

MINUTES

ASD BUDGET COMMITTEE MEETING, May 27, 2020 via Zoom

Committee Chair Curt Bacon called the meeting to order at 7:00 pm

Members Present were:

Curt Bacon	Tomas Monter-Rangel
Chris Chambers	Sabrina Prudhomme
Victor Chang	Eva Skuratowicz
Mark Decker	Jim Westrick
Daric Lucero	Shaun Moran (arrived later)

Staff present were:

Acting Superintendent Steve Retzlaff
Finance Director Alana Valencia
Student Services Director Samuel Bogdanove
Operations Director Steve Mitzel
AEA Representative Jackie Case
OSEA Representative Serena Robinson
Board secretary Jackie Schad

A roll check confirmed that nine members were present (with the tenth arriving later).

A review of the minutes of the April 22 meeting resulted in two corrections.

Finance Director Valencia presented a review of the current state revenue forecast and its potential impact on the school district's budget. The State is projecting budget reductions but exact figures are still in flux. Final numbers may not be known until the state legislature decides whether to take action to backfill any of the sources designated for K-12 education. Ms. Valencia explained the specific restrictions on some of our dedicated revenue sources such as Title funds. There was discussion of reaching out to our local legislators to lobby for possible flexibility of some of these funds, while retaining their intended focus on equity in

service to designated populations. The district will receive some revenue from Congressionally appropriated CARES Act funds, but the amount and timing of our allocation are still uncertain. Those dollars are expected to be flexible.

The Department of Education is urging school districts to budget based on their most recent allocation figures that assume essentially full funding pre-COVID. This is to ensure maximum flexibility as the situation develops. Ms. Valencia proposed developing a tiered reduction plan based on a range of state budget cut percentages to the various revenue sources. This should be worked out in early negotiation with the bargaining units in order to identify a cascading set of priorities for different situations. There are a variety of possible budget reduction scenarios that may include:

- Hiring freeze (currently in effect for most vacancies)
- COLA freeze
- Freezing step increases in compensation
- Furlough or cut days
- Reductions in FTE

Suggested principles outlined for consideration include

- Shared sacrifice
- Preserve educational mission
- Prioritize strategic plan goals
- Equity
- Keep staff whole to the extent possible

Ms. Valencia confirmed that the current draft budget is based on a traditional instructional model. If we need to continue distance learning in the fall, additional and/or different expenses may be required. There was discussion about the district's ability to make appropriate changes (adjustments) to budget lines under a threshold of 10% with board approval. Changes greater than 10% would require revisiting with the Budget Committee.

Mr. Bacon stated that he was unclear about the concrete direction for the budget committee at this juncture. He believes that the committee needs a proposal

coming from the school district to which it could respond. Mr. Chang asked whether if the Student Investment Account is significantly reduced, it would be possible to reconvene or consult with the planning group that designed the priorities for those funds.

Ms. Prud'homme suggested that it would be useful to hold an offline session to get a briefing from Ms. Valencia about the components of the budget and give newer members an opportunity to ask questions. Ms. Valencia committed to scheduling an overview session within the next few days.

Mr. Moran recommended that the staff develop a tiered scenario plan for the budget committee to review. The committee consensus was to defer any formal vote to the June 10 meeting.

One comment was received from Marry Ferrell, executive director of the Maslow Project, urging the district to preserve services for homeless students.

Acting Superintendent Retzlaff supported Ms. Valencia's request that the committee consider approving a budget without reductions in order to preserve flexibility and consider scenario budgets to give the board and staff guidance. It is unclear when the state legislature might convene to deliberate and that might not occur before June 30.

Mr. Decker expressed openness to approving the full budget with the expectation that significant changes could come back to the budget committee. Mr. Chambers concurred and encouraged development of the tiered scenario planning. Ms. Prud'homme stated that it is important to secure as much community input as possible and Mr. Chang agreed. Mr. Westrick noted that it is important to review the alignment of budget modifications with the core values of the district.

Ms. Valencia proposed revising the Budget Message to better reflect current conditions. The consensus of the Budget Committee is an openness to a 2020-2021 budget based on a former revenue projection with the expectation of future reductions and an indication of the general directions of those potential changes.

Proposed agenda items for next meeting:

Review proposed scenarios

Progress report on planning

Vote on Budget or schedule another meeting.

Director Chang stated that this is a complex process with many moving parts and he appreciates all parties moving through it with grace, patience and gratitude.

There being no further business, Chair Bacon adjourned the meeting at 8:45 pm.

Submitted by:

Jackie Schad, ASD Board Secretary