present:

Heather Heineken, Director of Business Services & Risk Management Liaison
Sandra Weaver, Budget Specialist

B. Agenda

1. Adoption of Agenda

Tara DeVaughn made a motion to adopt the agenda. Bruce Bell seconded the motion and it carried unanimously.

2. Adoption of Notes

Charles Rollins made a motion to adopt the agenda. Coby Haas seconded the motion and it carried unanimously.

C. New Business

Opening remarks – Board Member and Budget Committee Chair Erin Morotti opened the meeting with introductions and welcomed new Committee Member Greg Kahoe.

Chief Operations Officer Andy DeGraw reviewed the *ADC Lunch Budget Up-Date* document with the committee.

Committee Discussion ensued, topics discussed:

- There is a 2% increase to health benefits.
 - Why haven't employees seen the increase? Employees will see their level of increase within the current contract.
- Today, there was public testimony in Juneau for the topic of increasing the BSA.

- Fund Balance History – increase over the past years rose and we're able to utilize the fund balance for the budgets for the next 2, or three years.
- Forward funding –Legislative Committee supports the funding.
- Where is the fund balance? In round numbers, the fund balance is at \$20 million.
- Average age of staff
- Retaining staff, is it due to retirement packages?
- Attrition came from Special Education; does this affect the district negatively?
 - The school district will always meet the needs of the students.
- Social Emotional Learning begins with the adults, this feeds down to the students.
- Impact Aid \$\$ used – The State is allowed to deduct from State Aid.
- Question regarding Trauma related dollars. The State Foundation Formula may have adjustments.
- Savings for bus contracts and start/end times – were needing items like this to hold the budget.
- Legislative Update – Bill HB236 – Increase the BSA – 3 million for 2020-21, 6 million for 2021-22
 - The bills may pass both houses, but may get halted with the governor
 - Line item veto may happen- requires $\frac{3}{4}$ vote of both bodies
 - SB6 : Alaska Reads Act
 - HB236 : Increasing the BSA
- District Priorities – Focus to be continue to protect class size.
- Addition to SEL&P needs – how do we get to these needs?
- Appreciation for our District trail blazing the way for SEL&P.
- F-35's Base relationship recent meeting 1455 due to come in, 600 staff have shown to this point, we expect 800 more staff.
 - Student Representative Danielle Malenius noted that the Senior Class hasn't grown, but the students are keeping the topic alive through the regional student council.
 - OAA – Were hopeful that the enrollment at Eielson Air Force Base will have a clearer picture with the OAA process.
- The next Budget Committee meeting will be April 15, 2020.
- The target Date for Juneau to complete the budget is March 23, 2020.

Audio of the Budget Review Committee meetings can be heard on the following site:
<http://www.k12northstar.org/boe/meeting-notes>

The meeting adjourned at 7:18 PM, Tara DeVaughn, made a motion for adjournment, and Coby Haas second the motion.

Notes respectfully submitted by Sandra Weaver



MEMORANDUM

DATE: December 3, 2019
TO: Board of Education
THRU: Dr. Karen Gaborik, Superintendent
FROM: Andy DeGraw, Chief Operations Officer
SUBJECT: Budget Committee Report

Scope and Function of the Budget Committee:

The overall purpose of the Budget Committee is to recognize and 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 new SY 20-25 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 foremost.
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 four times during the months of September and October and discussed the overall financial position of the district. The group held in-depth conversations about the district’s revenue sources and expenditures. As a part of reviewing the expenditure side of the budget, the committee received several in-depth reports from directors of various departments within the district. A consistent theme heard and discussed was the departments’ objective to maintain services to students and staff in the face of rising costs and declining or static revenues. The final meeting with approval for input occurred on Wednesday October 23, 2019.

The Budget Committee recognizes the difficult economic environment in which the district operates. The committee identified the following areas as key to the district's ability to implement the FY 20-25 Strategic Plan. Members feel these areas should be preserved to the extent possible in the event of required cuts, and should be high priorities to be added as opportunities for new investments present themselves in the future:

1. **Equity/Inclusion and Support Services**: Students face an ever increasing amount of external and internal social pressures and obstacles that inhibit and sometimes even prevent academic achievement in the classroom. The district also has a diverse student population which can present challenges to learning if/when students feel marginalized and/or unsafe at school. In order to address these obstacles, as resources are available, the district should invest in or preserve programs that promote equity and inclusion within their school communities and in the district as a whole. The committee also encourages the district to continue its funding and focus on the social and emotional needs of students and staff. The committee feels strongly that continued focus on these areas will have far reaching benefits in addressing barriers to student learning, improving academic achievement, and will benefit both students and staff in providing a more equitable, safe, and supportive environment.
2. **Effective Teaching/Workforce Excellence**: The committee encourages the district to develop a plan to implement a more systematic and consistent approach to technology integration across the organization. As resources become available, a key component of the plan should be to provide additional support to instructional staff in making technology devices and their utilization a more effective tool in the classroom. In a cost reduction environment, the committee encourages the board to preserve resources currently allocated for this purpose. Members of the committee noted that levels of effective use of technology can vary from school to school depending on various factors. The implementation of such a plan would maximize the district's investment in expanding technology and enhance its benefits in support of personalized learning. Additionally, the committee encourages the board to promote the need for an increased focus on supporting staff professional development in this area.
3. **Workforce Excellence**: Recognizing many factors contribute to an excellent workforce, the committee suggests a holistic approach to attracting and retaining quality employees. In order to maintain manageable workloads, the district should establish a staffing allocation model which will provide a consistent baseline for resource allocation for schools and departments. Such a model would serve as an effective allocation and reallocation tool throughout the annual budget process. Additional resources would be identified for areas that are understaffed, which would help in addressing "employee burnout." In the event of overstaffing, resources may be redirected to other areas of need in a specific building or department.

Additionally, the district should continue its advocacy for a more competitive state retirement plan. This objective could be included in the formal advocacy document produced by the Legislative Committee and incorporated into any resulting lobbying efforts of state lawmakers by the district. Changes made to the TRS and PERS plans have put the district at a competitive disadvantage, as it attempts to recruit and retain a high quality staff. Recruiting efforts would benefit greatly from a return to a defined benefit plan with benefit and contribution levels that are both affordable and sustainable for the long-term.

Lastly, anticipating the size of the recruitment pool will not increase in the near future, and considering the cost of a quality staff takes up approximately 88% of the budget, the committee suggests the district expand on its current recruiting methods. Partnerships with UAF and other community organizations, employee incentive programs, and updated benefit packages are examples of things that should be considered. The committee suggests the human resources department investigate research regarding what different generational age classes look for in a prospective employer, as well as what common traits are found in organizations who consistently score high in employee satisfaction surveys.

The Budget Committee will meet again on March 26 and April 15, 2020. Topics will include legislative updates, lobbying and advocacy efforts, updated revenue estimates, and discussion related to the proposed and recommended budgets.