

# **CUPERTINO UNION SCHOOL DISTRICT**

## **BUDGET ADVISORY COMMITTEE**

### **Minutes of the Wednesday, May 25, 2022 Meeting**

**9:30 a.m. to 11:00 a.m.**

#### **Remote Meeting**

1. Call to Order  
Chris Jew called the meeting to order at 9:30 a.m.
2. Roll Call - Quorum was met. Committee Members Present:  
Donna Bills (CSEA)  
Britt Brittain (SEIU)  
Kai Brown (CEA) (9:50 a.m.)  
Lori Cunningham (Board)  
Dan Halabe (Community)  
Michelle Herriage (Staff)  
Joseph Nuno (Principal) (9:36 a.m.)  
Linda Sell (Community) (10:09 a.m.)  
Chris Jew (Staff)  
Marc Kulla (Teacher) - Permanent Replacement for Winnie Jiang  
Sylvia Leong (Board)  
Leslie Mains (Staff)  
Stuart Rosenberg (CEEF)  
Stacy Yao (Superintendent)  
Poornima Dilip (CSEA)  
Tu My Vuong (Staff)  
Mary Alarid-Enright (Principal) - Replacing Rick Yee (Principal)  
Non-Committee Members Present: Tina Bernal  
Absent: Steven Pinheiro (SEIU), Wil Fluewelling (Community)
3. Modifications to the Agenda  
There were no modifications to the agenda.
4. Approval of Minutes: February 16, 2022  
Motion to approve the minutes as distributed by Lori Cunningham, second by Leslie Mains.  
Yes: Approved unanimously by Committee.  
Abstentions: Mary Alarid-Enright
5. Budget Update Presentation
  - a. May Revision

- i. Budget Calendar was reviewed
  - 1. 2022-23 Preliminary Budget to Board on June 9, 2022
  - 2. 2022-23 Budget Adoption by Board on June 16, 2022
- ii. Economic News was reviewed
- iii. Proposition 98 Minimum Guarantee was reviewed
- iv. 2022-23 Budget & Fiscal Reporting Cycle was reviewed
- v. COLA Projections were reviewed
  - 1. District is moving into Basic Aid status next year
  - 2. 6.56% COLA adjustment for LCFF funding
  - 3. This won't generate any additional revenue for District since we will be primarily funded by Property Taxes next year
  - 4. Marc asked how much of the budget is affected by COLA - roughly 10% of budget will still be subject to COLA increase with specific state funding sources
  - 5. Stuart provided feedback - don't focus on COLA, focus on Basic Aid District and Property Tax Revenue
  - 6. Lori provided feedback - add explanation/take away to slide
  - 7. Mary mentioned there is still confusion on per pupil count
  - 8. Stacy mentioned creating a slide on LCFF vs Property Tax
- vi. ADA Cliff and Proposed Funding Scenarios were reviewed
  - 1. Declining enrollment protections were reviewed - hold harmless provisions
  - 2. Attendance shield - ADA as % of total enrollment
  - 3. Marc requested clarification on ADA not affecting budget if Basic Aid District - majority of budget is not affected, roughly 10% still tied to ADA
  - 4. Lori asked if there is a way to show total enrollment as we become Basic Aid District and how to show how it affects us now vs once we become a Basic Aid District
  - 5. Stuart recommended simplifying conversation on ADA and how it affects a small % of budget moving forward
- vii. Property Tax Revenue Growth was reviewed
  - 1. Historical property tax and future projected property taxes were reviewed.
  - 2. Estimate 2021-22 in current year, -\$30M adjustment this year reflecting changes in over and under assessments, example of volatility in property taxes, need larger reserve for protection (current 6% want to grow to minimum 10%)
  - 3. Sylvia asked for clarification on this year's COLA factored into total LCFF entitlement, Property Tax portion, difference is made up by State Aid. This year we are made whole but in the future when we are Basic Aid, reserve will be critical.

4. Marc pointed out that this year is an estimate and maybe it won't be as bad, and if we took a big hit we would go back to LCFF funding and it would make us whole.
  5. Lori asked if this assessor's office adjustment was just CUSD and it was and it did not have to do with moving into basic aid and it did not. Point out volatility critical. Add what is the take away from this?
- viii. Total LCFF Funding was reviewed
1. How LCFF is calculated and how much is in excess property taxes.
  2. Stuart had questions about terminology and how to simplify the verbiage/terms.
  3. Sylvia asked if 2022-23 is based on 2021-22 ADA if we were based on LCFF funding.
  4. Kai asked for greater clarification on the LCFF grant line item at the bottom of the chart.
  5. Linda said that there should be more awareness about property taxes that are actually going to the District
- ix. Other items from the May revise were reviewed
1. ELOP, Discretionary Block Grant, Universal TK funding, Transportation and Deferred Maintenance items were discussed.
  2. Kai asked for clarification on Infrastructure funds, they are still there, just 75% must be used for arts education.
  3. Lori brought up concern because TK funding will not go to Basic Aid Districts.
  4. Marc asked about funding for ELOP based on districts school day ADA
  5. Sylvia asked for an added visual for what affects CUSD on this slide
- x. Items not in the May revise were reviewed
1. Pension relief (STRS/PERS +3% - approx. \$2.7M for CUSD) from the State and Implementation on Universal Meals were not in May Revise.
- xi. Other Major District Budget Assumptions were reviewed
1. Salary Settlements (7% in 2021-2022 \$10M and additional 6% in 2022-23 \$18.7M= \$28.8M over the two years), Health Insurance Costs (going up by double digits), Pension Costs (\$2.7M based on 3% increase), Property Taxes were reviewed
  2. School Consolidation, Enrollment and Parcel Tax expiration in 2023-24 were also discussed.
  3. Kai asked for clarification regarding the salary increase.

4. Stacy said we will add % and \$ for clarification purposes.
5. Sylvia mentioned that the arrows up and down were somewhat confusing. Maybe separating revenue and expense would be helpful. Dan suggested separating revenues and expenses and to add property tax on this page
6. Linda mentioned the parcel tax having negative impact on District and listing potential impacts on budget, consequence of one time funding highlighted,
7. Mary recommended separating the visual for revenue and expense.
8. Stacy thanked everyone for great feedback.
9. Poornima mentioned that the up and down arrows do not convey the proper message with the categories mentioned.
10. Marc requested % for all or % for none; requests consistency in delivery
11. Linda talked to the District's focus on retention, conscientious staff, and being (Kai) competitive in the market

xii. Questions/Comments

1. Linda parcel tax question- maybe new bond or parcel tax in future? Sharing survey results from consultant on 5/26/22 Board Meeting. Linda mentions if education can start sooner rather than later for Nov. election information and planting the seed.
2. Donna had questions from Vista about salary increases and appreciates the increases but where is the money coming from? Coming from both property taxes this year and state money this year and next year from property tax growth. As well as any \$ we save each year. Stacy mentioned the commitment and prioritization of employees and compensation to the District.

6. Future Agenda Items:

2022-2023 Budget Advisory Calendar

Sept. 28, 2022	9:30 a.m. - 11:00 a.m.
Jan. 25, 2023	9:30 a.m. - 11:00 a.m.
May 24, 2023	9:30 a.m. - 11:00 a.m.

7. Adjournment

Chris thanked everyone for participating in the BAC this year.

Stacy echoed the valuable feedback from this Committee is extremely useful.

Chris Jew adjourned the meeting at 10:58 a.m.