

FOLSOM CORDOVA UNIFIED SCHOOL DISTRICT
BUDGET COMMUNICATION COMMITTEE – 2008-2009

MINUTES

February 17, 2009

The Budget Communication Committee met at 3:30 p.m. on Tuesday, February 17, 2009, in the outside conference room at the FCUSD District Office. In attendance were: Debbie Bettencourt and Marty Baumann, Joan Lopez-Jarman, representing FCAA, Bob Schlegel, representing FCEA, and Rick Willis and John Kenney, representing CSEA. Carol Campbell served as recorder.

Debbie said she would be referring to several budget documents today, including the 12-page Power Point presentation used at the recent Budget Forums in Rancho Cordova and Folsom. She pointed to the fact that education in California is seriously underfunded. In lieu of an approved State Budget, the Superintendent will be taking a “Draft List” of proposed budget reductions to the Board of Education on Thursday, February 19, with a “prepare for the worst” approach. Had the budget been approved this last weekend, said Ms. Bettencourt, she would have provided updates and changes.

Debbie then went through the “Draft List”:

- Items Under Consideration
 - First five items are one-time only items and include:
 - ◆ Use reserves identified as First Interim Financial Report
 - ◆ Receive IDEA (Spec. Ed) funding from federal stimulus package
 - ◆ Redirect the use of categorical funds
 - ◆ Postpone the retiree benefit contribution
 - ◆ Eliminate the deferred maintenance contribution and projects
 - Some of the others seem easy, i.e., “combine and/or reduce administrative positions”, but, in fact, are difficult in that the work performed still has to be completed by staff who are already overloaded with assigned duties.
 - The items listed under the \$7.7 million in cuts/reductions in “Items under Serious Consideration are things the entire District needs to work on together. This might represent a change in culture for the District as a whole. For instance, all parties can work toward getting progress reports and grades out electronically, as a move toward “paperless” transmittal of those documents. Bob Schlegel asked if there would be a “paper” option for those parents who cannot get those items electronically, and Debbie said there would be that option.
 - Bob Schlegel asked about the elimination of personal appliances at all sites and said that, as a science teacher, he uses his microwave to heat water for experiments/lessons. Debbie pointed out that the elimination applies to all but

those necessary for “instructional purposes.” However, she stated, a request from an elementary teacher, for example, saying he/she needs a microwave in his/her room to heat water twice a year for a class project will not be permitted. There will also be a cut in items that are purely discretionary, i.e., space heaters. Bob then stated that there are still problems with temperatures in class rooms, and Debbie requested that he supply dates and times so she can generate a work order of specific instances. The last round of modernization, she added, should have helped to resolve heating/air problems in the class rooms. Joan Lopez-Jarman asked if the District was going to help in reduction of energy, and Debbie replied that the District will see that temperatures remain at set points with no three degrees variance. Robert Schlegel pointed out that the irrigation pumps are “a huge expense,” and that watering is going on all the time. Debbie asked him to email her, including details (when and what time.)

- Regarding aggressively improving student attendance, Debbie said that Joseph Piazza will be asked to assist with reaching that goal. Joan pointed out that the schools have eliminated awards for perfect attendance because there were no consistent processes in place. Marty stated that the principals might work together to develop specific guidelines for such awards.
- Joan then asked about any feedback on elimination of benchmark testing, and Debbie responded that it will be left up to individual sites. Some want to keep the testing.
- John Kenney asked what is being considered for combining and/or reducing administrator positions. Debbie responded that the Superintendent is considering a couple of scenarios, which may involve the elimination of three administrative positions. Debbie added that a neighboring district (San Juan) is cutting 16 administrative positions, but because they have many more administrators than FCUSD, they have some things they can do to shift the assigned work to other people.
- Robert Schlegel recommended elimination or reduction of teacher release time in order to improve employee attendance, i.e., teachers subbing for teachers who shadow students. Marty said that it might be that that sort of release is paid for by categorical funding and not the General Fund. Robert insisted that the money flow to instruction and not to release time coverage. Joan suggested that teachers could be paid for a “collapsed training”, i.e., Family Life, after school.
- John asked about the “no subs for groundworkers” item. Debbie replied that there are a couple of things going on. There are eight groundworkers funded by the General Fund, and the District tries to find subs for them. The other part, she said comes under bond funding. This is work generally performed during the summer, and people will be hired to help on those projects.
- Regarding elimination of a resource risk management maintenance tech, Debbie said that the two employees currently sharing that position will be laid off but will be returned to their prior positions of HVAC tech and electrician. In anticipation of budget concerns, those two positions were not filled.

- Debbie reported that warehouse staffing will be cut from 3.5 to 2.5. She added that while there is no retirement among those employees, Victor has bumping rights back into a custodial position.
- The vacated ETIS network engineer position is posted for in-house applicants only. The position of the person who fills that position may not be backfilled.
- The reduction of 1.0 counselor will be covered by a retirement.
- Debbie said that at this time the District can't charge more for athletics and not provide transportation. However, she stated, a hike in home-to-school transportation charges can be considered.
- Regarding the staffing of secondary schools closer to existing class size formulas (35:1), Debbie stated that secondary has been over staffed by 25 positions. There will be an effort to keep them closer to 35:1. Bob blamed it on the demographics of the population, but Debbie pointed out that it happens at each site and that some classes are loaded at only 22 to 25 students, which makes other classes higher at the beginning of the year.
- Debbie referred to shortening the school day and course offerings for juniors and seniors and said that students will be encouraged to take community college classes. She added that Rocklin doesn't even staff for half of its seniors and encourages they attend community college instead. Joan offered that online learning is a good option as well.
- Regarding an increase in class size in grades 4-6, from an average of 29 to 30/31 students, Debbie said that there may be some savings there.

Debbie concluded the overview of the "draft list," saying that, "That's how we get to \$10.5 million. She repeated that of the first five items are one-time-only solutions and said that this list applies to the "worst case scenario."

February 2009 Budget Agreement

Debbie then shared a "February 2009 Budget Agreement" relating to the current thinking of the state legislators about increasing state revenues:

- 1 cent increase in state sales tax
 - Increase Vehicle Licensing Fee to 1.0/1.15 per cent of car's value
 - Gas excise tax of about 12 cents per gallon
 - Eliminate dependent care tax credit
 - Increase tax on high income earners.
- The legislators also hope to pass a spending cap and have tried to keep the Prop 98 calculation out of the rainy day reserve.
 - The Maintenance Factor can be a problem for the District. It was proposed that the \$9.3 billion owed under Prop 98 be written off. Instead, the electorate will vote on an amendment that, if passed, would provide \$9.3 billion in payments to schools and community colleges. However, according to Debbie, those supplemental payments would not begin until 2011-12.

Impact on FCUSD

- In 2008-09, state will take back .68% COLA
- Additional 1% cut in base revenue limit
- 15% further reduction in categorical funds
 - Three tiers of categorical funding cuts:
 - Tier 1 – no funding cuts
 - Tier II – 15% reduction, but no program flexibility
 - Tier III – 15% cut, maximum flexibility—some of FCUSD categoricals are: Gifted & Talented; Tobacco Use Grants; Peer Assistance & Review; School Safety Block Grants, ECE; APP; Misc. Block Grants; Adult Ed.
- The District could use the June, 2008 ending balances in Tier III programs and any other monies to which they are entitled over the next four years.
- The District is considering collapsing the Adult Ed program and keeping the funding. However, it is interesting, Debbie said, that the only way Adult Ed gets funding is through attendance.
- Robert Schlegel asked how much money is in the categorical Tier III stream, and Debbie said it amounts to about \$8.3 million. Some, she said, is one-time money and the District can access it for one year only. In addition, Debbie said that each program was established for good reason, and that the value of each will need to be weighed. There may be a better way to handle the programs.
- Joan Lopez-Jarman asked about instructional materials. Debbie replied that the District has accumulated about 1.3 million a year over 3-4 years for textbook adoption as they arise. She said that it may be that that money may be used for any educational purposes, but that raises the question of how the next adoption will be funded.
- Debbie said she can check the categorical balances as of 6/30/08. She added that EIA is always excluded from flexibility in categoricals.
- Regarding K-3 Class Size Reduction, Debbie said that the District will take advantage of the any flexibility offered by the state. Currently, if enrollment goes over 20 in a classroom in K-3, the District doesn't get funding. There is, she said, a proposal to loosen the penalty a little and allow the enrollment in those classes to go to 22, with only a 10-15% penalty.

2009/10 Fiscal Year

Debbie reviewed the effect of the proposed state budget on the District in 2009/10:

- No COLA
- Further reduction to K-12 spending = \$530 million, split equally to Revenue Limits and Categorical Programs. (Impact to General Fund less than anticipated because Categorical Programs are taking the hit.)

- Federal Economic Stimulus package may afford FCUSD some monies in Special Ed and Title I. May amount to \$1.6 million for Special Ed. However, the state and county may take something off the top of that figure. Debbie stated that it might make sense to spread the money out over a 4-year period.

Debbie said she is continuing to work with the numbers and will update the Board on Thursday. She won't have details until the State reaches a signed agreement. Marty asked how long it usually takes to get the details once the budget has been passed, and Debbie estimated about one week.

The meeting adjourned at 4:20 p.m.