

# Superintendent's Budget Advisory Committee

## Minutes

Meeting #1

September 19, 2019

District Office Board Room

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### 1. Introductions

Superintendent Harmeier gave an overview of the tasks of the Budget Advisory Committee. There were introductions of who was at the meeting which included parents, teachers, certificated staff, classified staff, administrators, board members, community, SCEF. Each person shared what organization they represented.

The committee members present included: Hazel Stabinsky, Jamie Baxter, Marianne Jett, Sarah Orton, Jennifer Gaboury, Susan Raymond, Scott Cleveland, Kathy Parmer-Lohan, Nancy Silver, Mona Maher, Meredith Park, Betsy Koefoed, Jay Richards, Marcy Corea, Kristen Ugrin, Susan Raymond.

Other staff members present included: Michelle Harmeier, Hans Barber, Mila Milligan, Jennifer Smith, Amber Farinha, Jeannine Olivares and Cathy Eitel.

Committee members absent included: Alana Corso, Cori Carpenter, Camala Umbenhaur, Mindy Hill, Neil Layton, Michelle Nayfack and Amy Newby.

### 2. Goals and Purpose of Superintendent's Budget Advisory Committee (BAC)

Review slide presentation [here](#).

(<https://4.files.edl.io/5779/10/23/19/211433-c80cda4f-cc57-4fb6-aea0-4897ca6a9464.pdf>)

Superintendent Harmeier presented a brief description of the purpose of the committee. She emphasized the need of the committee to be in an advisory role to staff and the Board. Additionally, the purpose of the committee is to provide transparency, feedback and reactions to change, collaboration, problem solving, creative solutions, engagement and to build confidence.

### 3. Current Conditions

Superintendent Harmeier and staff reviewed the current conditions of the District.

#### a. Unaudited Actuals

Chief Business Official Mila Milligan and Financial Analyst Jeannine Olivares explained the Unaudited Actuals to the



committee. The following were key points.

- Projected reserve level for 2019-20 based on the June adopted budget was 3.81%
- Enrollment was projected at 3009 – actual was 3022
- District received a settlement from the CLC Growthpoint Modular Classroom project of \$1.6 million in June to support future facility improvement projects which will relieve the general fund.
- Ended the 2018-19 fiscal year with additional \$350,240 revenue
- Ended the 2018-19 fiscal year with a savings of \$1,037,761
- 2018-19 the district closed the books with a 5.4% reserve level as a result of cost savings measures.
- Board guidelines suggest a 9-11% reserve in the current year. The question was asked, “do we still need to make cuts?” Dr. Harmeier stated that it is uncertain at this time.
- We need to proceed with caution.

#### **b. Enrollment Report**

Superintendent Harmeier shared we ended in 2018-19 with enrollment of 3065 and we projected 3009 for 2019-20. Ironically, on June 13<sup>th</sup> our enrollment was exactly 3009! We accepted 31 out of district students. We had drops, totaling 187 students for a variety of reasons, such as going to private, moved, CLC, RWC and some gave no reason. We are currently at 3022 which is 13 above the 3009 projected.

Superintendent Harmeier explained the district’s revenue and expenses. State LCFF provides 73% of our district revenue which is not adequate to fund our program. Federal funding is 2%, other funding is 7% (other is made up of Prop 38 and lottery). Our parcel tax provides 6% of our revenue, SCEF provides 6% and Sequoia Healthcare District contributes 2% of our revenue. Our Enterprise Fund which includes preschool and enrichment contributes 3%.

The majority of expenses are from our salaries and benefits 84.69%, Books and Supplies 3.03 %, Services and Operation 10.47%, Other Outgoing 1.60% and Interfund Out 0.22%.

Funding outlook – cost of living and labor costs are increasing, pension reform and healthcare costs for the district and employees are going up. Funding from the State is flat. We are one of the lowest funded states in the U.S. in terms of student funding (41<sup>st</sup> to 45<sup>th</sup> in the U.S.).

**c. SCEF Contribution**

\$2.7M for all schools; about \$2.5M to SCSD and \$200K for CLC. Kathy Parmer Lohan shared 60% of families in SCSD participate in annual fundraising. This was the first year SCEF raised \$3 M total which includes operating costs. The “Make it Happen in May Campaign” and corporate matching were big contributors. SCEF is already ahead of fundraising goals by 20% so far this year. SCEF’s goal is to contribute \$ 2.8 M for this school year. Superintendent Harmeier mentioned local PTA fundraising happens at the beginning of the year and SCEF at the end the year.

**d. General Obligation Facilities Bond Fund**

Superintendent Harmeier shared that the 2012 Bond Program was complete. To modernize the four elementary schools another General Obligation Facilities Bond Fund measure would have to be passed by voters during an even year election. Listening to staff, there is a clear need for air conditioning in classrooms and funding would need to be identified for this project.

**e. Parcel Tax Expiration - July 2021**

Measure P was passed in 2015 and \$246.60 per parcel is generated and contributes about \$2.2M to the General Fund. We will need to renew our parcel tax for this funding to continue. Our parcel tax funds teachers to keep our classes size low and funds elective and core academic teachers. The District will work with a Parcel Tax consultant to guide future action.

**f. Enterprise Fund**

This fund contributes about \$1M to our General Fund. We earn most of the revenue from our preschool classes. We currently have 8 classes and are increasing to 10 classes this year. A smaller amount of revenue comes from the SMART-E after school and enrichment classes, facility use fees and camps.

**g. Comment**

A member of the committee commented that we need to support the after-school sports programs in the district and expressed worry that we may lose students to other districts that provide after school sports programs. Superintendent Harmeier asked parents to be patient, as we look into other opportunities.

**4. Recommended Communications**

Committee members made no recommendations at this time.

**5. Thought Exchange**

Superintendent Harmeier asked the committee for 1-2 thoughts through Thoughtexchange, based around the question – “What are the top priorities our BAC and staff should focus on this year to support the budget process?”.

## **6. Future Agenda Items**

No suggestions from the committee.

Meeting adjourned at 5:30 p.m.