

DISCUSSION/ACTION ITEMS

2009-10 Budget First Reading: **Public Hearing** - Kuper

Action to be taken: **The Board will conduct a hearing to obtain public input on the 2009-10 Budget. Adoption of the budget is scheduled for the August 26, 2009 board meeting.**

Each spring the budget process begins with the Board establishing broad parameters for budget development. For the 2009-10 Budget these parameters were then incorporated into Superintendent's guiding budget philosophy. The Administration follows the Board's parameters and reinforces these parameters during actual budget development. These documents are then shared with staff and community during an official board meeting where the public is provided an opportunity for input.

In 2009-10 the nation, state, and the Issaquah School District all faced tough economic realities. The Issaquah School District had to compensate for the loss of an estimated \$7.3 million in state revenue. In order to communicate with staff and community we launched several communication avenues; the first was the District Website Budget webpage, a 2009 Budget email account, and a community forum on the state of the District finances.

On March 25, 2009 the Board adopted budget guidelines for the 2009-10 budget. On April 23, 2009 the administration updated the board and community concerning the budget. The following items were discussed at these Board Meetings:

- Board of Director's Guidelines
- Superintendent's Guiding Budget Philosophy
- Costs associated with various State of Washington Legislative Budget Proposals
- Administrative Cost Comparisons
- Proposed Program Reductions for 2009-10 (including the certificated staffing level that could be guaranteed employment for 2009-10)

Budgetary Goals and Philosophy for 2009-10

The Board of Directors and Superintendent have established the primary goal of funding a comprehensive educational program that reflects overall community values and directs resources in support of the District Mission and Ends learning goals for students. This endeavor is to be accomplished within the parameters of:

- The District Mission and Ends Learning Goals
- Providing a comprehensive educational program that allows opportunity and growth for all students
- Maintaining an unrestricted fund balance of 3-5% of the general fund budget
- Establishing staff compensation and benefit levels that do not deviate materially from the local professional market, insofar as district resources allow
- Maintaining administrative costs at a level no higher than the King County average for school districts (10.27% in 2009-10 Budget)

- Maintaining sufficient reserves for start-up operating costs associated with new schools (\$1,800,000 for 2 years of E15 start-up)
- Maintaining and managing the district's resources to protect district assets and guarantee the board's financial goals

The 2009-10 State funding levels were reduced significantly resulting in the following impacts:

The legislature provided:

Decrease in I-728 funding from \$458.10 to \$131.16 per student	(\$5,088,167)
Decrease in mandatory benefit funding (Pension Contributions)	(\$2,000,000)
Decrease in transportation operations funding	(\$300,000)
Elimination of State Math and Science Funds	(\$275,000)
Elimination of supplemental transportation funding	(\$250,000)
Increase of IDEA funding (Federal Stimulus)	\$1,500,000

The district result: (reductions)

Increase in Class size by 1 student K-12	(\$1,800,000)
Offsetting (non-classroom and service level) reductions	(\$2,200,000)
Decrease in pension contribution	(\$2,200,000)

Summary

Although funding remains the primary challenge for Issaquah School District, the district is recognized for having a high quality educational program. The testing of students for reading and math results in scores that rank among the highest in the State of Washington. Graduation rates are very high and the percentage of students continuing on for advanced education after graduation is very high.

The educational facilities are well maintained and create a positive learning environment. The citizens of the district are highly committed to education and continue to be supportive in providing the facilities required to meet the needs of a high quality educational program.

The General Fund is the source of funding for all district program operations and was developed in accordance with the above defined parameters and priorities.

The Capital Projects Fund is the source of funding for many capital improvements around the district. In 2009-10 the district will be constructing Issaquah High School, completing a major remodel/expansion of Skyline High School, building Elementary #15, and beginning remodel of Maywood Middle School.

The Debt Service Fund will provide resources to pay the principal and interest on debt incurred to make capital improvements.

The Associated Student Body Fund is controlled through student government and funds activities designed and approved by student councils.

The Transportation Vehicle Fund will provide resources to purchase eleven new buses next year. These buses will provide for the replacement of older buses and also provide additional capacity for increasing enrollment.

The final budget will be presented for adoption at the August 26, 2009 board meeting.
