

Cape Schools Open Minds and Open Doors

Community • Academics • Passion • Ethics

CAPE ELIZABETH SCHOOLS

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“Cape Elizabeth School Department: Open Minds and Open Doors”

Cape Elizabeth School Department School Board Budget Goals FY21

1. *Maintain and improve the high quality of education for every student.*
2. *Careful examination of line items and consideration of the success and effectiveness of the expenditures in order to provide a fiscally responsible budget.*
3. *Support the current strategic plan goals.*
4. *Clear and continual communication throughout the budget process.*

Cape Elizabeth School Department Strategic Plan Goals

1. ***Health and Well-Being:*** *Our schools will provide a supportive learning environment in which physical, social, and emotional well-being are valued and promoted.*
2. ***Global Competency:*** *Our students will be personally responsible, aware, empathetic, and engaged local and global citizens.*
3. ***Multiple Pathways and Definitions of Success:*** *Our schools will value, promote, and celebrate multiple pathways and definitions of success.*
4. ***Safe, Sustainable, and Effective Facilities:*** *Our schools will be safe and effective facilities. They will be updated and maintained to meet the needs of students and staff in accordance with long-term financial planning.*
5. ***Environmental Responsibility:*** *The school department will prioritize environmental responsibility, including stewardship and sustainability.*

Budget Update #5

School Board Budget Meeting

March 11, 2020

The School Board Budget Workshop on March 11, 2020 largely focused on two topics, Fund Balance and Board direction to the Superintendent for scenarios on the percentage of increase targets for the FY21 School Budget. School Business Manager Marcia Weeks began the fund balance conversation by sharing the history of the fund balance status for the past several years. With large cuts in state subsidy for FY19, the School Department used a fund balance of \$400,000 to reduce the impact to taxpayers. For FY20 a \$300,000 fund balance was pledged for this purpose. With the use of these two large funds to reduce the tax burden on the citizens of Cape Elizabeth and the fund balance account depleted, only \$100,000 is available to use as a revenue for FY21. By law, school departments can only maintain a fund balance that is 3% of their budget. However, our auditor has suggested that we work to rebuild our fund balance in order to support future budgets should subsidy cuts again occur.

Fund balance is often confused with the contingency fund. Contingency funds are funds that are budgeted to be used in the event of an emergency, such as the need to buy a new heating system, the need to hire additional staff should our enrollment unexpectedly increase, or for some other emergency. Because we cannot spend more than our expenditure budget, this contingency fund must appear in the budget as an expenditure. However, the fund balance is a fund that does not appear in the budget and can

only be used towards the next year's budget as a revenue. Some fund balances are designated for specific uses and can only be accessed after a School Board voted approval of the use. The general fund balance can only be used as a revenue that is pledged toward the next budget year to reduce the impact of the budget on property taxes.

The second topic of conversation for the meeting was to develop a Board recommendation regarding the information that was needed to target a percentage of increase for the FY21 School Budget. At the time of the meeting the Original Request Budget represented an approximate 7.5% increase to the FY21 School Budget. The estimated increase for Health Benefits that was included in the FY21 budget was 10%, however information on the ceiling for the increase was expected on March 20, 2020.

After much discussion, which is available for viewing on our website under FY21 Budget Information, Finance Chair, Elizabeth Scifres requested, on behalf of the Board, that administrators develop a description of what a 6% increase would look like, as well as a 5.5% increase, and a 5% increase. District Department Heads and Administrators planned to meet on March 17, 2020 to work on the development of these scenarios.

The final School Board Budget Workshop will be held on March 24, 2020. At this meeting the Superintendent will share the scenarios, and the School Board will discuss the implications of any changes and cuts in staff and programs.

Finance Chair, Elizabeth Scifres urged the public to email her any questions that they might have, and to attend future Board Budget Workshop meetings. There will be opportunities for public comment at the beginning and end of each budget workshop meeting.

Sincerely,

Donna H. Wolfrom