

# OAK GROVE SCHOOL BOARD BRIEFS

June 8, 2009

Special Board of Education Meeting

*This is a summary of events that occurred at the meeting, not official minutes.*

## DECISIONS

**No Actions taken at this meeting.**

## INFORMATION

### **Budget Workshop --**

The Board met to understand the Oak Grove District financial forecast. Cheryl Roberts prepared and presented a 10-year budget plan model for the District. The budget model took into consideration federal stimulus money, staff retirements, classroom needs, and loss of revenue from declining enrollment. The model presented showed expenses exceeding revenues in 3 years and the fund balance reserve depleting by the end of the plan. Also presented was the relationship between enrollment trending down and tax collection rising.

The Board reviewed the sources of revenue (the Tax levy in particular) and the current uses of revenue (including ongoing operating cost, funding new initiatives and funding a reserve). Gordon Boulger gathered fund balance reserve data from other districts relative to the State Board of Education guidelines. Currently the guidelines suggest 25% of operating expenses the minimum reserve for a district and a 40% operating expense reserve to maintain a favorable rating on the State Board of Education's financial profile. We need to understand why some districts carry a high fund balance while others do not. The philosophy of Oak Grove District has been to carry a 50% fund balance reserve. Oak Grove is just about average relative to the other districts benchmarked. The current board generated discussion regarding the go-forward fund balance philosophy and how much is too much.

The Administration Committee will follow up on the fund balance reserve considerations and bring a recommendation to the Board. Additionally, funding priorities will be clearly established based on the outcomes of the strategic planning process.

### **Performance Review --**

The Board held executive session to provide performance feedback to Superintendent, Janice Matthews.

## RECOGNITION

**None.**

*Respectfully Submitted,  
Jennifer Manski  
Board Secretary*