

BOARD MINUTES
June 20, 2012
Budget Workshop Called Meeting

- CALL TO ORDER:** Be it remembered that on this the 20th of June, 2012, a Called Budget Workshop Meeting was called to order at 5:36 pm by Board President Ray Don Myers. A quorum of Board Members present included: Ray Don Myers, Grizz Medina, Tom Anderson, and Roland DeHoyos. Board members Dwight Childress, Harvey Sanchez, and David McWilliams were not present for the Budget Workshop Meeting of June 20, 2012.
- BUDGET WORKSHOP:** Superintendent Chris duBois presented the CCCCSD Budget Considerations for 2012-2013.
See Attachment #A
- Insurance Representative Cody Harris discussed details concerning 'Short Term Disability Income Insurance' and Long Term Disability Income Insurance'. This information was discussion only and Board Action was not required.
- FUTURE BUSINESS:** Future business and meeting dates would be decided at the June 20, 2012 Regular Meeting of the Board.
- ADJOURNMENT:** A motion by Grizz Medina to adjourn the June 20, 2012 Budget Workshop was seconded by Tom Anderson and passed 4-0. The meeting was adjourned at 6:25 pm.

SIGNED:

President of the Board

ATTEST:

Secretary of the Board

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The Budget process this year assumes services, FTEs for 2012-2013 that reflect 2011-2012 effort with additional supports for academic growth. We must continue monitored School improvement efforts at OMS again this year, and will likely face AYP Required improvement for target groups.

Declines in Property Values are partially offset by increased State aid in formulas (This is the first year for incremental move off of current Target Revenue System funding). The 2012-2013 General Fund Budget must absorb any continuing allocations that have been budgeted in the now defunct EduJobs Fund in 2012-2013 (\$170K). Overall, as previously discussed in public workshops - we must plan a budget that accommodates an anticipated \$490,000 decrease in available revenue for 2012-2013)

(If we are successful in obtaining voter support for a desired Bond issue next spring(?), we will re-gain \$231,000 principal QSCB payment allocation for 2013-2014)

* As discussed in public meetings - If the Board is inclined, there is potential to seek voter approval in November for a \$1.06 M&O rate that would generate approximately \$387,000 of additional Revenue **FREE OF RECAPTURE ENTIRELY**, that can take pressure off of this year's Operating Budget - **OR** be reserved for specific uses such as Capital improvements in the 2012-2013 budget (facilities improvements, Tech and Infrastructure acquisitions and Maintenance, Transportation needs, etc.

(THE DANGER in building an M&O budget that relies on these possible two additional pennies is that if rejected, the Board will have to either adjust the budget afterwards(in mid-year) OR Re-Adopt a Revised Budget that draws resources from Fun Balances - which are very conservative at present. I suggest we work hard to preserve any effort attached to any such 2 pennies for TENTATIVE Capital Improvement budget lines that could easily be dropped from the budget without impacting any other M&O area of effort)

Budget Details:

Our goals are to preserve excellent service to all students, including programming; maintain competitive compensation and benefits for all; and make adjustments according to resources that maintain an excellent working environment, including adequate support to instructional staff as they face very steep challenges in the face of accountability and performance expectations.

Although we do not recommend any increase in District hiring scales, we do recommend that the new budget accommodate all scheduled state salary step increases for professional staff. We made 3% of midpoint increases to all support staff last year.

The only staff that did not receive compensation increases last year were maxed out teachers and the superintendent.

Health Insurance Premiums are increasing again this year. Our recommendation is to continue to provide district support so that 100% of employee coverage is provided by the District.

Other benefits have been discussed. We have suggestions from out Third Party Financial Administrators that can help us adjust. (Presentation 6-20) We also recommend a small adjustment to current Extended Leave provisions.

We continue to scrutinize each vacancy for necessary replacement - both professional and support. We expect to be able to absorb 4 full time slots this year. The additional impact of these savings is that they represent recurring costs, and should be viewed as long term, accumulative reduction in liability to the district. (Over a ten year cycle, for instance - the reductions we were able to effect last year represent over \$6 million in payroll and benefit liability...)

Additionally - we are examining compensation and efficiency opportunities in all areas. We are soliciting proposals for some Operations savings strategies. The time may be right to consider some outside perspectives or assistance with efficiencies and effectiveness of staff and material allocations.

I am carefully evaluating whether to continue with Food Service Consulting. The cost of this service has been reasonable for the assistance we receive - but if we have to let something go - I would look at this area before affecting benefits, programming that affects students, etc.

QSCB Resources earmarked / freed for facilities renovations will again relax some pressure from Fctn 51/81 Budgets for 2012-2013.

However, these resources are not appropriate for general maintenance and operations costs, and will not offset any regular operating costs like utilities, payroll, etc.

Mrs. Hokit has negotiated a new long-term agreement on utility pricing that represents an opportunity to manage and predict electricity costs consistently.

The new rates are very attractive and coupled with new more efficient HVAC equipment at Heritage and better energy management, we stand to gain welcome savings in utility costs.

Security Costs will increase with monitoring services after new installs are complete.

We desire to keep everything as strong for students and programs as possible.

We are keeping Student Accident Insurance Coverage in place for all at-school activity. There is no increase in premium again for the fourth straight year.

We have worked hard to get all coaches and as many other staff members as possible bus and CDL certified to assist in controlling travel costs.

(However, safety will always be the premium concern here. We have some expansive new ULL Districts for the next alignment).

Our new arrangement for Special and Federal Programs does not represent significant cost increases.

Most allocations for Director were in place for 2012-2013 already, and costs for Diagnostician services will be covered by reductions to existing staffing allocations.

Several larger allocations from 2011-2012 budget will not appear in 2012-2013:

We plan no vehicle replacements at this time (although Mr. Kain would like to examine obtaining two more small route buses if contingent funds are available).

We plan no significant equipment needs for 2012-2013.

Some Technology allocations will be reduced as a result of QSCB Infrastructure Upgrades this Summer.