

BOARD OF EDUCATION
Minutes

***Special Budget Workshop
& Action Item***

March 6, 2008
5:30 p.m.

The Board of Education of the Colton Joint Unified School District met in a Special Budget Workshop Session on Thursday, March 6, 2008, 5:30 p.m. in the Board Room at the CJUSD Student Services Center, 851 So. Mt. Vernon Avenue, Colton, California.

Trustees Present

Mr. Robert D. Armenta, Jr.	President
Mrs. Marge Mendoza-Ware	Vice President
Mr. Mel Albiso	Clerk
Mr. Mark Hoover	
Mr. Frank A. Ibarra	
Mr. Kent Taylor	
Mr. David R. Zamora	

Staff Members Present

Mr. James A. Downs	Mr. Roger Kowalski
Mr. Casey Cridelich	Mrs. Ingrid Munsterman
Mr. Jerry Almendarez	Mrs. Julia Nichols
Mrs. Yolanda Cabrera	Ms. Sosan Schaller
Mr. Rick Dischinger	Dr. Patrick Traynor
Mrs. Bertha Arreguín	Ms. Katie Orloff
Dr. Diane D'Agostino	Mrs. Chris Estrada
Mrs. Mollie Gainey-Stanley	Mr. Michael Townsend
Mrs. Alice Grundman	

Call to Order

Board President Robert Armenta called the meeting to order at 5:30 p.m. Board member Mendoza-Ware led in the Pledge of Allegiance to the flag of the United States of America. On behalf of the Board, Kent Taylor acknowledged former Board member Ray Abril, Jr.

1. Budget Update:

Superintendent Downs provided an outline of the budget presentation that focuses on proposed reductions amounting to \$10.2 million. Cabinet members, the Budget Committee, fiscal staff, and the Assistant Superintendent of Business have been working diligently to develop a plan to keep cuts away from the classroom and employees. He stated that concepts such as the golden handshake, reallocation of funding and a hiring freeze will assist with the crisis.

Assistant Superintendent Casey Cridelich clarified that the information published in the newspaper today did not accurately reflect the District's total ongoing necessary reduction of \$10,212,596 (\$4.6M in contractually increasing expenditures plus the loss of \$5.6M in ongoing revenues). The article specified only the \$5.6M in reduced revenue and staff later discovered that the \$4.6M in increased expenditures was left out of the news article after having given both amounts to the press. He provided a PowerPoint presentation that reflected updated information presented at the Special Meeting on February 4, 2008. He clarified that the figures are "projected" and assumptions have been made, however, actual figures will not be known until the State's May Budget Revise (in mid-May). The Base Revenue Limit per ADA for 2007-08 is \$5,793 (contains 4.53% COLA) compared to the projected 2008-09 rate of \$5,653 (contains 4.94% COLA less the 6.99% deficit factor) for a net loss of \$140 or 2.4% per ADA.

Assistant Superintendent Casey Cridelich provided the following PowerPoint presentation to the Board:

Outline

Defining the problem

- The 2007-08 Second Interim Report
- Why \$10.2 M in ongoing reductions vs. just the \$5.6M of ongoing revenue?
- 2008-09 Enrollment Projections

Solutions

- Part I – Cabinet's suggestions
- Part II – Budget Committee
- Part III – The Last Piece

Special Budget Workshop & Action (1 Item)
 March 6, 2008

Why \$10.2M in ongoing reductions vs. just the \$5.6M in ongoing revenue?

The \$5.6 M is attributable to revenues.

\$4,566,237 is attributable to:

Step	\$2,495,708
Column	721,034
H & W Increase	1,223,633
Utilities/Ins Increase	125,862

If the Budget were always balanced, which means revenues = expenditures, then the first year's reduction would only be \$5.6M and increase from there on.

Ever since last year, the District has had an ongoing structural imbalance of deficit spending that was being paid for on paper in the future years with one-time funds from Funds 17 & 40, the June deferral as well as the ongoing COLA.

The Multi-Year Projection shows the District will be deficit spending from 2008-09 to 2010-11 as follows:

	<u>Spending</u>	<u>Reserve %</u>
2007-08	\$ 2,803,455	6.68%
2008-09	(7,037,199)	6.89%
2009-10	(13,530,375)	2.58%
2010-11	(17,485,396)	(5.60)%
Total	<u>\$ (35,249,515)</u>	

2008-09 ongoing revenue reduction 4.94% COLA less 6.99% deficit:

Unrestricted Sources	\$3,978,446
Restricted Sources	<u>1,667,913</u>
Total Ongoing Reduction	5,646,359
Estimated contractual increases	<u>4,566,237</u>
The total ongoing realignments would be	10,212,596
Over Three Years	<u>X 3</u>
Total ongoing reductions over 3 years	30,637,788
Projected Deficit spending	(35,249,515)
Fund 17 Balance	<u>3,772,376</u>
Remaining shortfall	<u>(839,351)</u>

2008-09 Enrollment Projections

Assumptions:

- Based on Davis Demographics for declining Kinder birth rates.
- January 14, 2008 Actual Enrollment and promoting each grade level.
- Principal Input.
- 2008-09 Enrollment (Reg Ed & SDC) Projection (excluding the alternative schools) is 23,708.
- 2008-09 Staffing Projection per Contract (Reg Ed & SDC, excluding the alternative schools) is 932 FTE vs. 976 in 2007-08 for a 45 FTE decrease).
- 2007-08 Revenue Limit ADA = 22,983 (which is 2006-07 ADA because of declining enrollment.
- 2008-09 Revenue Limit ADA = 22,753 which is 2007-08 projected actual ADA.
- Each 2008-09 ADA will be worth about \$5,650, down 2.4% from 2007-08's \$5,789.

Part I – Savings from Cabinet

	Savings
<u>Deficit Amount</u>	\$ (10,212,596)
GASB 45 (partially fund - 50%)	1,350,000
VACANCIES - 2007-08 Freeze, Freeze administratively each year for ongoing	646,382
RESIDENT SUBS - Eliminate	630,000
SPENDING FREEZE - 2007-08, Freeze administratively each year for ongoing	473,000
GATE -Transportation - Decentralize the program to individual school sites	64,647
MAGNET (BMS/Zimm/Smith/Lincoln) includes transportation - the program works well at Terrace View & is funded by lottery.	60,000
TRANSPORTATION (busing - incr walking distance 1/4 mile grade 9-12)	48,000
LEGAL FEES reduce 20% across the board	40,000
Two Furlough Days; Management = \$98,736; CSEA = \$254,234	352,970
CELL PHONES (Reduce 210 phones to 72 at \$19/month for a pooled 11,000 min)	32,000
GOLDEN HANDSHAKE *(STRS / PERS) (max 164 = \$7.7M/ 4 yrs = \$1.9M/yr; min 40 = \$475K/yr)	475,000
CONFERENCES - GENERAL FUND (UNRESTRICTED)	531,395
Total Proposed Cuts	4,703,394
<u>Deficit Amount Remaining after cuts made above</u>	\$ (5,509,202)

Part II – Savings from Budget Committee

	Savings
<u>Deficit Amount</u>	\$ (5,822,172)
Funding Shifts of Positions	
School Site Student Support	\$ 100,000
Elementary Electives can be shifted to an ongoing grant	\$ 157,414
Total Proposed Cuts	\$ 257,414
<u>Deficit Amount Remaining after cuts made above</u>	\$ (5,564,758)

Part III – Budget Committee

	Savings
<u>Deficit Amount</u>	\$ (5,281,758)
Total Proposed Cuts	\$ 1,469,796
<u>Deficit Amount Remaining after cuts made above</u>	\$ (3,811,962)

Recap

Colton Joint Unified School District Allocation by Bargaining Unit				
Description	Total	Classified	Management	Certificated
2007-08 Budgeted Positions	\$ 167,281,790	\$ 43,455,396	\$ 15,662,881	\$ 108,163,513
Percentage of Total	100.00%	25.98%	9.36%	64.66%
Total Reductions	\$10,212,596	\$ 2,652,963	\$ 956,223	\$ 6,603,410
Average Cost per Position	NA	\$ 55,270	\$ 106,247	\$ 72,570
# of Positions	148	48	9	91
Total Reductions	\$10,212,596	\$2,652,963	\$956,223	\$6,603,410
Part I Savings from Cabinet	(\$4,703,394)	(1,221,818)	(440,387)	(3,041,189)
Part I Positions Saved	(85)	(22)	(8)	(55)
Amount Left to Reduce	\$5,509,117	\$1,431,123	\$515,828	\$3,562,166
Part II & III Budget Committee	\$1,727,210	\$ 448,684	\$ 161,722	\$ 1,116,805
Part II & III Positions Saved	(31)	(8)	(3)	(20)
Total Positions Saved	(116)	(30)	(8)	(75)
Total Positions left to reduce	32	18	1	16

2. Board members shared individual comments, concerns, and suggestions.

- Review all information before actual budget reductions are made as there may be limitations that would impact secondary programs and program improvement. Assistant Superintendent Yolanda Cabrera explained the program improvement process and stated that a DAIT team will assist with the alignment of the nine Essential Program Components (EPCs).
- Regarding the Golden handshake: projected savings, restrictions; check credentials; re-check the numbers for average costs of salary; how would the Curriculum Department function post golden handshake?
- Over the last couple of years, how many students were enrolled and the number of teachers staffed at the beginning of the year versus the number of students who remain in classrooms during second semester; health and welfare benefits; alternative plan to reduce District support and increase employee contributions;
- What are the savings in transportation costs for the five magnet programs (parents would transport)?
- GASB 45: reduce funding amount (i.e., 25% vs. 50%) and utilize funds *now* and/or establish a “trust”.
- Staffing: Reduce staff and restructure the Central District office; the percentage of staff reduction should be equitable to each group (Certificated and Classified, Management)

The Board recessed at 6:59 p.m. and reconvened at 7:13 p.m.

3. Public Comment—Closed Session -- None

4. Public Comment—Agendized Items

Rick Feinstein, MAC representative, encouraged the Administration, Board, ACE, and CSEA to continue to work together to solve the budget problems with dignity and strength, and thanked the Superintendent for his leadership.

Ken Johnson, ACE President, stated that the correct amount is \$5.9 million and asked the Board to keep budget cuts away from classroom. He added that the cuts the District must make do not impact step and column increases, savings can result through attrition, encouraged spending reserves, and is grateful that GASB funds can be utilized so that positions are not reduced. Regarding the Budget Committee, he felt that the additional information presented should have been shared with the Committee. He suggested that if the Golden Handshake is approved, that it be paid over 7-8 years rather than all at once.

Lynn Mary Toscano, teacher/librarian at Bloomington Middle School, spoke about the importance of libraries and librarians as co-teachers. She distributed a research study illustrating that school libraries do make a difference.

5. Public Comment—Non-Agendized Items and Other Topics

Griselda Covarrubias, Office Assistant, parent and Birney PTA Board member, PTA members/parents Angelina Vargas and Veronica Rodriguez, and Diane Miller, Health Assistant and Leadership Team member, recognized Birney School Principal Patrick McKee for the outstanding work he is doing at Birney Elementary School

Board President Armenta thanked the staff and parents for attending the meeting and making the presentation.

Resolution 08-03 REJECTED <i>CalSTRS Golden Handshake Retirement Incentive Program (2007-08)</i>	#88	It was moved by Mr. Albiso and seconded by Mr. Zamora <i>to reject</i> Resolution 08-03, <i>California State Teachers' Retirement System (CalSTRS) Golden Handshake Retirement Incentive Program (2007-08)</i> as presented, and on a 7-0 vote, the motion passed.
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Board member Albiso stated that the District cannot afford the \$7.1 million cost and a savings could result by realigning current staff. Following discussion and by Board consensus, the Administration will continue with strategies to balance the budget with a possibility that this item may be re-submitted if necessary.

Study, Information and Review Session

Explanation of the California Public Employees' Retirement System (CalPERS) Golden Handshake Retirement Incentive Program (2007-08): Assistant Superintendent Casey Cridelich reviewed the multi-step process. Following discussion and by Board consensus, additional information was requested regarding this program and the feasibility of offering 2½ % at age 55 for classified employees. Board Member Albiso stated there would be no additional costs.

Closed Session: At 7:43 p.m., Board President Armenta announced that the Board would recess to Closed Session to discuss agendized items.

The Board reconvened at 8:56 p.m. and President Armenta stated that there was no reportable action.

Comments / Requests from Board Members

Mark Hoover suggested that a "thank you" letter be forwarded to the Fontana Police Department for transporting "Cat in the Hat" to the Zimmerman Elementary School campus on *Read Across America Day*.

David Zamora commented on his recent visits to Zimmerman and Birney Elementary Schools to participate in *Read Across America Day (Dr. Seuss)* and thanked the administration for inviting him to the event. Board members Frank Ibarra and Mark Hoover also participated.

Kent Taylor commented on his attendance at the District Science Fair last week and applauded teacher and advisor Dan Morris and Pat Haro for extending participation by kindergarten students in this year's competition.

Frank Ibarra commented on the events he attended at Zimmerman and Lincoln schools.

Robert Armenta attended the District Science Fair award ceremony and thanked advisor Dan Morris and Pat Haro for organizing an outstanding event. He especially enjoyed listening to the students explain their projects.

Adjournment: At 8:58 p.m., the meeting was adjourned to the next Regular Board of Education Meeting on March 13, 2008, 5:30 p.m. in the Board Room at the Student Services Center, 851 South Mt. Vernon Avenue, Colton, California.