

PHILOMATH SCHOOL DISTRICT 17J  
BOARD WORK SESSION - BUDGET

MARCH 8, 2011  
MINUTES

Rose Cook called the meeting to order at 7:25 pm.

Present

Rose Cook  
Dan Forbess  
Kelly Howard  
Jim Damitio  
Jim Kildea  
Tom Klipfel  
Ron Van Orden  
Mike Goodrich  
Mary Torgerson  
Rick Wells

Absent

Mark Hardin (out of town)  
LeRoy Fenn (out of town)  
Chris Beeton (out of town)

- A. Dan gave a review of the 2010-11 budget that included the amount of SSF revenue that was reduced, and how the district reduced spending by \$450,000. He reported on how the plan to spend down cash reserves in 2010-11 contributed to the current shortfall and that without any further action we would end the year with a fund balance of \$1,078,361, a cash balance decrease of \$725,137 from the start of the year. He offered suggestions of how the district could reduce spending between now and June 30.

Dan also discussed preliminary budget saving ideas for next year, including converting the PHS schedule to a semester system, 4-day school week and Reductions in Force (RIF) currently under consideration. The options currently considered totaled \$504,000

- B. Next Kelly presented several schedules that compared the budgeted revenues for the year with estimates of actual revenues and the estimated shortfall. Likewise, budgeted expenses were compared with estimated expenses at June 30. This showed the district will have under-spent the budget by approximately \$725,280.

Kelly then presented a spreadsheet that reconciled the differences between his 2/14/11 projection that estimated \$2,000,000 of necessary reductions and his 3/7/11 projection that estimated \$1,300,000 of necessary reductions. The primary differences were another \$205,000 of saving from coming in under budget on 2010-11 expenses and a new SSF revenue estimate showing \$540,000 in more revenue than anticipated. He did express some reservation about the validity of the SSF estimate.

Kelly spent time with the Board explaining the components of the SSF estimates and where the numbers come from and how they are susceptible to change. Finally he presented the assumptions he used to make his projection for 2011-12.

### C. Discussion

Dan commented that we should not have planned to spend down so much cash. We should have cut the budget last. Licensed MOU – does not allow us to take more than the 5 days, even though the formula allows us to.  
Look at Pool, Athletics and Activities Utilities, see if we can reduce transfers.

Tom said we are not a big school anymore. We may have to get back to basics and eliminate electives.

Jim Damitio said we have identified about \$500,000 but that is not near enough. We will need at least another \$1,000,000. We will need to make significant reductions staff.

Jim Damitio really likes the idea of a charger school.

Tom, class size will go up as staff goes down.

Ken commented that when you cut programs, parents will leave and find opportunities for their kids.

Tom – everything must be on the table. Try to tighten the belt anywhere we can. Try not to impact kids.

Listening Sessions. Tell the community what we are planning to cut and then see how they respond.

Jim – really need to reach out to the community and communicate the depth of the cuts we are facing. Get the community on board early. Sandy Palmieri.

Jim D. – We need to put hard numbers with the options so people know what it costs and how they can make trade-offs.

Tom – Look beyond the costs up front to the potential spill-over (hidden) costs that might impact the district's programs.

Submitted by: Kelly Howard