



Cupertino Union School District
BUDGET ADVISORY COMMITTEE (BAC)
Unapproved Minutes: December 1, 2021
Remote Meeting

Members present:

Kai Brown, CEA
Dawn Lucero, CSEA
Donna Bills, CSEA
Britt Brittain, SEIU
Joseph Nuno, Kennedy MS
Rick Yee - McAuliffe
Linda Sell, Community
Stuart Rosenberg, Community
Wil Fluewelling, Community
Sylvia Leong, CUSD Board
Steven Pinheiro, SEIU
Lori Cunningham, CUSD Board
Dan Halabe, Community

Non-members present:

Chris Jew, Chief Business Officer
Tu My Vuong, Director, Fiscal Services
Leslie Mains, Chief Engagement Officer
Michelle Herriage, Director, Cuper Doodle
Tina Bernal, Administrative Secretary to CBO

Members absent:

Winnie Jiang, Stockmeir

Non-members absent:

Stacy Yao, Superintendent

CALL TO ORDER: Chris Jew called the meeting to order at 9:30 a.m.

ANNOUNCEMENTS:

Chris Jew returned to the District as CBO on Sept. 27, 2021.
Tu My Vuong started as Director of Fiscal Services on Oct. 8, 2021.
Forego introductions since everyone is returning and welcome to Tu My.

MODIFICATIONS TO THE AGENDA:

None

APPROVAL OF MINUTES September 15, 2021:

Stuart Rosenberg made a motion to approve the minutes. Kai Brown seconded the motion. The minutes from September 15, 2021, were approved with abstentions from Lori Cunningham and Dan Halabe who missed the meeting.

BUDGET UPDATE (Chris)

2020-2021 Unaudited Actuals & Preliminary First Interim Update reviewed.
Going to the Board Dec. 9th for Discussion and Dec. 16th for Approval.
Chris reviewed the budget cycle and fiscal reporting cycle.
Adopted budget by June 30, Governor's Budget reviewed and 45 Day Budget Revision if any significant changes (August), Unaudited Actuals from previous year give us beginning fund balances (September), First Interim Report Actuals through October 31st, note includes 5 years, Second Interim Report actuals through January 31st.
Unaudited Actuals 2020-2021 Revenues Combined Estimated Actuals vs Unaudited Actuals reviewed. Generated \$7+M more than estimated primarily through additional state revenues from one time funding in Extended Learning Opportunity Grant.
Unaudited Actuals 2020-2021 Expenditures reviewed. Higher expenses of about \$1M mainly in salaries/compensation towards the end of the year that we were not able to project at the time. Fund Balances were reviewed at the time we ended the year. Ended actual positive net difference \$6.2M

from estimated actual. Designated (assigned) reserves \$22M for programs/initiatives allocated as specified. Reviewed components of ending unrestricted fund balance. Assigned but not restricted, available funds that are pre-assigned but can be redistributed based on Board/Administrative decision. Lottery funds to help carry teacher salaries moving forward. Special Education and Transportation require additional funding from general fund \$26M. Reviewed ending fund balances for various funds. We are now in a fully insured Workers Compensation program however; we have some old claims from when we were self insured that we need to retain funds to pay future medical bills. Lori asked about start up costs on Cuper Doodle and if we have recovered start up costs. Chris believes the costs have been covered by now. Summary of one-time COVID funds that we received were reviewed. There is a plan for most of the funds, we have until 2023-24 to spend some of the funds.

*Chris will bring the remaining balances on one-time COVID funds to the next meeting.

*Lori requested education of the community on how these funds affected our financial situation. Expenditures are accruing at a higher rate than that of revenues that we receive. Stuart reinforced the education of the public around one-time funds and interpretation of reserves.

Final multi-year projections will be available at the 12/9/21 Board Meeting. Parcel Tax Measure H ending June 2023 drops \$8M in revenue and 80 FTE's.

Preliminary First Interim Assumptions reviewed. District Budget based on COLA, Attendance & Property Tax, and Other State Planning Factors. Projecting continued decline in enrollment and reviewed projections for the next five years. Multi year projection assumptions reviewed for upcoming five years.

*Lori two missing things: 1) capture total amount of fixed costs that go up (i.e 4.5%) in relation to revenue increase that doesn't cover the increase, and 2) calling out that there is a \$0 increase in salaries that is continuing since 2018. Kai agreed this needs to be called out.

New budget terminology. Community funding is also known as Basic Aid. We have reached a point where our property taxes exceed the basic minimum amount per student we would receive. We won't show as much LCFF state aid and instead show increased Property Tax revenues.

*Sylvia mentioned greater education of the community needs to take place to explain Community Funding. Lori agreed.

*Chris can bring back the budget analogy.

New graph on Property Tax Revenue analysis. Secured Property Taxes forecasted 5% increase in 2021-22 and 4% in future years. Unsecured Property Taxes forecasted at approximately 0.33% increase in 2021-2022 and in future years. Homeowners' Exemption revenues and Supplemental revenues reviewed.

*Lori mentioned that maybe we should share what would have had to happen to move into Basic Aid. Some cities pay more than others and there is some sensitivity to that, maybe reference on average. Chris and Lori will connect about modifications to the chart. Sylvia mentioned it would help to have one bottom line take away highlighted.

Revenue projections based on property tax assessment growth chart reviewed. 4% growth assumption in future projections. LCFF projections are also estimated.

*Chris will add footnotes on projections for Property Tax and LCFF funding.

*Lori mentioned that this is only a portion of the revenue we receive. This is only one piece.

DISCUSSION

Linda Sell mentioned the importance of outreach education to the schools, staff, and community about the funding model shift. Linda mentioned you need to take the information to where the people are.

Chris asked about Budget Roadshow success? Lori/Dan shared that some were more well attended than others. Lori mentioned that maybe we could create a few short videos to an archive that people could pull from and share as needed. Dan mentioned the meetings usually turn up the activated positive folks, not the ones we are trying to reach. Sylvia mentioned a website that was created: publicschoools101.org. Great animated infographic on CUSD funding that was built to educate those that missed the budget roadshow.

*Lori asked maybe we could update that website infographic to address the funding shift education component for the community? Stacy/Erin to help with marketing our budget and ourselves?

OPPORTUNITY FOR SUBGROUP SHARE-OUT:

(None)

FUTURE AGENDA ITEMS (BAC MEETING CALENDAR)

- Feb 16, 2022 (Second Interim)
 - First Interim Update
 - Governor's Budget Highlights 2022-2023
 - Projected Staffing & Enrollment Updates
 - What is 1%? - Lori
- May 25, 2022 (May Revise Update)

ADJOURNMENT: Linda welcomed back Chris to the District.
Chris adjourned the meeting at 10:54 a.m.