

FINAL APPROVED



A CALIFORNIA DISTINGUISHED SCHOOL

PCHS BUDGET AND FINANCE COMMITTEE

Minutes of the Special Meeting of March 21, 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, Richard Held, Dan Kelly, Rick Mills, Karyn Newbill, Cheryl Onoye, Simon Santana, Eileen Savage, Andrew Simnegar, James Suhr.
- Non-voting Members:** Amy Held, Kevin Olson, Eleanor Rozell, Greg Wood.
- Visitors:** Marcia Haskin, Monica Iannessa, Richard Thomas, Lauren Armstrong, Igor Shvarter, Susan Frank, Karen Perkins, Patrice Fisher, Michelle Lynch, Flor Contreres
- C. Approval of previous meeting's minutes – A motion by J. Suhr, seconded by D. Kelly, to approve the minutes of the Regular Meeting of March 8th, 2009 was unanimously approved as written.
- D. Selection of recorder: E. Savage

II. OLD BUSINESS

- A. Budget Line Item Transfer Form/Policy – A request was made at a previous meeting for a formal policy and procedure that would permit departments and programs to move budget dollars from one category to another where funds were in greater need.
- G. Wood distributed a proposed form for such transfers, which included spaces for categories, dollar amounts and approvals. Request must be made by Department Chairs and approved by Department Administrator.
 - The committee discussed setting a dollar limit on transfers to discourage spending all budgeted funds, regardless of need. Transfers above the dollar amount would need to be approved by the Budget & Finance Committee.
 - Last year's budget cutting process was a learning experience. To improve the process, cuts should not be made unilaterally and in whole categories of expense, eg. Field Trips and Conferences. Set dollar amounts and ask Departments to determine where they want to make the reductions.
 - ACTION:** A motion by S. Curren, seconded by D. Kelly, was unanimously approved to accept the proposed policy and procedure subject to the following amendments:
 - The Budget Transfer Request Form will be revised to include a signature line for the Director of Instruction, required to transfer funds from/to Field Trips or Conferences.
 - Transfers over \$1,000 must be approved by the Budget & Finance Committee.
- B. Transportation Issues and Budget Impact – A. Held reported that Pali and LAUSD have reached a tentative agreement regarding student busing. The terms are as follows:

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- ❑ LAUSD will pay for the buses to bring Seniors to Pali next year so that they can graduate with their class.
 - ❑ Pali will pay LAUSD \$1,000 per bused student, up to \$600,000 in 2010-11 and up to \$300,000 in 2011-12 and \$300,000 in 2012-13 so that the present Sophomores and Freshmen can also graduate with their classes.
 - ❑ The Magnet Program will be moved to University High School beginning with next year's 9th grade and adding an additional grade each year thereafter. This will mean that Pali will lose \$100,000 in TIIG (Integration) funding next year, another \$100,000 the following year, another \$100,000 in 2012-13, and the final \$100,000 in 2013-14.
 - ❑ Pali's application pool is up substantially (twice as many applications for 9th grade). Previous magnet seats will now be filled with charter applicants.
- C. Second Interim Report Financial Update – G. Wood presented the Second Interim Financial Results as of January 31, 2010.
- ❑ As of January 31st, Pali ADA was reported at 2,688. The P2 report measures ADA at the end of February, which becomes the base for the year's funding. It appears now that Pali will hit 2,689, which slightly exceeds our budget assumption of 2,680.
 - ❑ The Second Interim Report also shows that our 2009-10 deficit will be down from a projected \$1.1 million to \$723,000. This is positive news, but given transportation costs, benefits increases, and filling open positions, Pali will still have a considerable deficit to fill.
- D. Budget Planning & Strategy 2010-11 – The Committee continued to discuss from the prior meeting possible alternative spending reductions or revenue generators to close an anticipated budget gap. The goal was to present a set of recommendations to the Board for their action.
- ❑ Given the results of the Second Interim Report and new information on transportation, the budget gap is roughly forecasted at \$1.8 million. This includes the \$723,000 funding gap plus \$200,000 to cover additional administrative salaries and benefits for a full-time Principal, etc., \$700,000 for transportation (\$600,000 payment to LAUSD and \$100,000 lost in next year's TIIG funding), \$75,000 for impact of negative COLA, and \$100,000 in permit fees that will offset loan servicing costs.
 - ❑ The Committee revisited its proposed revenue sources and cost reductions for next year's budget developed at its last meeting and revised as follows:

REVENUES

- o \$300K from Reserve
- o \$200K Increased Fundraising (including contributions from students receiving transportation.)
- o \$150K Maximize Temescal Enrollment by 25 ADA (non-Pali students)

COST REDUCTIONS

- o \$ 0K Increase Insurance Co-Pays (\$120K Savings offsets Anticipated benefit increases)
- o \$100K No New Textbook Adoptions
- o \$350K Five Furlough Days
- o \$ 60K Elimination of Summer School
- o \$ 35K Better Use of NBC Teachers
- o \$ 80K Investigate Efficiencies/Alternative Contracts (Custodial/Legal/Cafeteria/Gardening)

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- Total Increases in Revenue: **\$650K**; Total Cost Savings: **\$625**. Grand Total Toward \$1.8M budget deficit = **\$1.275M**. Remaining deficit = \$525,000.
- ACTION:** A motion by D. Kelly, seconded by S. Curren, to present the above budget recommendations of a combination of revenue increases and expense cuts totaling **\$1.275M** to the Board of Trustees was unanimously approved.
- The following suggestions were also discussed at the meeting for further increases in revenue and/or expense cuts:
 - Reduce contribution to retiree benefit trust by at least \$100,000 for one year.
 - Review use of clerical staff and perhaps reduce positions through attrition or hire more part-time personnel.
 - Reduce magnet costs to reflect the reduction in magnet students.
 - Reduce salaries by \$100-200K.
 - Increase ADA by 50 more students.
 - Review two data management positions. Are two part-time staff still needed?
 - Increase use of space to raise permit fees, eg. classroom rentals. Invite more sports camps and cheer camps.
 - Establish a private summer school program, where students pay for enrichment classes with Pali staff.
 - Ask Educational Programs Committee to make recommendations on what programs could sustain cuts and by how much. Also review programs to ensure they're optimally run.
 - Add 7th period to teaching schedule to reduce use of auxiliaries.
 - Review effectiveness of 9th grade POD's. Structure makes it difficult to optimize use of teaching resources and class sizes.
 - Last year's COLA was negative and yet salaries weren't reduced; instead cuts were taken from conference, field trips, etc. When COLA is positive, will these funds go back to these programs or be used to negotiate salary increases?

III. EMERGENCY BUDGET REQUEST –

- None.

IV. NEW BUSINESS

- A. Executive Limitations Policy/Asset Protection/Investments: Deferred to Next Meeting.
- B. Member Concerns: None.
- C. DATE, TIME, AND LOCATION OF NEXT MEETING:

- The next regular meeting was set for **Monday, April 12th, 2010 at 3:30 PM in the Library.**

Agenda items must be submitted to R. King no later than Wednesday, April 7th, 2010 at 2:00 p.m. via email to: rking@palihigh.org.

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