

MONROE COUNTY COMMUNITY SCHOOL CORPORATION
BOARD OF SCHOOL TRUSTEES
Work Session, August 5, 2008

MEMORANDA

The Board of School Trustees of the Monroe County Community School Corporation met in work session, for which proper notice had been given, at 5:00 p.m. on Tuesday, August 5, 2008, at Bloomington High School South, 1965 S. Walnut Street, Bloomington, Indiana.

Board members present: Jeannine Butler, Teresa Grossi, Jim Muehling, Lois Sabo-Skelton, Vicki Streiff and Sue Wanzer

Board member absent: Valerie Merriam

Also present: James Harvey, Superintendent; Tim Thrasher, Comptroller; Peggy Chambers, Assistant Superintendent for Human Resources and Personnel; and Janet Tupper, Administrative Assistant.

President of the Board, Teresa Grossi, called the meeting to order at 5:00 p.m. She noted that the purpose of this meeting was to discuss the 2009 Budget.

2009 Budget – Mr. Thrasher had shared with the Board information regarding the 2009 Budget. He said it will help that the school system will receive twelve (12) equal installments of support from the state. He added that it is difficult to know the impact of the homestead credit change but the DLGF (Department of Local Government Finance) is advising school systems to allow for a 20% decrease when setting tax rates. He noted that we always intentionally inflate tax rates; there is a 45% credit in the formula that gets applied in the Assessed Valuation (AV) before the tax rate is established. Mr. Harvey said next year there will be no levy for special education and we will continue to advertise high rates in other funds.

Mr. Harvey said when we adopted the long-range facilities plan in spring 2007 we indicated the plan was to keep the tax rate level for this year. He said because the rate is going to be distorted we will have to go back to the levy. Mr. Muehling understood that the amount of taxes will not change but the AV will increase. Mr. Harvey said yes, the original plan will mean that the tax rate will go up in future years in order to keep the levy. Mr. Thrasher said we are now seven cents below the maximum for the CPF (Capital Projects Fund) rate. Mr. Harvey confirmed that residential taxes have gone down and rental and commercial property taxes have increased.

In response to questions, Mr. Thrasher said September 20 is the deadline for approving budgets for the School Bus Replacement Fund and the CPF. He said the hearing must be ten (10) days before the adoption and legal ads must be run two times in local newspapers so the adoption will be in December. He said it looks like the 2010 budget will be an 18-month budget so that 2012 would be the first fiscal year budget. He explained that the AV and tax rate are not relevant but the CPF is big and we have to have it done by September 20 so it makes sense to move forward with all budgets at that time. He said he did not have the tax rates together but he will have them prior to the next Board meeting. He said at that time he will ask the Board to advertise the budget.

Mr. Thrasher said there are a few new things in the General Fund. He noted that in April and May Mr. Harvey brought a list of recommendations for additional budget expenditures, including literacy groups, assistant principals, additional personnel and teachers at Aurora and they are included in the budget. He said the intern-mentor program is also included in the budget. He said \$10,000 is included for band uniforms; they are replaced every nine or ten years so the money will accumulate so that the estimated \$65,000 needed would be available in 2013-14. During ensuing discussion it was pointed out that one-half of the amounts needed for band uniforms are provided by fund raisers.

Mr. Harvey said they pretty much took the budget formula intact at the state level and it will probably be next

season before they begin to look at an equalization formula. He said Vi Simpson pointed out that if they give us more then they will have to take away from others and they are not willing to do that. He said the Governor wants to repeal the collective bargaining law; the ISTA (Indiana State Teachers Association) knows it must be dealt with at the state level.

In response to questions, Mr. Thrasher said the state is relying on sales tax to meet budget needs. He explained two techniques used by the state when income does not materialize: (1) keep January money and distribute it in December, and (2) approve formula but when it comes time to pay and revenues do not materialize or the formula generates more money than appropriated then they cut everybody proportionately. Mr. Harvey said when we spend 90 cents of every dollar for personnel if we are cut short we have to lay off people. He said if the state has a shortfall and we have to start cutting, the first place would be in supplies but only 10% of the budget is supplies, then we can lay off support staff. He said there are big dollars in pupil-teacher ratios; when we have to reduce that is where it happens.

Regarding the need to reduce expenses in the transportation fund, Mr. Harvey said recommendations for reductions are due to the Superintendent on Friday. He explained how driver costs are paid now and some ideas that have been discussed with principals, such as small activity buses and coaches would be required to have CDL licenses to drive them. These mini buses would be used for a number of purposes – not just athletics.

Mr. Thrasher reviewed specific areas of the budget and responded to Board member questions regarding specific line items. He explained how some administrative positions have evolved and why they are included in the budget as they are. He also explained APC (average pupil count) and ADM (average daily membership). Mr. Harvey noted that we now make three enrollment reports to the state: (1) the official count day in September, (2) the December 1 count which includes special education numbers, and (3) an enrollment count taken in May. He said we use both the September and December counts to make enrollment projections and that is what we use for projected class size ratios in February. He said in May, at the end of the school year, class size reports are received from each school and building allocations are made at that time until the opening of school. He said 20% of our students move during the summer and necessary adjustments are made within the first three days of school. Ms. Chambers said we are primarily looking at kindergarten now because of unpredictable enrollments; enrollment at other grades is pretty stable. She does not see that we are overstaffed but she said a couple of schools are anxious to hire. She added that kindergarten teachers are considered traveling teachers for this reason.

Mr. Thrasher said we receive the Indiana University PLOP (pupils living on property that is tax exempt) at the end of each year. He said license excise tax is received in December and is estimated to be the same in 2009 as it was in 2008. During discussion about the CPF, Mr. Thrasher said he would share a Form 3 worksheet with the Board. He said when we adopt the budget we can set some parameters with a resolution stating we do not want the combined rates to be more than 'x' amount. Regarding changes in funding for schools, Mr. Harvey does not think we will see the affect on governmental entities until a year or two or perhaps it will be three or four years before we see the impact.

The work session adjourned at 6:30 p.m.

Teresa Grossi, President

ABSENT

Valerie Merriam, Secretary

Jim Muehling, Member

Vicki Streiff, Member

Jeannine Butler, Vice President

Susan P. Wanzer, Assistant Secretary

Lois Sabo-Skelton, Member