



SMMUSD Financial Oversight Committee Minutes

Date: Tuesday, April 5, 2011

Time: 7:00 pm to 9:00 pm

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

I. Call to Order

The meeting was called to order at 7:08 p.m. by Ms. Wagner.

Committee Members:

Carrie Wagner, Chair	Gordon Lee
Joan Chu Reese, Vice Chair	Paul Silvern
Craig Hamilton	Shelly Slauch Nahass
Tom Larmore	David Vukadinovich

Board Liaisons: Laurie Lieberman

Staff:

Jan Maez
Debra Moore Washington
Kim Nguyen

Public: David Kramer

Absent:

Oscar de la Torre
Jose Escarce
Patricia Hoffman
Cynthia Torres

II. Approval of Minutes 3/15/11

A motion was made by Mr. Lee and seconded by Mr. Hamilton to approve the Minutes as amended. The motion passed unanimously.

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

A. Budget Update: Ms. Maez stated that she would present two budget scenarios at the April 6, 2011 Board Meeting. She will include information regarding last year's reduction. There was \$7.2M in Board approved cuts of which \$2.6M was restored last August with SOS funding and federal jobs bill. At the time of May 2010 reduction presentation, staff recommendations were not included. Sufficient cuts have not been identified to bring the budget into balance over the next three years. Ms. Maez described some of what is happening at the State level. She informed the FOC that the Governor called off negotiations with the Republicans, removing the possibility placing the tax extension on June's ballot. If the taxes are not extended, State revenues and the Districts' entitlement in Prop 98 will be reduced \$330 making the total reduction \$350/ADA. The State has a \$14M budget deficit beyond the \$350 reduction. She also stated that the savings of about \$2.2M were calculated for five (5) days of furlough.

- B. DecisionInsite: Ms. Moore Washington, Assistant Superintendent of Human Resources, provided the FOC a preliminary, beginning projection of enrollment projections. DecisionInsite developed a software program to provide enrollment projections with capabilities to assist with analysis of staffing and staffing formulas. The company looks at the District's history, trend, and new construction in cities within the District to project conservative and moderate estimated enrollment. The information provided at the FOC meeting were conservative estimates and will most likely change upon completion of Kindergarten Roundup, intent to return, and other factors such as students moving in or out of the district. Ms. Moore Washington also provided an example of a spreadsheet showing monthly enrollment by grade level to demonstrate how the District obtains data. The difference between conservative and moderate estimates is approximately 300+ students. Information is also gathered from local preschools to estimate projections.

IV. Update from Ad Hoc Committees

- A. Researching District Revenue Enhancement (*G. Lee, J. Chu Reese, C. Torres*): Ms. Chu Reese reported that the ad hoc committee met with the Superintendent and a few Board Members. Ms. Chu Reese suggested dovetailing comparative fundraising with comparative district research. Last year, the committee did preliminary exploration on licensing options tracking Beverly Hills efforts but has been dormant since. Mr. Silvern suggested the ad hoc committee circulate the latest report on fundraising ideas.
- B. Reviewing Special Education Budget (*C. Hamilton, P. Silvern*): Mr. Silvern reported that the last ad-hoc committee meeting included a unique budget presentation because for the first time, the presentation showed all revenues and expenditures consistently over a multi-year timeframe demonstrating trends and changes.

Mr. Hamilton stated that the District expenditures on non-public schools carried in 5xxx expenditure numbers are relatively flat. The classified staff salaries and number of positions appear to be the driving cost of special education.

V. Discussion/Action Items

- A. Strategic Plan Update: Ms. Chu Reese reported that a process was established and the FOC's feedback was provided to the Superintendent. Surveys were conducted with a high rate of staff input. Strategic Plan open house meetings/presentations were scheduled for April 25-28th with facilitated discussion for parent input. All input received will be integrated and presented to the Board on May 19th with action on June 2nd.
- B. Update on Superintendent Search: The Board met in closed session interviewing candidates on April 2nd and 3rd.
- C. SEDAC Meeting Purpose: Mr. Hamilton and Mr. Silvern will speak with members of the SEDAC ad hoc committee.

- D. Committee Discussion: Ms. Wagner indicated that the comparative district research committee and revenue enhancement committee may have some data overlap with fundraising.

Districts with more than \$1M raised were: Palo Alto, Moraga, Menlo Park, Beverly Hills, La Canada, Pasadena, and Manhattan Beach.

Comparative schools should be reasonably, sophisticated districts in revenue enhancement. The thought behind this was to enrich the pool of ideas. In this environment, the FOC would like to look at everything possible and continue those efforts. Members of the FOC expressed interest in exploring and identifying interesting ideas on where to save money. The committee found that there were not many differences in what the districts were doing for savings, but rather the degree of differences, such as greater furlough days.

Mr. Larmore suggested that there be FOC representation or a statement from the FOC be presented at the April 26th Santa Monica City Council meeting regarding Prop Y contract. Mr. Larmore and Ms. Wagner agreed to draft a statement to Council with a focus on the role of the FOC. This statement will be vetted with the committee and Superintendent.

- E. Agenda for next meeting: Members of SEDAC were invited to attend the May 17th, 2011 FOC meeting.

VI. Receive and File (Limited Discussion)

- A. School Services of California, Inc. *Fiscal Reports and Bills at a Glance (3/4/11 and 4/1/11)*

VII. Public Comments: None

VIII. Next Meetings: May 17, 2011 from 7:00 p.m. - 9:00 p.m.

IX. Adjournment: Meeting adjourned at 9:03 p.m.