

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

June 29, 2009
MINUTES

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

A. OPENING PROCEDURES

1. Call to Order and Welcome
President El-Hajj called the meeting to order at 6:07 p.m.
Members present:
Dianne El-Hajj, President
Dustin Burns, Vice President
Barbara Ryan, Clerk
Allen Carlisle, Member
Dan Bartholomew, Member
2. District Mission
3. Pledge of Allegiance
The Pledge of Allegiance was led by Dianne El-Hajj.

B. APPROVAL OF AGENDA

Motion: **Ryan** *Second:* **Carlisle** *Vote:* **5-0**

C. PUBLIC COMMUNICATION

There were no comments from the public.

D. PUBLIC HEARING

1. 2009-10 Santee School District Budget

President El-Hajj opened the public hearing for the adoption of the Santee School District Budget. Allwyn Gazi, president of STA, asked if the budget could be made available prior to the meeting in the future.

E. BUDGET WORKSHOP

1. Budget Review

- a. **Projected Budgets for 2009-10, 2010-11, and 2011-12**
- b. **Budget Reductions for 2009-10**
- c. **Budget Advisory Committee Recommendations**

Karl Christensen provided a review of the District's 3-year projected budget. Tonight was for information purposes and administration will return in a Board workshop, maybe in August, with an analysis and an action plan. He reported the County directed us to resubmit the budget for adoption with accounting changes developed from the flexibility that is now being provided in categorical funding. Last week Mr. Christensen and the finance team spent the entire week rebuilding the budget. He thanked Faith, Tory, and Debbie for the many hours they worked last week to provide a comprehensive overview. He presented a new budget for re-adoption and provided a report to give the Board a full understanding of the changes. Mr. Christensen shared the budget reductions that have been approved by the Board and enacted. Many of the reductions are one-time reductions.

The Board asked Mr. Christensen to continue to use the presented documents as an ongoing list. Member Burns would like any updates provided to the Board in a report and not have a workshop unless it is needed.

All of reserves were incorporated into the new numbers for the budget to be accurate. On the unrestricted side, you want to avoid deficit spending because it can cause you to use your reserves. Previously it was lower, because the State required us to take all the restricted fund balances and move them to the unrestricted. He also took some 08-09 money that was not spent and moved it into the 09-10 budget. To the extent we can beef up the fund balance for 08-09 it will help in 09-10.

There is a projected deficit in the 09-10 budget of \$1.7M. The primary reason is the COPs payment, which was moved from the facilities fund into the general fund.

You achieve the multi-year projection for 2010-11 by rolling all of the expenditures from 2009-10 and add any accounting changes you are aware of. The federal stimulus money \$1.5 M in revenue will cover the additional expenses.

If you move expenditures to restricted for 2009-10, the expenditures must be moved back to the general fund in 2010-11. Another item that adds to the expenses is step and column increase (\$480,000). Also, there are natural inflationary pressures for other items, such as utilities, trash, etc.,

President El-Hajj and Member Burns asked if the projected budgets show the decrease anticipated for SDG&E through modernization. Mr. Christensen factored in last years expenses, with a 6% increase and offset it from the anticipated summer savings.

Member Burns asked Mr. Christensen to do an analysis on the power savings from modernization. Mr. Christensen said the best analysis would be kwh usage rather than dollar to dollar. He will also be logging kwh usage during the summer months to see what savings is achieved.

Mr. Christensen reminded the Board; this is a projection, not a forecast and is based on a fixed point in time. The budget is a continually moving target. He said the \$1.7M deficit in 2009-10 could be absorbed by the reserves but Administration plans to return with additional options for consideration. Mr. Christensen said reductions for the 2010-11 deficit need to be ongoing reductions to be effective. He shared a summary of the reasons for the differences between the original adopted budget on June 16 and the one presented tonight. Some of the differences included: one time budget solutions, inflationary pressures, accounting changes, and transportation funding cut by 65%. If the transportation funding is not cut, the local contribution is decreased and will add to the general fund balance.

Member Ryan is concerned if the County makes us take a reduction that may not materialize, then the Board would be asked to make cuts that may not be needed. Dr. Shaw said because of the volatility of the State finances, he urged caution and to plan for the worst. If the worst does not materialize, then it will add to the usable dollars.

Mr. Christensen provided a list of considerations to close the budget gap. Member Carlisle said when Mr. Christensen is in discussions with Padre Dam, the assessment fee could be used to provide the required connections. Mr. Christensen liked that idea and will pursue it. The list of considerations included:

- Fund the COPS payment from the BAN,
- Use \$477,530 SFSF funds to offset general fund expenses,
- Pursue custodial reorganization,
- Pursue ERC reorganization,
- Analyze clerical staffing formulas a schools,
- Pursue alternative Social Security program for part-time employees,
- Reduce general ed transportation through extended boundaries or fees,
- Starting and ending times,
- Analyze SE transportation for possible reductions,
- Analyze IMFRP funds for flexibility if textbook adoptions are deferred until 2012, (We would need to make sure we set aside the money for when textbooks need to be adopted.
- Employee furlough days,
- Salary rollback for compensation,
- Increase K-3 class sizes,
- Implement retirement incentive program for 2010-11,
- SARC preparation in-house,
- BAC recommendations,
- Solar savings,
- Uniform services,
- Central Psychologist,
- Moving Director of Facilities to fund 21, (or from the BAN)
- Office supply contract change,
- Evaluate the use of campus aides, and/or
- Discussion of budget augmentations.

Member Bartholomew asked about the amount designated for economic uncertainty and if that was considered in the cash flow assumptions. Mr. Christensen said it shows in the budget as being available to balance the budget if the Board desired.

Dr. Shaw said we can balance the budget for 2009-10 with a few reductions but we must really prepare for 2010-11. Mr. Christensen will be meeting with the County to discuss the budget and the action plan.

Emily Andrade shared information that was originally shared at the last board meeting and provided some budget reduction options for consideration. AVID schools have carryover money and can continue their programs at Carlton Hills, Rio Seco, and Cajon Park with less of an allocation. Carlton Oaks is not continuing to provide AVID next year. The District could charge the students for all or part of the transportation cost for the third grade swim program. Currently, the District pays the transportation costs and parents pay only the YMCA fee. No contract has been signed with the canine detection service so the Board could determine the need or frequency of using this service. The District could charge parents a fee of \$500 for the Spanish class.

Member Carlisle likes the suggestion for the AVID program and swim fee transportation charge. Member Ryan said the recommendation is acceptable but believes \$500 is too much to ask parents to pay. Some parents may not be able to pay. Member Burns asked why Carlton Oaks will not be continuing with AVID next year. Mrs. Andrade said because they are losing a teacher next year. Member Burns is okay with AVID but would like to keep swim and if needed, charge for the transportation. He wants to move forward with the canine detection service because he believes it is a safety issue. Member Burns supports keeping the Spanish class with no fee for parents.

Member Bartholomew said the programs being discussed impact students directly and in terms of the type of reductions we need to look at, these are not the kinds of things that will give ongoing value. He will not sacrifice them as a symbolic gesture when it has such a great impact on students. President El-Hajj said a parent asked her why we would keep things that parents can do for their kids. AVID is designed for kids who don't have the home support. She believes not funding AVID puts a great burden on teachers. Reading has already been reduced to \$15,000 per year.

Member Burns moved to modify the budget augmentations by reducing AVID support to \$10,000 (1/2) and increase the fee for third grade swim to \$55 per child to cover the cost of transporting students to the YMCA, reducing expenses by a total of \$5,000.

Motion: *Burns* **Second:** *Bartholomew* **Vote:** *5-0*

F. DISCUSSION AND/OR ACTION ITEMS

1. Review, Discussion, and Re-Adoption of 2009-10 Santee School District Budget

Karl Christensen presented a 2009-10 budget for re-adoption. Member Burns said he will support adoption of the budget, however, it is more conservative than he prefers. He believes there is more flexibility than presented. Member Bartholomew approved of the conservative approach, but is concerned that it is hard to make decisions when the landscape keeps changing. Member Carlisle appreciated the efforts in consolidating the information and he also agrees with the more conservative approach, especially because of the current economic environment. Member Carlisle moved approval.

Motion: *Carlisle* **Second:** *Bartholomew* **Vote:** *4-0 (Ryan, absent)*

G. CLOSED SESSION

The Board entered closed session at 8:15 p.m. to discuss the following:

1. Public Employee Discipline/Dismissal/Release (Govt. Code § 54957)

H. RECONVENE TO PUBLIC SESSION

The Board reconvened to public session. No action was reported.

I. ADJOURNMENT

The June 29, 2009 special meeting was adjourned at 9:00 p.m.