

SAN RAFAEL CITY SCHOOLS AGENDA ONLINE MINUTES

Study Session - SRCS Board of Education

March 02, 2017 4:00 PM
District Office - Boardroom
310 Nova Albion Way
San Rafael, CA 94903

Attendance Taken at 4:06 PM:

Present:

Linda Jackson
Rachel Kertz
Ms. Maika Llorens Gulati
Natu Tuatagaloa

Absent:

Greg Knell

Updated Attendance:

Greg Knell was updated to present at: 4:25 PM

I. OPEN SESSION

Minutes:

President Kertz convened the meeting to Public Session at 4:06 PM.

II. PLEDGE OF ALLEGIANCE

Minutes:

HeadsUp Executive Director Michelene Moayedí led the Pledge of Allegiance.

III. PUBLIC COMMENTS on Agendized Items (Public comment on items that appear on the agenda will be taken at the time the item is addressed by the Board.)

Minutes:

Trustee Jackson asked that public comment on the budget item be taken after the presentation from staff.

IV. STUDY SESSION

Minutes:

President Kertz commented after Monday night's Board meeting staff conversations have continued and Board members have submitted questions; this meeting will address those questions for a continued conversation to formalize input.

IV.1. FINANCE:(ESD/HSD) Discussion/Action of Budget Reduction Options

Minutes:

Superintendent Watenpaugh provided a recap of the need for budget reductions to operational and administrative costs while keeping cuts away from the classroom and minimizing the impact on students. Conversations from Monday night have continued to strategize ideas and determine what needs to be cut minimally. The Board is charged with presenting a balanced budget for both districts. MCOE reviews district budgets three times a year, at First and Second Interims and the end of the year adoption. The county reviews district budgets to see if they can meet their fiscal obligations in the coming year and two years out, giving them either a positive, qualified or negative certification. SRCS has only received positive certifications to date. If SRCS is determined 'qualified,' MCOE becomes advisory to the District in budget decisions. If the District becomes 'negatively certified,' MCOE makes budget decisions for the District with the SRCS Board becoming advisory. Dr. Watenpaugh noted that a report just released shows an increase in qualified and negatively certified districts in California; locally Sausalito/Marin City and Santa Rosa School District are on the list. He noted that the District had to make budget cuts equating 20% of the budget during the recession in 2008. This year's budget reductions are not as draconian; 3.5% in ESD and 4.7% in HSD.

Dr. Watenpaugh reviewed background information on the differences between the two districts. The ESD receives LCFF funding from the state that includes base funding, plus supplemental and concentration grant funding for the student target groups of socio-economically disadvantaged, foster youth, and EL learner and receives increased funding for increased enrollment. For interdistrict transfers into the ESD, the funds follow the student. The trend for growth continues for the ESD and then flattens out. The HSD is basic aid and is funded by local property tax, receiving little funding from the state but still required to meet requirements of an LCAP. The HSD does not receive additional funding for additional students. For students coming from outside the district, the funds do not follow the student to the HSD. The District of Choice (DOC) legislation allowed out of district students to come into a basic aid district with some funding from the state, but the DOC is sunseting and scheduled to end next year; a loss of \$400K to the SRHSD. The HSD is experiencing an enrollment growth with incoming students from the ESD, creating a growing challenge to the budget.

The HSD has been in deficit spending for a number of years, spending down the ending fund balance. In 2013 the HSD had over \$8M in the ending fund balance, and this year \$4.6M.

The Governor's January budget proposal was based on economic conditions in California. Federal level uncertainties such as threats to cut off funding to sanctuary districts create major concern as a possibility. The Governor's May Revise is unknown.

Dr. Watenpaugh reviewed costs of doing business that are out of the control of the district and continuing to rise such as utilities, sewer and insurance increases. Salaries in the ESD and HSD are where the districts spend most of their budgets, on highly qualified teachers and counselors, then special education services which requires contributions from the general fund each year, followed by operations, utilities, classified support staff, school and district administration and home-to-school transportation. The funds left for supplemental programs are fairly small.

Superintendent Watenpaugh reviewed the projected increases for 2017-18 in ESD and HSD costs for step an column, utilities and insurance, special education, routine restricted maintenance, and STRS and PERS contributions.

District priorities through the LCAP in the ESD have been: newcomers, middle school taskforce, SEAL which is expanding district-wide next year, Phyllis Goldsmith, IT, special ed non-public agencies, EL Achieve materials, and instructional coaches. In the HSD: newcomers sections expansion, Canvas expansion, CALLI, AVID and PIQE.

The budget recommendations are in the best interests of students. The district is required to meet proportionality to provide actions and services to targeted groups of students, and maintain adequate reserves. Dr. Watenpaugh noted that a 3% reserve does not cover the payment of two payrolls; collective bargaining agreements must be honored.

Today's discussion will review potential options for recommended reductions at Second Interim. For the ESD the target for budget reductions is \$1.5M. The ESD has healthy reserves; the Board could make reductions for ongoing savings, one time savings or borrow from reserves and not make any cuts at this time. The HSD target for reductions is \$1.25M in ongoing expenditures. Because of reduced reserves, the ability to borrow from savings is \$750K a year for the next two years.

The draft budget options sheets were revised since Monday's meeting. Dr. Watenpaugh noted that staff is now recommending that the allocation percentage remain at 50/50 per district so it should be taken off both the ESD and HSD option sheets.

Dr. Watenpaugh highlighted budget option items in both the ESD and HSD and potential impacts:

Elementary School District:

- continue SEAL, counselors and coaches, not looking to change programs significantly
- enrollment impact to staffing - SV- 1 FTE, VV - 2 FTE, DMS + 1 FTE and + 1 TK; savings of one teacher
- reduce instructional coaches by designating coaches for each site
- eliminate administrator on special assignment with Education Services absorbing workload
- reallocation of 7% Title I to cover categorical program oversight; allowed to reallocate up to 15%
- Reductions to Education Services and realignment of services
- residency verification; overtime payments to Enrollment/Transportation staff could fund another position to do the verifications
- elimination of Adm. Asst. Business Services vacant position

- reduction of Adm. Asst. Superintendent's Office to .5 FTE from 1 FTE
- eliminate vacant CSO community liaison position
- transfer of 10% of Director of Communications salary to bond
- elimination of principal on special assignment position
- restructure AP on special assignment and .6 Coach to a shared AP at BV and SP
- principal coach contract elimination
- move to online monitoring for absence reporting
- reduction to travel/conference budget by 30%
- reduction to contract services by 10%; based on actual costs
- reduction by 10% to other services in the 5000s
- reduction to postage by using electronic noticing of progress reports and report cards for the majority of parents/guardians
- classified reduction 1 FTE to be determined

Dr. Watenpaugh noted again that the CSO reallocation of expenditures from 50/50 be removed from the list. This updated list reflects \$825K in savings if all are done, and the remaining dollars to get to the desired \$1.5M reductions could be borrowed from reserves or the Board could choose to not do any reductions and borrow the full amount from reserves.

In response to trustee questions, staff responded that: should the Board borrow from reserves in the ESD it could go three years without making cuts; the savings do not include GASB45; with a flat enrollment projection in out years, through attrition decisions can be made to not fill positions as the district gets fewer students; regarding coaches and recommended restructuring, smaller sites would receive different FTEs than larger sites.

Public Comment on the ESD budget options:

- Allysa Tako, Dixie Parent: of the \$11M in reserves, what total amount is available? Unappropriated balance would be \$5.8M; Dr. Watenpaugh noted that STRS/PERS costs will also be going up.
- Ericka Benassini from San Pedro: who is included in travel /conferences? Dr. Perez noted it mainly teachers' conferences for professional development, with some site and CSO admin, and one Board conference a year. She noted the acceptance of some grants require staff to attend conferences

- Tania Morales, MHS: what are the plans to cover the services of the eliminated CSO community liaison position? Ms. Baer noted that the community liaison in Student Services is able to support these services

- Claudia Garcia, parent of student at Venetia Valley: hoped to not see cuts at VV. Dr. Watenpaugh noted with less students at VV projected, there may be one less teacher

- Dan Sonnet, Coleman and DMS parent: talk among parents regarding the number of conferences that teachers attend, parents want teachers in the classroom; and how can parents be assured that reductions at Central Services were fully looked at. Trustee Knell pointed out that nine of the recommended reductions are cuts to certificated management and classified in Central Services. Dr. Watenpaugh provided an update on the expected upcoming training for SEAL and GLAD training. Trustee Tuatagaloa commented on Mr. Sonnet's questions noting his appreciation for fewer subs in the classrooms, but also the importance of continuing professional development for teachers to bring best learning practices for greater student success. Mr. Tuatagaloa also noted that the Central Services Office serves two separate school districts and is run leaner than most districts; a good team of people. He asked that information with comparisons of SRCS CSO staffing and other districts be brought to the Board.

- Molly O'Donoghue, Coach at LD and Short: regarding the differences in the dollar amount of cuts that staff brought forward on February 27th as compared to today's and the need for transparency. Mr. Marquand noted that the adjustments to cuts came from discussion at the Board meeting and the nature of the budget as a moving target. He added that at Second Interim the numbers will likely change again.

In response to trustee questions regarding transportation costs, Dr. Watenpaugh noted that a report on transportation can be brought to the Board.

In response to Trustee Tuatagaloa's question to the audience about any programs to look at that are not working in their opinion, Molly O'Donoghue noted Las Links in the ESD and iResult. CTO Sandy Maynard shared that because of a shortage of staff in the IT department, data has not been completely entered into iResult. She also noted that staff are looking into the use of a dashboard capability with Aeries Analytics.

After further trustee discussion, Dr. Watenpaugh summarized for clarification that the Board was supportive of the budget option recommendations as presented and the balance was to be made up from the reserve for one year.

High School District:

Dr. Watenpaugh highlighted budget option recommendations for the HSD to meet target cuts of \$1.25M:

- staffing reductions based on SRFT contract language for staffing ratios; not cutting programs

- follow board policy to do residency verification

- retirement incentive proposed savings of \$77K
- eliminate vacant librarian position; continue with 50/50 shared position
- reorganization of Education and Business Services offices
- shifting 10% of Director of Communications' salary to the bond
- using 7% from Title I to pay for coordination at CSO
- discontinue non- tuition international students
- eliminate CSO vacant community liaison position
- eliminate vacant open secretary position in IT
- NCR reduction; move to electronic absence reporting
- reduction of 30% to travel/conference budget
- 15% reduction to contract services
- reduction of .4 literacy coach release periods
- reduction in postage/move to electronic notifications
- placeholder for reduction of 1 FTE classified to be determined

Dr. Watenpaugh reviewed as with the ESD, staff are now recommending taking the reallocation of 50/50 for ESD/HSD off the list. The proposed reductions give a savings of \$1.534M, with one time savings of \$496K identified. After First Interim, the HSD reserves have an ending fund balance of \$4.6M with only \$338K unappropriated. This could be borrowed from on a one year basis only.

The following individuals provided public comment on the HSD budget options:

- Carmen Puga, TL: regarding the title of the secretary position not being consistent in the ESD and HSD in the item related to elimination of enrollment overtime
- Alexis Morgan, MHS: regarding the reduction of work year for the MHS principal position
- Maya Bartolf, parent with Academic Excellence at TLHS: encouraged reaching out to local community partners as well as beyond Marin for potential outside funding sources; digital library still needs librarians. Trustee Llorens Gulati shared her appreciation for funding from HeadsUp, Booster and PTO groups as well as SchoolsRule; agrees with looking outside Marin for funding, but noted the time it takes for specific grant writing

- Claudia Garcia, VV parent: use VV principal as an example for reaching out to partners for support

- Carmen Puga: questioned the HSD contribution to the verification of residency secretary position proposed; work is done by the HS not enrollment office. Staff provided additional information on the role of his proposed position to take on the responsibility for the verifications the HS staff cannot do. Ms. Baer noted that the district is required to do an annual verification of residency and we currently do not have the capacity to follow the law. President Kertz noted that the Board Policy needs to be followed. Trustee Tuatagaloa shared he does not support this process for residency verification. Trustee Jackson noted she would rather borrow from reserves for a year and figure out how to do this differently. Trustees supported verification of residency for disruptive students.

- Anonymous parent: parents would have a problem with supporting students not in the district

- Chris Simenstad, SRFT President and SRHS teacher: regarding students from outside the district who get into SRCS; property taxes paid by residents to educate district students; referenced procedures used at Tamalpais HSD to verify residency; students coming from long distance cannot participate easily in afterschool activities

- Steve Coleman, SRFT representative and TLHS teacher: shared rumors he hears about how easy it is to get into SRCS from outside the district; tardies and absences with students who do not live nearby

- Ericka Benassini, SP: differences in ESD and HSD and feelings regarding residency verification

- Ann Marie Sachetti, TLHS classified: regarding handling returned mail and residency verification done by the site; reduction of .5 librarian and challenges with supervision of students who stay late; regarding the secretary position at the CSO that has never existed and the reduction of 1 FTE classified recommended

Trustee Knell left the meeting at 5:45 PM.

Superintendent Watenpaugh responded to trustee questions regarding staffing to the SRFT contract and six periods per day for high school students.

- Chris Simenstad: noted that SRFT supports reasonable minimum and maximums in classroom size, and the need for more equity in the number of students in classes; need efficient staffing. He asked that information about the retirement incentive get out to staff ASAP. The contract calls out goals for core classes, not electives.

- Steve Coleman: class sizes that are too small do not work well; in his experience 28 students is a number that works well

- Dan Sonnet: regarding scheduling flexibility and electives

- Glenn Dennis, Principal SRHS: loss of 4.2 FTE can be absorbed without impact, access to seven classes for next year will be limited, but we need to be prudent with resources that we have; if we are spending resources on students who live outside the district the school will be forced to make choices about program offerings in the future; SRHS enrollment for next year will be near 1450.

- Claudia Garcia: regarding residency verification, give consideration to students who are achieving; reinforce with parents from outside the district the need to support the school and student

- Bridget Radachy, Coleman and DMS parent: concerns about fewer electives and residency verification

- Maya Bartolf: regarding electives and the residency issue and feedback she hears from parents

- Katy Dunlap: she has been talking with parents about the need to consolidate and staff efficiently

- Glenn Dennis: regarding the need to structure programs to most effectively allocate resources, and the impacts that will be felt with a reduction in the number of math support classes, higher enrollment in EL classes, raised class sizes in PE and world languages, and possibility of fewer electives; courses through COM will be explored

Staff responded to Trustee Jackson's questions regarding the MHS principal work year reduction from 225 to 215, international students and the different categories of visas. Ms. Jackson asked that this reduction be taken off the list as it is a small savings that could have a larger impact on the site.

Trustee Tuatagaloa recommended looking at board policy and best practices for process for verification of residency, without hiring a secretary position to do it. He recommended taking the \$251K savings from residency verification off the list. Trustee Jackson noted she did not support hiring another person for this either.

Trustees Llorens Gulati and Jackson expressed their concerns about reductions to elective options and the need to hear from parents.

President Kertz noted although the reductions are higher than what is needed at this time, it is an opportunity to look at doing things more efficiently. She noted the reserve is not huge and if residency verification is not taken into consideration the reduction would have to come from somewhere else. She cautioned about using the reserves.

Dr. Watenpaugh also cautioned about spending down the reserves and the need to consider unanticipated costs that could occur that would send the district into qualified status.

After further discussion, trustees gave their support for staffing reductions at this time with the understanding that it may need to be adjusted, follow the policy and best practices for residency verification, but do not hire staff position, and take off the reduction to MHS

principal's work year. It was noted that adjustments can be made after Second Interim, if needed.

President Kertz reviewed that budget information is shared at Board meetings, LCAP meetings and Budget Advisory Committee meetings, and in individual site conversations. The Governor's May Revise will bring additional information to consider.

V. ADJOURNMENT: 6:00 P.M. (approximate time)

Minutes:

There being no further business, President Kertz adjourned the meeting at 6:34 PM.

President

Superintendent