



## Financial Review And Reporting Committee Minutes

New Albany Plain Local School District  
Administrative Offices  
55 N. High St.  
New Albany, OH 43054

### Financial Review and Reporting Committee Monday, March 9, 2015 8:37 a.m. – 9:38 a.m.

**Our Mission:** *To ensure the development of high achieving, ethical, self-directed, and Intellectually curious citizens of the world.*

**Members Present:** Becky Jenkins, April Domine, Joe Armpriester, William Neville, Mark Ryan, Brian Steel, Charlie Osborne, Kevin Stahl

**Members Absent:** David Demers, Phil Darrow, Laura Kohler, Parag Patel, Molly Cooper

**Others Present:** Jill Hatten, Monica Gerhart, Patrick Gallaway, Michael Sawyers

- Mark Ryan welcomed the committee members and opened the meeting at 8:37 am.
- Minutes: Due to a lack of quorum the minutes from the February 9, 2015 meeting will be held and approved at the April 20, 2015 FRRRC meeting.
- Financial Report: The February financials were not completed as of this meeting due to illness in the office. Mr. Ryan asked Ms. Jenkins if the \$9,000,000 real estate variance from the January financials was closer to expectations. Ms. Jenkins said the collections are back on plan and were within \$1.3 million of first half collection expectations.
- Biennial Budget Update: Ms. Jenkins shared with the committee that the Governor's budget proposal and the use of the new capacity calculation is only being phased in at 20% in FY16 and 40% in FY17. This calculation and the phased in portions are what is driving the reduced calculated state funding to New Albany over the two-year period. The district's calculated funding drops to \$9.6M from \$10.3M in FY16 and then drops to \$6.5M in FY17. We will not know until then next biennial budget if this will continue to be phased in. In the first two years the district does not feel the effect as we are not receiving the level of funding that is calculated; however, should this continue to decline the district is expected to get to a local level of funding of the 5% minimum. We are currently 85% locally funded.

Ms. Jenkins also cautioned that the budget must still work through the legislative process which could show substantial changes to this formula. We will not know the outcome until mid – late June.

Dr. Domine discussed the meeting held with the Governors' office which included Dr. Domine and Ms. Jenkins from NAPLS and the superintendent and treasurer from Olentangy. She explained that we discussed our request for minimum per pupil funding at the same level as chartered non-public (private) schools. She explained that we are trying to gain support for this language to be placed in the budget bill. There are 22-26 districts that do not receive this minimum level of funding. Mr. Ryan made it clear that we are not asking the State to take funding away from others.

Mr. Ryan asked if we should focus our efforts on the long-term or short-term funding issues. We believe we should focus on both but definitely the minimum funding level. Mr. Steel asked if Ms. Kohler's work dealt with capacity. Dr. Domine explained that Ms. Kohler was on a national committee for the National School Boards Association where the Ohio delegation met with lawmakers in Washington DC and that their charge is a bigger picture than the State's use of capacity.

Mr. Neville remarked that he has heard and engaged in more conversation in the community. He has heard that our community pays more property taxes than Upper Arlington. He suggested that we keep our message simple so people understand.

- Detailed Review of five year forecast by expenditure line – Part Two: Ms. Jenkins and Dr. Domine presented part two of a detailed review of the five-year forecast expenditure lines and the key drivers in each. They discussed Salaries/Wages and Fringe Benefits.
  - Salaries/Wages: Ms. Jenkins walked through the major drivers of salaries/wages. She explained that this is made up of base wages then other payroll items are added to build the budget. The added items are any base increases, step increases (forecasted as 3.3% for PLEA members and 1.75% for non-certificated employees such as bus drivers) in future years. Base and step increases are major drivers in this line. Other, smaller items such as severance, over-time and supplementals are also included in this line. The majority of this line is governed by the negotiated agreements with the two unions (PLEA and OAPSE).
  - Fringe Benefits: Ms. Jenkins explained that a large portion of the fringe benefit line is directly impacted by any changes in the salary line. The district is required to pay 14% into either the State Teachers Retirement System (STRS) or the School Employee Retirement System (SERS) for all employees. This is not negotiated but directed by law. Insurance coverage is the other large driver in this line as well. The district has seen 7.9% and 7.1% increases to this expenditure each of the last two years. The district uses 9% as a projection as this cap was negotiated in both union contracts. The language states that if the

district receives a 9% increase or greater the insurance committee will come meet to determine a plan to reduce the increase to below the 9% threshold.

- Reductions Plan Update: Dr. Domine updated the committee on the reductions plan progress to date. Mr. Patel, Mr. Darrow and Mr. Demers asked to see a comparison of our staffing compared to other districts. Mr. Darrow noted that it is important to show that it is a fallacy to say we are operating just fine with the cuts to administrators and teachers. They would like facts at their fingertips to tell people the principal/administrator to student ratios. Community members are focusing on the number of principals per building but our buildings are 3, 4 or 5 times the size of typical buildings.

Mr. Ryan adjourned the meeting at 9:38 am.