

RAVENSWOOD CITY SCHOOL DISTRICT

BOARD OF TRUSTEES

SPECIAL BOARD MEETING

Board Meeting Room
2120 Euclid Avenue
East Palo Alto, CA 94303

Board Members:

Sharifa Wilson, President
Ana Maria Pulido, Vice President
Marcelino López, Clerk
Marielena Gaona-Mendoza, Member
Dr. Charlie M. Knight, Member

Draft MINUTES December 9, 2017

1. **CALL TO ORDER/ROLL CALL.**

President Wilson called the meeting to order at 9:03 a.m. Trustees Gaona Mendoza, López, Pulido and Wilson were present. Trustee Knight was absent due to illness.

2. **APPROVAL OF AGENDA.**

MSC (Pulido/López) to approve the agenda as presented. Motion carried unanimously.

The Board adjourned into Closed Session at 9:04 a.m. Open Session reconvened at 9:40 a.m.

3/4 **REPORT OF ACTION TAKEN IN CLOSED SESSION PURSUANT TO GOVERNMENT
CODE SECTION 54957.1**

President Wilson welcomed everyone in the audience.

3. CONFERENCE WITH LABOR NEGOTIATOR

President Wilson stated that the Board received information on Item 3.D.1

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| 1. District Negotiator: | Dr. Gloria M. Hernández-Goff and appropriate staff member |
| Employee Organization: | RTA–CSEA
Unrepresented Parties (Management/Confidential) |

5. **FROM THE FLOOR.** None.

6. **BUSINESS DEPARTMENT**

- A. Mr. Eichman thanked the Board for coming to this Special Meeting on a Saturday morning. He indicated that the first item is the First Reading of Board Policy 3470, Debt Issuance and Management Policy. He presented the new policy to the Board and indicated that a new policy reflects new Law (SB 1029) which mandates that boards adopt a debt management policy prior to issuing any debt, including, but not limited to, general obligation bonds, tax and revenue anticipation notes, and certificates of participation. This new Policy addresses the components mandated by law. It will come back for approval at the next Regular Board Meeting. He noted that Mr. Shin Greene will come to the Board Meeting on December 14, 2017, to address any questions that the Board may have regarding BP 3470.

- B. 2017-18 Budget Study Session. Mr. Steve Eichman provided a PowerPoint presentation and answered questions from the Board regarding the following: (1) How the RCSD got there, Revenues, Expenditures and Contributions. (2) Budget update. (3) Next steps.

The PowerPoint included: Actual enrollment and projections: (a) Average Daily Attendance (ADA) in current year is lower than projected in the adopted budget; (b) Enrollment determines ADA. The “yield” is the percent of students enrolled who attend school over the course of the year. (c) Projections have been updated. (d) Enrollment and projections from 2014-15 to 2019-2020. He noted that the enrollment for 2018-19 and 2019-20 have an asterisk because these projections are subject to future review. Mr. Eichman informed the Board that enrollment has been down overtime, between 2016-17 and 2017-18 there is a larger decreased that RCSD did not anticipate that happened due to cost of living in the bay area and because KIPP Charter opened up this year. (e) 2017-18 and Multi-Year Assumptions: Budget planning factors. Revenues determined by the State and LCFF calculator. Mr. Eichman pointed out that above Expenditures, STRS Employer rates should be down underneath expenditures. (f) Impact of 7 years of State Teachers Retirement System (STRS) increases on average teacher cost. Dr. Hernández-Goff indicated that this is an example of what the cost would be for one teacher. Average salary \$65,000. In 2013-14: STRS \$5,362.50, Health & Welfare \$6,935. Total Cost (Salary and benefits per individual): **\$77,297.50**.

In 2019-20: STRS \$11,785.00, Health & Welfare \$9,929. Total Cost (Salary and benefits per individual): **\$92,188**. Mr. Eichman stated that currently there are 177 RTA unit members.

(g) Impact of 7 years of Public Employees Retirement System (PERS) increases on average classified staff cost. Average salary: \$52,752. In 2013-14: PERS \$6,035.88, Health & Welfare \$6,935. Total Cost (Salary and benefits per individual): **\$65,722.88**.

In 2019-20: PERS \$10,972.00, Health & Welfare \$9,929. Total Cost (Salary and benefits per individual): **\$81,365**. Mr. Eichman stated that currently there are 241 CSEA unit members.

(h) Local Control Funding Formula (LCFF) Funding by year for RCSD (2015-16 to 2019-20). Mr. Eichman informed the Board that with the exception of the 2015-16 to 2016-17, the amount receiving for LCFF revenue has been going down and the enrollment has been going down as well.

(i) Overview of the 2017-18 and Multi-Year projection, General Fund Budget (2017-18 to 2019-2020). (Total Revenues and other financing sources, Total Expenditures and transfers out, Net increase (decrease) in fund balance, Beginning fund balance, Projected ending fund balance, 3% State required reserve designated for economic uncertainties, and Restricted fund balance). Total Expenditures and transfers out: Mr. Eichman noted that for 2018-19 and 2019-2020, the two numbers are bolded and have an asterisk, noting that 2018-19 includes **\$3.3 million** in expenditure reductions, and 2019-20 includes **\$1.7 million** in expenditure reductions that RCSD needs to make in order to meet the 3% state required reserve. He reported that over those two years, the district needs to make **\$5 million** in expenditure reductions in order to meet its state required reserve.

(j) Major Changes from Adopted Budget. (1) Enrollment projections are lower: 2018-19 ADA is lower than budgeted=**\$2,806,060**. 2019-20 ADA is lower than budgeted=**\$871,000**. (2) GAP Funding % is lower: 2018-19, 5.41% reduction=**\$290,000**. 2019-20, 8.59% reduction=**\$147,000**.

(k) General Fund Budget. Contributions to Restricted Programs, Projected 2017-18 Totals: Special Education \$4,964,502, RSIP Staffing Requirements \$1,462,288, Routine Restricted Maintenance

established by State Law \$1,820,976, Child Development Fund \$280,074, Child Nutrition Fund \$300,000. Total Anticipated Projected Contribution for this year: \$8,827,840.

(l) Conclusion: The multi-year projections support that the District is able to meet its 3% financial obligations for the current and subsequent year with **\$3.3 million** in expenditure reductions in 2018-19. For the District to meet its financial obligations during 2019-20, approximately **\$1.7 million** in additional expenditures must be identified in order to meet its 3% economic reserve. (Total: **\$5 million**)

(m) Next steps: (1) Establish priorities; (2) Freeze on new hires and curtail overtime costs; (3) Superintendent and team are reviewing budgets and will make recommendations to the Board to enable the District to provide excellent instructional services and meet its financial obligations.

Dr. Hernández-Goff stated that she and her staff have expended a lot of time on this, and now they have a more realistic view. This implies some very pro-active actions on their part in terms of recruiting and retaining students and starting the enrollment process much earlier in the year. They started the enrollment for next year a month ago. They have gone to preschools, Curriculum and Instruction has developed a presentation and Kindergarten teachers have gone with staff to the preschools with enrollment forms to recruit students. She noted that the Middle School is another area where the District has the potential to lose a significant number of students. Therefore, over the next few weeks, the Middle School Team and some students will be going to all the RCSD 5th grade classes to encourage the students to sign-up for the Ravenswood Middle School. There will also be “cafecitos” for 5th grade parents to answer any questions they may have. Dr. Hernández-Goff pointed out that they have put a lot of time on enrollment for next year.

President Wilson asked Dr. Hernández-Goff if the District has a database of the Tinsley students or if she can get it from the County, so the District can send them information about the Ravenswood Middle School. Dr. Hernández-Goff will contact Ms. Mefula Fairley for this information.

President Wilson reported that she attended the SPARKs presentation at César Chávez. She noted that Epli Pahulu, the 7th grade student who played the flute at the last Board Meeting, was asking very good questions of the presenters and was very articulated. He is a wonderful example to take around to help to promote the Middle School.

Trustee López raised a concern about the students and families that the District is going to lose because they cannot afford to live here due to the high cost of living. He noted that the rent in East Palo Alto is higher than in Santa Clara.

President Wilson and Trustee Pulido indicated that the District needs to be prepared for the additional loss and look for additional sources.

Dr. Hernández-Goff pointed out that the District needs to continue to prepare and update its academic program so that it can get more students who come to Ravenswood.

Trustee Pulido indicated that they want to keep the students in the District and they want to keep the revenue sources, but they also want to improve the quality of the programs to attract and to retain students in Ravenswood. Improving the quality of the programs is not only going to keep and attract students to the District but it is also a way to get additional revenue sources.

President Wilson asked Mr. Eichman to add to the Next Steps “Exploring additional revenue sources.”

Trustee Pulido indicated that when they scheduled this Study Session was not only to look at the loss because they have already talked about it but to look at areas in a more specific way, identifying programs or departments and staffing. She thought that the Superintendent was going to have an idea already at this point as to what to look at, but it seems that they are still far away from that.

Dr. Hernández-Goff indicated that they are not far away from that, but they are not prepared to bring it to the Board yet, because there are other steps that they need to take before they bring it to the Board, but staff is currently working on that.

Trustee López indicated that they need to start informing the parents about this issue.

President Wilson was glad that Trustee López mentioned that. She said that the District should find a way to involve the parents to understand the budget process, perhaps through the DELAC or the “cafecitos” to involve parents so they can see the numbers and understand the long-term impact and understand how ADA impacts the budget, and also they understand where the revenues are, and where the expenditures are. It is very important for them to communicate and make sure that everyone has the information. Because the Board knows that there are going to have a tremendous impact probably in staffing, so they need to anticipate that by providing information to everyone, so that they understand why the Board make those decisions, and probably they can make recommendations for budget reductions.

Trustee Pulido agrees and supports that idea. Any time the Board is going to make some cuts, layoffs or budget reductions, they had a lot of resistance from the community because they are concerned about the loss of the schools, the loss of students and it is absolutely reasonable so getting ahead of it by giving them all the information so they understand where they are, where the environment is as far of financially and in that way, when the Board has to make these difficult decisions, it is an understanding why and there is an acceptance of it. Otherwise they put themselves in an ever more difficult situation than they are already in. She is very supportive of letting the parents know what is happening and setting the tone for what is going to come, and also getting ideas from them as President Wilson mentioned.

Trustee Gaona Mendoza commented that approximately 160 new Tinsley students are being transferred to Palo Alto every year. She is volunteering for parents in her community because in the past she worked as a Home-School Liaison so she has a very close relationship with them and she is still an advocate for them. Therefore, she would need to know the new changes that the District did, and did not have before so she can tell the parents and this will be a way to bring them back to Ravenswood. Regarding to housing in the community, she believes that most of the new families are going to be technology workers that will move in, and maybe they will look at the test results before enrolling their children. Therefore, it is very important that RCSD does everything it can do to raise the scores. That will make a big difference when the parents decide where to enroll their children, including transfers, private or charter schools. It would also be very interesting to see the results from the KIPP School and notify the parents if their scores are not much different from Ravenswood's. Trustee Gaona Mendoza said that when the time comes to make cuts on positions, the Superintendent shall reach out donors, Facebook, and REF, and do everything she can before making the cuts not after. She also indicated that the District needs to be more specific about the amount it will save by cutting those positions.

Trustee Gaona Mendoza noted that in Redwood City, they are also losing many students due to Charter Schools. Therefore, they started to enroll students in November instead of February. Dr. Hernández-

Goff said that Ravenswood also started enrollment last month. Trustee Gaona Mendoza pointed out that the “cafecitos” and School Site Council Meetings are good to explain the parents the budget.

President Wilson thanked Trustee Gaona Mendoza for her good suggestions/ideas. She indicated that after making decisions, they need to inform the parents what they decided to do. President Wilson stated that Trustee Gaona Mendoza is correct in being specific about what they are going to cut, what amount RCSD is going to be saving and identify the revenue sources ahead of time.

President Wilson asked Dr. Hernández Goff when she anticipates bringing suggestions to the Board. Dr. Hernández-Goff said that the idea is to provide updates that include enrollment and priorities at every Board Meeting.

Trustee Pulido indicated that in the past, they talked about programs like the CDC that has been encroaching for some time and they have been having conversations about it for over a year, and it still seems they are far away from making decisions. They talked about bringing it back and make a decision about it, figuring out what is the next move as far as the quality of the program, the financial piece, and she has not heard anything. She is at the point of getting frustrated because she feels that there are things that can be more actionable right now and not so far out, yet they are not coming back to the Board. She noted that this is an example of things that the Board has been talking about for so long but she does not see anything happening.

Dr. Hernández-Goff stated that she will bring this item along with food service Department hopefully in January. She noted that this will include HR issues.

President Wilson stated that she shares Trustee Pulido’s frustration and indicated that one of the issues that folds in the Budget discussion, is that RCSD has these programs that are encroaching on the General Fund and they need to figure out how to reduce that, so she does expect recommendations about the CDC and Nutrition. Therefore, she would like some priorities and focus put on that as they make budget decisions, to figure out a way that they can take the burden of these expenses off of RCSD.

7. ADJOURNMENT

There being no further business to come before the Board, President Wilson adjourned the Meeting at 10:27 a.m.

February 8, 2018

Date of Approval

Clerk’s Signature

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