

DISCUSSION/ACTION ITEMS

2007-08 Budget and I-728 Use: First Reading - Kuper

Action to be taken:

The Board will conduct a hearing to obtain public input on the 2007-08 Budget and I-728 Funds. Adoption of the budget is scheduled for the August 22, 2007 board meeting.

Following the presentation of the budget by Jacob Kuper, the Board will conduct a public hearing on the draft budget for the 2007-08 school year and 2007/08 I-728 Funds. The Finance Office has notified the media of this hearing and notices were published in local newspapers.

Each spring the budget process begins with the Board establishing broad parameters for budget development. These parameters set forth the values and assumptions that must be reflected in the Superintendent's more specific guidelines. The Superintendent's guidelines respect the Board's parameters and give concrete definition and direction for budget development. These documents are then shared with staff and community during an official board meeting and the public is provided an opportunity for input.

On March 14, 2007 the Board adopted budget guidelines for the 2007-08 budget. On May 9, 2007 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 Directions for Budget Development
- Costs associated with the State of Washington Legislative Budget Proposals
- Administrative Cost Comparisons
- Opening costs for Grand Ridge Elementary
- Review of the budget development calendar

The Board of Directors and Superintendent have established the primary goal of funding a comprehensive educational program that reflects overall community values. This mission is to be accomplished within the parameters of:

- Providing a comprehensive educational program that allows opportunity 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
- Maintaining sufficient reserves for start-up operating costs associated with new schools
- Maintaining and managing the district's resources to protect district assets and guarantee the board's financial goals

- Ensuring that the District does not create obligations over a longer term than revenues can be safely projected or fail to establish provisions for modifying obligations in the event of revenue loss.

Major funding initiatives established by the legislature, board and superintendent for this budget year are outlined as follows:

The legislature provided:

Increase in I-728 funding from \$375 to \$450 per student (This will provide teachers for class size reduction at all grade levels)	\$1,140,000
Salary increase of 3.7% for state funded employees	\$2,100,000
Health Insurance Increase for state funded employees (\$27.02 per month per state funded employee)	\$ 202,000
Grandfathered Salary Equalization	\$ 470,000
Math and Science Professional Development	\$ 180,000

The district will provide:

Salary increases and health insurance increases for all non-state funded positions	\$1,500,000
Increased Pension Costs	\$ 300,000
Second Year start-up costs for Grand Ridge Elementary	\$ 300,000

2007/08 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 district continues to struggle to meet the demands of rapid growth, but the citizens of the district are fully 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 2007-08 the district will begin construction on Issaquah High School and a major remodel/expansion of Skyline High 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 22, 2007 board meeting.
