

DAVENPORT COMMUNITY SCHOOL DISTRICT

COMMITTEE OF THE WHOLE

March 7, 2011

The Board of the Davenport Community School District in the Counties of Scott and Muscatine, State of Iowa, met for the Committee of the Whole Meeting on Monday, March 7, 2011, pursuant to law. The meeting was held in the Jim Hester Board Room, Administration Service Center, 1606 Brady Street Davenport, Iowa, in said District. President Johanson called the meeting to order at 5:33 PM.

On roll call the following board members were present: Directors: Ralph Johanson, Patt Zamora, Ken Krumwiede, Nikki De Fauw, Rich Clewell, Tim Tupper and Larry Roberson. Superintendent Julio Almanza and other administrators were present.

Budget

Marsha Tangen updated the board on the progress of the budget planning for the coming year. The budget for 2012 is not complete. The certification deadline is April 15 so this is only preliminary information at this time. She recapped 2011. The fund balance as of 6-30-10 was \$10,011,493 and for this fiscal year the unreserved fund balance is estimated to be \$6,265,620. There is also a \$1,000,000 of reserved fund balance. Allowable growth has not been set by the legislature yet so we go back to 0% according to current law. The impact is as follows: 0% fully funded for regular program district cost, teacher salary supplement, professional development, early intervention, preschool foundation aid, and instructional support levy (funded at a fraction of formula). As reported earlier the district enrollment is up 108 students which will result in additional funding. The Governor's budget recommendation sets the floor of zero allowable growth for FY 2012 and FY 2013. It has been set as fully funded which means we would receive the full amount of revenue rather than just the spending authority as has been the case in the previous two years. We will be facing a funding cliff in 2011-12. It is estimated that \$4.5 million in ARRA funding will not be available during 2011-12. We used ARRA funding to backfill shortages in state aid funding in the past. We do not qualify for additional funding in Property Tax Equity and Relief Funding this year. Last year we received \$1,412,387. The administration has heard the board say they do not want to raise taxes for 2012. All negotiated agreements are up for renewal for the 2011-12 school year with the exception of the maintenance contract. Negotiations are on-going. We will be maintaining insurance premiums for 2012 at the 2011 rate. The IPERS contribution is set to go up on July 1, 2011. Early childhood funding may be cut by the state and this is an area where we will need to overcome shortfalls. Director Roberson pointed out the potential for some kids falling through the cracks with the proposed voucher system. Too much is unknown about how the funding will actually come down, so there are many questions at this time. In summary she predicts the need to cover the funding gap of \$2-3 million for 2012 depending on negotiations and the final determination of allowable growth as set by the legislature.

A review of budget reductions for 2011 was reported. The recommendations for 2012 are being done keeping in mind that reductions are to stay as far away from the classroom as possible as previously directed by the board. The recommendation is that we make

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reductions for half of the amount required for 2012 and the remaining amount would come from the fund balance.

The following are recommended: applying the staffing formula of 1:24 at the intermediate level thereby reducing 6 FTE (also completes the final step of reducing team time), reducing positions (non-certified) due to attrition (an estimate of 2 FTE) and reducing site and department budgets. Early retirement could be looked at if directed by the board. She summarized the history of early retirement incentives in the district and how an incentive this year would impact the district.

A prioritized list with the impact of each recommendation will be provided to the board as the administration continues through the process. Director De Fauw asked what percent of budget reduction would be recommended. Ms. Tangen reported that is still being considered. The administration continues to look to the board for direction in making additional recommendations throughout this process. Director Tupper asked for a list of positions in the district that do not have direct contact with students and identify the cost of each of those positions to see if there are opportunities for reductions in these areas. Director Zamora asked if any progress had been made in unequal funding between districts. President Johanson noted that the Legislative Advocacy Committee has broached the subject several times and there has been no progress with legislators or the IASB. Director Tupper asked if we are experiencing the worst this year in budgeting concerns. Ms. Tangen hopes this would be the worst of it, but cannot say what will happen in the future. Director Roberson asked if there will be additional cuts in future budget years or if these current cuts can get us through. Ms. Tangen again stated the future is unknown.

President Johanson asked what the advantage of the budget guarantee would be. The budget guarantee allows you to levy taxes to make up for any shortfall in the amount of money the state actually pays the district. We would lower the levy on the cash reserves and increase it in the general fund so the overall tax rate would not increase. Mr. Almanza asked the board to review the Tier II reductions again to let the administration know if there are any additional thoughts. Director De Fauw asked if there was data to determine the differences in student achievement between block and traditional scheduling. Mr. Almanza stated that at this time direct data of that sort is not available.

Director Zamora noted that Assumption High School won the state girls basketball tournament and Director De Fauw noted that North won the bowling tournament.

The meeting was adjourned by President Johanson at 6:25PM.

Lynnette Carver, Board Secretary