

10-09 Meeting Minutes: District Budget Committee

1. Meeting Information

- **Topic:** District Budget Committee: Procedures, Budget Overview, and Priority Setting
- **Date & Time:** A meeting was held on [October 9, 2025]. Other meetings started around [5:50 p.m.] with a planned end time of [7:30 p.m.]. Future meetings are scheduled for [October 30th], [November 20th], and [December 4th].
- **Participants:** Morgan Dulian (Chair, Board Member), Tim Doran (Board Member), Andy DeGraw (Chief Operations Officer), Danette Peterson (FEA President), Amy Culver Bell (First Grade Teacher), Teresa Lesage (Principal, Anderson Crawford Elementary), Bev O'Donnell (Kitchen Manager/Tutor, ESSA Representative), Kate LaPlaunt (Superintendent for Elementary Schools), Tobias Becker (Student Representative), Caroline Brown (Parent), Jen Gunderson (Parent), Ben Loeffler (Parent), Melissa Charlie (Executive Director, Fairbanks Native Association), Valerie Stansel (Parent, DOD Civilian), April Johnson (ESSA President), Jennifer Redmond (Parent, Senior Grant Controller), Michele Nilson (Budget Specialist). (April Scott was absent from the meeting).
 - **Key Speakers:** Morgan Dulian, Tim Doran, Andy DeGraw

2. Discussion Overview

- **Agenda Item 1:** Committee Purpose, Procedures, and Schedule
 - **Key Points:**
 - **Morgan Dulian:** Stated the meeting will not use "Robert's Rules of Orders" but will instead "facilitate conversation." The meetings are "public" and "Audio recorded." The committee's end product is a "memorandum that this committee will put together that we will then present to the board in December with recommendations" to guide decisions on budget "reductions or investments." A key best practice is to "always assume positive intent".
 - **Tim Doran:** Explained the memo created in "December" "helps as they're putting together the proposed budget that comes to the board". He also noted that under the Open Meetings Act, "We have to advertise to the public it's welcome to come, but we do our business in public conversation."

- **Speaker 1 (Morgan Dulian):** Outlined the schedule: The [October 30th] meeting is for "flushing out" questions, the [November 20th] meeting is for starting to "prioritize things," and a draft proposal will be created for a [December 4th] meeting. The final proposal will be presented to the board in [January].
 - **Interim Conclusion:** The committee's primary goal is to produce a recommendation memorandum by December to advise the school board on budget matters. Meetings will be informal, publicly recorded conversations focused on collaborative discussion, following a set schedule through February.
- **Agenda Item 2: Budget Process and Strategic Plan Overview**
 - **Key Points:**
 - **Andy DeGraw:** Emphasized the committee's role is to stay at a "strategic level" and that the strategic plan is the "Guiding document as a district." He outlined the annual budget timeline from committee work ([September]-[November]) to a final budget submitted to the state by "[July 15th]". He detailed the three primary revenue sources: **Federal** ("[8%] to [10%]", mainly "federal impact aid"), **State** (majority from the "foundation funding formula"), and **Local** (currently "just shy of [63 million]"). He also explained that salaries and benefits account for "a little over [83%]" of the budget.
 - **(Tim Doran):** Provided context that the state target for instruction spending is "[70%]".
 - **(Andy DeGraw):** Explained that federal impact aid fluctuates because "we actually receive final payout amounts from prior years... just randomly with no advance warning."
 - **Supporting Data:**
 - **FY26 Budget:** "just shy of [\$198 million]."
 - **Salaries & Benefits:** "a little over [83%]" of expenditures.
 - **Student Enrollment:** Current 20-day count is "somewhere in the [11,200] to [11,300]," a drop of "close to [500] students".
 - **Base Student Allocation (BSA):** [\$6,660] per student after a recent permanent "\$700 BSA" increase.
 - **Contracted Services:** An "increase of a little over [\$2 million]".
 - **Recommended Actions:**
 - Committee members were encouraged to review the first "[20 to 30 pages]" of the approved budget book.
 - Committee members were advised to communicate with their constituents to gather priorities.

- **Agenda Item 3: Fund Balance, Deficit, and Subsidies**
 - **Key Points:**
 - **(Andy DeGraw):** Explained the fund balance is the district's "cash reserves, our rainy day fund." Policy 3470 requires the unrestricted balance not fall below "[6%]", or "somewhere around [\$12 million]". The latest audited balance for [FY 24] was "\$13.4 million". He stated the preliminary deficit for the upcoming cycle could be from a "very, very small deficit" to as high as "\$5 million", not including costs from upcoming union negotiations. He also identified Transportation and Nutrition Services as the two main areas the general fund subsidizes.
 - **(Morgan Dulian):** Confirmed the current budget includes a transportation subsidy of "[two million dollars]" but not one for nutrition services.
 - **Supporting Data:**
 - **Fund Balance Minimum:** "[6%]", approx. "\$12 million".
 - **Audited Fund Balance [FY 24]:** "\$13.4 million".
 - **Estimated Deficit Range:** [\$0] to "\$5 million".
 - **Transportation Subsidy:** [\$2 million] to cover a [\$2 - \$3 million] annual gap.
 - **Nutrition Services:** Historically required a subsidy of [\$300,000] to [\$700,000] but has not for the last [3 or 4] years.
- **Agenda Item 4: Identifying Budget Priorities and Potential Reductions**
 - **Key Points:**
 - **Speaker:** Prioritized "increasing teacher salaries and benefits", reducing class sizes, and bringing back "music and art in elementary".
 - **(Ms. Stansel):** Emphasized avoiding school closures: "I would like that to be a really big yes".
 - **Speaker:** Stated a "very high priority of PTR" (Pupil-Teacher Ratio).
 - **(Ms. Redmond):** Proposed a "horizontal cut" approach where each school finds small savings.
 - **(Mr. DeGraw):** Responded that this is difficult as "95% or 96% of the budget is untouchable".
 - **(Ms. Bell):** Stated "we don't need any more kids in our class" and raised concerns about the quality of the contracted custodian service.
 - **(Ms. O'Donnell):** Described staff taking on multiple roles and requested "a little more support staff".

- **(Ms. Peterson):** Requested data on what increases enrollment, stating her "hunch is that CTE is one of those".
 - **Speaker:** Noted "Eielson Air Force Base has had a disproportionate impact, having two of the three schools on base closed since [2022]" and suggested it would be "important to to kind of take elementary off the table for this round".
- **Interim Conclusion:** The committee generated a preliminary list of priorities, including reducing PTR, increasing teacher compensation, restoring programs (music, art), expanding CTE, and avoiding school closures. A consensus emerged that more data is needed to make informed decisions.

4. Actions

- **Task:** Prepare a memorandum with budget recommendations for the school board.
- **Responsible Person:** @Budget Committee
- **Task:** Prepare and provide various data/reports: one-page overview of grants, report on contracted services, list of recent budget cuts, data on enrollment drivers, list of discretionary budget items, overview of class size changes over [15 years], and staff morale data.
- **Responsible Person:** @Administration / @Andy DeGraw / @Michele Nilson
- **Task:** Prepare and present a five-minute tutorial on how to read the budget book.
- **Responsible Person:** @Mr. DeGraw
- **Task:** Share links to the meeting recording, budget book, and district website with the committee.
- **Responsible Person:** @Michele Nilson
- **Task:** Email thoughts, questions, and constituent feedback to the committee.
- **Responsible Person:** @All committee members