

provides more funding per student. Ms. Rockney distributed a spreadsheet that provided a snapshot of the Governor's budget proposal and how it would affect some programs in Saint Paul Public Schools. Ms. Rockney stated this is a step in the right direction but it is too little, too late to prevent drastic budget cuts. One issue that is not reflected in the budget is the governor's proposal in the second year for merit pay or some revision of contracts. She noted that a community forum is scheduled to examine the governor's proposal and potential impact on the district budget following the board meeting. Ms. Rockney remarked there will be other proposals that the House and Senate are looking at and staff will review those to know which to recommend supporting.

Discussion followed. Committee members talked about district support from the Association of Metropolitan School Districts (AMSD), the Minnesota School Boards Association (MSBA), and a statewide rally in support of education being held at the capitol on February 28. In reply to questions about terminating programs and school closures Ms. Rockney commented that the district would prefer to move programs out of leased buildings and put them into owned space. Mr. Oertwig remarked this was something he had been talking about over a period of years and he is pleased to see this was incorporated into the guidelines.

Committee members reviewed last year's Budget Priorities and proceeded to reaffirm their relevancy to the current budget development, adding the following items to the list:

- Keep cuts as far away from the classroom as possible
- Prioritize support for community partnerships

Ms. Street-Stewart questioned if, after five years of budget reductions and the improvement in the way staff record and assess student achievement, it is possible now to show the negative impact on student achievement and growth directly related to the loss of resources. She wants concrete results where staff can begin showing that by reducing programs or not being able to expand programs, i.e., the Excel Program, what the consequences would be such as, a decrease in student achievement based on the fact that the district could not provide the support or resources to that student. Dr. Harvey said staff is ready to do that now and she provided examples.

Dr. Harvey discussed finding a way to tie the board budget priorities to the board "ends." Ms. Pekel stated staff could prepare a document to show that, including the two points added by committee members.

The following motion was made:

MOTION: It was moved by Mr. Conlon and seconded by Ms. Carter that the Committee of the Board recommend the Board of Education approve that the 2004-05 Board Budget priorities continue as this year's priorities, with the exception that under section B, bullet #3 be deferred for later discussion (see attached Board Budget Priorities 2004-05 on separate sheet). In addition, the two (2) points added by committee members be incorporated as follows: Under section A, add "Keep cuts as far away from the classroom as possible," and Under section C, add "Prioritize support for community partnerships." Administration will come back to the Committee with additional considerations connecting the Board "Ends" with budget priorities.

Motion Passed.

Ms. Pekel stated staff will work on this document and include it in the weekly Board update packets for discussion at a Committee of the Board meeting.

2. Budget Guidelines - action

Ms. Rockney presented the Financial Planning and Budget Guidelines document previously distributed to committee members. She commented that the budget guidelines are used to prepare the School Continuous Improvement Plan (SCIP), the basis on which buildings and

programs develop their budgets. Ms. Rockney remarked that staff will continue to use the per pupil funding method to allocate funds to schools, and a report will be brought to the Committee at a later time on per pupil funding allocation for next year.

Ms. Rockney reported that Administration would provide recommendations at a future Committee of the Board meeting, as directed by the Committee last spring on, 1) a request from the CBFAC regarding staff pilot schools receiving ELL allocations, 2) small schools/small allocations, and; 3) magnet schools and perceived favoritism.

Ms. Rockney stated in view of the intense fiscal pressures the district faces in responding to a \$24.3 million budget shortfall for the 2005-06 fiscal year due to declining enrollment, increased costs, and the State deficit, next year's proposed budget should reflect these general principles:

- Keep cuts as far away from the classroom as possible
- Due to the size of deficit, use both targeted cuts and across the board reductions
- Use performance to determine where cuts might be made
- Reductions should conform to the School District Strategic Action Plan
- Reductions in fixed plant may be needed focusing especially on bringing programs in leased space back into owned space.

Mr. Conlon asked if there are rewards or incentives for programs that raise additional funds through grants vs. those that are totally dependent on the district's funding allocation. He noted the board did approve a motion on neighborhood school incentives last spring. Dr. Harvey said programs are encouraged to do so and staff assists in writing grants. She remarked that grant money does not give a program special protection from cuts. Ms. Rockney said grants that require district contribution dollars are set aside for the life of the grant, but it doesn't provide protection, as staff looks at the district's Strategic Action Plan and other budget priorities to determine if that program should continue. Mr. Conlon added that the perception is there are no rewards or incentives for receiving grants and they are shared with everyone else who has not made the effort. Ms. Street-Stewart commented there was a concern with that and requested a follow-up on this issue so that perception does not linger.

Ms. Rockney continued the budget guidelines discussion and explained the format changes and additions to be incorporated into the final budget document that were requested by the Committee from last year's budget guidelines discussion. Ms. Rockney reviewed the Budget Planning Timeline 2005-06 calendar and noted on March 1, a report to the Board on budget allocation process was planned, but due to Precinct Caucuses being held on that day, the meeting date would be rescheduled. Staff will discuss how this information can be provided to committee members.

MOTION: It was moved by Mr. Conlon and seconded by Ms. Kong-Thao that the Committee of the Board recommends the Board of Education adopt the Budget Guidelines for 2005-06, and the calendar as presented.

Motion Passed

III. **Adjournment**

The meeting was adjourned at 6:35 p.m. by Ms. Street-Stewart, Committee Chair.

Respectfully submitted by
Diana J. Sanders
Recorder
Saint Paul Board of Education