

Superintendent's Budget Advisory Committee

AGENDA

Meeting # 3

January 24, 2019 – 3:30 – 5:00 p.m.

District Office Board Room

1. Welcome and Introductions

Committee member present included:

Michelle Harmeier, Hazel Stabinsky, Jonathan Ochoa, Hans Barber, Ray Turner, Jay Richards, Jennifer Smith, Marianne Jett, Mindy Hill, Michelle Nayfack, Kristen Ugrin, Cori Carpenter, Susan Raymond, Alana Corso, Scott Cleveland, Kathy Parmer-Lohan, Nancy Silver, Tricia Hojo, Rebecca Mendenhall, Angela Naughton, Amy Newby, Sarah Orton, Laura McFarland, Mila Milligan, Nancy Silver, Ashley Brown, Jeannine Olivares, Cathy Eitel and Christina Carrier

Committee members absent included: Jamie Baxter, Jennifer Gaboury, and Neil Layton.

2. Review of November 15th BAC Minutes

(<https://4.files.edl.io/a565/12/03/18/174038-57a0e36b-3213-496b-b98c-248e2011e4f5.pdf>)

Superintendent Harmeier shared that the minutes were posted on the website. There was no discussion or questions regarding the minutes from the meeting in November.

3. Budget video (<https://vimeo.com/80842439>) Q& A

Dr. Harmeier shared a 2013 video created by former Trustee Seth Rosenblatt. She stated that the video provided a good description of the recent history of school funding in California and how the District receives its funding from various sources.

4. December 6 First Interim Report Overview and Q&A

(<https://4.files.edl.io/662f/01/25/19/173313-ca8cf33f-f331-49ad-9f38-50199f238714.pdf>)

Mila Milligan, Chief Business Official shared with the committee the First Interim Report that she presented to the Board at the December 6, 2018 board meeting. The report indicated that the minimum reserve level of 4% is maintained in the current year. However, due to several factors: 1) the unexpected decline in enrollment revenue (100 fewer students began the school year than expected), 2) a change in the end fund balance from last year, and 3) recent settlement agreements with the employees groups, the reserve levels for next year and the following year do not meet the 4% requirements and we would be deficit spending unless we created a



plan. Dr. Harmeier stated that the Board agreed to use the reserve funds in order to provide salary increases to staff for 2019 knowing this would require the District to create a budget stabilization plan with reduced spending for next year. Because the multi-year projection does not maintain at least a 4% reserve level, the First Interim Budget Report submitted to the County had a “qualified” rating, meaning that we can “pay our bills” this year, but need to make \$2.5 million of reductions over the next two years: \$2.1 million next year and \$350,000 the following year.

5. 2019 Governor’s Draft Budget

Mila Milligan, Chief Business Official, presented to the committee and overview of the draft Governor’s Budget for 2019-2020 as provide by the School Services of California. Ms. Milligan shared that it appears that there is going to be more focus on accountability moving forward and that the California economy is growing but there is very little additional money for K-8 schools. The funding Prop. 98 funding levels were not increased, and not other new funding will help our District. Even though there is a COLA of over 3%, this will not increase our budget since we are declining students again next year which requires us to make additional reductions. She stated that it does not appear that there will be any one-time funding available to K-12 schools. Her presentation included information on the mandated block grant, facilities funding, Governor’s focus on funding state funded preschool and higher education.

There was discussion related to the Board’s commitment to the maintaining a healthy reserve level, how property taxes vary in our surrounding school districts, and how declining enrollment is impacting the District budget. When there are less students, the district receives less funding. However, the decrease of funding is more than the cost of the teacher (about 50%) so cuts to operations and programs must be made to balance the budget. There were clarifying questions about the funding for full day kindergarten (we do not get additional funds for moving to full day) and about the property taxes in San Carlos.

6. Parent Survey Development

Dr. Harmeier asked the committee for question suggestions for a parent survey.

Suggestions included:

- Having parents weigh in on programs (music for minors, counselor, maker space, design, library and rank them.

- How important particular programs are to the student's school day? Each program that we are spending funds on and how important are they?
- How important are they to the parent? And how do they feel that it is being delivered?
- It would be important to understand why the program is falling below.
- Explanation of why this survey is being done, when the budget cuts will go into effect and what the shortfalls in the budget are. The brief summary should include a link to the BAC documents.
- Being clear about things like music as they are different in elementary school and middle school.
- Rank the programs so that there is a clear list of priorities for the Board decision.

There was discussion related to getting teacher input, education to the parents and broader community around why this was being asked as well as getting a better understanding if the family was new to the district, how many years they have been in the district and whether they rent or own.

7. Community Meeting Development

Superintendent Harmeier stated that there will be two community meetings, February 11th and February 12th. The group requested that Superintendent Harmeier create a 1-2 minute video to invite everyone to attend.

8. Expenditure Reductions and Revenue Generators – continue ideas/suggestions

Superintendent Harmeier stated that projections are indicating that we will be losing an additional 87 more students. Superintendent Harmeier stated that overall, the reductions needed (\$2.5 million) equal about 6-7% of the overall budget (\$38 million).

There were suggestions to submit an article to the Daily Journal and to continue to encourage families to donate to SCEF.

There were no further discussion and Superintendent Harmeier adjourned the meeting.

Next meeting: Feb. 7, 3:30 – 5:00 PM