



## **SMMUSD Financial Oversight Committee Notes**

**Date: Thursday, April 24, 2014**

**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**

7:08 pm

Committee Members: Craig Foster  
Peter Lippman

Tom Larmore  
Paul Silvern

Staff: Jan Maez

Kim Nguyen

Absent: Patricia Hoffman  
Gordon Lee  
Shelly Slaugh Nahass  
David Vukadinovich  
Laurie Lieberman

Joan Krenik  
DeAndre Parks  
Cynthia Torres  
Jose Escarce

Public: None

### **II. Approval of March 13, 2014 Minutes - Tabled to next meeting due to lack of quorum.**

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

7:08 pm

- A. Budget Update: Ms. Maez informed the committee that a Board budget workshop was held on March 26, 2014. (Ms. Maez's power point presentation slides are attached to these minutes.) A preliminary budget will be taken to the Board on June 5, 2014. The law requires that the public hearing and Board action on the Local Control Accountability Plan (LCAP) be on different board meeting nights. Furthermore, the public hearings for the budget and the LCAP must be done on the same evening. That will occur at a special board meeting on June 19, 2014. The adoption of both plans is scheduled for June 25, 2014.

In reviewing the budget workshop presentation with the committee, Ms. Maez explained that the Local Control Funding Formula (LCFF) changes how we think of the budget by moving away from categorical funding and allowing individual districts to focus on pupil outcomes and overall performance. The LCFF funding will be phased in through 2020-21 with the projected gap closure for 2014-2015 being 28.05%. The total entitlement for LCFF for 2014-2015 is projected to be \$77.4M (\$58.6M from property taxes, \$8.2M from Prop 30, and \$10.6M from State Aid) using the moderate projection from Decision Insite for enrollment. A cost of Living Adjustment (COLA) is built in at 0.86%.

The District's LCAP must address eight State priorities in order to be approved by the Los Angeles County Office of Education - these are listed on page 3 of the attachment. It

should also consider local goals established by the Superintendent and the Board listed on page 4.

Teacher staffing ratios to be used for the 2014-15 budget are: TK 24:1; K-3 25:1; Grades 4-5 30:1 (Title I 27:1); Grades 6-8 34:1 (JAMS 33:1); and Grades 9-12 35:1. (These ratios do not apply to special education.) In order to receive additional class size reduction money, Districts must demonstrate progress toward a staffing ratio goal of 24:1 for TK-3 determined on an average for all classes at each school on a school-by-school basis. The challenge is that the targeted goal may be met at a school but it may look like there is space available in one grade but over the ratio in another grade. There is going to be constant updating and calculation. The changes in staffing ratios include: no change to TK; a decrease in grades 2-3 to 25:1 from 30:1; a decrease in grades 6-8 from 35:1 to 34:1 (except that JAMS remains at 33:1); and a decrease in grades 9 -12 from 36:1 to 35:1.

Ms. Maez informed the committee that there is a provision in the collective bargaining agreement that provides prep time for teachers. During physical education, students receive instruction from a PAS to provide prep time for teachers. Some sites had been using their PTA funds to pay for PE Aides to supplement the number of hours. Since it is a contractual obligation, the district will begin to fully own this. It is proposed to eliminate PE aide position at elementary sites and increase PAS positions as needed. There will be more equal distribution to meet the requirements of the contract. These positions work under the credential of the principal while the students are with them.

Ms. Maez described a new allocation formula for Bilingual Community Liaisons. She reviewed changes expected in special education. There are additions of a little over 2.5 teaching positions, one (1) psychologist, and instructional aides.

With respect to districtwide support, there were no changes in the Superintendent's office at the time the presentation was put together but there is a need for a Public Information Officer. There is a change in Student Services with the addition of a Student Information System Technician. The SIS Tech will be someone that will be able to work with sites; all tasks related to the student system, not just attendance and reporting; and CALPADS reporting requirement.

Due to online testing and assessment, the Information Services Department requires an increase in on-site assistance. This need has resulted in an increase from ten (10) to fourteen (14) computer technicians with the site allocations based on the number and age of devices. There is a very robust district technology team (DTT) committee with a lot of subcommittees looking at one to one technology.

There are no changes in Human Resources or Personnel Commission. The CTA president is 100% released from classroom assignment. Fifty percent (50%) of the SEIU chief steward's salary is paid by the union. Since the current the CTA President also serves on the STRS Board, the district is reimbursed fifty percent (50%) for the time that person is away from the district. Food services staff members, with the exception of the Director, Supervisor, Administrative Assistant, and Accounting Technician are assigned to individual sites.

The district has QSS software that rolls over to Peoplesoft (LACOE system). State reports are generated from that. LACOE is undergoing a huge infrastructure change projecting 10 years for full implementation. SMMUSD will be one of the pilot districts and will have some input on how the system will end up.

There are changes to Building/Grounds from 53 to 65.125 custodians. It is suggested for two (2) lead positions, one housed at the district office and the other at Malibu High. Night custodians will increase from 33 to 34. There is an additional floating position. The big change is adding one 5-hour position to every elementary site and one 8-hour position at Malibu High and SAMOHI. There is distinction between the night positions and night crew positions. The idea is that the lead position will be responsible for taking a part of that night crew and making assignments for deeper cleaning when needed. Otherwise, they would be assigned to regular cleaning. The best management practices plan will dictate how cleaning will be done and what equipment will be used.

In response to Mr. Lippman, Ms. Maez explained that Obamacare will not increase the amount of district premiums provided in the budget. The impact on employers is to cover more people, people that the district does not provide coverage for now. An hourly employee would be entitled to a percentage of benefits should they work six (6) hours per day. There are currently limited term people at the 30-hour threshold that may have not been eligible prior to Obamacare who have now become eligible. The district must provide at least 95% of those who meet the criteria established by the Feds.

Beginning in 2015-16, the textbook budget will increase to \$1.3M. The spending has been low in the recent past because of the greater need for funding in other areas. To move forward in common core, the District must be able to have current textbook adoption. There was suggestion of e-books; however, they cost almost as much. Site supply allocations were restored from last year's 5% reduction. Other considerations include: library collections, utility expenses, contracted services, and equipment. For next year, an estimate of classified and management increases of an amount equivalent to that given to teachers in the new collective bargaining agreement.

A \$12M fund balance is expected which is about half of what the District had a couple of years ago.

Although the budget workshop presentation does not project the next couple of years, much of the deficit gets reduced in those out years. The pressure to the budget will be salary increases.

There is a goal to reduce the deficit. Part of the current deficit includes the Board's support for VSS. If new money comes from VSS, the deficit will drop. As staff turns over, more and more people will be in the new benefit category where the district only pays up to 95% of the lowest HMO premium. The CTA contract was a 3 year contract that goes through 2014-15. There was salary change in 2014-15. Enrollment changes look like it will increase in the short run but decrease long term. The \$12M reserve is 10% of the budget. In response to Mr. Lippman, there is reporting of special education students in each board meeting agenda/minutes.

**IV. Discussion/Action Items - None**

**V. Update from Ad Hoc Committees**

8:44 pm A. Malibu Unification (C. Foster, T. Larmore, P. Lippman, P. Silvern, S. Slaugh Nahass): No report.

8:44 pm B. Detailed Budget Review (T. Larmore, G. Lee, C. Torres): No report.

8:44 pm C. Retiree Benefit Obligations (J. Krenik, P. Hoffman, D. Parks): No report.

8:46 pm **VI. Local Control Accountability Plan (LCAP) Committee Update**

Mr. Larmore reported that the LCAP committee is looking at drafts of LCAP plan and reviewing goals and metrics. Dr. Terry Deloria will review an updated LCAP plan at the May 21, 2014 LCAP meeting. The hearing is scheduled for June 19, 2014 and approval at the June 25, 2014 board meeting. The LCAP committee and District's DELAC committee must be able to provide comments and the Superintendent is to respond in writing to those comments.

8:49 pm **VII. Update regarding SMMEF**

Mr. Larmore reported that SMMEF Pier Party fundraiser is scheduled for April 27, 2014.

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

**IX. Public Comments:** None

**X. Next Meeting:** Thursday, May 8, 2014 at Webster Library

**XI. Adjournment:** The meeting adjourned at 8:50p.m.