

Minutes of the Community Budget Advisory Committee, May 23, 2006

Meeting began at 7:15 pm in Room 1 of Alvarado School. Attendees were: Charles Cowens (Chairperson), Tammy Campbell (M), Erwin Reeves (M), Dr. Cynthia LeBlanc, Ruth Vedovelli, Karen Leong Fenton, Dave Brown, Mike Wasilchin, and Eduardo Martinez. Absent: Greg Martin (M).

Due to a power outage in the area, the group decided to abbreviate the meeting on the agenda and to leave when it grew to dark to continue. Karen Fenton agreed to record the minutes. Discussion of vacancies, applications, CBAC Charter review, and other housekeeping was deferred to the next meeting in June.

Ruth Vedovelli reviewed a handout that she had prepared as an update on the Governor's May Revise proposal for the FY 2006-7 State budget affecting education. She explained what proposal items that the state legislature did not concur. Governor Schwartzenegger's proposal, which was mostly one-time moneys, included:

- Funding of the 5.92% statutory COLA.
- Elimination of the revenue limit deficit
- Funding of 65% of equalization and entitlements

Ongoing Programs:

- Arts & Music Block Grant - \$25/ADA
- Increase school counselors, grade 7-12
- Targeted preschool initiative

One-time programs:

- Mandated reimbursement for prior year claims
- Instructional materials, std.-aligned textbooks in 4 core areas
- Arts & music equipment & supplies
- PE equipment grants
- Teachers, fund for classroom supplies & materials grant
- Classroom & school library reading block grant
- ELL instructional materials

Disappointments:

- No additional funding for declining enrollment
- No funding for COLA on the federal share of special education
- Not adequately funding mental health services for special education

Ms. Vedovelli handed out and discussed a summary itemized sheet of budget revisions for FY 2005-6, calculated on 5/23/06.

Ms. Vedovelli initiated a discussion of budget required reserves with a handout explaining the different components of the reserve and a copy of the second interim report ending balance totaling \$15,949,604. With a P2 ADA below 30,000 after 4 years

of declining enrollment, WCCUSD is required to maintain a 3% Reserve for Economic Uncertainties, equal to about \$8.2M. Additionally, the bond rating agencies require the district to maintain minimally a \$12M ending fund balance. To maintain a positive certification the district must demonstrate that it can meet its financial obligations for the current year plus to subsequent years. The amount of reserves is a component of the ending fund balance.

When asked what WCCUSD sets aside for its unfunded liability on retiree health benefits, she responded that we are on a pay-as-you-go system with a current cost of about \$12M, increasing by about \$400K a year.

Ms. Vedovelli listed some key issues that negatively impact our budget as:

1. Too small schools cost more to manage
2. Ever increasing health cost
3. Declining enrollment
4. Staying competitive on employee compensation
5. Need to remedy Program Improvement 4-5 schools
6. Cost to implement Safety program
7. Maintenance and operations requirement

Recommendations for expenditures of one-time money coming from committee attendees were summarized:

1. Reduce the state loan with one-time money
2. Reduce retirement health liability with one-time money
3. Seek marketing strategies to increase enrollment
4. Buy a site for consolidation of Gompers & North Campus
5. Budget for mandatory uniforms.

The meeting adjourned at about 8:30 PM. Next meeting scheduled for 6/27/06 at 7 PM at Alvarado Campus, Room 1.

Respectfully submitted,

Karen Leong Fenton