



Measure E Oversight Committee

February 1, 2021

MINUTES

Committee Members Present: Fawn Binford
Mike Budnitsky
Jay Lieberman
Catherine Nelson
Jody Guthrie (Alternate)

Committee Members Absent: Joe Bishop
Jay Esban
Adam McArthur

Also Present: Karen Kimmel, Assistant Superintendent – Business
Kristine Torres, Director of Accounting

The meeting was called to order at 5:00 pm.

District Budget

Ms. Torres shared the state of the economy with the committee, sharing that revenue growth continues from the “Big 3 Taxes” which are personal income, corporation and sales. Ms. Torres, noted, however, that recovery is inconsistent for all Californians. Unemployment remains high for low income earners, hospitality and small businesses. Ms. Torres also shared the Governor’s proposal which includes a 3.84% Cost of Living Adjustment for next year being applied to the Local Control Funding Form or LCFF. The Governor’s proposal also focused on expanding Transitional Kindergarten to all 4 year olds, paying down a portion of deferrals in July 2021 and one-time restrictive grants.

Ms. Torres spoke about the new Federal Stimulus known as the Coronavirus Response and Relief Supplemental Appropriations act or CRRSA which was signed on 12/27/2020 and provides \$82B for education. The ESSER II will provide \$6.8B to California and the GEER II will provide \$341M. While it is not clear what the GEER II funds can go toward, allowable ESSER II uses include: facility repairs and improvements to reduce virus transmission, support student health needs, cleaning/disinfecting supplies, summer and intervention instruction, and educational technology and curriculum. The proposed revenue impact of the 3.84% COLA would result in \$3.6M of ongoing funds whereas the ESSER II funds will result in a one-time \$2.2M.

Ms. Torres noted that the following items were not listed in the Governor’s proposal:

- COVID-19 liability coverage
- UPP hold harmless

- ADA hold harmless for 2022/23
- Additional CalSTRS and CalPERS employer rate reduction
- More discretionary dollars versus restrictive programs
- Detailed plans on how GEER II funding will be spent
- Does not specify how the state will spend the remaining 10% of ESSER II funds

Ms. Torres also shared driving forces for budget efficiencies which include declining enrollment, pension increases over the last 7 years and workers compensation and liability costs.

Ms. Kimmel spoke about declining enrollment within the school district and how the district looks to lose \$7.9M in enrollment over the next 3 years. Ms. Binford asked if the decline was COVID related and if so, does the District feel the numbers will go back up. Ms. Kimmel replied that it is really hard to tell. Usually, enrollment can be anticipated but in this current environment, there is no way to anticipate. Ms. Kimmel also shared that the District is currently expanding its Independent Study Program which may attract people to stay who were planning to leave.

Ms. Kimmel shared multi-year projections which show that the District will need \$13.75M in budget efficiencies over the next 3 years. The breakdown is as follows: \$2M next year, \$4M the following year and \$7.5M in Year 3.

Ms. Kimmel also spoke about the Supplemental Early Retirement Program that was offered this year. 26 certificated employees accepted the financial incentive resulting in 12 more retirements than in a normal year. This impact of the SERP allowed for the District to avoid 19 layoffs.

Ms. Kimmel shared that the bond Measure R will be rolling off in a few years and the District can be in a position to put another bond on the ballot in 2022. Doing so would not add to the taxpayer's bill as one bond would end before the assessments for the new bond start.

Ms. Guthrie commented that the SERP is great and asked what confidence it gives to a school district. Ms. Kimmel replied that it gives the district a jump start in staffing and the decisions they face with such a severed reduction in enrollment.

Ms. Binford asked how dual immersion has done at Sumac. Ms. Kimmel shared that it has stabilized due to specialized advertisements. Ms. Binford asked if there was any talk of doing a mandarin immersion program and Ms. Kimmel replied that she will bring the idea to Educational Services.

Mr. Budnitsky asked if there was any savings because of COVID. He asked if there were any areas that could be cut. Ms. Kimmel replied that the district did have a few areas where costs were reduced such as transportation and laying off 250 classified staff and some management positions, some of which would be rehired when schools reopen.

Parcel Tax Budget

Ms. Torres shared the Measure E Parcel Tax report as of December 31, 2020. Revenues total \$2.3M and Expenditures total \$2.3M as well. The decrease to reserves is \$22K. Ms. Torres shared that the end of year reserve (June 30) was \$48K and the total budget from parcels and donations for 20-21 was \$2.3M.

Ms. Torres went on to speak about budget allocations and year-to-date actuals stating the plan is to continue to expense according to plan and allocate reserves in full over 3 years. Mr. Lieberman is pleased the committee is spending the reserves. Mr. Budnitsky asked if all the money needed to be spent or if it

could be saved for future use. Ms. Kimmel replied that the committee has a fiscal obligation to spend what the taxpayers are giving.

Ms. Kimmel shared that the Annual Measure E Report will be presented at the Board of Education meeting on February 23, 2021. Mr. Budnitsky volunteered to give the report on behalf of the committee.

Ms. Toress shared the SCI Report noting that SCI manages all administrative tasks related to the parcel tax on behalf of the school district.

Donation Letter

Ms. Kimmel shared the draft of the Measure E Parcel Tax Donation Letter. The committee approves the letter. It will be sent out via Parent Square in the coming days.

Next Meeting

The committee will be contacted for future meeting dates.

The meeting adjourned at 6:15 pm.