

**SANTA CRUZ CITY SCHOOLS**  
**BUDGET ADVISORY COMMITTEE MEETING**  
District Office, Room 312  
Tuesday, December 11, 2018  
**Minutes**

**Attendance at Meeting**

**BAC Members:**

Casey Carlson, GSCFT  
Casey O'Brien, Middle Schools  
Clyde Curley, Elementary Schools  
Deedee Perez-Granados, Board Trustee  
Gail Atlansky, High Schools  
Greg Torr, Finance  
Jean Gardner, Santa Cruz Co. Office of Education  
Jeremy Shonick, Board Trustee  
Matt Farrell, SC Ed Foundation  
Olga de Santa Anna, SC Ed Foundation  
Patrick Gaffney, Asst. Supt., Business Services  
Paula Morin, SCCCE  
Steve Hambright, Small Schools

**Absent:**

Brent Kline/Stacy O'Farrell, AMA  
Dorothy Coito, Educational Services  
Molly Parks/Desiree Dominguez, Human Resources

**Visitors:**

Kris Munro, Superintendent  
Rebecca Olker, SC Coe  
Sarah Rominger, GSCFT Treasurer in Training

I. Call to Order

Asst. Supt. Pat Gaffney called the meeting to order in Conference Room 1 at the District office at 6:00 pm. He invited all present to introduce themselves. He previewed the agenda for members.

II. 2018-19 Budget Development Calendar

Asst. Supt. Gaffney called members' attention to the dates of the Budget Advisory Committee meetings and the topics to be covered.

III. CBEDS Enrollment

Mr. Gaffney presented the 2018-19 CBEDS report, reflecting enrollment as of 10/3/18. Total enrollment at each school was compared to the 2017-18 CBEDS enrollment, showing a total decrease of 99 students. He also showed a slide comparing the 2018 enrollments by school to the 2018 "conservative" projections prepared by Decision Insite. Total enrollment was 12 students less than the projections. Decision Insite has provided projections with 99% accuracy for the past three years.

Elementary schools are funded by Basic Aid, while secondary schools' funding is based on ADA. In past years a 2% increase in revenue was built into budgeting for the next year, although growth was often in the 3-5% range. This year the District built in a 3% increase in revenue for fiscal years 2019-20 and 2020-21. If anticipated revenues dip below 2%, there is plenty of time to make adjustments. The budget cycle usually experiences fluctuations in the CPI. Jean Gardner commented that the COE routinely counsels districts not to count on revenues that have not yet been realized. Mr. Gaffney stated that staff are examining where District students transfer out to and why.

#### IV. 2018-19 First Interim

Mr. Gaffney stated that that after the State adopted this year's budget, there were changes in revenue. The Governor reduced the one-time money that was designated for schools and incorporated funds into the LCFF budget. For the First Interim, staff adjusted the adopted budget for multiple factors, including carry-over, which is not known at budget adoption. The First Interim budget also accounts for the settlement with the SCCCE, which occurred after budget adoption.

Carry-over can be frustrating to some if it is not spent in the classroom or on salary and benefits in the year it was generated. This year, multiple meetings have been scheduled with sites and departments earlier in the year to help them understand the status of their budgets, and to help with plans to spend available funds. Some carry-over will stay with the site and some will not.

A positive certification is projected for this year and for the next two years. Mr. Gaffney presented a slide show which detailed adjustments made to revenues and expenditures. Anticipated revenues are built in. SMAA (Title IV) is a new program this year. Claims are filed based on "moment in time" activities. Branciforte Small Schools receives significant funding from this program. Under Expenditures, carry-over boosted books and supplies to \$2.5 million. Food Services receives a supplement of about \$300k every year. Finance Director Greg Torr stated that the salary adjustments of 1.3% on the schedule and 1% off the schedule are included in the First Interim calculations.

Board Trustee Jeremy Shonick observed that every May, staff who are paid from donation accounts are given notice of potential lay-offs, because the donations have not yet been received and booked. The donations are later entered into the budget. Jean Gardner of the COE stated that notices are required. Mr. Shonick suggested that the Board discuss donations in advance of May.

#### V. Multi-Year Projection

Mr. Gaffney pointed out the changes in the Unrestricted Reserve percentages over the three years (10/05% in 18-19, 7.34% in 19-20, 3.83% in 20-21). GSCFT Representative Casey Carlson asked why the ending fund balance changes. She noted that several years ago, the Unrestricted Reserve percentages averaged approximately 10% over ten years, and that percentages could improve over the current percentages.

Mr. Gaffney stated that 3% is set aside for Routine Restricted Maintenance in 2019-20 and 2020-21, but not in 2018-19. Districts who receive matching funds from the State within the last 20 years are obligated to set aside these funds. This requirement was rescinded but is set to be reinstated.

It was questioned how much of the cost of salaries is paid from General Funds and how much is paid from LCFF.

#### VI. Final Thoughts

Casey Carlson mentioned that the August news that Medicare would be accepted at Kaiser Permanente came too late. She requested that this be advertised to all bargaining groups for consideration earlier in the year. It could result in savings on the cost of benefits.

A Board Study Session is scheduled for 1/23/19. Inter-district transfers (IDTs) are to be discussed. Where are SCCS students transferring and why? Currently, District elementary schools don't take IDTs. What would the impact be if they did accept IDTs? How would accepting 6<sup>th</sup> grade IDTs affect District secondary schools? What would be the impact if students whose families move from the District were allowed to stay at their current schools? It appears that the most IDTs out of the District are to Scotts Valley schools, perhaps because of their International Baccalaureate program. Could such a program be offered at a District high school? It was questioned whether placing elementary enrollment caps would provide the best use of basic aid funds.

Matt Farrell of the SC Education Foundation said that at a recent meeting regarding computer science for all students, principals voiced some concerns that the amount of funds allocated for after school programs differed from what they expected. The Ed Foundation contributes funds to the "Kids EXPLORE After School" program, and requested time to discuss this concern with staff.

The Principals present commented how much they appreciated the budget meetings with staff, and how helpful these meetings are.

VII. Adjournment

The meeting was adjourned at 7:15 pm.

Respectfully Submitted,

Catherine Meyer-Johnson  
Administrative Assistant  
Business Services

Patrick K. Gaffney  
Asst. Superintendent  
Business Services