

Budget Communications Committee Meeting Minutes

February 16, 2011

Welcome and Introductions

The meeting was brought to order by Gina Manusov at 12:30 p.m. Gina thanked everyone for attending this extra meeting.

Prior Meeting Follow Up

Gina gave an update on the unification study, including notice about the board meeting on April 14 to relay the results of the study.

Carol Rouse reviewed the information she provided regarding Stage 3 Child Care in response to a question from the last meeting.

February 10, 2011, Board Meeting Materials/Discussion

Gina gave an overview of the materials that were presented to the board on February 10: Budget Reduction Scenarios (Options A, B, and C), Preliminary Multi-Year Projections (Options A and B), and Recent History of District Budget Reductions.

Budget Reduction Scenarios, Option A

A member asked what it means to shift funding for the PPS clerical position. Gina responded that funding for one position will be moved from general funds to categorical funds. It is not a reduction of staff but a transfer of the funding source.

A member asked how many counselors we have in the district, and Carol responded that we have 10 counselors funded through the general fund on our staff now.

A member asked if the Care Youth counselors are considered in the reduction of counselors. Gina explained that Care Youth counselors are paid through a grant and are not part of the reduction process. It is possible we might be able to reduce counselors paid through the general fund because we have the Care Youth counselors.

A member asked if it is possible that retirements might overlap with reductions. Gina said that retirements could move the reductions needed to a lower number.

A member asked if the numbers that were given consider teachers who have taken a leave of absence and are coming back after an extended period of time. The member wanted to know if they would come back at their last rate of pay or at a lower/higher rate of pay. Gina said she would check with Bob Leon to clarify how he estimates teachers on unpaid leave and their return to work with regard to budget forecasts.

There was a brief discussion on redevelopment revenues listed on the scenarios. Redevelopment revenue for 2011-12 is estimated to be approximately \$2.7 million. Use of a portion of this

revenue as potential budget solutions is reflected on Options B and C in the one-time use sections.

Budget Reduction Scenarios, Option B

A member asked what the reductions listed in the education center reductions represent, and Gina responded that they are all staff reductions at this point (with the exception of shifting funds and drinking water at the education center).

A member commented regarding the unpredictability and constant changes in the Governor's budget, the upcoming May revision, and the possible elections regarding tax extensions. Gina agreed and reminded the committee about the challenges involved regarding the March 15 legal requirement to issue layoff notices before we even know what budget numbers are involved. A board member spoke to the committee about the need for the March 15 notices and expressed empathy from the board for employees receiving notices that might or might not come to a real loss of their position. He expressed the board's appreciation to the committee for this additional meeting today to provide the board with some of their ideas regarding budget reductions.

A member asked when our budget is due to the SDCOE and was told that it is due at the end of June.

A member asked if the big push for the budget forecasts now are driven by the March 15 requirement for notices to be sent out. Gina responded that it is a large part of the need for the budget now. Additionally, the time required for the accounting team to put together the budget details and prepare and submit the formal budget documents is also an issue.

A member asked how many custodians we have in the district. Gina explained that we have about 30 on roving crews, plus 14 night custodians at the middle schools. Site (day) custodians are a separate group, and there is one for each school in this group.

Regarding the line referencing office staff reductions, a member asked what comprises 10 FTE. Gina said it is comprised of 10 times 8 hours, for a total reduction of 80 hours. This could mean 8 full time people, maybe multiple part-time staff, or possibly a reduction of hours for a broad range of office staff. Our accounting team will double check the figures for the office staff numbers to ensure they are correct. They will also check to see if there are any changes in circumstances that might impact this forecast.

A member asked if the projected numbers include benefits, and Gina said that this is a reduction of hours, so it may not affect benefits.

A member would like someone to look at the formulas for calculating reductions in staff pay to make sure all classes of employees are equally affected (specifically mentioned were administrative, certificated, and classified). The same member suggested that more emphasis should be put on reducing programs rather than staff. Gina responded that she would like to hear more from the committee during the group table work regarding good suggestions about what programs should be reviewed for cost savings. This is an area where the committee can contribute great information to the process, as they encounter program information in their jobs

daily. The same member asked to see the history of which classes or groups have taken cuts and reductions both in pay and benefits for the past five years.

A board member explained that the reason for this meeting was to explore all the possibilities and get input from the committee about where the savings might be harvested with the least impact on employees. He encouraged the committee to come up with good ideas about program reductions so we could send out fewer notices to employees about layoffs. Gina agreed and re-emphasized that reductions of staff or staff compensation are not a reflection of the importance of any individual to the district. The reductions under consideration are about budget reality and are not related to personnel performance issues. She said she would try to pull together the data about what groups have taken pay cuts and benefit reductions for the committee to review. She did caution the group that discussion regarding this data by the committee would not be allowed as employee concession discussions are more appropriately handled in negotiations.

A member asked if there is a list of programs available to them that would allow the committee to look at areas that might be reduced. A member suggested that we look at the School Services contract as part of program reductions. Gina clarified with the member that he meant not only programs but also contracts. She asked for more specific examples of programs that might be considered, suggesting the table work might bring better information.

A member asked if current California law allows 27:1 in K-3. Gina responded that it is one of the things we have flexibility in, but it would bring a reduction in revenue. We could actually go to 30:1 in K-3 classes by law. Carol Rouse said the schedule of revenue reductions is included in some of the materials given to the committee at an earlier meeting.

Budget Reduction Scenarios, Option C

A member asked how much we get per student (ADA) this year, and Gina responded that we receive \$4,984 per student for this year and \$4,966 for next year if tax extensions pass or \$4,636 if they don't pass.

A member asked if the 6 FTE assistant principals are all of the assistant principals, and Gina said they are not.

A member asked if there are models out there with other districts using one principal for two schools, and Gina responded that there are other districts going to this model.

A member asked if we have counted the cost of loss of ADA if we close Community Day School or ALC and if we have incorporated the loss of that revenue in the calculation of savings. Gina said that we need to do more research and development to know those answers.

A member asked if we are bringing kids from other districts into the Community Day School, and a committee member explained that we have had contracts with Valley Center and San Marcos for the past two years. We only have one student from other districts right now.

Preliminary Multi-Year Projections, Options A and B

Carol Rouse presented information on the Preliminary Multi-Year Projections (green sheet), with the notation that these are preliminary numbers and likely to change a lot before the budget is complete. She explained that Option A captures the differences in revenue or expenditures from our current budget and summarizes what might happen if the tax extensions do pass. Option B summarizes what might happen if the tax extensions don't pass.

A member asked about deferred funds and their impact on these scenarios. Carol responded that this particular handout relates to fund balances and not cash balances.

A member asked what the declining enrollment is estimated to be next year. Carol responded that we have lost 403 students in the current year, which will result in ADA loss. This, in turn, gives us the basis for our budget for 2011-12.

A member asked if the estimates for 403 fewer ADA take into account a reduction for fewer teachers (12 teachers not needed). Carol said that teacher reductions due to declining enrollment are accounted for.

Recent History of District Budget Reductions

The committee was provided a printout of the recent history of district budget reductions for their use during group work at their tables. This document was not otherwise discussed in the general meeting.

At 2:00 p.m., the committee took a break until 2:10

Group Work

Before starting group work, Gina reviewed the committee's purpose and assigned tasks. In summary, she explained that the Budget Communications Committee was created to be a communication tool. We are not expecting the committee to create a finished budget, nor to operate as an advisory committee. The committee is tasked with collecting ideas from their site staff and to present the information they have gathered to the committee. The budget creation process is the responsibility of cabinet and the board and has not been passed off to the committee. It was emphasized that she and Carol Rouse take the information from the committee back to cabinet for further research, investigation, and discussion. The work of the committee is greatly appreciated by cabinet and the board; their service to this process is valuable. Discussions will continue at the March 2 committee meeting, but ideas generated today would be greatly appreciated to help move the budget process forward in time for the upcoming deadlines.

The committee elected to break into job-alike groups and spend 20-30 minutes discussing ideas. Board members moved from group to group, listening to ideas. At the end of the discussion time, the groups were all asked to share their ideas with the committee.

At 3:05 p.m., Gina brought the groups back together to share ideas. Those ideas are summarized below:

Group 1: Office Managers

1. Create a magnet school to reach students attending charter schools (for example, a technology school).
2. Make sure consortium items we are purchasing are as good a value as we could get from outside vendors (considering all aspects).
3. Some sites are having problems with our current security provider. Could we replace them in order to get a better response and better price? *Response: The security contract is bid out each year and will be put out to bid again in the near future.*
4. Central enrollment office might be a good offset for office staff reductions.
5. Streamline maintenance work orders to have only one person come out rather than two people.
6. Better monitoring of copying and printing for papers used in classrooms; less use of color cartridges.
7. Create an employee attendance incentive to save on cost of substitutes.
8. Can instructional assistants be used for small group instruction instead of at-wills?

Group 2: Classified Support Staff

1. Combine M&O department with the Facilities department.
2. Remove personal appliances from classrooms in order to gain savings in utilities.
3. Install low flow toilets and sink fixtures at all sites.
4. Consider leased computers vs. purchased computers.
5. Weigh lost categorical funds vs. actual program costs; evaluate how much general fund encroachment might be applicable to a particular program.
6. Consider mono vs. bi-lingual salaries when filling classified positions.
7. Purchasing energy efficient computers for the computer labs—less power consumption/cooling costs.

Group 4: Teachers

1. Look at contracting out services—alternative solutions (ask employees if they want more hours such as speech therapists, interpreters, maintenance).
2. TOSAs/coaches – return to classroom – pay a stipend instead of completely removing from the classroom.
3. Can the BTSA requirements be met in another way? Teachers used to get stipends to be BTSA coaches. Can we coordinate with other districts for BTSA services?
4. Tighten things up with employees on leave. How many temps are we training? Take a look at efficiencies in this area. Concern is loss of training time/expense with temp teachers if they don't stay very long. How many employees are on leave, and how long have they been on leave? What are the rules?
5. What consumables can we eliminate with regard to instructional materials? For example, math materials for K-5 that are optional and social studies magazines. Is there a list of what is required versus what might be optional?
6. Projector bulbs – does each site buy individually from Staples or are they purchased through a consortium bid?
7. Restructure the technology department; put hardware in Facilities and software in Educational Services.

8. Computers – purchase cheaper versions rather than “Cadillac” models (i.e., Canadian tablets for \$250 each). Can we get cheaper models on the consortium? Can PCs be used for situations where Apple features are not required?
9. Re-evaluate Project Live program. Can grants be refocused to equalize technology in other areas of the district (i.e., non-Title I schools)?
10. Restructure programs for middle schools; concentrate offerings at a particular school to reduce costs overall (i.e., all band in one middle school).
11. Consider closing a school facility. If a charter school came forward, what would be the impact? Can we get the school facility back in the future? What are short- and long-term implications?
12. School of choice – as long as a school has the facilities, could we increase our ADA by letting people go where they want to go? Would it be better to move staff to accommodate parent requests, make people happy, and increase the ADA? This might reduce the rate of declining enrollment (loss to charter/private schools).
13. Look at how much we spend on administrative extra hours; relative to extra pay for administrators. *Response: Administrators don't get paid for extra hours.*
14. At-will employees – consider reducing use of at-will employees in order to preserve class sizes at lower levels.
15. Make minimum payments to on refunding bonds debt service during hard economic times.
16. Put on hold any future upgrades to the education center.
17. Relocatables – are we renting them or do we own them. *Response: We own them. Can we sell them?*
18. Unification (study in process).

Adjournment

The meeting was adjourned at 3:39 p.m. The next scheduled meeting is March 2, 2011.