



**Santa Monica-Malibu Unified School District
Board Committee
Financial Oversight Committee**

Minutes

October 19, 2007

Time: 7:00 to 9:00 p.m.

Location: Testing Room of the School District's

Administrative Offices - 1651 16th Street, Santa Monica, CA

Attendance: (*Committee Members*) Paul Silvern [*Chair*], Ben Allen (*via teleconference*), Patricia Hoffman, Denny Kernochan, Gordon Lee, Cynthia Torres, Carrie Wagner. (*Board Liaisons*) Maria Leon-Vazquez, Kelly Pye. (*Staff*) Steve Hodgson, Jan Maez, Laurel Schmidt, Dawn Smithfield, Dianne Talarico.
Absent: Craig Hamilton, Cheryl Stecher.

I. Call to Order

The meeting was Called to Order at 7:08 p.m. by Chair Paul Silvern.

II. Approval of the Minutes:

A motion was made by Ms. Hoffman and seconded by Ms. Torres to approve the Minutes, as amended, from the 9/11/07 Meeting. Motion passed unanimously.

III. New Business

- A. Welcoming of New Chief Financial Officer, Janece Maez: Superintendent Talarico introduced Ms. Janece Maez and she was welcomed by FOC members. Ms. Talarico stated that Dr. Hodgson is an "incredible asset" and commended him, especially for his help in obtaining the upgraded BB Bond rating. She also thanked Ms. Torres for her suggestion to increase District revenues by increasing attendance, noting that the *Every Minute Counts* document came out of that suggestion; she informed members that the goal is to increase attendance by 1% and thanked Ms. Schmidt for her efforts on this initiative. She also mentioned lunch meetings with a few FOC members and Ms. Maez. Mr. Silvern thanked Dr. Hodgson for his service to the FOC and the District, and on behalf of the Committee, welcomed Ms. Maez and offered any assistance she might need. Ms. Maez said she was glad to be at SMMUSD.
- B. Strategies for Improving Attendance: Mr. Silvern introduced Ms. Laurel Schmidt who went over the previously-distributed report *Every Minute Counts*. She said that this document has been shared with principals and school site staffs, the PTA, Board Members and Senior Cabinets and contains information on background, talking points, parent suggestions, sample documents, intervention and support, and attendance incentives. She explained that a School Attendance and Review Board (*SARB*) meeting takes place with parents (possibly including a therapist, nurse, principal, counselor and police officer) and a contract is signed when a student is frequently absent,. If a student has a prolonged illness/absence, home schooling is provided so there is no attendance loss. If a student will be on vacation with their family during regular school hours, an Independent Study contract is signed and the work is completed, avoiding attendance loss; school front office staffs have been trained to provide help in completing these contracts. Ms. Schmidt stated that increasing attendance will be a strong focus at principal meetings, inservice trainings, PTA meetings, etc. Each school has been given their last year's attendance figure and asked to increase it by 1%.

Members suggested that each site have a front office board, noting the day's attendance count, and requested periodic attendance count updates. It was also suggested that *Every Minute Counts* should be shared with all Site Governance Councils to create their plan to increase attendance as part of each Site Governance Council plan. Ms. Schmidt will offer the suggestion to principals and Dr. Hodgson will share with Ms. Talarico and Mr. Walker. Members thanked Ms. Schmidt for her efforts.

Dr. Hodgson reminded members that a projected enrollment decline of <181> students was included in the 2007-08 Budget, but that there has been an additional decline of approximately 92 students for a total decline of <283>. Some schools reported attendance instead of enrollment, and schools sites must clean their attendance systems to eliminate students who are not attending. It's hoped that what is in the system conforms to what is actually happening, but the data is still being revised. Dr. Matthews will check a sampling of schools, verifying data of those students attending with those who have moved. Members agreed that attendance must be monitored since it is our most important revenue source, but improved instruction is just as important. Dr. Hodgson attributed some of the discrepancy to those teachers who take attendance, but do not include tardy students. Members suggested a redesign of the process to provide more accurate data without increased expenditures.

A request was made for the *Potential Budget Solution Strategies* document to be brought back to the FOC, listing the status of each item, as a way to help balance the budget, especially with declining enrollment. It will be agendaized for the next meeting.

Dr. Hodgson stated that as part of the City of Santa Monica's funding requirements, a Request for Qualifications (*RFQ*) was sent out to consultants to assess the Special Education Program. The selected firm will be appointed in December. FOC members would like to be included in the discussion of financial implication of Special Education expenditures and General Fund encroachment as well as a comparison with other districts. Ms. Leon-Vazquez will recommend that the FOC be included in the committee that will be reviewing the applicants; Ms. Torres, Mr. Lee and Ms. Hoffman are interested in being on that committee. This item will be agendaized for the next FOC meeting.

- C. Report from Bond Issuance Subcommittee and Bond Rating Update: Mr. Lee, Mr. Silvern and Ms. Torres met as a subcommittee with Dr. Hodgson and Tony Hsieh of Piper Jaffray regarding issuance strategies. Dr. Hodgson said the bond sale went well and funds will be received 10/16/07. The bond rating was upgraded by Moody's from AA3 to AA2 primarily due to the "phenomenal level of community support", approved District finances, strong tax bases and assessed valuation of over \$42 billion as well as the COPs payments moved from the General Fund. Members requested the rating of the payment to be forwarded to them and asked if there is any interest in going to Standard & Poor's (*S&P*) for re-rating. Now that Moody's has upgraded the rating, there needs to be a no-cost plan back to S&P for a better rating from them. The Bond presentation and the rating report will be copied and distributed to FOC members.

Dr. Hodgson said that Parsons believes the minimum time to spend the \$265 million is six years, which would mean between now and 2010, which would exhaust the bond in 2013. We can keep the commitment to the taxpayers paying over a longer period of time, driving up the debt service. If the money is spent in six years instead of eight, it saves dollars paid to Parsons as well as debt service. The next bond could be issued in 2009, maybe for \$100 million, with the potential to complete projects in six years. Members agreed that the project schedule should be accelerated and projects completed in an efficient manner, and that those achievements should be communicated to the public.

- D. Parcel Tax Feasibility Committee Update: Mr. Silvern said that the four subcommittees (Polling, financial scenarios, legal issues and election timing) have been busy and a report to the full Committee will happen on 10/15/07, then a recommendation submitted for Board approval on 10/25/07. He also mentioned that various scenarios are being discussed, including no “sunset” clauses, renewing Measure “S” with a CPI-U adjustment, combining both Measure “S” and “Y”, but including the CPIU adjustment and the senior exemption, and phasing in the senior exemption by percentage and increasing that percentage in future years. The Committee has asked the Board to discuss its views about the value of the existing parcel taxes to the District at the 10/18/07 Board meeting.

IV. Old Business

- A. Election of Officers: Ms. Stecher cannot continue to be Co-Chair due to her work schedule, but will continue as a member on the FOC. A motion was made by Ms. Hoffman and seconded by Mr. Kernochan to nominate Mr. Silvern to remain as Chair for the 2007-08 year. Motion passed unanimously. A motion was made by Mr. Silvern and seconded by Ms. Hoffman to nominate Ms. Torres as Co-Chair for the 2007-08 year. Motion passed unanimously.
- B. Measure “S” Senior Exemption Update: Ms. Smithfield shared with members that she considers her time interacting with the senior citizens as a public relations forum to encourage passage of any upcoming parcel tax. She just began receiving calls from seniors who had received their property tax bills with the Measure “S” tax listed, although they applied for and received the exemption, and will work with Information Services to find out why.

V. Receive and File (*Limited Discussion*)

School Services of California, Inc: *Fiscal Report: (8/3/07)*
Updated FOC Roster

VI. Public Comments:

- VII. Agenda Planning for the Next Meeting:** The next FOC meeting is scheduled for 11/6/07, however, Ms. Maez cannot attend. Ms. Smithfield will email members regarding rescheduling the meeting to 10/30/07 to allow Ms. Maez to attend. The Agenda format will revert to the previous one, with the priority issues listed.

- VIII. Adjournment.** Meeting adjourned at 8:49 p.m.