



West Sonoma County Union High School District

BUDGET ADVISORY COMMITTEE MEETING

Monday, August 28, 2017
6:30 - 8:00 p.m.

Analy High School Library
6950 Analy Avenue
Sebastopol, CA 95472

MINUTES

1. Welcome - Dr. Kellner and Mary Schafer welcomed the participants.
2. Purpose of Committee - - Dr. Kellner reviewed the purpose of the committee.
3. Presentation from Chief Business Official - Mary Schafer gave a presentation on the following:
 - How Schools Are Financed
 - School Finance
 - About five years ago the State developed the **Local Control Funding Formula (or LCFF)** which was a new method for allocating funds to districts.
 - The idea was to give districts more local control over how funds are spent.
 - With the Great Recession the State did not have enough money to fully fund schools based on legal requirements (the Proposition 98 minimum guarantee) so this model was designed to gradually fully fund schools by the 2020-21 school year.
 - Note that being fully-funded means that the district will be at the same funding level as it was in 2007-08 with corresponding cost of living adjustments (COLAs). The LCFF model does not provide new or increased dollars. Proposition 30 and proposition 55 which were touted as money for schools also do not provide additional funds, they just allow the State to meet its obligations.
 - The LCFF model provides funding based on the number of students attending school (ADA) and the number of Unduplicated students (Low-income, English Learners and Foster youth).

- There is base funding for every student and there is Supplemental funding equal to an additional 20% of base funding for each Unduplicated pupil. Twenty two percent of the district's students generate supplemental funding.
- **Full Funding** – not all districts receive the same level of funding, but receive a level based on the composition of their 2007-8 level along with the demographics of their population. When we get to full funding in 2020-21, the only increases to revenues will be COLAs.
- **Unrestricted v Restricted** – other sources beyond LCFF can be unrestricted or restricted (can only be used for the identified purpose).
 - Federal sources primarily restricted (like special education and Title funds)
 - Other State restricted (like Educator Effectiveness, Prop 39 Energy improvements)
 - Local sources may be restricted (like Parcel Taxes) or unrestricted (like some donations)
- **Fund Accounting**
 - General Fund covers the bulk of Educational services
 - Charter Revenue and Expense is in a separate fund
 - Facilities revenue (like Bond funds) can only be used on facilities
 - Ending Fund Balance – required by the State to keep a minimum level of reserves is similar to a savings account—once it is gone it's gone

General Budgeting

- Budgets actually change regularly
 - The State can change the amount provided in past/current/future years with each State budget update
 - The number of students attending changes with corresponding revenue—up or down
 - Staffing changes and with corresponding salaries and benefits changes cause expense to go up or down

Notes for Charts

1. Revenue Sources – for 2017-2018
 - LCFF largest source and mostly unrestricted
 - Federal sources minimal –Special Ed/Title funds
 - Other State
 - Local – Parcel tax/donations
2. Expenses—for 2017-2018
 - The district spends almost 78% on employee salaries & benefits

- About 18% of expense is Services that include many pupil service providers like non-public schools or other special education services that the district cannot provide.
- Books and supplies comprise a little over 3%
- 3. Revenue – Expense comparison over ten years
 - Increases starting in 2013-14 was payback for funds owed during recession
 - One-time funds in 2015-16 spiked revenue and masked expense growth
 - Current and next two years revenues remain flat while expense grows
- 4. Revenue – Expense with Ending Fund Balance
 - Peak revenue over last two years due to one-time funds
 - Expense now growing faster than revenues
 - Ending fund balance (savings account) used to pay the difference
 - Savings account depleted in less than three years
- 5. Ending fund balance
 - Restricted (earmarked for specific purposes—cannot be used elsewhere)
 - Reserve for economic uncertainty (State required 3% minimum)
 - Unappropriated reserve disappearing AND this chart includes the projected cuts that need to be identified by the Budget Advisory Committee
- 6. So how did the District get here?
 - Expense increase vs ADA decline
 - Salaries relatively flat – staff reductions due to student enrollment decline are offset by salary increases
 - Increasing cost of benefits
- 7. ADA
 - Enrollment of about 2000 students in 1990-91
 - Peaked at almost 2500 in 2000-01
 - In 2016-17 ADA was 1797
 - Projection of 1670 in 2019-20
 - Enrollment continues downward as property prices keep families out of the district
- 8. Impact of Decline
 - What happens when enrollment decreases?
 - The entire county faces declining enrollment and the district has a large number of inter-district transfers.
 - How does the district compare to the rest of the county?
- 9. Salary comparison
 - About average compared to other High school districts
 - Santa Rosa is an outlier because they negotiated benefits into salary schedule years ago
- 10. Salary Plus Benefits
 - West County at the top when comparing Total Compensation

- Cotati-Rohnert Park at the top, too. Important to note that they receive more than twice the amount of supplemental funds because they have a 46% unduplicated count and they receive Casino contributions.

11. Benefits

- Some of the highest health & welfare benefits in the county and like everyone, public or private, health care rates continue to increase
- District contributions to the STRS and PERS retirement programs are increasing

12. STRS and PERS rate increases

- More than double in 10 years
- Beyond the control of the district
- Determined with pension reform with no additional revenue to cover in LCFF

13. Impact on District—compare with and without increases

- Blue would be district expense without the change
- Red is the expected expense associated with the increases
- Cumulative impact of \$3.9 million increased expense by 2019-2020

14. Budget Challenges

- LCFF Model
 - Not all districts receive the same amount
 - Fully-funded means 2007-08 levels with COLAs
- Declining Enrollment
 - Cannot cut staff levels to meet revenue losses
 - Unlikely to change even with inter-district transfers
- STRS/PERS increases
 - Outside of district control
 - No current funding for the increased expense
- COLA Adjustments
 - When fully funded the COLA has to cover
 1. 2% Step and Column salary increases
 2. 1.85% STRS/PERS increases
 3. About 5% average annual increase in H&W benefits
 - Average COLA since 1991 = 1.69% per year
 - Average COLA over last 10 year = 0.57% (the last five years has been an average of 1% during the economic recovery)
 - What happens when we go into a recession (and we will)

4. Round Table Discussions -- Round table discussion took place. See attached information.

5. Public Comment and Questions – The following discussion took place regarding:
- A recommendation was made to have introductions or nametags for attendees
 - Thank you to the Superintendent for allowing the open communication
 - Mary Schafer thanked the community for attending
 - David Stecher thanked the community for attending
 - Mike Carnacchi—more focused on solutions than questions re: enrollment focus on language arts and introduce Spanish at a lower grade level—focused on multilingual
 - Jim Walton—there is a term that was not addressed: revenue limit. Mary Schafer responded that revenue limit funding no longer exists. It was replaced with LCFF
 - Laura Schmitt—should talk about and determine priorities first, then make budget decisions
 - Mary Schafer—this group will look at how best to deliver the services to our kids
 - Sherry Steele—feels there needs to be greater parent understanding and connection to school and the district. There needs to be a way to allow parents to “plug in” and have the system be more welcoming to parents
 - Lori Bruhner—if we can find a way to reach out to parents this will help to increase enrollment
6. Review upcoming meeting schedule and other committee information -- Dr. Kellner reviewed the upcoming meeting schedule.
7. Adjourn – The meeting adjourned at 8:00 p.m. 8:00 p.m.

Schedule of Upcoming 2017-18 BAC Meetings

September 6th and 25th at El Molino Library

October 9th* and 25th at Analy Library

November 8th – El Molino Library

**UPDATE: Note the Meeting on October 9th will be held at the El Molino Library*

The Budget Advisory Committee was created by the Board of Education to assist the Board in identifying cost containing approaches necessary for 2018-19 and beyond. The Budget is fluid and therefore under constant “revision” as revenues and expenditures are clarified. The budget Advisory Committee is a vehicle to disseminate information to as many parents, students, staff and community members as possible. The Committee is advisory in nature and will not have decision-making responsibilities.

Email: budgetadvisory2017@wscuhd.k12.ca.us

Round Table Discussions

Table Discussions / Questions August 28, 2017

Declining Enrollment

Enrollment biggest problem

Need affordable housing

Specific tracking of students who leave district

How do we market to other areas?

Is there a way to reframe the conversation to attract students rather than cut budgets?

Can we look at survey data/specifics regarding our interdistrict students and those students who are leaving?

Can we entice the County bus to support Analy hours?

Can we influence the local government to entice families to live here? (and develop)

Can we develop a direction, coupled with a marketing plan, to promote transfers to WSCUHSD?

What are we really doing about this? Looking at classes offered? Block schedule?

How are we reducing housing \$ to encourage new residents?

Explore methods of encouraging bi/multi language students to attract Spanish speakers

Why can't we use the charter school/private school model to illicit / encourage parent involvement?

Marketing program? We need to be competitive and promote

Add AP Diploma or (IB) Baccalaureate program

What does the District do to advertise to gain students?

Partner with local business to provide additional CTE courses – advertise

Do we advertise the 7 period day we offer students?

Staggered start times to accommodated later sleep needs (9 periods), student choose 1-7 or 3-9

How can we attract more students? Multilingual programs?

Housing options?

How do we make cuts without cutting programs?

How do we compare with other districts in terms of declining enrollment?

Bring in more classes through the SRJC to be taught here

Build a program for our students to attend the SRJC classes

One thing that might make our district more attractive to students around the county might be if we offered AP Capstone (<https://advancesinap.collegeboard.org/ap-capstone>) since we already have AP classes offered.

Or, with a bigger shift, what if we offered IB Diploma courses in addition to AP? I think Montgomery HS has had a lot of success with the program. (I taught the middle school version of IB, the MYP, in my school in Romania, and it is rigorous.

Either or both of these options might attract more college-bound high school students.

Table Discussions / Questions August 28, 2017

LCFF

Need more information on Prop 98

Comment: District needs to campaign to ask families to fill out “economically disadvantage” form

Where are we in contract stages regarding classified – credentialed?

What specific expenses are considered “services”?

What are the options for reductions in staffing beyond teachers?

Why did teachers get a raise knowing what we know?

Severely handicapped:

- Do we have to fund them?
- Healdsburg has a “way out”

Transportation:

- Funding has dropped, but expenses have remained JPA vs Santa Rosa
- Have we seen any reduction to compensate for last year’s increase?

What would the district save if we eliminated the buses?

What is “District of Choice”? Can we apply?

For more dollars: Can we require all parents to fill out Free and Reduced Lunch Form?

Do an education campaign for parents to understand why and how it would impact our schools

Table Discussions / Questions August 28, 2017

Other

What political action can be undertaken to combat the budget situation?

What have other districts done?

What if we combine high schools?

What if we consolidated districts with other small local districts?

Line item for specific costs

Do retirement incentives really pay off?

We need a casino

How does a district become a basic aid district?

Marketing plan for informing public of situation we find ourselves in

What are options for cutting budgets?

Ways to reduce expense

- Section sharing at both El Molino and Analy

% cut necessary to meet goal?

Blend students/teachers, collaboration with JC, SSU to keep some programs – dance programs

Are there other options we can do such as cut student days, year round school?

What did the PARS agreement result in? Is it making sense?

What was the rationale for funding as a result of the Charter School?

Pursue non-education funding for transportation

Ask community for a tax measure / parcel tax and expand its uses

Solution: New teachers will need to be able to choose higher salary or higher benefit package in the future

- Can we negotiate that for future savings? One size negotiation does not fit all needs nor is it cost efficient

How to encourage more parent involvement in the entire process?

How can we increase parental involvement in this process and in this committee?

What about a mmj tax parcel?

Do we need an Assistant Superintendent?

Do we need two high schools? Revisit this?

Keep in mind the students

Are we “top heavy” with administrators?

Can we get comparative data, less students now, but more administrators?

Food truck contracts rather than classified food service?

What is a “District of Choice”? Can we apply?

Could we “up” our Independent Student Students @ \$9,000 a student?

What is the number we are project to be solvent over the next 2-3 years?

Looking at the graphs, it appears that retiree health benefits are increasing as well. Why is that, and what options surround controlling that cost?

With regards to the new 7/8 charter school in the district: is the charter fully self sufficient? Meaning, are all expenses being covered by incoming state ADA funds, etc. Or is the district using any general funds to cover any of the charter overhead or expenses?

Table Discussions / Questions August 28, 2017

STRS/PERS (Pension Systems)

STRS/PERS Funding Coalition

Need join so.cal advocacy group

Join the Coalition (Cal Sters Funding)

Do we need classified staff reductions?

Could we get contact information of who to contact at the state level regarding legislation to fully fund these?