

2007-2008 BUDGET COMMITTEE MEETING

January 24, 2007 – 12:30 – 2:00 p.m.

Ashley Falls School, MUR

Dena Whittington – Asst. Superintendent Business	Tim Malott – Parent, Carmel Del Mar
Paulette Anderson - Business Coordinator	Cinda Peck – Teacher, Carmel Del Mar
Carole Parks - SDCOE Financial Consultant	Tom Bishop – Superintendent
Barrett Blake - Technology Staff	Cathy Birks – Business Services Specialist
Julie Geisbauer – Teacher, Ashley Falls	Peg LaRose – Principal, Sage Canyon
Sue Lichter – Parent, Ashley Falls	Shelley Petersen – Principal, Ashley Falls
Ellen Burkhart – Parent, Del Mar Hills	Janet Bernard – Asst. Superintendent Curriculum
Bill Eiffert – Parent, Torrey Hills	vacant – Teacher, Torrey Hills
Steven McDowell – Board of Trustees	vacant – Parent, Sage Canyon
Mary Ann Loes – DMCTA representative	vacant – Teacher, Sage Canyon
Doreen Bush – Office Assistant, Del Mar Hills	vacant - Community Member
Eileen Randall – Office Assistant, Sycamore Ridge	
Louwana Spetter – Teacher, Del Mar Heights	
Jennifer Eveleth – Parent, Del Mar Heights	

Welcome and Sign In

Dena Whittington called the meeting to order at 12:42 and welcomed everyone. Introductions went around the table. Ellen Burkhart asked what the purpose of the committee is and Dena answered that the budget committee is an informational committee at this time.

How did we do in 2005-2006?

Dena Whittington began a review of the June 30, 2006 audit report. Page 37 is a summary of the general budget. The first column is the budget adopted on June 28, 2005. Dena briefly explained the difference between the revenue sources and the difference between the original and final budgeted amounts as listed in the first and second column of the report. The budget is adopted using a historical 5% increase to property taxes and by the end of the year is adjusted to actual. The federal revenue is mostly special education revenue, and the amount of these funds is not known until after the budget is adopted. Other local revenue includes parent donations which are not budgeted until received. Such donations include field trip payment. True donations are accepted through a monthly board item. Dena was asked to provide the breakdown for local revenue, including donations – she will provide that at the next budget committee meeting. Foundation revenue is budgeted at an amount the foundation pledges.

This report is listed by function. Expenditure functions include instruction, pupil services, plant services, other outgo and debt service. For example, teacher salaries are under instruction and night custodian salaries are under plant services. Ellen Burkhart asked what caused the variance in plant services. Dena answered that a good portion was the salary increase after collective bargaining that happens in August. The \$6M fund balance includes unallocated reserves of \$3.4M unrestricted reserves. Committee member Ellen Burkhart requested a comparison of 2005-2006 and 2006-2007 reserves. Dena will provide the comparison at the next budget committee meeting.

Dena continued with a review of page 47, schedule of financial trends and analysis of year end balances and page 57 and 58 that reports the district's status and audit findings. Barrett Blake asked to go back to page 47 and wanted to know what the long term debt is. Dena stated that it is CFD funds used for construction of our new schools. Ellen Burkhart asked what is CFD?

Dena answered that a CFD is a Community Facility District, which is a tax collected for the purpose of school construction.

How are we doing so far in 2006-2007?

Dena used this time to review the 2006-2007 budget, the first interim budget updates and the SACS (Standardized Account Code Structure) financial reports. There were questions and discussion about per student spending, the increase in both revenues and expenditures, the District's projected ending balance and reserve accounts, budget development assumptions, lottery revenue, and attendance projections. Dena reviewed page by page the adopted budget document that was distributed to committee members present. Sue Lichter asked about the accuracy of the attendance projections? Dena answered that they have been pretty good over the years. The 2005-2006 projections were a little off on the new kindergarten projection, but overall they have been accurate. Dena was then asked if the projections have been done for 2007-2008? She answered that she had not yet received the 2007-2008 projections, and would confirm the completion date and bring that information to the next budget committee meeting. Dena then moved on to review the special education encroachment and explain how the funding is allocated and that the funding is always less than the expenditure which causes an encroachment on the unrestricted general fund. State wide special education ratio to regular education students is increasing which is making the funding and encroachment topic one of importance.

The budget committee discussed the collective bargaining that took place in August and increased the adopted expenditure budget. Maryann Loes added step and column clarification and reminded the committee members that some teachers don't get the step and column salary increase. Teacher salaries are paid based on two employee qualifications, the number of years of service (steps) and the number of graduate units completed after the bachelor's degree (column) There is also a master's stipend. Maryann Loes addressed the health and welfare expense decrease that occurred in 2005-2006 and is projected to carryover into 2006-2007. The change was due to going to a different system and having some of the expense paid by the employee and not the District. The employee can choose a high, out of pocket plan or choose a minimum, out of pocket plan.

Dena reminded everyone to please email her questions that were not asked at this meeting or ones that may come up later, and she will be happy to answer and also bring back the answers to the next meeting.

In Section 2 of the handout, titled First Interim Budget Updates, Dena reviewed and explained the general fund – combined report. This report includes both revenues and expenditures and reports by type, not function as in the earlier report reviewed. Sue Lichter asked if substitute teacher expense is projected and how much we budget for substitute teachers. Dena answered that the cost is included in the certificated salary line, and that she would bring the information to the next meeting. As the committee members looked through the pages, several questions about the separation by fund were asked. Dena explained that the basis of fund accounting is that the revenue and expenditures by each separate fund is reported. Ellen Burkhart asked about the transfer out of the general fund in the amount \$106,118. Dena answered that it is for deferred maintenance and seen as a transfer in on that fund report.

Barrett Blake asked if child care is self supporting, and Dena answered yes and that the revenues and expenditures budgeted show that. Ellen Burkhart asked what the capital outlay in the Cafeteria fund is? Dena answered that it was for the purchase of a delivery truck and answered additional questions about whether or not that purchase was approved by the board. The purchase was approved by the board because when the projected lease payments were compared to the projected purchase price, it was proved to be financially better to purchase.

Section 3 includes the SACS forms that are taken to the board at adoption, first interim and second interim. Section 2 is the same data as in section 3, but put in a more user friendly format. Dena briefly discussed categorical restricted programs which are one of the components of the ending fund balance as a designated reserve. The reserve designated for economic uncertainties is \$1,052,675.00 which represents the 3% reserve mandated by the state. This amount cannot be lower than 3%, but the board can vote it to be more.

Governor's Proposed Budget for 2007-2008

The governor released his proposed budget on January 8, 2007. Tom Bishop and Dena went up to Long Beach for a review of the governor's proposed budget presented by School Services of California. Dena shared a handout from that meeting. Most of the new initiatives and the categorical programs listed in the handout do not apply to Del Mar Union School District. The District will receive CBO training funds because Dena is participating in that training.

The District receives very little federal funds. The Hills qualifies for Title 1 funding at this time. However, District personnel met with Title 1 experts from the county office and determined that the cost to meet the Title 1 requirements would be more than the revenue received. Therefore, the funding was declined. Title 1 is part of "no child left behind" and to qualify for the funding, the poverty level of student body must meet required levels.

Next Meeting Dates

The next budget committee meeting will be March 28, 2007 at 1:00 p.m. at Ashley Falls School. Steven McDowell thanked everyone for coming today. He urged members to research public information on school budgets and offered a web site to use. The web site he mentioned is Ed_data and the address for the site is <http://www.ed-data.k12.ca.us>. Mr. McDowell also thanked Dena for leading today's meeting and asked Carol Parks, the District's County Office Consultant, if she had anything to add. Carol thanked the District for inviting her to the meeting. Since her office expects the District to accurately put together the budget, she is thankful to be part of this meeting to hear how the task is being accomplished. She told the committee members to remember that when they look at newspaper articles, they may not translate directly to Del Mar District because of our basic aid status. She also reminded the members that the District budget is developed using the Governor's May revise and not the final state budget.

Adjournment

The meeting was adjourned at 2:00 p.m.