

The background is a light blue gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance.

2019-20 BUDGET COMMITTEE

WEDNESDAY, NOVEMBER 28, 2018

**FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT
BOARD ROOM**

UPDATE

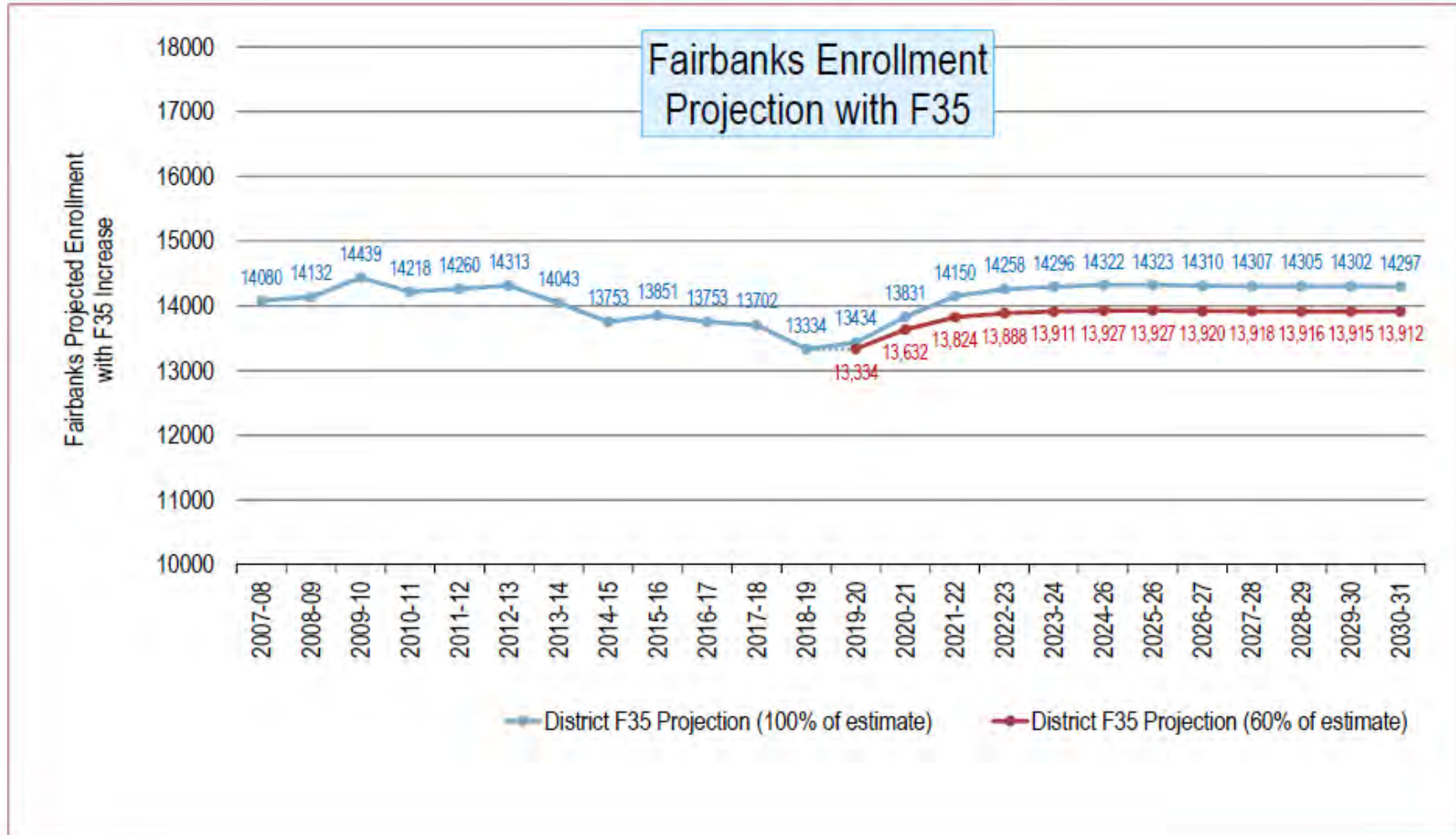
- ENROLLMENT
- REVENUE
- BOROUGH ORDINANCE

UPDATE – ENROLLMENT

- 20 DAY ACTUAL COUNT – 13,279
- 2019-20 PROJECTION – 13,205
- EIELSON GROWTH – TIMELINE & DISTRICT APPROACH

UPDATE – ENROLLMENT

- EIELSON GROWTH CHART



UPDATE - REVENUE

- REDUCTION DUE TO ENROLLMENT DROP - \$3MILLION (EST)
- STATE ONE-TIME ALLOCATION FOR 2020 – ADDITIONAL \$1 MILLION
- POLITICAL LANDSCAPE

UPDATE – BOROUGH ORDINANCE

- **CURRENT ORDINANCE**
 - CAPS DISTRICT FUND BALANCES AT 18% OF LOCAL CONTRIBUTION
 - LAPSES FUNDS ABOVE CAP, UP TO MAX OF \$7MILLION PER YEAR
 - RETROACTIVE TO JUNE 30, 2018
- **PENDING SUBSTITUTE ORDINANCE**
 - CAPS DISTRICT FUND BALANCES AT HIGHER LEVEL
 - DISTRICT MAKES CONTRIBUTION FOR FACILITY PROJECTS
 - RETROACTIVE CLAUSE ELIMINATED

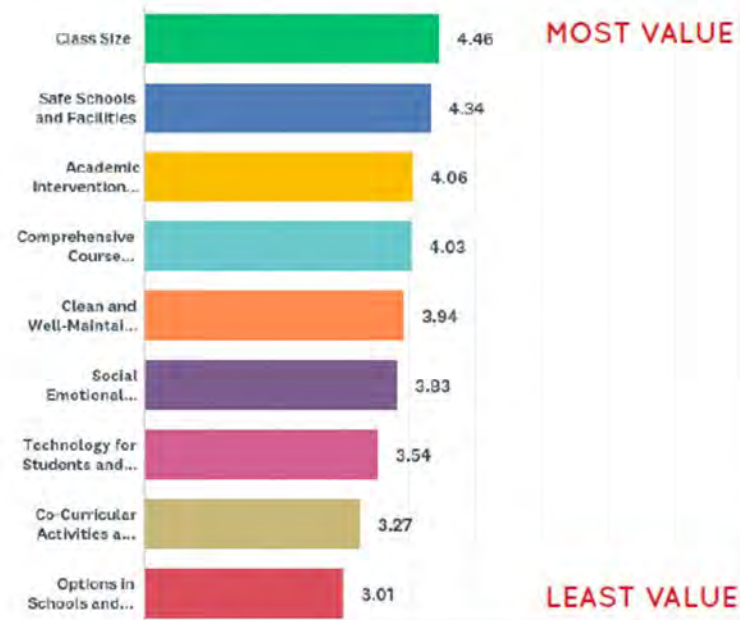
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BUDGET SURVEY RESULTS

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2019-20 Budget Priorities Survey 911 Responses

Q1 Which of the following district functions do you value the most?



Q2 If the Fairbanks North Star Borough School District must reduce spending in 2019-20, rank in order the most acceptable reductions (1 being the most acceptable reduction and 10 being the least acceptable reduction).

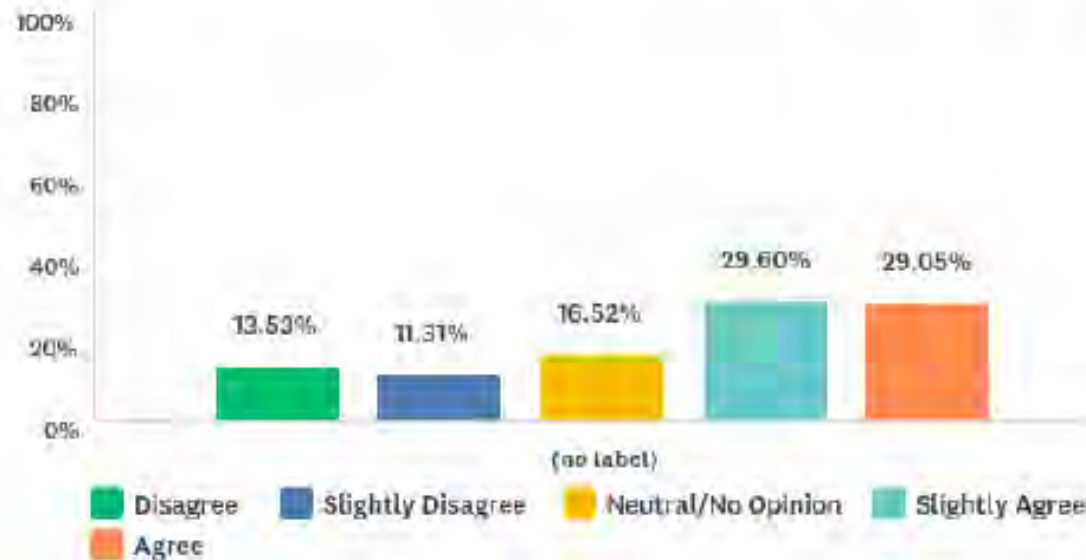
BUDGET SURVEY RESULTS

Q2 If the Fairbanks North Star Borough School District must reduce spending in 2019-20, rank in order the most acceptable reductions (1 being the most acceptable reduction and 10 being the least acceptable reduction).



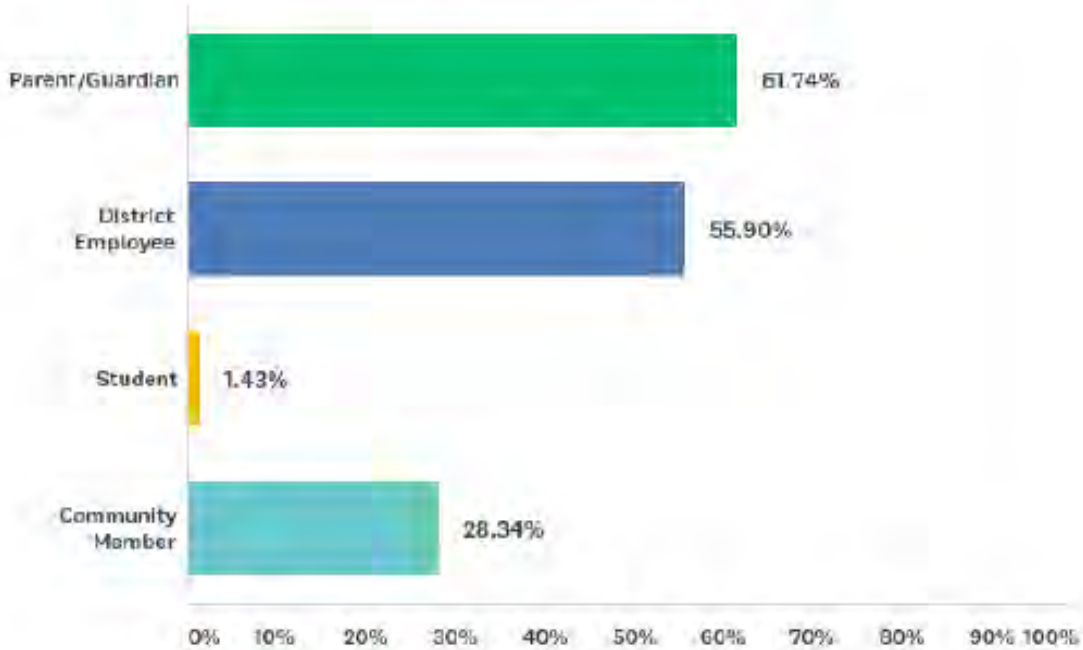
BUDGET SURVEY RESULTS

Q5 To what extent do you agree with the following statement: "The district should increase activity fees in order to offset expenses of extra-curricular activities."



BUDGET SURVEY RESULTS

Q7 I am a: (Select all that apply)



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BUDGET COMMITTEE REPORT

BUDGET COMMITTEE REPORT



Fairbanks North Star Borough School District
520 Fish Avenue Fairbanks, Alaska 99701-6756 (907) 452-2000
www.k12adonet.alaska.gov

Date: December 4, 2018
To: Wendy Dominique, Board President, Members of the Board of Education
Through: Dr. Karen Geborik, Superintendent
From: Andy DeGraw, COO
Re: Budget Committee Report

The Budget Committee was established after the October 3, 2017 revision of Board Policy 236, Administrative Committees. A list of Budget Committee members is attached.

Scope and Function of the Budget Committee:

The overall purpose of the Budget Committee is to recognize and provide input to ensure that the District's budgeting process has "a long-term perspective and is not simply an exercise in balancing revenues and expenditures one year at a time." – *National Advisory Council on State and Local Budgeting*

The role of the Budget Committee is to

- Review and consider all aspects of the district's budgeting process
- Determine if the current budgeting process is a goal-driven approach that spans the planning, development, adoption, and execution phases of the District's Strategic Plan.
- Consider the District's current budgeting process and provide feedback and input for the establishment of policies and plans to achieve efficiency and best practice in financial management.
- Ensure that the budget planning process is timely, accurate, participatory, and comprehensive.

Budget Committee Working Principles:

1. Recognize the Strategic Plan as the guiding document for resource allocation.
2. Keep student welfare and success foremost.
3. Assume that input is evidence-based (data-driven, realistic, and feasible).
4. Support a budget system that is transparent, timely and objective.
5. Promote participation and awareness by all district stakeholders.

The Budget Committee met four times between the months of September and November and discussed the overall financial position of the district. The group held in-depth conversations of the district's revenue sources as well as broad conversations of the expenditure side of the budget. A consistent theme that was discussed was the district's objective to maintain services to students in the face of rising costs and declining or static revenues. The final meeting with approval for input occurred on Wednesday November 28, 2018.

The following feedback was approved for communication to the Board of Education:

1. The District should establish as a legislative priority and advocate for a more competitive state retirement plan. This objective could be included in a formal report from the Legislative Committee and incorporated into any resulting advocacy and/or lobbying efforts of state lawmakers by the district. The committee felt strongly that changes made to the TRS and PER's systems (move from a Defined Benefit Plan to a Defined Contribution Plan) has put school districts at a significant competitive disadvantage as they compete for employees in an increasingly limited recruitment pool. School districts in the State of Alaska have already seen negative effects of changes to the retirement system in, not only attracting new employees, but also retaining current district staff. While it is acknowledged that the number of Defined Benefit plans in the private sector have declined significantly over time, the vast majority of states and municipalities the district is competing with to attract qualified employees are still using this form of retirement plan.
2. A plan should be developed to implement a broader, systematized approach to technology integration across the district. As a key component of personalized learning, technology utilization, integration, training, and support are all important parts of a student's overall educational experience. As the district has increased its use of technology in the classroom, members of the committee noted that the level of effective use of said technology can vary from school to school depending on various factors. By developing and implementing a plan for a more consistent use of technology across all schools, the district will maximize its investment in expanding technology and enhance its benefits and support of personalized learning.
3. The District should continue to develop a fund balance utilization plan that maintains educational services and promotes financial stability. The Board of Education as well as district administration has done a tremendous amount of work over the last year in establishing policy regarding fund balance and its use in addressing fiscal challenges. The Budget Committee spent considerable time discussing the purpose of fund balance and the importance of responsibly managing district resources. The committee feels it is important to implement a fund balance utilization strategy that balances the demands of 1) providing a consistent educational product and 2) utilizing fund balances in a gradual, strategic manner which will preserve district resources to the highest degree possible through the current funding challenge.

The Budget Committee will meet again in February as well as in April. Topics will include legislative updates, lobbying and advocacy efforts, updated revenue estimates, and discussion related to the proposed and recommended budgets.