



MEETING MINUTES

A. CALL TO ORDER

Meeting called to order at 9:32 AM

1. Roll Call

Staff conducted Roll Call to establish a quorum.

Committee Members

- Satheesh Madhathil - present
- Ava Chiao - present
- Kate Lee - present
- Chris Izor - present
- Nick Prychodko - absent
- Joan Orvick - present
- Dan Halabe - present
- Stuart Rosenberg - present
- Phyllis Vogel - present
- Kimya Shariffi - present
- Shompa Bhattacharya - present
- Omar Batres - absent
- Maria Fernandez- absent

Staff

- Jennifer Hawn - present
- Tina Bernal - present
- Kavitha Lakshmanan - present
- Sandra Harlow-McGrath - attended the meeting as a substitute for Maria Fernandez

No quorum.

2. Approval of the September 2, 2026 Regular Meeting Agenda

No quorum precludes formal votes on meeting agenda or minutes.

B. MINUTES APPROVAL

1. Approval of the May 27, 2026 Regular Meeting Minutes

No quorum precludes formal votes on meeting agenda or minutes.

C. PUBLIC COMMENT

No Public Comments

D. INFORMATION

1. New Staff and Members

Introduction of New Staff and Members:

- Dr. Jennifer Hawn, Superintendent
- Chris Izor, CESSAA representative
- Nick Prychodko, CESSAA representative
- Joan Orvick, CESSAA representative
- Loren Fontinell, CEA representative (Board approval on 09.10.2026)

2. Committee Purpose, Norms, and Duties

- Reviewed the committee's role as a standing body meant to disseminate budget information to stakeholders and provide recommendations for Board consideration.
- Dr. Jennifer Hawn emphasized a focus on improving District-wide communication, including plans to launch a District-wide newsletter and utilize PTA platforms to reach more community members.
- Update the language of norm 4 to clarify that reporting out on discussions will occur after the Board meeting
- A discussion arose regarding the confidentiality of meetings, given that they are public. It was clarified that while the meetings are public, materials presented prior to Board approval are tentative and should be treated as such. Established consensus to label shared materials as "tentative" or "draft" to balance committee confidentiality with the need to disseminate information to stakeholder groups.
- Board member expressed a commitment to listening more to the committee's community voice and bringing that input back to the Board.

3. Proposed Meeting Schedule and Time Change

- Discussed increasing meeting frequency and shifting to 4:00 PM - 6:00 PM to balance the goal of maximizing public participation with the scheduling constraints of staff and committee members.
- Members discussed the difficulty of balancing this time with personal work schedules and potential conflicts with other District commitments. While some members expressed support for evening meetings, others advocated for maintaining morning sessions or exploring a rotating schedule to accommodate all participants.

4. 45-Day Budget Update

Tina Bernal, Director of Fiscal Services presented the 45-day budget update for the 26-27 fiscal year, detailing adjustments made since July 1.

- New ongoing expenses included approximately \$210,000 for paid pregnancy disability leave and a \$331,000 one-time expense for an electric bus project match. Positive ongoing revenue changes included a \$661,000 increase for the ELOP program and a significant funding increase for special education, which aims to reduce reliance on the general fund.
- A discrepancy regarding the Restricted On- Going total on slide 7 was identified and noted for correction.
- Recommended highlighting the final payment for the learning recovery block grant.
- A potential additional \$5.7 million in the student support and professional development discretionary block grant, bringing the anticipated total to approximately \$12.2 million.
- Staff agreed to refine the presentation to better differentiate between revenues, expenses, and previously budgeted items.
- provided a refresher on the budget cycle, noting that the first interim report is scheduled for December and the second for March. Unaudited actuals are presented in September, followed by an audited report in January.
- Budget terminology was shared
- District baseline data includes 17 elementary schools, one TK-8 school, five middle schools, a student enrollment of approximately 13,073 as of August 27, and 1,638 total employees.
- Dr. Jennifer Hawn highlighted a decline of over 400 students in District enrollment. The committee discussed the necessity of addressing this trend, which appears to be impacting middle schools, in relation to staffing levels and program operations.

Member questions and comments

- Members cautioned against using one-time funds for ongoing expenses.
- Is YCC numbers included in the enrollment numbers?
 - staff will verify

5. 2025-26 Unaudited Actuals

Presented by Tina Bernal, Director, Fiscal Services

- the unaudited actuals process involves closing the books after June 30, reconciling all revenues and expenditures, and preparing for an independent audit. This data serves as the basis for the audit that will be presented in January.
- District's fiscal dashboard
- an overview of the district's funds
- emphasized the difficulty of maintaining precise budget projections as variables change rapidly and the importance of interim budget updates in tracking financial variations. Interim projections help refine end-of-year fund balances, as seen in the

progression from the first to second interim periods, with a goal to minimize variance in future forecasts.

25-26 Revenue Analysis

- an increase in revenue from 236 million in the adopted budget to 242 million in unaudited actuals. This included an unexpected 3.8 million increase in supplemental property taxes. Property taxes account for 78% of district revenue, while federal revenues comprise 1.7%, state revenues 12.3%, and other local revenues 8%.
- an 8.3 million reimbursement from the federal Inflation Reduction Act for a solar project was reclassified from the general fund to Fund 21 per auditor recommendations. This maintains flexibility for the general fund, as Fund 21 can make contributions back to it. Only 3 million of the rebate was received in 25-26, with 5 million moved to the 26-27 budget.
- Expenditure details: certificated salary costs increased by 470,000 due to hiring additional Transitional Kindergarten teachers. Classified salary costs rose by 1.1 million, driven by the necessary hiring of Instructional Aides. Personnel costs reached 88% of the budget.
- Services and operating costs increased due to higher sub-agreements for special education and non-public agency contracts.
- Capital outlay grew due to carryover costs for nutrition services and heating, ventilation, and air conditioning replacements via the CALSHAPE grant. Other outgoing costs rose by 2 million, covering tax and revenue anticipation notes borrowing repayment and the Early Retirement Program payments.
- \$826,000 was transferred into the general fund from the Expanded Learning Opportunities Program as compensation for facility usage. Additionally, the closure of the Cooper Doodle program allowed the district to capture \$200,000 in released pension liability funds and \$370,000 in facility usage fees, totaling \$570,000.
- The 21.6 million ending fund balance is composed of non-spendable assets (petty cash, inventory), restricted funds, a 3% state-mandated reserve for economic downturn (approximately 8 million), and an additional board reserve (approximately 700,000). Funds labeled as restricted or assigned for specific purposes, such as instructional materials, cannot be moved into the general reserve.

Multi-Year Projection and Deficit Spending:

- the multi-year projection aims to eliminate the \$7 million deficit spending currently impacting the unrestricted general fund. The plan relies on proposed expenditure reductions, including \$5 million in salaries and \$2 million in benefits, though these remain subject to negotiation.
- 26-27 is projected to avoid deficit spending, largely due to incorporating prior one-time revenues. Achieving targets for 27-28 will require implementing the planned \$7 million reduction in salaries and benefits, as the current projections assume a 12 million revenue drop following the expiration of one-time funds.
- staffing levels are determined by student enrollment projections provided by demographers. Although classroom staff may be reduced based on enrollment,

other operational areas may not see automatic reductions. The state projects continued declining enrollment over the next 30 years.

- overview of all district funds, noting that only the general fund and Fund 9 are unrestricted. The bond fund, Fund 24, currently holds a remaining balance of \$58 million from the initial \$74 million sale, representing projects that are underway but pending payment.

Member questions and comments

- why the ending fund balance rose from 15 million to 21.6 million despite revenue and expenditure projections remaining relatively stable?
 - this discrepancy was primarily due to restricted funds that carried over and a higher-than-estimated beginning fund balance of 33 million, rather than the 27 million initially projected.
- provide a clear breakdown of certificated and classified salaries between management and non-management positions. The group emphasized the importance of tracking these figures to understand the impact of retirements and job eliminations on the budget.
- expressed concern regarding the feasibility of the 7 million reduction plan, noting that it excludes potential salary or benefit increases.
 - Dr. Hawn acknowledged these risks, emphasizing that the projection is a working document and the committee must explore additional cost-saving measures and revenue strategies to maintain the reserve.
- Identify future cost savings by analyzing organizational systems, reviewing vacant positions, and evaluating the use of contractors.
- rather than solely focusing on cuts, the District should explore revenue-generating opportunities to move away from reliance on annual property tax increases.
- personnel cost in the unaudited actuals came in at 88%, but previously it was stated as down to 86%. Is this where it should be? Is the goal 86%?
 - we did project 86% in the second interim, but end-of-year hiring likely altered the final actual numbers to 88%. Regarding the goal, the state organization FICMAT recommends a best practice range of 83% to 87%, with an average of 85%. While the District hasn't set an official target, we are shooting to get closer to that 85% mark.
- how much profit is the District making from the Expanded Learning Opportunities Program (ELOP)—specifically asking for the \$826,000 minus staff and other program expenses—and what the exact rate is that they are charging themselves for rent?
 - We charge ourselves standard Facilitron fiscal rates, which calculates a specific dollar amount per square foot depending on the space utilized (such as a classroom or a GLC) rather than utilizing a single steady rate.
- does the "transfers in" category only include revenue from very specific funds or does it capture money coming back to the general fund from any fund?
 - it reflects any fund that is contributing back into the general fund, as well as movements occurring within the general fund itself.
- was the \$8 million solar fund amount (Fund 21) that was recouped represented on the current slide as a transfer back into the general fund, or is it still sitting with an \$8 million balance?

- Fund 21's \$8 million contribution to cover the routine restricted maintenance account is included in the transfers. However, for the solar IRA project, the District only received the first payment of about \$3 million in the 2025–2026 fiscal year. The remaining \$5 million was shifted to the 2026–2027 budget.
- can you lower the ending fund balance by intentionally making the additional board reserve larger?
 - No, we cannot do this because components like non-spendable funds, restricted funds, and assigned funds (such as LCAP supplemental and carryover instructional materials) are legally set aside and cannot be touched or moved into the reserve. Only the remaining unassigned monies left over after all mandates are met can be allocated to the reserve.
- can restricted funds be placed into a reserve for future restricted needs?
 - no, restricted funds are 100% restricted to their specific designated purposes and cannot be shifted into a reserve.
- didn't the committee build a list of budget focus areas in the previous year?
 - yes, we did create a list last year, noting it was very cut heavy, and agreed to locate and share it again to solicit further input.

Tina recognized the efforts of the fiscal services team, noting their significant work during the summer months to close the books and manage financial operations.

E. FOLLOW-UP ITEMS

Updates to this document were shared.

F. AGENDA SETTING/FUTURE MEETINGS

Upcoming meetings in early and late October will deep dive into revenue and expenditures. The goal is to form working groups to brainstorm recommendations for budget adjustments by November, which will be presented at a Board study session.

G. ADJOURNMENT

Meeting adjourned at 11.23 AM