

ACSA Business Services Council

Spring Meeting

Wednesday, May 25, 2011

ACSA Sacramento Offices

3rd Floor Conf. Room

9:30 a.m. – 2:30 p.m.

Future Meeting Dates: October 26, 2011

February 15, 2012

May 23, 2012

Reminder – Breakfast is on your own – coffee/ tea provided

Agenda w/MINUTES

Council Members Present:

<u>Region #</u>	<u>Name</u>
11	John Von Flue
1	Wes Grossman
2	Stephen Luhrs
3	Rhonda Crawford
7	Gloria Carrillo
8	Ann Jones
9	Jacquie Canfield
10	Monica Williams
11	John Caudle
12	Ted Alejandro
13	Marysia Ochej
18	Gina Potter
19	Mays Kakish
18	Karl Christensen
13	William C. Young
ACSA Board	Diane Gischel-Lingo
ACSA Staff	David Gasser
ACSA Staff	Adonai Mack

I. Council Business

- i. Welcome and introductions
- ii. Approval of Minutes from February 2011 meeting.
 - o *Motion by J. Caudle*
 - o *Second by M. Ochej*
 - o *No objections*
- iii. Review status of Council's budget year to date.
 - o *Review attached budget*
 - o *J. Von Flue provided update and handout*Budget for 2011-12 will maintain 20% reduction.
- iv. Election of President-Elect for FY 2011-12
 - o *Ballot includes:*
 - *Jacquie Canfield*
 - *Gina Potter*
 - *No floor nominations*
 - o *Each candidate provided a brief biography and interest in office to council members*
 - o *Candidates asked to wait in hallway while council members discussed nominees*

- *Council members discussed candidates and voted by paper ballot (13 votes)*
- *Vote count conducted by David Gasser*
 - *6 - J. Canfield*
 - *7 - G. Potter*

II. Reports and discussion

- i. *Legislative Policy Committee representative report – Jones and Luhrs*
 - a. *A. Jones looking forward to participating in 11-12. “Great experience.” LPC was grateful that a Business Services Council rep was there. AB18 categorical reform was another issue discussed.*
 - b. *S. Luhrs – there seems to be a lack of “numbers” people there – good meeting – lots of discussion covering a variety of topics such as mandate reform*
 - c. *A. Mack provided an overview of Assembly Bills on the horizon and potential impacts. ACSA Legislation and Policy positions are posted on the ACSA website. Categorical Reform/Flexibility task force in place to address the future of Categorical Programs.*
- ii. *Leadership Summit 2011 presentation topic / participants*
 - a. *Topic suggestions included –*
 - i. *School Connected Organizations*
 - ii. *Students Fees – ACLU Lawsuit*
 - iii. *Fundraising Ideas*
 - iv. *Pension Reform Update*
 - b. *Presenters include – J. Canfield, S. Luhrs, K. Christensen, M. Ochej, G. Potter, A. Jones. J. Von Flue*
- iii. *EdCal article April 4, 2011 review*
New article discussion
 - a. *J. Von Flue thanked J. Canfield and G. Potter for their participation in a positive article*
 - b. *J. Von Flue requested ideas and participants for future articles*
 - i. *What it means to be an ACSA Business Services Council Member?*

III. ACSA services briefings

- i. *Membership – Joe Jones / Margie Cuizon*
 - a. *J. Jones provided an update*
 - i. *Membership promotions have been advertised*
 - ii. *Discussed our council at Delegate Assembly and our push to get Business Services employees to join ACSA*
 - iii. *How can we forge a relationship with CASBO to continue to discuss and take action on a joint membership?*
 - iv. *J. Jones will be setting up meetings with CASBO to discuss joint membership*
 - v. *Superintendents and Governing Boards need to support professional memberships – J. Jones will be discussing importance of professional memberships at Superintendents Council and their respective roles in promoting professional memberships*

- g. *AB3632 – Costs will be lower with school districts in charge versus county – interested to hear if costs exceed projected costs*
 - h. *No adjustments to the juvenile court funding*
 - i. *An All Cuts is approx. \$5 billion, reduction of school year, flexibility EIA, accelerate transitional K...*
 - j. *Multi-year perspective – if taxes do not get on the budget – \$1.1 billion in deferrals – problems get pushed off until 12-13 – assume a “flat funding” level over next three years*
 - k. *“Very likely” that we will have a June budget*
 - B. *Members provided an overview of district budget planning for 11-12*
- iii. 2:30pm (ACSA) – Deborah Gonzalez, Political and Fiscal Director, Republican Leader Connie Conway
 - 1. *Caucus working to protect education*
 - 2. *Do not see voters approving a tax package*
 - a. *Public wants pension reform and spending caps*
 - b. *Not enough public support for tax extensions*
 - 3. *Roadmap budget proposed by Republicans*
 - 4. *Something will get done by June 15th, because of legislative pay/Prop 25 – whether the governor will sign approval is uncertain*
 - 5. *Prop 98 - \$49.3 billion, \$49.4 billion, guarantee increased to \$49.9 billion with no new taxes or rebenching, 50.4 is prop 98 floor (52.4 with tax extensions)*
 - 6. *Moving forward without a revenue package*
 - a. *\$4.23 billion in reductions in trailer bills and budget bills*

V. Policy and Budget Discussion

- i. Budget round table discussion by council members
- ii. Hot topics from the regions

VI. Council business

- i. End of year review
 - Improvement suggestions
 - b. *CBO Online Network – could be a membership selling point*
 - i. *FCMAT online network in use now by many members*
 - c. *Continued Capitol Visits*
 - i. *Report back out to county colleagues at CBO meetings or other comms.*
 - d. *Get more CBO's to attend Leg Action Day*
 - e. *Joint Leg Action Day with CASBO?*
 - f. *Guest speakers*
- ii. Councilmember recognition – completed terms
 - a. *Mike Berg*
 - b. *Enrique Navas*
 - c. *Anthony Ortega*
 - d. *Karl Christensen*
 - i. *Will become Director at Large for ACSA Board of Directors*
 - e. *William C. Young*

- iii. Welcome President Young and President-Elect *Gina Potter*
- iv. Adjournment

*Agenda will be reorganized to accommodate for the availability and schedule of capital visits.

Legislature under deliberations on Pension Reform May 2011

Governor Brown and the state legislature have been deliberating public employee benefits, and issues of state pension fund stability. These efforts are focusing attention on public servant salaries and the level of retirement benefits promised to future retirees. This has led to reports that call for modifying the existing pension benefits structure.

The common theme of all these reports and conversations includes:

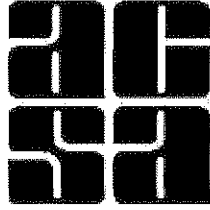
1. Eliminate ability to purchase "Air Time".
2. Prohibit employers or employees from spiking pensions.
3. Prohibit retroactive pension benefit increases.
4. Eliminate one-year final compensation formula and replace it with a three-year average formula for new hires.
5. Address pension spiking by only allowing salary to qualify as compensation.
6. Prohibit the payment of any pension benefit to anyone convicted of an employment-related felony.
7. Eliminate revolving door hires at time of retirement (six month break in service)
8. Establish an Earnings Cap for calculating final compensation.
9. Establish a hybrid pension system using a defined benefit plan and a defined contribution plan (401 K).

Statewide groups that have been formed to debate these state pension policies include:

1. CA Foundation for Fiscal Responsibility, Marcia Fritz, President
2. Roger Niello has submitted an initiative on pension reform
3. CA Pension Reform has submitted an initiative on pension reform
4. CA for Secure Retirement, Steve Maviglio, public "Pension Truth Squad"

ACSA is working to educate the legislature on the reality of pension systems including the differences between the various state pension systems. ACSA has adopted this set of pension principles that will help drive to debate:

- ACSA believes it's prudent to have a long-term discussion regarding the best way to provide retirement security for California's current and future educators.
- ACSA strongly oppose penalizing current educators for a career of service to public schools and students with drastic and harmful changes to the pension system.
- ACSA supports the long-term fiscal stability of the state pension fund that reduces and eliminates the unfunded liability over time.



ACSA PENSION PRINCIPLES
April 26, 2011

As California lawmakers continue work to balance the state's budget deficit, school leaders urge thoughtful discussion about pension reform.

ACSA is calling on California lawmakers to address the immediate needs of preventing deeper cuts to schools, balancing the state's budget with revenue extensions, and protecting the retirement benefits of public employees, including those who serve our schools.

ACSA recognizes the need for lawmakers to engage in pension reform discussions that are sound, reasonable and long-term for both the California State Teachers Retirement System and the California Public Employment Retirement System. It's prudent to determine the best ways to continue to provide retirement security for California's current and future public employees through CalSTRS and CalPERS, and to uphold benefits mandated by law.

Changes to CalSTRS' contributions and benefits should take place over time and should include all stakeholders in deliberations. Experts agree that attempts to lower benefits for current members in these systems would end up in court and fail, costing the state millions of dollars in legal fees.

All of CalSTRS members – active and retired – have served as teachers in public schools. A portion of CalSTRS members moves up the career ladder to serve as school principals and school superintendents. These education posts require more training, advanced degrees and administrative credentials. Placing a cap on earned compensation would limit career mobility and deter educators from taking on leadership roles. California should not penalize educators for long-term service in public education.

CalSTRS is not a free benefit to educators. Educators pay into CalSTRS the same way private sector workers pay into Social Security. Private sector employees contribute 6.2 percent of their salaries to Social Security, with their employers matching that amount, while educators contribute 8 percent to CalSTRS, with employers paying 8.25 percent. The state's contribution to CalSTRS has decreased by more half, from 4.7 percent a decade ago to a little more than 2 percent today.

Most retired members served at least 25 years in public education. The average pension for all retired CalSTRS members is \$3,301 a month. Only about 2 percent of retired members earn pensions above \$100,000; nearly all of them served at least three decades in public education.

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725 Business Services Council
STATEMENT OF REVENUE AND EXPENSE
April 30, 2011

THIS YEAR	LAST YEAR	DIFFERENCE	DESCRIPTION	ACTUAL YTD THIS YEAR	ACTUAL YTD LAST YEAR	BUDGET THIS YEAR	BUDGET BAL OVER/UNDER

REVENUE							
			Sub Total-National Rebates				
			Sub Total-Mailing Label/Lists				
			Sub Total-Rental Income				
			Sub Total-Investment Income				
			Sub Total-Intercompany Revenue				
			Sub total-SASS Ins Premiums				
			Sub Total-Admin Support				
			Sub Total-Service Fees				

			TOTAL REVENUE				
EXPENSES							
			Salaries - Permanent				
			Salaries - Contracted Staff				
			Salaries - Temporary				
			Salaries - Overtime				
			Early Retirement Salaries				
			Benefits				
			Sub Total-Salaries & Benefits				
			Sub Total-Professional Serv				
			Sub Total-Insurance				
			Sub Total-Taxes				
			Sub Total-Contributions				
			Dues, Subscriptions, Books		\$54	\$250	\$(250)
			Sub Total-Dues, Subs & Books		\$54	\$250	\$(250)
			Printing				
			Photocopy Costs				
			Awards/Plaques				
			Rebates				
			Postage Meter & Postage Due		\$21		
			Courier				

725 Business Services Council
STATEMENT OF REVENUE AND EXPENSE
April 30, 2011

THIS YEAR	LAST YEAR	DIFFERENCE	DESCRIPTION	ACTUAL YTD THIS YEAR	ACTUAL YTD LAST YEAR	BUDGET THIS YEAR	BUDGET BAL OVER/UNDER
			Shipping/Freight/Telegrams		21		
			Sub Total-Mail Service		\$42		
			Sub Total-Main/Leases/Equip				
			Office Supplies				
			Sub Total-Office Supplies				
			Sub Total-Rent				
	\$ (232)	\$232	Business Meeting & Expenses	\$867	\$985	\$1,178	\$(311)
			Sub Total-Interest				
			Sub Total-Building Maintenance				
			Telephone	\$67	\$4		\$67
			Travel Air	2,218	2,188	1,821	397
			Travel Surface	519	842	393	126
			Travel - Mileage Reimb	1,024	1,769	1,964	(940)
			Meal Reimbursement			79	(79)
			Lodging		96	236	(236)
			Activity Design				
			Fees				
			Sub Total-General & Admin				
			Sub Total-Intercompany Expense				
			Sub Total-Deprec & Amort				
			Sub Total-SASS Ins Premiums				
			Sub Total-Admin Support Fees				
	\$ (232)	\$232	TOTAL EXPENSES	\$4,695	\$5,980	\$5,921	\$(1,226)
	\$232	\$(232)	ENDING BALANCE	\$(4,695)	\$(5,980)	\$(5,921)	\$1,226