

Superintendent's Budget Advisory Committee

Minutes

Meeting #3

December 12, 2019

District Office Board Room

Superintendent Harmeier welcomed all committee members.

The committee members present included: Hazel Stabinsky, Marianne Jett, Sarah Orton, Jennifer Gaboury, Kathy Parmer-Lohan, Marcy Corea, Kristen Ugrin, Mindy Hill, Alana Corso, Betsy Koefoed and Kim Norgaard.

Other staff members present included: Dr. Michelle Harmeier, Hans Barber, Mila Milligan, Veronica Rickson and Cathy Eitel.

1. Review Agenda and Minutes of November 14, 2019

Superintendent Harmeier asked the committee members to review the agenda and minutes of November 14, 2019.

There were no requested changes to the agenda or minutes.

2. First Interim Budget Report and Presentation

Chief Business Official, Mila Milligan thanked the committee members for their dedication and time serving on the committee. Ms. Milligan shared the First Interim Budget Report with the committee members. The presentation was also shared with the Board at their Regular Board Meeting on November 21, 2019. The presentation may be viewed [here](#) on the website and [here](#) on Board Docs.

The key points shared by Ms. Milligan:

- Interim reporting is a time to review the financial condition of the district
- Revenue and expenditure assumptions are made over 3 years
 - 2019-20, 2020-21, 2021-22
- There are three financial certifications that a district can receive
 - Positive – The district will meet its financial obligations
 - Qualified – The district may not be able to meet its obligations for the next three years
 - Negative – The district will not be able to meet its obligation for the next three years



- After three qualified certifications, district finances are managed by the State of California.
- Last year, we submitted a Qualified budget 1st Interim, Positive budget 2nd Interim with a Budget Stabilization Plan demonstrating required reductions, and the County gave our District a positive certification on the adopted June Budget, based on the promise we would make the necessary reductions to maintain a 3% reserve level.
- Assumptions are used in First Interim 2019-2020
 - Revenue – COLA – Cost of living adjustment over three years
 - 2019-20 = 3.26%
 - 2020-21 = 3.00%
 - 2021-22 = 2.80%
 - Revenue – One-Time Prop98 Funds
 - 2019-20 = \$0.0
 - 2020-21 = \$0.0
 - 2021-22 = \$0.0
 - Expenditures – PERS – Classified Retirement
 - 2019-20 = 19.72%
 - 2020-21 = 22.70%
 - 2021-22 = 24.60%
 - Expenditures – STRS – Certificated Retirement
 - 2019-20 = 17.10%
 - 2020-21 = 18.40%
 - 2021-22 = 18.10%
- Adopted Budget – June 2019
 - Reserves Levels
 - 2019-20 = 3.81%
 - 2020-21 = 3.78%
 - 2021-22 = 3.18%
- Mid-Year Projections – First Interim – October 31, 2019
 - Reserve Levels (without the parcel tax renewal passing in March 2020)
 - 2019-20 = 3.59%
 - 2020-21 = (1.86%)
 - 2021-22 = (4.70%)
- 3 Year – Parcel Tax Scenario

District Reserve Level	2019-2020	2020-2021	2021-2022
Renew No Increase	\$1,479,435 3.59%	\$1,358,644 (1.86%)	\$1,092,423 (0.62%)
Renew March Increase \$88	\$1,479,435 3.59%	\$2,150,644 3.81%	\$2,676,423 4.46%
Renew Nov. Increase \$88	\$1,479,435 3.59%	\$1,358,644 (1.86%)	\$1,884,423 (2.54%)

- If the parcel tax doesn't pass, we will need to make reductions equal to approximately \$400,000
- If the parcel tax passes, we will be able to maintain current staffing and program levels where we are now

- Our Board strives to maintain a 9-11% reserve level in the current year to cover unforeseen expenditures
- Our enrollment is going down, fluctuating – more students equal more money – less students equal less money. The State is not increasing funding for SCSD
- Revenue Analysis
 - 72% - LCFF
 - 2% - Federal
 - 6% - Other State
 - 6% - Parcel Tax
 - 6% - SCEF
 - 2% - Sequoia Healthcare District
 - 4% - Other Local
 - 3% - Transfer In
- Expenses Analysis
 - 82% - Salary & Benefits
 - 5% - Books & Supplies
 - 12% - Services & Operation
 - 1% - Other Outgoing
- Budget Development Process
 - Budget Advisory Committee (BAC)
 - Teacher, staff and parent engagement January – May
 - Staffing and enrollment meetings with principals and management
 - LCAP engagement process
 - Board study sessions as needed
 - Second Interim Report March
 - School Services of California Governor Workshops
 - January Proposals and May Revision
 - Budget analysis completed by accounting consulting firm
 - Budget adoption June
- At the Regular Board Meeting on December 5, 2019, the Board approved the First Interim Budget Report with a Qualified certification.

A committee member asked what percentage of salaries are administration. Answer: 1% of the total of salaries.

Dr. Harmeier expressed a desire to make a change to the way we present the budget - in a more user-friendly way. This is something that she will be asking staff to focus on.

3. Engaging Teachers, Staff and Parents in Budget Development

- a. Review Thoughtexchange Report sent by email

Superintendent Harmeier asked the members to review the thoughts from the thoughtexchange around the question, “What are some ways to engage teachers, staff and parents in the budget development process this year?”

Dr. Harmeier asked the committee to think about the ways we gathered input last year – email, Budget Advisory Committee, town hall meetings – over 300 people

attended and what should be considered as we inform, educate, listen and engage stakeholders in the budget development process beginning in January.

b. Small Group Discussion

Dr. Harmeier asked the committee to break into groups and take notes on ideas of ways to engage teachers, staff and parents in the budget development process this year and then share out with the committee.

c. Whole Group Share Out

• Arundel, Heather, Mariposa and Tierra Linda Table Groups

- Education event at sites, informal after drop off
- Town Hall meetings
- Priority exercises – ex: rock/pebbles
- Staff meeting or PD to get teacher input, mixed groups/schools – ex: feeder schools
- Give people historical data and timelines of budget
- End with survey – different for different stakeholders?? Or not ?

• Brittan Acres, White Oaks, Arroyo and Central Table Groups:

- Author a good survey and share survey results
- Staff meetings to understand budget, reporting back to feel heard, prioritizing/ranking
- Ask long term staff members for input
- PTA Meetings
- Parents might not be able to attend a meeting but might be willing to do a thoughtexchange
- Dr. Harmeier could do a video of overview – and then have parents to weigh in - don't send it out 3 times send it out 10 times
- Parents want information – they like it – if the information is out there, then they can't say they didn't know – parents don't want to be surprised or in the dark – send as much information as possible – it will make people feel more comfortable
- Keep it simple – not too long – a video would be better with graphs and information
- Look at school messenger to see if parents are reading email

Dr. Harmeier shared the district is already planning a professional development day on Wednesday, January 15, 2020 to inform and engage staff on the budget. Then, in February do something more as a follow up and do a survey.

4. 7-11 Surplus Property Advisory Committee Update: District Office

Chief Business Official, Mila Milligan updated the committee on the forming of the 7-11 Surplus Property Advisory Committee to advise the district and the Board on the feasibility of leasing the district office and relocating to the old district office. The committee will be made up of a cross-section of the community from 7-11 committee members. The Board will be asked to approve the committee. The 7-11committee

meetings will be public. The district will work with consultants to get estimates of cost and what improvements would need to be made. This information will be reviewed by the committee and a recommendation would be presented to the Board. Funds generated from a lease are required to be used for facilities. Funds could be used to improve Mariposa improvements and other building improvements. Funds wouldn't help with salaries or things, only buildings; the funds would need to be used for facility improvements. Many things would need to be taken into consideration in order to move back to the old district office. It is not handicap accessible, our insurance company would need to assess the building for health concerns, tech would need to be relocated, we would lose the large group training/meeting space.

5. Parcel Tax Information

Dr. Harmeier mentioned the School Parcel Tax will be Measure N on the March 2020 ballot.

6. Budget Stabilization Check In

Dr. Harmeier shared the need to bring back some custodial support and tech support.

7. Recommended Communications at This Time

- Community newsletter
- Update on BAC,
- Parcel Tax – if passes, and if not.

8. Future Agenda Items

9. Adjournment

Meeting adjourned at 5:35 p.m.