



SMMUSD Financial Oversight Committee Minutes

Date: Tuesday, February 21, 2012

Time: 7:00 pm to 9:00 pm

Location: Testing Room, SMMUSD Administrative Offices
1651 16th Street, Santa Monica, CA 90404

I. Call to Order

The meeting was called to order at 7:00p.m. by Ms. Wagner.

Committee Members: Carrie Wagner, Chair Joan Chu Reese, Vice Chair
Craig Foster Paul Silvern
Patricia Hoffman Shelly Slaugh Nahass arrived @ 7:03pm
Tom Larmore Cynthia Torres
Gordon Lee David Vukadinovich

Board Liaisons: Jose Escarce
Laurie Lieberman arrived @ 7:05p.m.
Nimish Patel

Staff: Jan Maez
Kim Nguyen

Public: Linda Gross, Ed Foundation arrived @ 7:04p.m.
Heidi Kleis, SMMCTA arrived @ 7:06p.m.
Shari Davis, Past PTA Council President arrived @ 7:09p.m. and left @ 9:07p.m.

Absent: Craig Hamilton
Jack Walecki – Malibu High School

II. Approval of Minutes January 17, 2012 meeting

A motion was made by Mr. Lee and seconded by Mr. Silvern to approve the Minutes as amended. The motion passed unanimously. Mr. Hamilton and Ms. Slaugh Nahass were absent.

III. Staff Report: Chief Financial Officer Janece L. Maez (*Limited Discussion*)

- A. Budget Update: Ms. Maez provided a copy of handouts of the Budget and Particular Kinds of Service Board Presentations from the February 18, 2012 Board Budget Workshop that illustrated the multi-year projections. Ms. Maez described staff suggestions for the 2012-13 General Fund budget. Recommendations included: reductions of 1.2fte of Site Administrator, 1fte Special Education Coordinator, 1fte Psychologist/Behavioral Specialist, 3.0fte Advisors, 1.0fte College Counselor at SAMOHI, 0.8fte district-wide Counselor, 2.0fte between Fiscal Services, Human Resources and Personnel Commission, 3.0fte Senior Office Specialists, reduction of supplies, contracts, and other services across the district, 4fte 3rd grade instrumental music, 3fte Special Education Teachers, 5fte Special Education Aides, and change in the K-3 (non Title 1) Elementary school staffing ratio from 25:1 to 30:1 for a total of

\$3.348M. The Board discussion centered around a cut of \$2M next year with additional cuts the following years to come. The \$370/ADA was factored in as if the triggered was pulled and RDA fund lost. Even with making the cuts and adding revenue, there is still a structural deficit. If the \$4M tax measure passes in November, it is not newly found money but cuts that do not need to be made in the future years.

Ms. Maez discussed the impact of increasing primary class size and how penalties are applied to that funding. There will be Revenue Limit COLA increases beginning in 2013-14. There were no assumptions made in the permit policy at this point.

In order for the District to meet the March 15th deadline if layoffs were necessary, the first step for the Board is to adopt a resolution on Particular Kinds of Service (PKS). That resolution will be a list of job classifications. Seniority and other factors such as resignations and leave of absences will be used by Human Resources/Personnel Commission to identify employees that will be laid off. Individuals with temporary contracts will receive notices that their position will end this year and will only be rehired if temporary positions are available next year.

Mr. Foster spoke to parents who sent their children to private schools and it was due to class size. His strong feeling is to preserve class size for as long as reasonably possible so when worse comes to worst, everything was done to preserve the quality of education.

Ms. Maez stated that the District is still utilizing the Attention to Attendance Program from School Innovations and Advocacy sending letters when a number of absences or tardiness is met including excessive excused absences. Mr. Patel suggested Saturday school that would count toward ADA be considered. Mr. Vukadinovich and Mr. Foster jointly suggested that a message be carried through PTA Council.

The District's first large cash receipts come in December from the first wave of cash from property taxes (3rd or 4th week) and first installment of the City of Santa Monica Master Facilities Agreement (December 30th). Ms. Maez described how the District issues notes (TRANS) to cover cash shortfalls based on the receipt of those payments.

Stating that 57% of our teachers are at the top scale, Ms. Wagner wondered if a retirement incentive would be helpful. There was a retirement incentive two years ago but there were not that many takers in the certificated group (no more than 15-20 people). The classified group did not meet the minimum threshold. Mr. Foster said that a couple years ago, people may have hung on to every source of income but as the economy stabilizes, the interest in a retirement incentive may increase.

- B. DecisionInsight: Ms. Maez stated that DecisionInsight incorporates all known developments that would impact enrollment projection.

IV. Discussion/Action Items

- A. Approval of Measure R Audit Report: Mr. Silvern requested that on the revenue side be shown Senior Exemption be added to the table. The Measure R Audit Report will be on the March 1, 2012 Board Agenda.

- B. FOC Statement of Purpose: Ms. Wagner and Ms. Chu Reese clarified the language of the FOC Statement of Purpose. The committee agreed to strike the second to last sentence of Section III Application Process: *“A subcommittee of the Board will review the applicants listed in the recommendation and make a final recommendation to the Board”* and added *“The FOC may recommend that the board remove the FOC member from the Committee.”* onto the last sentence of the second to last paragraph in Section VI FOC Meetings and Procedures after *“This can be grounds for removal from the Committee.”* A motion was made by Ms. Torres and seconded by Mr. Lee to approve the FOC Statement of Purpose as amended. The motion passed unanimously. Mr. Hamilton was absent.
- C. FOC Nominations: Mr. Lee reported that the subcommittee members independently reviewed the eleven (11) applications received and selected the same three (3) applicants to interview. One of the applicants was a no show. Mr. Lee stated that the three (3) applicants did not have the knowledge-base in comparison to the three (3) incumbents and that it would be a great loss to the committee if the incumbents were not reappointed. Ms. Wagner suggested moving forward with the action to recommend the incumbents for reappointment. The FOC indicated that the Board item should include information regarding the process beginning with direction from the Board to open applications; the subcommittee considered the applications, ranked and made interview offers, and considered them in combination with the existing members; and made the recommendation to the full FOC that the incumbents be reappointed. Furthermore, the FOC emphasized that it would be a great loss if the committee did not have the incumbents as members on the FOC. A motion was made by Mr. Larmore and seconded by Mr. Silvern to approve the recommendation of Ms. Joan Chu Reese, Ms. Cynthia Torres, and Mr. David Vukadinovich for appointment to the FOC with a 3-year term ending December 31, 2014 be forwarded to the Board of Education. The motion passed 9-1. Ms. Hoffman opposed. Mr. Hamilton was absent.

Ms. Hoffman raised the question whether the FOC’s ad hoc committee were actually standing committees and subject to The Brown Act. Ms. Maez stated that all other district advisory committees have only ad hoc committees. Ad hoc committees are given specific charges and when the work is completed, the committee is disbanded. The committees are information gathering type committees who bring back to the full FOC body for decisions. Ms. Hoffman would like to get a legal opinion. Ms. Maez indicated that she will ask to see what has been out to the various committees.

V. Update from Ad Hoc Committees

- A. Researching District Revenue Enhancement (*J. Chu Reese, G. Lee, C. Torres, D. Vukadinovich*): No Report.
- B. Educating Public on District Finances (*C. Wagner, C. Foster, P. Hoffman, T. Larmore*): Ms. Wagner provided a copy of the Public School Finance Education 2012 presentation prepared by the ad hoc committee that included discussion of California education spending, SMMUSD Revenue and Expenditure Breakout, and other factors such as staffing ratio history, teacher placement/composition on salary scale, and local general fund contribution to special education due to the underfunding. It was recommended that

SMMUSD teacher salaries (salary range rather than details of each salary step) and programs that the District offers be illustrated in comparison with other districts as well as slides from the Superintendent Advisory Group. The committee expressed their appreciation for Ms. Wagner's work on the presentation.

- C. Comparative District Research (*T. Larmore, S. Slaugh Nahass, P. Silvern*): Mr. Larmore stated that Mr. Silvern structured and finalized a spreadsheet that illustrated the demographics of the district, profile of the district-number of students/schools, student performance on tests and SATs, parcel taxes, bond measures, Ed Foundations, comparison of the general funds, local revenue, expenditures by category, expenditures by function, and general information.

Mr. Silvern pointed out that two of the districts were basic aid districts but the demographics were similar to SMMUSD. Dr. Escarce suggested that the percentage of students taking the SATs be included. Mr. Larmore stated that the ad hoc committee tried to look beyond the numbers. The FOC thanked the ad hoc committee for their research.

- D. Special Education District Advisory Committee (SEDAC) (*C. Hamilton, P. Silvern*): No Report.

- E. Superintendent Advisory Group (SAG) (*D. Vukadinovich*): Mr. Vukadinovich stated that the second meeting was on February 6, 2012. SAG spent part of the meeting receiving reports from the different subcommittees and talked about what constituted a quality program such as individual attention and achieving that through different models, and the extra programs such as art, athletics, and music. Mr. Vukadinovich is on the fundraising subcommittee and they are tasked to look at fundraising models, importance of fundraising strategies, and foundation accountability.

The first fundraising subcommittee meeting was on February 1, 2012 where the subcommittee statement was drafted. The subcommittee's homework was to determine what worked and what could be expanded based on the culture of the District. The subcommittee took data from Mr. Foster and will meet again on February 27, 2012 to come up with ways and ideas to generate money. Mr. Larmore stated that on Saturday, March 10, 2012 from 10am-2pm at Roosevelt Elementary, Ed Foundations from various districts were invited to come together and share their experience. The FOC thanked Mr. Vukadinovich for his service on SAG. Mr. Craig Foster stated that Ms. Torres had information and should participate and join/volunteer to be a part of SAG.

VI. Receive and File (Limited Discussion)

VII. Public Comments: None

VIII. Next Meeting: March 20, 2012 from 7:00 p.m. - 9:00 p.m.

IX. Adjournment: It was moved by Mr. Foster and seconded by Ms. Slaugh Nahass to adjourn at 9:15p.m. The motion passed unanimously. Mr. Hamilton was absent.