

MINUTES
CARLISLE COMMUNITY SCHOOL
School Board Work Session
Thursday, February 18, 2010, 7:00 p.m.
Carlisle School District Board Room

President Judisch called the work session to order at 7:05 p.m.

The attendance was noted as follows:

Directors Present: John Judisch, President
Rob Joiner, Vice President
Mark Cowan
Susan James
Michelle Tish

Also Present: Dr. Lane, Superintendent
Jean Flaws, Board Secretary/Business Manager

2010-2011 Budget Considerations

Dr. Lane reminded the board that no decisions will be made at the work session. This is strictly an informational night. The financial situation at hand is not unique to Carlisle. It is a statewide and national issue. The district is preparing for the worst with 2% allowable growth in spending authority but 0% allowable growth funding and no ARRA money. Funding for 2% allowable growth would give the district \$236,871 new money and 0% funding would give the district \$100,807 new money. Difficult decisions will need to be made to solve the financial challenges that lie ahead. There is no doubt that the tax levy will have to be increased and cuts will need to be made.

A review was given on the different funds created by Iowa law for school districts. The term spending authority was defined (the district's credit card limit) and it was shown how this spending authority is funded (state aide, property tax, miscellaneous income and unspent balance). The tax levy is comprised of four levies: General Fund Levy, Management Levy, PPEL Levy and Debt Service Levy. It was explained how each levy is determined and what expenditures are allowed from funds raised for each levy. Also, it was shown how the district is down \$1.5 million in state aid from the 10% ATB (across the board) Cut in 2009-2010 which will not be reinstated for 2010-2011 and the \$700,000 ARRA received in 2009-2010 and will not be received in 2010-2011. Added to the \$1.5 million deficit will be increased costs for 2010-2011 which includes the increases in IPERS, health insurance and union settlements. Also there is the potential for more ATB cuts for 2010-2011.

The board will set the tax levy which has to be certified by April 15, 2010. The district is still receiving tax equity relief, approximately an additional seventy-four cents for 2010-2011. The Management, PPEL and Debt Service Levies will be lowered some because of increased valuation and other factors so the district can levy in the general fund for cash reserves in order to help fund the \$1.5 million deficit. How much cash reserves the board wants to levy and how high the board is comfortable in raising the tax levy will be factors in determining the tax levy. Rebuilding the district's cash reserves will take several years. A comparison was shown of three different levies ranging from 20.50 to 20.99, how much cash reserves they would generate along with how the increased levies would affect homeowners' property taxes. The district's levy is currently at 19.43. Districts all over the state will be raising their tax levies, some as high as 25 to 27.

What is not funded by property taxes will need to be made up with cuts. The possible cuts set before the board have been a work in progress for the past four months. Data, along with what is mandated by the state and what is needed to maintain a quality educational program was used in making decisions about potential cuts. All areas of the district have been impacted by the proposed cuts totaling \$909,751.00. The proposed cuts were divided into three groups: one showed cuts that have been made in 2009-2010 that will carryover to 2010-2011; one showed cuts that would least impact student achievement and then the last group shown would have a greater impact on student achievement. The board reviewed and discussed each of the potential cuts. Most of the cuts will be covered by other personnel to minimize a loss in programming. The privatization of custodial services will be discussed after a presentation at the March 8 board meeting. Dr. Lane is recommending a pay freeze for all non-union employees and will negotiate the best settlement possible with the two union groups. Employees that would be affected by the possible cuts have been talked to. Should the district decide to reduce teachers, notification would have to be given by April 30.

Ultimately, the school board members are charged to do what is best for the district. It will not be easy given the unknowns at this point and the financial uncertainty for 2010-11.

Dr. Lane was appreciative of those in attendance and the community support and will continue to communicate to the public as work continues for the 2010-2011 school year.

Motion by Joiner to adjourn the work session. Seconded by Tish. Motion carried unanimously.

Work session adjourned at 9:30 p.m.

John Judisch, President
www.carlisle.k12.ia.us

Attest: Jean Flaws, Board Secretary

These minutes have not been approved by the Carlisle Community School Board.