



SMMUSD Financial Oversight Committee Minutes

Date: Tuesday, August 16, 2011

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 704p.m. by Ms. Wagner.

Committee Members:

Carrie Wagner, Chair
Patricia Hoffman
Tom Larmore
Gordon Lee

Joan Chu Reese, Vice Chair
Paul Silvern
Shelly Slaugh Nahass
David Vukadinovich

Board Liaisons:

Jose Escarce
Ben Allen arrived at 7:11pm

Staff:

Sandy Lyon
Jan Maez
Kim Nguyen

Public:

None

Absent:

Oscar de la Torre
Craig Hamilton
Laurie Lieberman
Cynthia Torres

II. Approval of Minutes 5/31/11 and 6/2/11

A motion was made by Mr. Lee and seconded by Ms. Chu Reese to approve the Minutes. The motion passed unanimously with Mr. Silvern abstaining.

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

- A. Introduction and Comments from Superintendent Sandy Lyon: Ms. Maez introduced Ms. Lyons as the Superintendent of the District. Members of the FOC welcomed Ms. Lyon. Members of the FOC raised concerns that the District reserves are quickly depleting. Ms. Lyon responded that she looks forward to the ongoing conversation, looking at all items.
- B. Update on State and District Budget/Preparation and Planning for First Interim: Ms. Maez stated that it is looking less likely that the district will escape mid-year cuts as approved in the State budget. The books for the 2010-11 fiscal year had closed and items designated as carry-over from one year to the next that had already been committed will be identified. The unaudited actual report will be presented at the September 8th Board Meeting. State mid-year cuts will be known by the end of December. Ms. Maez stated that District negotiations with bargaining units have included conversations about “what ifs...” Ms.

Maez responded to questions from the FOC and provided the value of five (5) furlough days at \$2.2M. Class size is currently below the contractual ratio and will be monitored in the first weeks of school. The Bond Feasibility Committee will report to the Board at the September 22nd Board Meeting with their recommendation.

IV. Update from Ad Hoc Committees

- A. Researching District Revenue Enhancement (*J. Chu Reese, G. Lee, C. Torres, D. Vukadinovich*): Ms. Chu Reese reported that the ad hoc committee met and discussed Ms. Torres' research of Manhattan Beach District's partnership with their PTA and Ed Foundation. At the August 10th Board Meeting, Ed Foundation presented their strategy to the Board. Their stated goal is to fundraise \$1M by 2013. The FOC concurred with Board Member comments that the goal appeared to be a modest number. The Ed Foundation's response was that they were going to take a more aggressive approach by making direct asks to the families around November. The amount was determined to be \$365 per family, totaling approximately \$4M if everyone contributed. With regards to district-wide fundraising, Dr. Escarce commented that in addition to looking at other districts, understanding the policy framework was important. There were concerns about redundant work between the ad hoc committee and Ed Foundation. Ms. Hoffman stated that the Ed Foundation should not be completely separate but an adjunct to the District. Dr. Escarce stated that the Board drives the fundraising. Mr. Allen suggested bringing in PTA members due to the disparity in site fundraising. Mr. Lee stated that the donor piece should be looked at as well and that the message be direct and one voice from the District so that the right asks are done at the right time and for the appropriate amount. Ms. Chu Reese said that donor appreciation is very important to increase donor participation over time. Mr. Larmore suggested that the various groups have a coordinated approach to businesses to avoid overlap in multiple asks from the same donor. Ms. Hoffman stated that coordination of who asks the large donors is important. The committee will decide on how to move forward as there is opportunity for collaboration.
- B. Educating Public on District Finances (*C. Wagner, P. Hoffman*): Mr. Larmore, Mr. Vukadinovich and Mr. Allen expressed interest in participating with educating the public on district finances. Ms. Slauch Nahass suggested that the rollout be from those who has contacts with the schools and those people who are most involved first. The FOC unanimously agreed that the roll-out should be a short and brief presentation. Ms. Chu Reese stated that the PTA Board Meeting and Site Governance is the best approach to address all leadership because not everybody attends the PTA Council meetings. Ms. Hoffman suggested Parents Associations. Dr. Escarce estimated approximately thirty (30) presentations. There was discussion about limiting the presentations to the "pathways" to make the numbers more manageable, as was done with the strategic plan.
- C. Comparative District Research (*T. Larmore, S. Slauch Nahass, P. Silvern*): Mr. Larmore provided comparative districts most closely related to SMMUSD demographics. Ed Data was used in determining those districts. Dr. Escarce suggested funding level and revenue limit should be taken into consideration. Mr. Larmore stated that each member researched one district. The approach was to come together after the research was done to determine a common framework before other districts were researched. The criteria used to narrow the list were enrollment (variance of no more than 20%), language learners (within 5%), and

free and reduced meals (within 5%). Some districts had similar language learners but much larger with free and reduced meals. Two districts did not fit into either range but had some value for comparison were Palo Alto and Palos Verdes. The committee suggested adding Berkeley to the list, although enrollment was approximately 9,200 with 40% free and reduced meals.

V. Discussion/Action Items.

- A. FOC Vacancy Update: Interviews was scheduled for August 25, 2011. The recommendation will be presented at the next FOC meeting.
- B. Conflict of Interest Pledge: The Conflict of Interest Pledge was signed by the committee members who were present at the meeting.

VI. Receive and File (Limited Discussion)

- A. Acceptance of revised audit finding for FY 2008-09 from California State Controller John Chiang dated August 3, 2011 - Ms. Maez pointed out that letter received that the audit findings were received and accepted was valued approximately \$5M. Ms. Maez reported that the new student information system was used during summer school. There was less of a challenge at elementary schools because attendance is taken daily. Teachers were not familiar with the technology because attendance was previously taken hand-based. Secondary schools challenge was attendance taken six times a day. Teachers will receive a monthly roster of their attendance. The web-based system produces a weekly worksheet that will be signed. On a daily basis, the attendance office will run a report. A meeting was scheduled for SAMOHI administration to reinforce their part of the attendance process. The FOC congratulated Ms. Maez for the positive outcome with the revised audit finding for FY 2008-09 from California State Controller John Chiang.
- B. Los Angeles County Office of Education Information Bulletin #16: *2011-12 Adopted State Budget Update*
- C. *2011-12 Senior Exemptions from Measure R Parcel Tax*
- D. Approval of District's Budget Letter from Los Angeles County Office of Education dated August 10, 2011.

VII. Public Comments: None

VIII. Next Meeting: September 20, 2011 from 7:00 p.m. - 9:00 p.m.

IX. Adjournment: It was moved by Mr. Larmore and seconded by Mr. Silvern to adjourn at 856p.m. The motion passed unanimously.