

Superintendent's Budget Advisory Committee

Minutes

Meeting # 2

November 15, 2018 – 3:30 – 5:00 p.m.

District Office Board Room

1. **Review of the Agenda**

Superintendent Harmeier reviewed the agenda with the committee. There were no questions or comments regarding the agenda.

2. **Introductions**

Committee member present included:

Michelle Harmeier, Hazel Stabinsky, Jonathan Ochoa, Hans Barber, Ray Turner, Jamie Baxter, Jennifer Smith, Marianne Jett, Sarah Orton, Mindy Hill, Neil Layton, Michelle Nayfack, Kristen Ugrin, Jennifer Gaboury, Susan Raymond, Alana Corso, Scott Cleveland, Kathy Parmer-Lohan, Nancy Silver, Tricia Hojo, Rebecca Mendenhall, Angela Naughton, Amy Newby, Dan Liner, Jeannine Olivares, Cathy Eitel and Christina Carrier. Did we have another teacher join us other than Dan?

3. **Goals and Purpose of Superintendents Budget Advisory Committee (BAC)**

Superintendent Harmeier reviewed the goals and purpose of the Budget Advisory Committee again.

4. **Review SCSD Revenue and Expenses**

Superintendent Harmeier reviewed the revenue analysis presented at the last meeting. She went in depth about the ADA that we receive for having kids at school each day and projections from DecisionInsite for enrollment. She noted that the enrollment projections only included those new developments that have pulled permits from the City. For example, there is projected growth from the Black Mountain Development of 68 townhomes in the Heather boundaries within the next three years that has not been determined and is not reflected in the Decision Insight report. One challenge that SCSD experienced this year was that we projected enrollment to be higher than the actual number of students who started the school year. With the loss of 100 students, we need to make spending reductions over and above the reduction in teachers needed for those classrooms.

Superintendent Harmeier shared the funding rate for ADA as a charter and a non-charter school as well as other revenue sources SCSD receives including Prop 98, 37 and 20. She shared the San Carlos Education Foundation (SCEF) contribution amounts and the programs SCEF funds such as Music for Minors, library staff, technology support staff, technology tools, nurses, counselors, middle school electives, and smaller class sizes.

Kathy Parmer-Lohan and Scott Cleveland shared additional SCEF information. They presented historical data from 2014-2018. This presentation included the breakdown of the property tax in 2017 of which \$0.21 of every property tax dollar comes to the school district; local districts revenue comparison; growth of SCEF over the years; 56% participation rate from families; a drop of approximately 100 families contributing in last 3 years, yet we are raising the same amount of money with less donors.

Superintendent Harmeier then went into detail about the Parcel Tax, Measure P, Sequoia Wellness Grant, the Enterprise Fund, SMART-E (preschool program, extended care, enrichment classes and camps). Sequoia Wellness Grant has increased dramatically recently. Mindy Hill provided insight as to the increased revenue with the



expected grant for 2018-2019 for \$638,078.

Superintendent Harmeier presented an analysis of the expenditures including a break down of the staffing and operations. The district budget is about \$38.5 million with 85% or \$32.5 million used for staffing and about 15% or \$6 million used for operations, supplies, and services.

5. Organizational Charts – Staffing

Superintendent Harmeier presented a breakdown of employees by category with the largest group being classroom teachers at 45.49%. She broke down the District Support Staff and provided Organizational Charts for each school and the District Office. These charts will remain displayed in the District Office during the budgeting process. Committee members received copies of this data.

There was discussion about the possibility of monetizing the District Office facility. The District Office is owned by the school district and was purchased from the General Obligation Bond funds. There were questions associated with the costs to maintain the operation of the District Office and the possibility of leasing out the property and relocating the District Office staff. There was also discussion of the perception that the District Office staff has grown since moving to the new location. It was clarified that there have not been new district staff added during the past three years. There have been administrative reductions each year due to budget constraints and reduced need. Prior to construction at CMS and the purchase of the District Office, district staff were located in the Central Middle School Mustang Hall building and two large portables that were removed during construction.

6. Small Group Discussion: Exploring Reductions and Revenue Generation

The large group broke into four smaller groups to discuss areas of possible reductions and areas of revenue generation. Groups were asked chart areas for the cabinet team to explore in more depth.

7. Small Group Report Out

Each group reported out their charts of possible reductions and revenue generation ideas. Some of these possible reductions included opening more preschools, look into technology at P-3 schools, potentially expanding city partnerships, incentivize retirement, selling the District Office, professional development for teachers after school instead of during the day to save cost on substitutes, reduce P.E. costs and have teachers give up prep time, reduce field trips, shorten music for minors, combine schools like Arroyo and Central.

Possible revenue generation ideas included allowing more out-of-district students to attend our schools, increase more SCEF donations, rent out the District Office, seek out additional tech company donations, collect more facility use fees for additional facility use during after school programs and during summer, pursue grants, increase enrichment classes, switch to one fundraising organization, add more preschool classes, instrument rental, boost attendance numbers, use busses to camps/aftercare, switch charter schools to regular schools, rebranding SMART-E.

8. Communication Plan

Superintendent Harmeier stated she would begin sharing our budget challenges tomorrow in her Fall Message emailed to all families. It is recommended by community members to get the pressing message to the broader community, as many parents are not aware that reductions are on the horizon. It was also recommended to get the message to the PTACC level and onsite at school. Superintendent Harmeier stated that on December 6th we will know more about the extent of our necessary reductions. Between December 6th and January 24th, she suggests sharing more information with the community. She stated that we will need to talk more in January about communications out to the broader community. Many committee members felt that there will be shock that there is a budget issue since there has been so much growth.

Superintendent Harmeier clarified the purpose of the committee is to serve as an advisory group. She stated that she will be taking all the feedback back to her cabinet team and will make a recommendation to the Board in February after continue work with the BAC. Committee members asked for talking points to be provided.

9. Future Agenda Items

At the next meeting on January 24th, the committee will learn about the Governors Proposed Budget, review proposed reductions and proposed revenue generators. There will be prioritization activity to gain input for the Budget Stabilization Plan to be presented to the Board in February.

10. Board Meeting Dec. 6 – First Interim

Superintendent Harmeier encouraged everyone to attend the December 6th board meeting to find out more about the First Interim Budget Report or watch the video online.

11. Next Meeting- January 24, 2018 from 3:30-5:00 PM

Meeting adjourned at 5:20PM.

EXPENDITURE REDUCTIONS	REVENUE GENERATION
<ul style="list-style-type: none"> - Reduce PE - Reduce field trips - Shorten Music for Minors (cut it back) - Combine schools such as AYO with CMS and MPA with TL - Streamline job descriptions <ul style="list-style-type: none"> Wants vs needs Consolidate positions? Reduce full-time? - Evaluate vendor contracts & purchasing agreements - Facilities maintenance <ul style="list-style-type: none"> Bring in house vs outsourcing Preventative vs reactive - SMART-E administration costs - Partial reduction in size of SMART-E Afterschool to make room for preschool expansion - Outsourcing enterprise fund programs - Consider tech needs in PK-3 - Benefit concessions - Expand City partnership - Transportation - Incentivize retirement - Analyze total costs for SMART-E program relative to revenue generation - Incentivize retirement - Analyze total costs for SMART-E program relative to revenue generation - Investigate renting out DO for meetings on non-board meeting nights - Cost analysis of selling DO during the peak (not during impending recession) - PD for teachers to take place after school and pay teachers (Not subs) 	<ul style="list-style-type: none"> - More pre-school opportunities - Is there a facility rental opportunities? - Instrument rentals - Boost attendance numbers (every % = \$300k) - Busses to camps and youth programs - Analyze if worthwhile to switch charter schools to district schools - Rebranding 4-6 afterschool program - Out of district policies - Facilities use fees <ul style="list-style-type: none"> SCCT Chicken’s Ball - Increase capacity of preschools - Renting out district office - Preschool expansion - More Out-of-District transfers - SCEF Grants toward 100% participation - Seeking revenue from tech companies - Utilize space after school and summer - Pursue grants across the board - Accept out of district boundaries students - More enrichment classes and renting space after hours - Promote SCEF all year - Consider switching to one fundraising organization - Look at overhead costs on campuses with multiple schools - Early childhood education center on campuses with lots of lot!