

# Final Approved



## PCHS BUDGET AND FINANCE COMMITTEE

Minutes of the Regular Meeting of January 11, 2010

### I. PRELIMINARY

A. Robert King (Budget Committee Chair) called the meeting to order.

B. In Attendance:

**Voting Members:** Robert King (Chairperson), Olivia Castro, Susan Curren, Sandra Duarte, Dan Kelly, Rick Mills, Karyn Newbill, Simon Santana, Eileen Savage, Andrew Simnegar, James Suhr.

**Non-voting Members:** Jennifer Avant Eustice, Kevin Olson, Eleanor Rozell, Greg Wood, Amy Held

**Visitors:** Susan Frank, Karen Perkins, Christine Kane

C. Review of Protocol and Procedures – Reminder to committee members to keep comments focused and short so that meetings can end promptly at 5:00.

D. Approval of previous meeting's minutes - Regular Meeting of December 14, 2009 minutes were approved with the following amendments:

- ☐ Under Section III A. Budget Update, third to last bullet revised to clarify, "Pali received an Unqualified Audit Opinion, the highest rating possible."
- ☐ Under Section V A. Below "Member Concerns," add bullet point, "The Committee did not take a position on this initial proposal. There will be further discussion at the January meeting."

E. Selection of recorder: E. Savage

### II. OLD BUSINESS

A. ASB, Booster, and Human Resource Updates – Jennifer Avant Eustice and Kevin Olson presented as follows:

- ☐ Jennifer Avant Eustice will be going on maternity leave shortly, possibly before the February meeting. She plans to continue to be involved in negotiating new benefit rates and will complete the HR Budget in advance of her leave. She also plans to convene the Health & Welfare Committee, to function in her absence.
- ☐ Kevin Olson distributed the December ASB P&L statement, which showed a loss of little more than \$4,000.

B. Financial Update – Greg Wood reported as follows:

- ☐ The Attendance Rate through December is down slightly from last year, but enrollment is still up, now at 2,815 (including 46 at Temescal Academy). Cumulative ADA to date is 2,712.9, at an attendance rate of 95.5% (vs. 96.3% in 2008). Full year ADA is projected to be 2,688.1 (including Temescal) which would be 8.1 above the 2,680 budgeted for 2009-10, resulting in additional funding of approximately \$53,000. This increase, however, is offset by \$54,000 in lower Title I ARRA funding.

- ❑ Certificated payroll expense is down \$345,000 (a full \$53,000 in lower administrative salaries) as of January 8<sup>th</sup>. This already exceeds the budgeted reduction of \$300,000. Classified salaries are only down about \$32,000 vs. the 2009-10 budgeted reductions of \$216,000. Net payroll will exceed budget unless opportunities to reduce classified expense are implemented.
- ❑ Cafeteria operations continue to have mixed results to date. Reimbursements for Free & Reduced Meals are up about \$5,000, but cash sales are down \$32,000. Cafeteria is reviewing current menu items and will be surveying students for preferences. Plans are also to compare Pali operations to other conversion charter high schools and continue to encourage applications for Free & Reduced Meals (up from 782 students to 898, or 31.9% of enrollment). Pali negotiated a better contract with Sodexo in 2008-09, which charged a fixed fee versus per meal. They have since returned to charging per meal, significantly increasing food and supply costs.
- ❑ Pool accounting was received. As of December 3, the pool fund stood at \$434,000, after donations and interest totaling just over \$3million and an additional \$165,000 of pledges. Negotiations are currently underway for possibly obtaining a private loan.
- ❑ State Budget Proposal – Governor Schwarzenegger released the 2010-11 budget outline on January 8<sup>th</sup>. The state will fund an estimated negative .38% COLA, reducing the general purpose block grant by \$28 per ADA, on top of state budget deficit reductions. Estimated rates, including both general purpose and categorical block grants, total \$6,208 per ADA vs. current rates of \$6,246. If cuts from last year are not restored, Pali could be looking at a \$1.1 million shortfall.

#### C. Budget Planning & Strategy 2010-11 Discussion

- ❑ A general discussion took place reviewing ideas on addressing the next year's potential budget cuts, including:
  - Developing three scenarios (Best Case, Most Likely, and Worst Case).
  - Meeting budget numbers with a combination of cuts and hard fundraising goals; thereby creating a greater sense of urgency in raising these funds.
  - Asking Board Certified Teachers to work with volunteer parents to write grants.
  - Researching Race to the Top Federal funds, deadlines, and Pali's eligibility.
- ❑ This discussion will continue at future meetings.

### III. EMERGENCY BUDGET REQUEST

#### A. ASB – CIF City Dues

- ❑ The CIF City Section continues to request payment for athletic expenses that the District pays for its own but not charter schools. These are new for Pali and were not budgeted by ASB. Some were paid based on last meeting's decision, but now the District is demanding the remainder of \$3,750.
- ❑ **ACTION:** A motion by S. Curren, seconded by D. Kelly, to pay \$3,750 to the CIF City Section out of the General Fund and thereby adding to Pali's deficit, was unanimously approved.

#### IV. NEW BUSINESS

##### A. Proposal for Distribution of Annual Giving Funds

- ❑ A proposal was discussed for allocating the Pali Annual Giving Funds. The proposal set priorities for funding various broad areas of the budget.
- ❑ **ACTION:** A motion by D. Kelly, seconded by S. Curren, to adopt the proposed Allocation of Annual Giving Funds subject to the following amendments was unanimously approved with J. Suhr abstaining.
  - Proposal title to specify that the allocation formula applies only to donations designated for the General Fund, not for specific programs.
  - Proposal is allocating donations net of operating costs. No additional monies will be set aside for fundraising expense.
  - As a result of above amendment, delete Item #7.

##### B. Board of Trustees Financial Training

- ❑ S. Frank, Parent Board Member, is seeking the Budget Committee's help to provide the Board more information and training to better understand budget and financial data. One proposal is a session on reading Financial Statements for two hours on a Saturday. J. Suhr, D. Kelly, and E. Savage volunteered to work with G. Wood to develop a two-hour presentation.

##### C. Member Concerns: None.

##### D. DATE, TIME, AND LOCATION OF NEXT MEETING:

- ❑ The next regular meeting was set for **Monday, February 8<sup>th</sup>, 2010 at 3:30 PM in Room F201**. Please note this is a Professional Development Day.

**Agenda items must be submitted to R. King no later than Wednesday, January 3<sup>rd</sup>, 2010 at 2:00 p.m. via email to: [rking@palihigh.org](mailto:rking@palihigh.org).**