

BUDGET ADVISORY COMMITTEE MEETING

Tuesday, January 26, 2016

Minutes

Attendance at Meeting

BAC Members:

Angela Meeker, Asst. Supt., Educational Services
Barry Kirschen, GSCFT
Carolyn Livingston, Santa Cruz Education Foundation (Alternate)
Casey Carlson, GSCFT (Alternate)
Clyde Curley, Principal, Westlake Elementary
Desiree Dominguez, Human Resources
Jean Gardner, Santa Cruz Co. Office of Education
Jeanie Brown, SCCCE (Alternate)
Jeremy Shonick, Board Trustee
Jim Monreal, Asst. Supt., Business Services
Julia Hodges, Middle Schools
Molly Parks, Human Resources
Patty Threet, Board Trustee
Robert Chacanaca, SCCCE
Richard Davis, Principal, Harbor High
Suzanne Trincherro, Finance

I. Agenda and Introductions

Asst. Supt. Monreal called the meeting to order in Room 312 at the District office at 6:05 pm., and invited BAC members to introduce themselves. He then gave an overview of the agenda.

II. Governor's Budget

Mr. Monreal prefaced his presentation by sharing that cabinet members and Finance staff had attended both the Capitol Advisors workshop at the C.O.E. and the School Services workshop in Sacramento to hear their analyses of the Governor's proposed budget for 2016-17.

The Governor has demonstrated his support of schools by increasing funding for the non-Prop. 98 side of the budget. Although economic growth in California has been much stronger than in past years, Governor Brown wants school districts to be prepared for possible recessions in the future. The current COLA being predicted for 16-17 is 0.47%, lower than the COLA predicted a few months ago. Proposition 30 temporary taxes will end in a couple of years, as will additional sales taxes.

Mr. Monreal detailed the changes in expected Proposition 98 funding. \$2.8 billion is earmarked for LCFF gap closure. \$1.2 billion is proposed for discretionary one-time uses. The Governor's budget does not include funds for facilities. Mr. Monreal spoke about the cap on District reserves, which for SCCS, translates to not more than 6% in reserves. However, there are fluctuations in cash flow, and in how different districts are funded. \$2.8 billion is proposed for continuing LCFF implementation, or roughly, \$489/ADA state-wide. One-time funds will result in about \$200/ADA for SCCS or \$1.2 million total to the District. Mr. Monreal noted that the LCFF Target chart provided in the meeting handout will be used as part of the 2nd Interim funding model.

CalSTRS employer contribution rates will increase in 2016-17 to 12.58% from 10.73%. Rates will increase each year up to 19.10% in 2020-21. CalPERS employer contribution rates will increase in 2016-17 to 13.05% from 11.847%. By 2020-21, the rates will increase to 20.4%. The District must plan to meet these obligations.

For SCCS, Elementary revenue is tied to property taxes as the elementary district is basic aid. Secondary revenue is tied to attendance. LCFF supplemental services will receive a total of \$3.7 million in 2016-17. On the expense side, step and column increases, together with STRS and PERS increases will come to a projected \$1.4 million. Step and column projections are based on the historical make-up of staff. RDA revenues are uncertain and not included in revenue projections, and are received into Fund 21, the Building Fund. Reserves will be used to meet impending deficits.

Mr. Monreal presented the current multi-year projections. No unsettled negotiations are included. Parcel tax revenues are shown in the MYP, including \$2.4 million to secondary. Some current salaries being paid by General Fund will be picked up by the parcel taxes.

Discussion followed. \$300,000 was paid from the General Fund this year for Career Technical Education, and will be paid from parcel taxes in 2016-17. Next year our commitment doubles, and continues to increase for the subsequent two years, as the District absorbs the costs previously paid by the COE. An application has been submitted for a Career Tech grant. Parcel tax revenues were projected based on current CTE programs. There is no current plan to expand CTE programs.

Proposition 39 money can only be used for facility-related costs. A contract for Prop. 39 services will be brought to the Board in the near future.

The increases per student shown in the slides refer to a state-wide average. For SCCS, the increases are less because of the demographics of our students. The projected decreases in enrollment are based on the historical percentage decrease seen at P2 report time.

Since we have now reached 95% of the funding target set by the Governor, one-time funding will slow. Figures presented at this meeting are a best guess. The community will be kept informed as changes are known. It was pointed out that the SCCS parcel taxes and basic aid revenues fund the District better than any LCFF district.

III. LCAP Budget Survey

Asst. Supt. Angela Meeker presented a power point regarding the results of the LCAP Budget Survey. The purpose was to assess needs and determine where there are gaps. Student outcome, attendance and student performance on standards assessments are also considered when building the budget. She acknowledged Nick Morris who analyzed the narrative responses and coded them by category.

The surveys were distributed during November and December, to parents through Infinite Campus and at ELAC and to staff at staff meetings. Parents were asked to assess the strengths and needs of their school, the strengths and needs of their student(s), engagement with the school and communication. Staff was surveyed regarding services that support English Learner, Low Income and Foster Youth students, needs to support effective teaching, and additional needs to support students. 868 parent responses were received – about double the responses received last year. Some paper surveys are yet to be added in.

The greatest needs expressed by parents were in the area of curriculum, followed by teacher development and support. The greatest child needs expressed were for counseling, both academic and social-emotional, followed by tutoring and advanced placement classes. Ms. Meeker noted that for elementary parents, PE curriculum was important. She said that a recent Playworks training was held to address that need.

What was most appreciated by parents was the school staff – teachers, staff, administration, librarians and counselors, as well as the sense of community for families at the schools. Enrichment activities were important, as were programs like ROP, AVID and Dual Immersion.

Staff priorities were for technology and teacher support, especially for adult classroom aides. Staff identified tutoring and social emotional support as priority needs of students, followed by technology. They noted that English Learners would benefit from more help during the regular school day to help them learn and be part of the school, rather than extended day services.

Ms. Meeker said that the survey responses will now be compared to current resources.

Discussion followed. The priority need for more AP classes was noted. Ms. Meeker responded that the District has an educated parent base who want increased rigor in curriculum, and that English Learner parents want their children to have access to such classes as well. A request was made to sort the data by elementary, middle and high school. Superintendent Munro put in that this survey represents only 10% of the parent population, and is skewed towards the west-side of Santa Cruz. The District will seek other ways to collect parents' input.

Mr. Monreal noted that local control is the driver for many programs, and that the District is required to seek input. The presentations delivered at this meeting will be posted on the District website.

A question was raised regarding revenue from property taxes. Mr. Monreal replied that the base revenue is based on property taxes, adjusted for a \$1.5m reduction of fair share. True tax revenue is not known until November following the fiscal year. Increasing property values do not affect the tax base until property changes hands.

Adjournment

The meeting was adjourned at 7:15 pm.

Respectfully submitted,

Jim Monreal

Asst. Supt., Business Services