



Board of Directors Study Session Meeting Minutes

Central Administration Building
601 South 8th Street – Tacoma, WA
4th Floor Auditorium
Monday, November 18, 2019 06:00 PM

1. CALL TO ORDER

The Board met for a Study Session on Monday, November 18, 2019 in the fourth floor auditorium of the Central Administration Building located at 601 South 8th Street in Tacoma, Washington.

Board President Heinze called the meeting to order at 6:00 PM.

2. FLAG SALUTE

President Heinze led the Pledge of Allegiance.

3. STUDY SESSION ITEM(S)

3.1 STRATEGIC PRIORITY: Budgeting Policy and Strategy

President Heinze reiterated the outcomes that the Board established at their October 23, 2019 Committee of the Whole meeting regarding Budgeting Policy and Strategy.

The board developed four outcomes:

- a process for the school district to be more transparent between the technical aspects of the budget and the highlights of any budget year change
- a process where the board would be involved in a list of recommendations for consideration
- a matrix of current laws and collective bargaining agreements that we must follow in the specific budgetary items
- some policy implications that address thresholds

Chief Financial Officer, Rosalind Medina, presented information to the board as follows:

Outcome 1: Policy considerations for thresholds.

- Proposed policy language:

Balanced Budget

The annual budget submission will be aimed to provide a structurally balanced budget. A structurally balanced budget is a sustainable budget where recurring revenues equal or exceed recurring expenditures. Additionally, the budget should align with financial planning policies to maintain defined fund balance minimums or contain a plan to achieve those financial planning policies in the next year. In certain years, fund balance may be used to offset expenditures that exceed revenues. It should be recognized that the use of fund balance to fund recurring expenditures is not sustainable and should be addressed as a temporary solution.

Legal Requirements

Submission to the ESD on July 10

Budget adopted by August 31

Budget filed with Educational Service District by September 3

Budget filed with Office of Superintendent of Public Instruction by September 10

Fiscal Year

The district fiscal year will begin September 1 each year and will continue through August 31 of the succeeding year.

Budget Documents and Communication

The completed budget shall include a summary of the four-year budget plan and set forth the complete financial plan of the district for the ensuing fiscal year. A comprehensive summary format understandable to the Board and the community shall be prepared in addition to the State required format.

Upon completion of the budget, the district will electronically publish a notice stating that the District:
-Completed the budget
-Posted it electronically
-Placed it on file in the district administration office
-Will furnish a copy of the budget or four-year plan to any person who calls upon the district for it.

Outcome 2: A communication plan that fosters transparency, while balancing technical details with any any significant changes.

- Proposed policy language:

Best Practice - Sharing information widely, Expressing positive points of the budget in addition to the challenges faced in the budget, Perform budget simulations, Use funding formula, Utilize an executive leadership team for decision making, Engage stakeholder and community members, Gather feedback and adjust where necessary.

In Place - Regular budget updates, hearings, budget website updates, Discussed reductions only, Used but communicated only through budget advisory committee, Cabinet reviewed all budget proposals and decisions prior to implementation, In addition to public meetings, Budget Advisory Committee utilized, Added a budget survey at the end of the process to gather feedback about implementation.

Working toward - Website improvement, working with public information office for more digestible information, Discuss how resource shifts are being re-directed to create the most value for students, Budget calculator, Continue using formulas and share information publicly, Continue current practice but loop Board feedback into the review process, Run two tracks of Advisory Committee that has one track running through education of how the budget works and the second track helping to define characteristics of the budget, Offer the budget survey through the entire budget process and use to inform the decisions, budget calculator.

Outcome 3 - A process for the Board to examine budget changes within an established threshold for their consideration

Currently researching executive limitations for inclusion in regulation. There's no existing language for most districts. Potential Policy governance guidance— Issaquah and Federal Way.

Conversation starter:

When anticipated budget adjustments result in programmatic revenue or expenditure impacts greater than 5% of the current program funding, communication of the adjustments and rationale will be provided to the Board in advance of implementation

Outcome 4 - A matrix of our collective bargaining, laws or current practices that have defined thresholds.

Considerations

Collective bargaining agreement
State compliance requirements
Purpose of transparency
Implementation timeline of 2020

Other future considerations

Strategic initiatives, benchmarks and core values
OSPI recommendations for staffing
Prototypical staffing model
District staffing model

Next Steps:

Outcome 1 – Development of policy and regulations through standard district process
Outcome 2 – Communication strategy will be formally developed
Outcome 3 – Continue researching executive limits and receive feedback on language
Outcome 4 – Matrix of collective bargaining agreement and legal requirements to be further developed

The board reviewed the general budget timeline.

Discussion on this topic will continue at the Board Study Session on February 20, 2020 at 6pm.

District leadership will work towards including additional budget information in upcoming benchmark reports etc.

4. ADJOURNMENT

Board President Heinze moved to adjourn the meeting at 7:26pm.

Minutes approved by the Board on: _____

Signed by: _____
Superintendent Carla Santorno

By: _____
Board President, Scott Heinze