



## SMMUSD Financial Oversight Committee Minutes

**Date:** Thursday, June 11, 2020

**Time:** 4:00 pm to 6:00 pm

**Location:** Zoom

[https://drive.google.com/open?id=1g\\_31b555cR7pFmn24WIH7Jddqsu9V5SU](https://drive.google.com/open?id=1g_31b555cR7pFmn24WIH7Jddqsu9V5SU)

### I. Call to Order

4:04 pm Committee Members: Alex Farivar Michael Kremer  
Shawn Landres Gordon Lee left @ 5:00 p.m.  
Marc Levis-Fitzgerald Seth Jacobson  
Payal Maniar Debbie Mulvaney  
Laurie Lieberman left @ 6:03 p.m. Matthew Crawford arrived @ 4:12 p.m.

Staff: Melody Canady Kim Nguyen  
Gerardo Cruz Mark Kelly left @ 4:57 p.m.

Absent: Matthew Covington Shelly Slaugh Nahass  
Jon Kean Craig Foster

Public: Shilo Gorospe-Eide Bailly, District Auditor left @ 4:55 p.m.

### II. Approval of Agenda

4:07 pm The committee unanimously approved the agenda as amended to move Agenda Item V.A. Recommendation to Adopt Measure R Annual Plan after Agenda Item III. Approval of FOC Meeting Minutes.

### III. Approval of FOC Meeting Minutes

4:09 pm A motion was made by Mr. Lee and seconded by Ms. Maniar to approve the May 19, 2020 meeting minutes.

AYES: Eight (8) (Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Mr. Lee, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Mulvaney)  
STUDENT ADVISORY VOTE: None (0)  
NOES: None (0)  
ABSENT: Three (3) (Mr. Covington, Mr. Crawford, Ms. Slaugh Nahass)  
ABSTAIN: None (0)

### IV. Assistant Superintendent, Business and Fiscal Report: Melody Canady (10 min)

4:57 pm Ms. Canady provided an abbreviated overview of the 2020-21 Preliminary budget presented at the June 4, 2020 Board of Education meeting.

The following 2020-21 Preliminary budget documents may be found at:

Presentation: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=31291&MID=2829>

Attachment: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=31292&MID=2829>

Multi-year Projection: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=31293&MID=2829>

Unrestricted General Fund Budget: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=31294&MID=2829>

Fiscal Stabilization Plan: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=31295&MID=2829>

Interim Report Review: <https://simbli.eboardsolutions.com/Meetings/Attachment.aspx?S=36030435&AID=31296&MID=2829>

The committee inquired about the workers' compensation rate increase of almost 10% year to year. The District's rate is 4.22% as there is currently a high number of claims. The District pays the high premium based on claims experience within the past 3 years. The rate of other districts with "normal" utilization is anywhere between 1.25%-1.5% to 2%. Staff will invite Keenan to provide a workers' compensation reporting at a future FOC meeting where the committee will see where the District stands when factored with other districts within the Joint Powers Authority (JPA).

The committee asked that staff:

- Work with Mr. Kremer to zero in on the trend cost and revenue associated with the TRANS
- Work with Mr. Farivar and Mr. Crawford on Measure GSH for year 2021-2022 to be incorporated into the budget adoption on June 25, 2020 as it was too late to incorporate into the budget public hearing on June 18, 2020
- Adjust Fiscal Stabilization Plan to reflect City of Malibu agreement
- Bring back a legal specific item at a future FOC meeting to be determined
- Provide workers' compensation reporting from Keenan

## **V. Discussion/Action Items**

### **A. Recommendation to Adopt Measure R Annual Plan (5 min)**

4:06 pm

Per past committee discussion and received public comments, Mr. Cruz provided the FOC with an overview of the revised Measure R Annual Plan that now details staff allocation to what was previously recorded as remaining "Balance Used To Preserve Programs And Replace Funds Lost Due To Inadequate State Funding." Furthermore, the projected revenue was further refined due to past projection experience.

Dr. Kelly explained how staff allocation is determined on the Measure R Annual Plan. Staff identified particular teaching services that could be replicated on an annual basis. When allocating staff, the District uses a staffing formula that determines how many FTEs a particular school site gets. The Measure R expenditures are now identified to where it can be tracked but

does not change a school site's allocation. The Measure R funding is not on top of the allocation but fits within the allocation.

Ms. Gorospe provided an overview of future Measure R audit reporting format to be in line with current standards. The performance audit will include objective, scope, and method/procedure of audit in accordance to the ballot language and annual plan. The new performance audit format provides a more explicit documentation and explanation of the audit work as well as flexibility to modify and tailor the procedures to meet needs of the District and community input to determine compliance. The bond audit reports will be similar to the format shown at this meeting; however, bond audits are both a performance and compliance audit that contains a separate financial report and a compliance report. The regular district audit will be in the same format as it always looked.

Ms. Mulvaney made the point that there was never a question that Measure R revenue was not spent correctly. The District followed the rules of Measure R. It now that the Board of Education decided based on some community input that there should be additional information and to be more transparent in the audit reporting. This discussion is not to go back and fix prior year reporting that was wrong, previous reporting was just not as detailed as what the Board of Education would like it to be.

Dr. Kelly explained that staffing ratio computes to an FTE allocation to a particular school site. The District has remained consistent to be aligned with enrollment. There have been some attrition that occurred as well as ability to remove/rescind 43 out of the 49 of the certificated layoffs. It is likely that the 6 impacted are programmatic or part-time assignments. Should the Board of Education increase or lower the staffing ratio, then staff will adjust the FTE allocation accordingly.

Ms. Mulvaney reminded the committee that Measure R is not new money. All that has been done is the detailing of expenditure. It is the same money from past years, the only change is how it will be reported.

Ms. Gorospe responded to committee inquiry of meeting with the District auditor without district management. Typically, those conversations are conducted one-on-one for sense of security with opportunity to be open.

The Measure R public hearing was held at the April 1, 2020 Board Meeting. The revised proposed Measure R annual plan may be found at the end of these minutes.

A motion was made by Mr. Landres and seconded by Ms. Mulvaney to recommend the Board of Education approve the Measure R Annual Plan as presented.

AYES: Nine (9) (Mr. Crawford, Mr. Farivar, Mr. Jacobson, Mr. Kremer, Mr. Landres, Mr. Lee, Mr. Levis-Fitzgerald, Ms. Maniar, Ms. Mulvaney)

STUDENT ADVISORY VOTE: None (0)  
NOES: None (0)  
ABSENT: Two (2) (Mr. Covington, Ms. Slaugh Nahass)  
ABSTAIN: None (0)

5:53 pm

**B. Bond Committee Recommendations**

There was no subcommittee report for a recommendation on a Bond threshold policy.

**C. Committee Report to the Board of Education on July 16, 2020**

5:54 pm

Each respective draft subcommittee report may be found at the end of these minutes.

**D. Mandates for 2020-21**

6:07 pm

The committee suggested to continue the current mandates from last year. It will be circulated to the committee as soon as it is finalized.

6:07 pm

**E. Nominating Subcommittee Recommendation for Membership effective July 1, 2020**

Mr. Crawford reported that subcommittee discussed recruitment strategies and desire to expand the candidate pool. There were no new applications received as of the date of the meeting. The committee requested that staff resend the press release to increase diversity outreach. Staff will distribute the notice to the District English Learner Advisory Committee, Bilingual Community Liaisons and other support groups of varied background and perspective.

6:20 pm

**F. FOC Special Meeting**

The committee will hold a special meeting on Monday, June 22, 2020 at 4:00 p.m. via Zoom to discuss and act on the committee report to the Board of Education and nominating subcommittee recommendation.

**VI. Receive and File (Limited Discussion)**

6:25 pm

- A. Public Correspondence dated May 23, 2020-May 24, 2020
- B. Press Release: SMMUSD FOC Accepting Applications posted May 26, 2020
- C. SSC Fiscal Report with linked references: Senate Rejects Governor Newsom's Education Cuts in State Budget Plan posted May 29, 2020
- D. SSC Fiscal Report: Legislature Reaches Agreement on 2020–21 State Budget posted June 3, 2020

**VII. Public Comments** None

**VIII. Committee Comments** None

**IX. Next Meeting:** Monday, June 22, 2020 at 4:00 p.m. via Zoom

**X. Adjournment:** The meeting adjourned at 6:27 p.m.