

SANTA CRUZ CITY SCHOOLS
BUDGET ADVISORY COMMITTEE MEETING
District Office, Conference Room 5
Tuesday, January 22, 2019
Minutes

Attendance at Meeting

BAC Members:

Matt Bruner, GSCFT Alternate
Casey O'Brien, Middle Schools
Clyde Curley, Elementary Schools
Jean Gardner, Santa Cruz Co. Office of Education
Jeanie Brown, SCCCE
Jeremy Shonick, Board Trustee
Patrick Gaffney, Asst. Supt., Business Services
Stacy O'Farrell, AMA
Steve Hambright, Small Schools

Absent:

Dorothy Coito, Educational Services
Deedee Perez-Granados, Board Trustee
Gail Atlansky, High Schools
Greg Torr, Finance
Molly Parks/Desiree Dominguez, Human Resources

Visitors:

Kris Munro, Superintendent

I. Call to Order

Asst. Supt. Pat Gaffney called the meeting to order in Conference Room 5 at the District office at 6:05 pm. .
He previewed the agenda for members.

II. Governor's Proposed 2019-20 Budget

Asst. Supt. Gaffney said that staff had attended a workshop on the Governor's Proposal put on by School Services of CA in Sacramento on January 15, 2019. He said that, in general, the Governor's proposal is the most optimistic one in a long time, and predicted conservative positive growth in school budgets. Mr. Gaffney presented a slide show, using selected materials provided by School Services.

Conservative budget forecasts by UCLA predict a slight decline 2019 and 2020 in Gross Domestic (GDP), the sum of the market values, or prices, of all final goods and services produced in the economy annually.

Proposed initiatives which would impact employers include an expansion of the Paid Family Leave Program, increased subsidies and expanded coverage to reduce the number of uninsured, housing development incentives, and increased support for higher education.

More specifics are expected as the budget is flushed out, including details on various Special Ed proposals and Early Childhood proposals.

It was commented that unions are lobbying heavily for more increases to the education budget than Cost of Living increases (COLA). California is 43rd in the nation in education funding. Some State legislators support

full and fair funding legislation for education, with setting an aspirational target. Governor Brown previously vetoed such initiatives. Also, there is support to bring back the CAHSEE exit exams. Proposition 13 became effective when Governor Brown took office. New energy with Governor Newsom may spur commercial real estate.

No discretionary one-time funding has been proposed so far.

The District reached 100% of the Local Control Funding Formula (LCFF) in 2018-19. The only increase the District will receive is a COLA of .8 to .9%. The Elementary District is fully into basic aid status.

The proposed budget provides one-time funds in 2019-20 and 2020-2021 to help school districts pay the employer contribution rate for STRS. In 2021-22, one-time funds provide relief at a lower level.

Funding is proposed to plan for and develop a longitudinal education system which will connect student information “cradle to career”.

\$750 million is proposed from the sale of bond funds to support facilities funding.

Federal funding is expected to increase only minimally.

The Governor proposes a 3.46% COLA to Special Ed funding. This increase does not fund any of the ongoing costs. This year the District saw a significant increase in Special Ed costs, both direct costs and those from the County. Elementary was up and Secondary down in costs.

No new funding is proposed for Career Technical Education; however, a total of \$300 million in ongoing funding is provided for two programs, the K-12 Strong Workforce Program and the CTE Incentive Grant.

The Governor’s proposal includes over \$2.4 billion in programs and services to children and families.

Districts that received modernization funding are now required to reserve 3% of their General Fund Expenditures for a Routine Restricted Maintenance account.

It’s hoped that the Governor’s May Revise will include more ongoing money. Staff will incorporate the Governor’s proposals into the District’s Multi-Year Projections and bring that information back to the Budget Advisory Committee. Staff are analyzing the community and staff responses to the LCAP survey.

Early Childhood Education proposals will apply to all schools, both public and private. The District will have to consider all day kindergarten. Districts will need to provide for Early Childhood Special Education. It was remarked that historically, the District receives 18% at best in funding for Special Education.

III. Adjournment

The meeting was adjourned at 6:40 pm.

Respectfully Submitted,

Catherine Meyer-Johnson
Administrative Assistant
Business Services

Patrick K. Gaffney
Asst. Superintendent
Business Services