

## **DAVENPORT COMMUNITY SCHOOL DISTRICT**

### **COMMITTEE OF THE WHOLE**

**December 7, 2009**

The Board of the Davenport Community School District in the Counties of Scott and Muscatine, State of Iowa, met for the Committee of the Whole Meeting on Monday, December 7, 2009, pursuant to law. The meeting was held in the Jim Hester Board Room, Administration Service Center, 1606 Brady Street Davenport, Iowa, in said District. President Zamora called the meeting to order at 5:30 PM.

On roll call the following board members were present: President: Patt Zamora, Directors: Richard Clewell, Nikki De Fauw, Ralph Johanson, Ken Krumwiede, Larry Roberson, and Tim Tupper. Superintendent Julio Almanza and other administrators were present.

#### **BUDGET DISCUSSION**

Tonight's topic is "Where are we at?"

Superintendent Almanza explained that the administration has speculated where they believe we will be so we can begin our planning options. One thing that came to light was that if we choose to exercise the state budget guarantee that it would all come from local property taxes.

Ms. Marsha Tangen reported on defining what we know at this time. The full report is on file with the Board Secretary and is available upon request. She stated that the state is providing little guidance with future information since they do not like to speculate. She described all the revenues available to the District. These amounts are formula generated amounts. The non-categorical money does not have specific uses. The categorical money has specific uses and cannot be changed. Our spending authority now actually exceeds the revised budget for 2010 as shown in the report. The state reductions are reflected in the estimate for 2010-2011 (a total of \$14 mil).

The state currently has 2% allowable growth for next year, but that is unlikely. Scenarios were completed in the report to show from a -3% to a 2% allowable growth. The range for the budget guarantee is \$4,436,783 to \$0. The tax levy-general fund would range from \$16.03696 to \$15.08826. See the report for specifics for each percentage scenario. If we want to keep our tax rate the same and the state gives us a -3% allowable growth we are looking at approximately a \$7 million reduction next year.

Salaries/benefits are going to go up next year \$3.2 million dollars due to the contracts we currently have in place. This amount is not included in the estimates in the report. Expenditures are figured at the current rate, which will probably not happen.

What do we want to carry forward to 2011 and 2012 to offset the deficit that we know will occur? We need to look more than just one year ahead to manage this in the long-term as well as the short-term. We had the insight in the early 2000's by putting money in reserves, so we are in a better position than we would have been had the Board not done that. Through state cuts we have lost \$7.6 million dollars in revenue. Another \$7.6 million was lost but reinstated through the stimulus money. At the end of this year we are projecting we will be down approximately \$4

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million. The administration has approximately \$1-2 million of suggested cuts which they will share with the Board before the next meeting.

Ms. Tangen reported on the expenditures of the budget in three areas: Core Services, District Standard Services, and Enhanced Services. Core Services are defined as services “required” to meet federal, state or local mandates. The District Standard of Services are provided above what is required and that which the District has chosen to fund and offer as a “standard”. Enhanced Services are those areas that are not “required” and are optional budget areas which are funded to enhance what the District is required to offer but should be assumed will be an on-going expense. These categories have been listed in detail in the report. These are the areas where the Board will need to determine where reductions may be possible.

Director Tupper asked for General Fund expenditure information to be provided before the next meeting. He also asked some questions concerning Title I money uses. President Zamora questioned a few specific items, including the transportation costs. Ms. Tangen responded that due to state standards there are few changes we can make in the transportation area.

Director Tupper pointed out that Non-Public textbooks should not be listed in the non-categorical budget. Ms. Tangen will make that \$35,000 correction.

The administration developed these expenditure categories a few years ago. They are difficult to categorize and there may be room for discussion on many topics. The Board has historically determined the district standards and set these items as important to the District. Our Enhanced Services only constitute \$1.3 million of our budget so it is obvious that not all cuts can come from this area.

A report is also included for the 2008-09 Per Pupil Expenditures by building. Director Tupper asked what is the reasoning for the disparities in the General Fund per pupil between the buildings? Mr. Almanza stated that teacher costs play into that. Some of the buildings will be chosen to show the exact breakdowns and that information will be given to the Board. Ms. Tangen stated that all Early-Childhood money is from categorical funds.

President Zamora stated that at some point in the future the Board may have to consider reducing staff expenses since it constitutes approximately 85% of the total budget. That would be the last resort, but it may need to be considered in the future. The Core Services are not available for use for reductions which leaves us with the District Standard Services and Enhanced Services. Director De Fauw suggested looking into a modified-block schedule as an area to consider for reductions. Reducing class size is another area to consider, but the impact may be more negative than is desired. Director Krumwiede suggested the Board may need to look at the goal, vision, and mission of our District and determine who we are and not just focus on cuts. This may be a starting point for discussion.

At the next meeting, the administration will bring their recommendations for reductions. The Board should come prepared to discuss these recommendations. Information will be provided to the Board in advance for review.

The meeting was adjourned by President Zamora at 7:05PM.

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Lynnette Carver, Board Secretary