



SMMUSD Financial Oversight Committee – Minutes-Amended
Date: Tuesday, December 1, 2009
Time: 7:00 pm to 9:00 pm
Location: Testing Room, SMMUSD Admin. Offices
1651 16th Street/Santa Monica, CA 90404

Attendance: (*Committee Members*) Joan Chu Reese, Craig Hamilton, Nimish Patel, Paul Silvern, Cynthia Torres [*Chair*], (*Board Liaison*) Barry Snell; (*Staff*) Jan Maez, Dawn Smithfield. *Absent:* Patricia Hoffman, Gordon Lee [*Vice-Chair*], Manel Sweetmore, Carrie Wagner; Jose Escarce (*Board Liaison*).

I. Call to Order

The meeting was called to order at 7:07 p.m. by Ms. Torres.

II. Approval of Minutes 11/10/09

A motion was made by Mr. Silvern and seconded by Ms. Chu Reese to approve the Minutes, as amended. Motion passed unanimously.

III. Staff Report

A. Budget Update: Ms. Maez said that the magnitude of the budget crisis is being felt and discussed, both at the State and local level. The District is still in mediation with SMMCTA, and will continue discussions up to the winter break. Ms. Maez is hopeful that another full-day session will lead to a Tentative Agreement, which could help with the multiyear projections included in the First Interim Report. There is a meeting with SEIU on 12/2/09, and the workshop information will be shared with them to show the magnitude of budget problems.

B. Preview of SMMUSD 2009-10 First Interim Report: Ms. Maez stated that this item and the complete SACS report will be submitted for Board approval on 12/10/09. A copy of the Board item narrative was distributed, and the SACS report will be mailed to FOC members. The First Interim Report lists changes to the District's budget after it was adopted in June 2009, and includes Board-adopted FTE and budget changes. She clarified that the multiyear projections correspond to the information given at the 11/21/09 Board Budget Workshop, including the projected reductions. Ms. Maez also said that the District has been in discussions with LACOE, and has discussed the planned reductions which will result in a positive balance at the end of three years. Staff believes the District will receive a positive certification from LACOE. \$8.7 million in expenditure reductions have been incorporated, including FTE reductions for certificated, classified and management staff, as well as reductions in other expenditure categories including summer school, reading specialists, energy conservation, contracts, conference/ travel, and cell phones. Enrollment increased slightly over last year, probably due to loosening of permits and private school students returning to our schools. Revenue enhancement ideas and charts from that subcommittee will be included with the letter to LACOE. Members were supportive of the extent of the reductions, but encouraged the District to include additional reductions to the list for more alternatives in the future. Ms. Maez also spoke about the possible freezing of vacancies, and other reductions in conference/travel. Approximately 112 positions may be cut, or about 20% of the workforce. In terms of the District's cash position, while other districts have had to borrow, using TRANS, SMMUSD has been able to use its reserves.

IV. Update from Subcommittees

A District Revenue Enhancement (*J. Chu Reese, G. Lee, C. Torres, C. Wagner*): Ms. Torres gave a summary of the work presented at the 11/21/09 Board Budget Workshop. The subcommittee will continue to flesh out proposals and generate new ones. Superintendent Cuneo suggested a meeting with the subcommittee and Ms. Maez to further develop these ideas. Ms. Torres thanked Mr. Snell for his suggestion to include a timeline for the ideas. Not including the possible parcel tax, the remaining ideas could generate about \$7 million annually (not including expenses) after a multi-year implementation period. It was emphasized to put at least some of these suggestions into place now to begin the revenue streams. These ideas should be revisited with the Board early next year.

FOC members on the parcel tax committee gave an update. Initial polling of likely voters has taken place, asking residents if they would support either a \$225.00 or \$475.00 parcel tax. The results were that the \$475.00 level is probably not feasible, and even the \$225.00 level could be doubtful. They concluded that additional polling may be needed to see if voters would support a parcel tax at a lower level, and if there could be a more persuasive way of presenting the need for a parcel tax to voters. The parcel tax committee will recommend a request for additional funding for a more focused survey to test these issues. Timing is another consideration. This election will probably be an all-mail ballot and take place between the middle and end of May 2010, after Spring Break to allow the Board time to make decisions. We must notify the County 120 days prior to the election as the ballot language is due 88 days prior to the election. There was no decision yet about the dollar amount or whether senior exemptions will be associated with this potential parcel tax.

B. Review of Special Education Budget (*C. Hamilton, P. Silvern*): The SEDAC and this subcommittee are scheduled to meet ~~tomorrow~~ **December 7, 2009**.

C. District Financial Strategy (*P. Hoffman, N. Patel, M. Sweetmore*): The subcommittee has met with Superintendent Cuneo, and they discussed how to move forward to inform the public about the District's financial situation and the revenue generation ideas. He may have unexpended funds remaining from the budget for the communication expert. Other public information venues may be utilized such as providing community opinion leaders and service organizations the information and basic brochures. It would mean using available information and gearing efforts toward specific organizations.

V. Measure BB Update

Mr. Hamilton explained that we're in the process of moving from planning to the construction phase. Public meetings will be held at Lincoln and Adams. It's difficult to predict what the construction market will be in 12 months, so in the meantime we are working on developing business relationships with DSA personnel. He noted that the status of the environmental project at Science Building at Samohi is still in process as the parking situation is yet to be resolved.

VI. Discussion/Action Items

A Recap of Joint Meeting with the Board of Education on 11/19/09 – Next Steps: Copies of the Minutes/Powerpoints were distributed. Members felt it was a great opportunity to share information, and they received good feedback from the Board in moving forward. Members would prefer the table set-up used in the past to allow for more interaction with the Board. It was suggested to meet with the Superintendent prior to the next joint meeting on 2/18/10.

B. Recap of 11/21/09 Board Budget Workshop – Next Steps: Copies of the Minutes from that meeting were distributed. Next steps include the submission for Board approval of the First Interim Report at the 12/10/09 Board Meeting.

C. District Cost Reduction Strategies: In addition to the strategies already listed, it was suggested to include some other items, such as school consolidations, job sharing and alternative delivery of services such as summer school. It was suggested that the District could offer an enrichment-oriented summer program with fees, offering scholarships to needy students. These sessions could offer exciting classes not offered during the school year; the Superintendent's Budget Advisory Committee (SBAC) has begun discussing ideas such as this. Since community colleges are reducing summer classes, and it's becoming increasingly difficult for students to get the classes they need or want to take, this could be an additional revenue source. Another idea was for the District to create a collective with other school districts, such as for purchasing of supplies, to gain greater value while decreasing costs. Ms. Maez noted that the District's Food and Nutrition Services belongs to the South Bay Cooperative. These cost containment strategies could also be applied to get the most "bang for the buck" in regards to Special Education. The Special Education subcommittee will come up with strategies to set programs with actual costs for services. A health benefits audit was also suggested, hiring an outside firm to review the benefits being provided to ensure they are being correctly implemented. Ms. Maez said that this service is provided by Keygent, and will ask for a proposal as there could be some cost savings. It was requested to keep this item listed as a regular item on future FOC agendas.

D. Strategic Plan Process: Ms. Torres met with Superintendent Cuneo and Jim Oswald and his team for a pre-meeting. They hope to have meaningful input by March to provide useful direction to the School Board. The previous Strategic Plan was reviewed with them, and it was noted that at least one FOC and one or two Board Members will be on the steering committee. It was emphasized that outreach is needed to include a wide range of stakeholders.

E. Reminder about FOC Social Event: Ms. Torres asked everyone to respond as to whether they would be able to attend this event at her home on 12/6/10.

VII. Receive and File

- School Services of California, Inc.: *Fiscal Reports (10/30/09 & 11/13/09)*
- Various SSC *Fiscal Reports*

VIII. Public Comments:

None

IX. Agenda Planning for Next Meeting:

January 5, 2010

X. Adjournment

The meeting was adjourned at 9:09 p.m.