

**ESCONDIDO UNION SCHOOL DISTRICT
Budget Communications Committee Minutes
April 30, 2008**

<u>Committee Objectives</u>	<ul style="list-style-type: none"> ▪ Build capacity towards understanding the financial impacts to EUSD resulting from the California budget crisis ▪ Review potential solutions under consideration ▪ Effectively communicate budget information to EUSD stakeholders
<u>Call to Order</u>	Gina Manusov, Assistant Superintendent of Business Services, called the meeting to order at 12:08 p.m. with 26 committee members in attendance. Also in attendance was board member Linda Woods.
<u>Welcome/Objectives</u>	<p>Today's objectives:</p> <p>Summarize highlights from the April 24 board meeting</p> <p>Review recap of ongoing reductions as approved at April 24 board meeting</p> <p>Develop talking points/FAQs</p> <p>Provide presentation materials to committee members</p>
<u>Topics Discussed</u>	<ul style="list-style-type: none"> ▪ Highlights from April 24 board meeting April 24 board meeting handouts (3) ▪ Recap of ongoing reductions as approved at April 24 board meeting ▪ Today's April 30 meeting is the committee's final meeting – Gina thanked everyone for their commitment and participation as members of the committee.
<u>Summary Talking Points</u>	<ul style="list-style-type: none"> ▪ Committee members continue to communicate information to peers, parents, and the community. On the following page is a list of talking points and frequently asked questions that should be helpful. ▪ Continue to encourage staff to: <ul style="list-style-type: none"> Visit the district web site Ask for clarification as needed from employee associations, district administration, board members
<u>Adjournment</u>	The meeting adjourned at 2:45 p.m.

**EUSD BUDGET COMMUNICATIONS COMMITTEE
TALKING POINTS/FAQs**

What process will be used to return unfunded priority items to the budget? The district's ultimate desire is to return all reductions as funds allow. The reductions listed below have been placed on an unfunded priority list determined by the board and would go back into the budget at the board's direction based on the amount of funding available and the district needs at that particular time. Items are listed in no particular order.

Assistant Principals
Counselors
Library Technicians

Kindergarten CSR
Loss of Work Year
Probation Officer

GASB Funding from Fund 17

How will the custodial restructure plan be developed and communicated to sites so that site staff will know what the expectations are? The plan will be developed by a group of stakeholders, including at a minimum teachers, custodians, principals, and office managers, and will be provided to site administrators for communication to staff.

How will School Library Technician schedules be determined? Kathy Shirley in Technology Media Services will be meeting with stakeholders to develop general guidelines. Once the general plan has been developed, more specific plans will be based on site decisions and collaboration.

Will employee benefits be affected by future reductions? Addressing employee benefits and health care costs will be an ongoing and escalating situation. The district insurance committee continues to meet to discuss how to best address these increasing costs. This will also be a focus of discussion with district employee groups.

Why is our district making more significant cuts than many others? In addition to dealing with the effects of the state budget crisis, EUSD is in its fifth year of declining enrollment, which has had a significant negative impact on our budget and has put us in a deficit spending mode that continues to worsen. Rising costs and the overall economy have also contributed to our current situation. The problem is complex, but for the most part those are the major reasons for the impact on EUSD's budget.

It is also important to note that not all districts are funded the same. State funding varies significantly from district to district, and not all of the funding is discretionary. When looking at the per pupil amounts published by the state, keep in mind that this number is an average of all districts in the state. EUSD funding is \$5,534 per student (unrestricted funding), plus whatever categorical (restricted funding) is received for students in specific programs.

Why doesn't the district use reserve funds? The board has been willing to use reserves to a certain extent, but it is their obligation to be fiscally responsible. The approved 08-09 Budget Reduction Plan includes the use of some reserve funds to balance the budget. Reserve funds are one-time resources that do not solve ongoing, multi-year problems.

Is the budget reduction process over and done with for 2008/09? This would depend on the information received after the May Revise of the Governor's Budget, which is due out by May 15. Information to date reflects that state revenues are going to be less than projected, so it is not expected that there will be an increase in funding. A decrease in the state budget is a possibility, but it is the district's expectation that our "worst case scenario" reductions have been sufficient to meet any downward shift in funding. District staff is scheduled to attend the May Revise workshop on May 19. Pertinent information from this workshop will be disseminated to committee members.

Will there be further reductions or adjustments in 2008/09 for 2009/10? There is definitely more work to be done for 2009/10, and this process will begin in the very immediate future. Numbers indicate that the district will continue to decline in enrollment for the next few years, resulting in less revenue and continued deficit spending. Should the overall economy continue to decline and costs continue to increase, the deficit spending cycle will escalate, creating the need for even further reductions than already anticipated. Additionally, the \$1,600,000 targeted savings identified in the Budget Reduction Plan for Health and Welfare Benefits necessitates the immediate involvement of the insurance committee and further articulation with district employee groups.