

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
710 ENCINITAS BLVD., ENCINITAS, CA 92024

BOARD OF TRUSTEES
SPECIAL BUDGET WORKSHOP
MINUTES

The Budget Workshop of the San Dieguito Union High School District Board of Trustees was called to order at 12:30 p.m. on Tuesday, September 27, 2005, by President Groth, in the District Office Board/Conference Room, 710 Encinitas Boulevard, Encinitas, California.

The Board recessed to Closed Session to discuss:

- a. To consider personnel issues, pursuant to Government Codes sections 11126 and 54957 (limited to consideration of the appointment, employment, evaluation of performance, discipline/release, dismissal of a public employee or to hear "complaints or charges brought against such employee by another person or employee unless the employee requests a public session").

The Board returned to Open Session at 1:00 p.m. in the District Office Board Room.

CALL TO ORDER

President Groth called the Board Workshop to order at 1:00 p.m.

Members Present

Barbara Groth, President
Linda Friedman, Vice President
Deanna Rich, Clerk
Joyce Dalessandro
Beth Hergesheimer

Administrators Present

Peggy Lynch, Ed.D., Superintendent
Eric Hall, Associate Superintendent/Business Services
Steve Ma, Executive Director of Business Services
Eric Dill, Director of Risk Management
Denise Levine, Executive Director of Pupil Services
Michael Taylor, Director of Financial Services
Sue Koehnen, Director of Human Resources
Susan Gleiforst, Recording Secretary

DISCUSSION/ACTION ITEMS

REVIEW OF 2004-05 ACTUALS 4.

Mr. Michael Taylor reviewed the comparison for 2004-05 between the General Fund Spring Budget Revision and Unaudited Actual balances for income, expenditures and the ending fund balance. The ending balance for 2004-05 is \$11 million. The numbers came in better than the administration had anticipated.

Mr. Hall reviewed the Special Funds 2004-05 Balance Summary.

REVIEW OF 2005-06 DISTRICT GENERAL FUND / FALL REVISION 5.

Mr. Hall also reviewed the General Fund Revenue and Expenditures for 2005-06 Fall Revision Budget. Since the budget was adopted on June 23, the Democrats dropped their demand for Proposition 98 funds and will focus on the special election in November. Since the state adopted the budget, things are somewhat better than we had expected in terms of the STRS shift, COLA, revenue limit and the deficit reduction limit.

The Board and administration have been talking for two years about the need to make-up the loss of Prop 98 money and the need to begin to increase enrollment. The district continues to pay deficits from the reserve.

Regarding income, the district is getting another \$14 per student beyond the revenue limit, a.37% increase from what we had budgeted, for a total of 5.61%. This is approximately \$200,000 of additional income for the district.

There is also an adjustment downward in the Other State Income category. The figure went from \$7.9 million to \$6.5 million. This is a consequence of over projecting the income when the budget was put together last spring and was based on the state's definition of the new grant programs. This is complicated by the fact that 85% of the district's budget is salaries and benefits. This is the first full year of state categorical grant programs and we overestimated our income in that area.

The enrollment projection for this year was 12,154 students, with actual enrollment of 12,176. This is a 22 student variance from what was projected. The administration is seeing a difference in the student population. The 12,154 number did not include the 180 additional students that we admitted into our district through interdistrict transfers. We should be looking at an enrollment of 12,334. The administration does not know if we are losing students between the 7th and 8th grades or the 8th and 9th grades. Mr. Ma will do some research regarding this. The administration will also be looking at the projections for each grade level and site and do a comparison of the before and after numbers.

Dr. Lynch reported that tomorrow Mr. Schmitt and Mr. Jaffe are going to Cathedral High School to meet with its principal and share enrollment projection information.

Mr. Hall reported that 18 months ago the administration talked about a potential increase in projected enrollment. Yet when we opened Canyon Crest the district did not see that increase. The administration feels that there should be a new demographic study to determine when maturity will occur and what the district enrollment projections will be. Mr. Hall stated that the elementary districts may be willing to share the cost because they would probably also be interested in their maturity numbers.

Mr. Hall reviewed the projected income for 2005-06 of \$86.5 million and expenditures of \$92.5 million, which gives the district a deficit of \$6.1 million. District income is not meeting expenditures; however, it is better than projected in June. This is a long-term issue. Staffing is the biggest piece of the puzzle, as well as what can be done to increase revenue for the district. The administration suggested an attendance incentive for students, as well as offering classes on Saturdays or after school for a fee.

Mrs. Dalessandro asked why the district was experiencing a decrease in enrollment at Adult Education. The administration stated that they would ask Mrs. Stanley if she had any insight. Mr. Hall stated that Adult Education is a separate fund and does not affect the general fund.

DISCUSSION OF BUDGET CHALLENGES

6.

Dr. Lynch stated that the administration has developed various ideas to help to close the budget gap. The staff discussed numerous ideas with the Board stating that they would like direction from the Trustees. Which areas to proceed with, items needing more data, and items needs more staff feedback.

- Options to adjust staffing:
 - Eliminate 9th grade class size reduction
 - Possible increase in class sizes
 - Provide the option for CCA/SDA students to take minimum of 3 classes
 - Evaluate Management/Supervisory ratios
 - Evaluate student support services
 - Evaluate Library/Media services
 - Evaluate Health services
 - Review Campus Supervisor/SRO services
 - Analyze clerical services district-wide
 - Evaluate effectiveness of new 05-06 custodial staffing plan
 - Evaluate effectiveness of new 05-06 grounds staffing plan
 - Identify funds for AVID tutors
 - Identify funds for ROP staffing
 - Identify funds for SRO positions
 - Staff new positions at CCA, for 06-07 with transfers
 - Consider possibility of voluntary reduced work day/year
 - Review all vacancies as they occur – only fill 'have to have' positions
- Options to reduce expenditures:
 - Reduce utility usage
 - Reduce security alarm fees
 - Further apply technology to improve efficiency
 - Staff web pages, reduce paper costs
 - copy centers, reduce printing costs
 - web based attendance
 - Digital Schools system
 - student data system
 - tighter budget controls

- Study to identify reductions in Spec Ed Transportation Costs
- Study to improve services in Purchasing/Warehousing
- Study to identify sources/uses of special ed funding
- Conference and workshops costs
- Review transportation services and costs
- Options to raise revenues:
 - Student attendance incentive
 - Parcel tax
 - After school enrichment program for a fee
 - Increase facility rental fees
 - Increase transportation use fees
 - Foundations to offset district expenditures
 - Lost/stolen textbook accountability

Dr. Lynch reported that if the district eliminated 9th grade class size reduction, it would save \$1.1 million. Another cost saving possibility would be to slightly increase class size, within contractual agreement with SDFA, potentially saving approximately \$850,000. By providing the option for Canyon Crest and San Dieguito Academy students to take a minimum of three classes the district would recognize a \$17,000 to \$20,000 savings.

The evaluation of management and supervisory positions was discussed. One area of focus is dean services. The total salary for three deans is \$335,000.00.

The administration also suggested an evaluation of student support services and counseling services. If a position becomes vacant, it needs to be questioned if the position really needs to be filled. There are seven counselors at Torrey Pines and six at La Costa Canyon. There was a general discussion regarding counseling techs and what their roles could be, particularly in light of the new student data system the district will be installing.

Another area to be evaluated is the Library/Media services. Does the district need full-time librarians and library techs? Should the teacher of the class be in the library when their class goes to the library rather than the librarian? Could the textbook room be incorporated

into the media services? Another area to be reviewed is campus supervisor positions. The campus supervisor positions could be reduced from 10 months to 9½ months and the district would recognize a savings of \$23,000.

There was a discussion regarding identifying funds for AVID tutors and ROP programs. The cost to the district to cover the School Resource Officers at La Costa Canyon was discussed. The administration realizes that it will probably increase next year. It was mentioned that the staff could look into a grant to share the costs of the officers.

The administration stated that another idea is to evaluate the effectiveness of the 2005-06 custodial and grounds staffing plans as well as a review of clerical positions, including the possibility of staffing new positions at Canyon Crest Academy with transfers, rather than new-hires. Another possible idea would be a voluntary reduced workload. Classified employees could take one month off or perhaps work 6 or 7 hours per day. The staff is reviewing all vacancies, and only filling those that are needed.

Dr. Lynch reported that she and Mrs. Sue Koehnen will be reviewing these ideas with the principals and gather their input on what their thoughts are on the various budget cut ideas.

A suggestion brought up by the administration was to see if the district could get assistance from the parent groups to help out with money for instructional assistance, rather than athletic equipment, etc.

The administration brought up the reduction of utility usage, reduction of security alarm fees, reducing paper costs by using the website and intranet, web based attendance, digital school system, etc. There was also a discussion to have a study to identify possible cost reductions in the special education transportation costs, improve services in purchasing/warehousing, and identifying sources and uses of special education funding.

Dr. Lynch stated that the administration is reviewing transportation costs and services. The administration is having a FCMAT study to look into transportation staffing, number of bus drivers, check-in times, stand-by times, bell times, etc. The district experiences a very high cost per mile rate. The numbers for home-to-school transportation this year appear to be down and needs to be analyzed.

Dr. Lynch also shared ideas as to how to raise revenue such as student attendance incentive, after school enrichment programs, increase facility rental fees, etc.

After a discussion, the Trustees gave direction to the administration to move forward on the following areas:

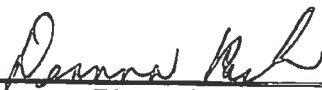
- Eliminate 9th grade class size reduction
- Slight increase class size

The Trustees did not want any reductions in the Health Services area nor in the Grounds Department.

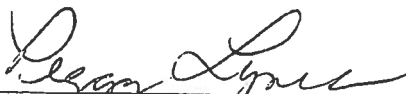
Dr. Lynch stated that the key issue is to determine what the dollar savings is along with what the impact is to the program, what are the pluses and minuses, what is the real savings and is it worth it? Ms. Koehnen suggested that the board and administration come up with the top ten cost savings ideas, determine what the total dollar amount of savings is, and come up with ten more if the deficit is not met. Ms. Koehnen will take these ideas to the school sites and review them. Dr. Lynch stated that some of it will have to be reassessed after the November election.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 3:00 p.m.



Deanna Rich, Clerk



Peggy Lynch Ed.D., Superintendent