

ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS

BUSINESS SERVICES COUNCIL

February 24, 2009

ACSA Third Floor Conference Room, Sacramento 9:30am to 2:30 pm

**IN ATTENDANCE:**

**Council Members:**

<u>Region</u>	<u>Member</u>	<u>Region</u>	<u>Member</u>
1	Wes Grossman	11	John Von Flue
3	Cindy L. Petersen	12	Ted Alejandro, Board Liaison
4	Wendy Gonsalves	13	William Young
8	Chris Jew	13	Jeff Baarstad, PAST PRESIDENT
9	James Foley, PRESIDENT	15	Jon McNeil
10	Monica Williams	18	Karl Christensen, PRESIDENT ELECT

**ACSA Staff:**

David Gasser, ACSA Staff Liaison

Adonai Mack, ACSA Staff Liaison

**Guests:**

Dennis Myers: Deputy Executive Director for CASBO

2 Representatives from Legislative Analyst Office

1 Representative from California Department of Education

2 Representatives from Department of Finance

**MEETING RECORDER:** Karl Christensen, President Elect

**MEETING MINUTES:**

1. The meeting was called to order at 9:42am and attending members introduced themselves.
2. Minutes of the October 28, 2008 meeting were reviewed and approved with no revisions.
3. Changes to By-Laws of the council were approved as follows:
  - a. Article I, Section 2A to read ...PreK – Adult public school system.
  - b. Article III, Section 6.B.6 to be added indicating that President Elect shall maintain the minutes of the Council meeting.
  - c. Article III, Section 6.C.3 to indicate that Past President shall maintain minutes of the Council meeting in the absence of the President Elect.
4. The President instructed council members to e-mail nominations for President Elect for 2009-10. A vote to elect a President Elect will be conducted at the May meeting.

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5. The President Elect noted that he will attend the Legislative Policy Committee meeting on March 13, 2009. He will e-mail a summary of bills pertaining to school business operations and finance to all Council members after the meeting.
6. The Council discussed the quick response conference call that took place after the Governor released his January budget proposal. The Past President noted that the main concerns emerging from that call were providing maximum flexibility for districts and minimizing cuts to Revenue Limit funding. Another quick response conference call will be scheduled after release of the May Revise. This will be sometime after the Special Election scheduled for May 19<sup>th</sup>, possibly the last week of May or the first week of June. Some changes to the State enacted budget are expected in response to the outcome of the Special Election and updated revenue estimates after April tax receipts are tabulated.
7. The President noted that Michael Berg will fill the Region 9 vacancy and Region 14 still remains unfilled. Contact will be made with that Region to encourage a representative.
8. David Gasser reiterated the need to review the new Business Services Council web page and provide ACSA staff with suggestions for changes and improvements. It was suggested that council members look at the Middle Grades web page as a model to generate ideas for the Council's web page. A suggestion was made to add a link to Budget Alerts on the Home page.
9. The Council established meeting dates for 2009-10 as follows:
  - a. October 21, 2009
  - b. February 24, 2010
  - c. May 26, 2010
10. ACSA staff provided a synopsis of the recently enacted State budget affecting 2008-09 and 2009-10:
  - a. There is uncertainty as to how much school districts will receive from the Federal Stimulus Funds and when the funds will begin to flow. Some believe the money can be expected within 60 days and others indicate that July may be more realistic. Districts can expect to receive Title 1 and IDEA funds but other funds should not be counted upon. There is speculation that the Governor and Legislature may try to use most, if not all, of the Stimulus Funds to relieve pressure on the State General Fund rather than passing the funds along to school districts to relieve the affects of imposed cuts.
  - b. The Budget Act contained language suspending textbook adoptions for two years. However, it is unknown whether districts will need to adopt both Language Arts and Math for 2010-11 or if the adoption cycle will be shifted forward two years. Also, the current scenario would require adoption of Language Arts by July 2010, providing less than 2 years of relief.

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- c. The Council raised concerns regarding the suspension of the Deferred Maintenance match and whether this would affect funding by the State Allocation Board for facilities projects, since receiving these funds requires districts to make the match every year.
  - d. There was some discussion about flexibility in the K-3 Class Size Reduction program. Council members indicated they appreciated the flexibility and may use it in a staggered fashion with class sizes for some grade levels being raised higher than others.
  - e. Some concern was raised as to whether the revenue estimates used by the State to establish the budget are low enough.
  - f. The enacted budget contemplates passage of 5 ballot measures to be considered by the voters at a Special Election scheduled for May 19, 2009. Failure of any of these measures will create holes in the budget that will need to be filled by other means. Furthermore, two of these measures are linked requiring both to pass in order for either to be implemented. One of the initiatives, if not passed, reduces the temporary sales tax increase period from 5 years to 2 years.
11. Representatives from the Legislative Analyst Office, the California Department of Education, and the Department of Finance provided the Council with their assessment of various components of the enacted State budget for 2008-09 and 2009-10:
- a. There appears to be a desire on the part of the Legislature and the Governor to use Federal Stimulus dollars to repair the State's General Fund rather than using them to provide additional funds to school districts to mitigate cuts already imposed.
  - b. The CDE is in the process of drafting a memo to school districts to provide guidance on categorical flexibility. This document should be out within the next several weeks.
  - c. The LAO representative briefed the Council on their proposal to change the current apportionment schedule to help the State manage its cash flow and hopefully reduce the Legislature's tendency to enact apportionment deferrals during lean times. The rationale for creating the current apportionment cycle is unknown and has little connection with how school districts spend their funds. The LAO believes the "5-5-9 plan" would more closely approximate school district expenditure patterns by providing 5% of total funding in July and August and 9% for each month from September through June.
12. The meeting was adjourned at 2:22 pm.