

**SANTEE SCHOOL DISTRICT
SPECIAL MEETING
OF THE BOARD OF EDUCATION**

February 3, 2014
MINUTES

Douglas E. Giles
Educational Resource Center
9619 Cuyamaca Street
Santee, California

A. OPENING PROCEDURES

1. Call to Order and Welcome

President Fox called the meeting to order at 5.37 p.m.

Members present:

Ken Fox, President
Dustin Burns, Vice President
Barbara Ryan, Clerk
Elana Levens-Craig, Member
Dianne El-Hajj, Member

Administration present:

Dr. Cathy Pierce, Superintendent and Secretary to the Board
Karl Christensen, Assistant Superintendent, Business Services
Tim Larson, Assistant Superintendent, Human Resources/Pupil Services
Dr. Stephanie Pierce, Director, Educational Services
Evon Avila, Administrative Secretary

B. PUBLIC COMMUNICATION

During this time, citizens are invited to address the Board of Education about any item on this special meeting agenda. There were no comments.

C. MID-YEAR BUDGET WORKSHOP

Administration provided information and recommendations to the Board of Education regarding the development of the operating budget for the 2014-15 school year. The Governor's 2014-15 Budget Proposal was released on January 9, 2014. Karl Christensen prefaced the budget workshop with the disclaimer that the Governor's Proposal is only a proposal at this time, and not an adopted budget as the budget proposal will be reviewed by the legislature. Mr. Christensen reviewed the possible impacts of the Governor's Budget Proposal and how it may affect the District's budget. The main topics of information included the following:

1. GOVERNOR'S BUDGET PROPOSAL

Mr. Christensen provided a summary of 2014-15 Governor's Budget Proposal and shared information on the California economy, State revenues; and Prop 98, along with other budget and fiscal policy proposals.

2. BENEFITS ANALYSIS AND OPERATIONAL COST PRESSURES

Karl Christensen outlined the District's statutory and health/welfare benefit rate projections. Mr. Christensen provided the Board of Education with a breakdown of the projections for STRS, PERS, FICA, Medicare, State Unemployment Insurance, Workers' Compensation, and the health care increases. Mr. Christensen provided examples of how the calculations were determined. Mr. Christensen explained that the percentages shown for STRS are strictly internal estimates; PERS percentage numbers were provided by PERS; FICA and Medicare percentages are static; and State Unemployment Insurance has a high variation from year to year.

Mr. Christensen reviewed the Analysis of Recurring Operational Cost Pressures on New Revenue. Mr. Christensen estimated the structural deficit carried into 2014-15 is \$412,709. Recurring operational cost increases include: step & column salary increases, Health & Welfare benefits, STRS & PERS; SUI, Workers Compensation, centralized services, long-term debt, special education & Routine Restricted Maintenance (RRMA) non-salary cost increases, to 3% in 2015-16. The District has been operating at about 2% with flexibility and it is anticipated that the flexibility will go away by 2015-16. The total projected operational cost increase is \$1,174,768 in 2014-15; \$1,509,666 in 2015-16; and \$1,081,664 in 2016-17. Mr. Christensen further reviewed the negotiated on-going salary increases in 2014-15 of \$1,485,183, resulting in a total impact to new Local Control Funding Formula (LCFF) revenue for 2014-15 equal to \$3,072,660.

The total LCFF new revenue (including both the base grant and the supplemental grant) is \$3,583,767. The difference between the operational cost pressures and the LCFF new revenue is \$511,107 (considering all LCFF new revenue), or -\$503,754 for the LCFF new revenue base grant only.

3. MULTI-YEAR PROJECTION

Mr. Christensen reviewed and explained each of the three multi-year projections (MYP). One MYP is based on data provided by School Services of California, Inc. and is the most conservative projection. Another MYP is based on information from the Department of Finance and is an aggressively optimistic projection. Mr. Christensen provided a MYP combining and averaging the data provided by School Services of California and the Department of Finance to create a projection that is moderate. Note: no negotiated salary increases were included on the MYPs in year 2015-16 and beyond.

4. LCAP ELEMENTS

LCAP is a document that defines the services utilizing stakeholder input, the 8 State priority areas, and is linked to the budget. Karl Christensen provided a brief summary of the LCAP elements and progression. The LCAP is a fundamentally different methodology and student achievement is based on locally defined performance measures. The District will need to establish goals and objectives, with action steps, for conditions of learning, pupil outcomes and engagement, increased or improved services for all students, and increased or improved services for unduplicated count students in the same proportion as the amount of targeted funds received. The LCAP Progression is as follows: Data, Needs, Goals, Actions = Services and Budgeted Items

5. BUDGET DEVELOPMENT INTERNAL GUIDANCE

Karl Christensen provided an overview of three of the primary systems that can assist the Board of Education on budget decision making:

- Common Core Funds Spending Plan (CCSP)
- BAC Fiscal Priorities Ranking
- LCAP Input

Mr. Christensen requested Board direction on format and percentages for the CCSP: The Board provided the following direction for the CCSP with the option to change if needed:

Common Core Funds Spending Plan (CCSP)		
Uses	Est. Amount	% of Funds
Professional Development	\$400,000	31.01%
Instructional Materials	\$300,000	23.26%
Technology Infrastructure and Devices	\$505,964	39.23%
Indirect Costs	\$83,814	6.50%
Total Uses	\$1,289,778	100.0%
Revenue	\$1,289,778	
Difference	(0)	

A Public Hearing and Discussion Item will be brought to a subsequent Board of Education meeting for Board action.

Mr. Christensen provided the Board with the ranking descriptions and participant counts for the fiscal priorities survey. The fiscal priorities survey results were reviewed by the Board along with the LCAP stakeholder input report on the each of the State priority areas and a graph depicting the LCAP input web survey results by sub-group, categories, and priority levels. Administration is currently seeking additional parent input through PTA meetings, principal newsletters, and other committee gatherings. Member Levens-Craig suggested ways to get more stakeholder input. Administration will work on ways to engage more stakeholders including email with a survey link embedded, voicemail messages, laptops and/or paper surveys available at various committee meetings. Mr. Christensen stated that he will provide the Board with comments that have been received from stakeholders designating which came from staff or the community.

6. POTENTIAL BUDGET AUGMENTATIONS

Karl Christensen reviewed potential budget augmentations:

- Digital Learning Initiative: Devices; replenishment reserve; infrastructure; technology operations staff (3 FTE) 1 administrator and 2 technicians
- Instructional Support: Teachers on Special Assignment (4 FTE)
- Instructional Materials – Safari Montage, Dreambox, Learning Management System, Ebooks, other TBD- \$350,000/year
- Foreign Language: Enrichment; Dual Immersion
- Facilities: Pepper Drive School HVAC System Replacement over 3-year period (installed in 1992; currently failing) - \$535,000; Annual Deferred Maintenance funds can be used towards this cost – \$1.5m to \$2m cost with possible Prop 39 funds utilized.
- Bus Replacement: Six buses are beyond their lifespan; a suggested plan is to replace two buses per year over a 3-year period.
- Other Support Staff: Nursing/Student Health, possible LVN (1 FTE); Maintenance & Operations (1 FTE) \$40,000 increase.

Mr. Christensen outlined the Potential Budget Augmentations chart.

The Board had an open discussion about potential budget augmentations, with a lengthy discussion on 1:1 devices vs. traditional textbook adoption, and the implementation and staff support required if 1:1 device adoption is rolled out. The estimate used for devices is \$782 each (all inclusive). Member Fox inquired about alternate plans to a 1:1 device initiative and asked if a 1:1 device initiative be needed if a Bring-Your-Own-Device plan was put in place. Dr. Cathy Pierce stated that a Bring-Your-Own-Device initiative would bring a variety of devices into the classroom which poses challenges with consistency among devices. Dr. Pierce stated that a 1:1 device initiative would provide the vehicle to ensure every student has digital access to instructional materials. Member Levens-Craig inquired about other options that may be researched. Dr. Pierce stated that the District is at an instructional materials crossroads; and stated that although a 1:1 device adoption is currently proposed over a 3-year rollout, there are other options available. It is at the Board's discretion to move with a slower impact to the District's budget with a partial rollout of a 1:1 Device adoption to certain grade levels, or over a longer period of time, or not at all. The Board continued discussion of digital textbooks in relation to student achievement, with Member El-Hajj offering additional insight regarding student digital learning, use of technology in the classroom, and its resulting impact on student achievement. Member Burns stated the Board has discretion to partially fund a 1:1 device initiative at certain grade levels, and it is a risk by the Board if a 1:1 device adoption is implemented. Member Burns expressed concern about professional development for teachers to deliver technology instruction to students to its full potential as a key step in a 1:1 device adoption. Dr. Pierce added that a clear exit strategy would be established should the District's budget become unexpectedly impacted.

Member Burns asked Mr. Christensen for additional background on the District's projected reserves over the next three years. Mr. Christensen demonstrated scenarios in MYP from conservative financial projections (SSC) to optimistic projections (DOF). Member Fox requested that an additional Counselor (1 FTE) be included on the augmentations list for consideration.

The Board of Education prioritized each item on the chart of Potential Budget Augmentations as 1 = high priority; 2 = moderate priority; and 3 = low priority.

Potential Budget Augmentations									
#	Category / Project	Need Description	On-Going?	Priority	2013-14	2014-15	2015-16	2016-17	Total
1a	<i>Digital Learning Initiative</i>	Teacher and Student Devices		1	195,500	1,694,594	1,694,594	1,694,594	5,279,282
1b		Technology Reserve	x	1				1,016,600	1,016,600
1c		Infrastructure Upgrade	x	1		229,000	204,000	192,000	625,000
1d		Technology Operations Staffing Increase (3 FTE)	x	1	40,000	160,000	228,000	239,400	667,400
2	<i>Instructional Support</i>	Teachers on Special Assignment (4 FTE)	x	1		120,000	246,000	258,300	624,300
3	<i>Instructional Materials</i>	Safari Montage, Dreambox, Learning Management System, Ebooks, other	x	1		350,000	350,000	350,000	1,050,000

#	Category / Project	Need Description	On-Going?	Priority	2013-14	2014-15	2015-16	2016-17	Total
4a	<i>Foreign Language</i>	Enrichment	x	2		9,454	9,454	9,454	28,362
4b		Dual Immersion	x	3		129,878	174,363	218,141	522,382
5	<i>Facilities</i>	Replacement of HVAC system at Pepper Drive		1		250,000	250,000	300,000	800,000
6	<i>Bus Replacement</i>	Replacement of 6 older busses, 2 per year		1		*100,000	0	0	100,000
7a	<i>Other Support Staff</i>	Nursing/Student Health (1 FTE)	x	3		46,017	48,318	50,734	145,069
7b		Maintenance & Operations (1 FTE)	x	2		38,990	40,940	42,986	122,916
		Counselor (1 FTE)	x	More info is needed					
		Math Director	x	Recruiting in progress					

*Board priority 1 is for the purchase of one (1) school bus to be replaced in 2014-15. Replacement of remaining buses may be revisited year to year.

Karl Christensen discussed next steps: Administration will bring a proposal forth at a subsequent meeting for the consideration of the Board of Education to purchase devices for the first step in a 1:1 device adoption during 2013-14. The goal is to receive the devices in time to go home with teachers over summer 2014. Administration will plan a Town Hall Forum for March 3, 2014 to discuss the implementation of 1:1 device adoption and a master timeline will be developed with stakeholder input.

D. ADJOURNMENT

With no further business to be discussed, the February 3, 2014 special meeting was adjourned at 9:05 p.m.