

SIERRA SANDS UNIFIED SCHOOL DISTRICT

**Board of Education
Special Meeting**

**JUNE 23, 2016
District Office
113 W. Felspar Ave.
*www.ssusdschools.org***

We, the members of the Board of Education of the Sierra Sands Unified School District, are committed to providing the highest quality education in a safe environment to all K-12 students. We believe the school shares with the family, church, and community the responsibility for developing life-long learners who are responsible, productive citizens.

A G E N D A

CALL TO ORDER AND PLEDGE TO THE FLAG

12:30 P.M.

Amy Castillo-Covert
Bill Farris
Tim Johnson, Vice President/Clerk
Kurt Rockwell
Michael Scott, President

Ernest M. Bell, Jr., Superintendent

MOMENT OF SILENCE

1. ADOPTION OF AGENDA

2. BUSINESS ADMINISTRATION

2.1 Adoption of the 2016-2019 Local Control Accountability Plan (LCAP)

2.2 Adoption of the Sierra Sands Unified School District Proposed Budget for Fiscal Year 2016-17

3. PERSONNEL ADMINISTRATION

3.1 Differential Salary Schedule Change and Health and Welfare Update to the Ratified Agreement for the Desert Area Teachers Association (DATA)

4. ADJOURNMENT

2. BUSINESS ADMINISTRATION

2.1 Adoption of the 2016-2019 Local Control Accountability Plan (LCAP)

BACKGROUND INFORMATION: In 2013-14, the enactment of the Local Control Funding Formula (LCFF) dramatically reformed California's educational funding system. The LCFF eliminates most categorical funding streams, replacing them with funds based on each LEA's student demographic profile. The LCFF institutes a change in LEA accountability in the form of a three-year Local Control Accountability Plan (LCAP), with annual updates, that focuses on services and outcomes for all students, with emphasis on English learners, low income, and foster youth students.

CURRENT CONSIDERATIONS: The district has put systems in place to ensure meaningful engagement and implementation of the Local Control Accountability Plan (LCAP). Procedures and documents have been created so that information is regularly shared with stakeholders. Committees, parent groups, and surveys are used to review district data and develop a prioritized needs assessment to provide a foundation for development of LCAP goals. As stakeholder input was gathered throughout the year, comments were considered and revisions to the LCAP were made. As a result of the evaluation of the implementation of this year's LCAP goals, actions, services and expenditures, and the development of an annual comprehensive needs assessment developed by stakeholders, the following revisions have been made in the LCAP in order to meet stated goals:

- Maintain two grant funded elementary counselor positions using Supplemental/Concentration funds in order to sustain these services
- Provide computer paraprofessional support at each elementary site to implement grade level digital literacy skills and support intervention plans
- Add a course to support the success of at-risk students transitioning from middle school to the high school
- Implement the California Department of Education Parent Engagement Framework Continuum of Implementation

The board held a public hearing to solicit the recommendations and comments of members of the public regarding the specific actions and expenditures proposed to be included in the LCAP. The public hearing was held at the same meeting as the annual budget public hearing. Sierra Sands conducted the public hearing on June 16, 2016 at a regularly scheduled board meeting. The board is required to hold a second public meeting after, but not on the same day, as the public hearing to adopt the LCAP. This meeting must be the same meeting as the adoption of the district budget. The district must file with the Kern County Office of Education the adopted LCAP and budget within five days after adoption, but no later than June 30, 2016. The Sierra Sands Unified School District LCAP is posted on the district website at www.ssusd.org.

FINANCIAL IMPLICATIONS: In order to meet the required minimum proportionality percentage in the LCAP, the district plans to spend supplemental grant funds as outlined in sections 3 A and B of the LCAP.

SUPERINTENDENT'S RECOMMENDATION: The superintendent recommends that the 2016-2019 LCAP be adopted as presented.

2. BUSINESS ADMINISTRATION

2.2 Adoption of the Sierra Sands Unified School District Proposed Budget for Fiscal Year 2016-17

BACKGROUND INFORMATION: Education Code Section 42127 requires that on or before July 1 of each year, the governing board will adopt a budget and file that budget with the county superintendent of schools. In accordance with the district's practice, guidance from School Services of California, California Department of Education, the Kern County Office of Education, and the Fiscal Crisis and Management Assistance Team was used in formulating the proposed Sierra Sands Unified School District 2016-17 budget.

CURRENT CONSIDERATIONS: The Governor's 2016-17 Budget May revision released on May 13, 2016, includes many of the recurring themes that were present in the January budget proposal. The Governor's budget has provided education with a new funding model during the good times but he is quick to remind everyone of the message that history is bound to repeat itself. The US economy and state economies have remained steady and increased valuations on home prices have been a windfall for the state's general fund, especially with respect to funding for K-12 education. Property taxes, not the state general fund, have paid for the entire increase in education funding. Unemployment rates as of February 2016 are at pre-recession levels of 5.0% and 5.5% for the US and California respectively. Yet, the Governor continues to emphasize looming risks in the form of an impending recession. Notwithstanding his conservative point of view, he continues implementation of the LCFF with nearly \$3 billion in additional Proposition 98 revenues.

The main budget issues revolve around the following items:

- Under the LCFF Sierra Sands does not receive significantly more funding compared to other districts in the state due to its lower percentage of focus subgroups. The district is at 53.05% level of targeted students.
- The budget is now driven by the LCAP. Supplemental grant funding is projected to increase from \$2,876,215 in 2015-16 to \$3,434,354 in 2016/17 due to the further implementation of the LCFF. The additional supplemental grant funding must be principally directed to meet the needs of foster youth, low income, homeless, and English language learners. Future budget considerations must include increased demands on resources to close the achievement gap for targeted students.
- The district must continue to make adequate progress toward class size requirements for the LCFF K-3 Grade Span Adjustments or risk losing funding. All elementary schools are currently either at the 24:1 ratio or at 24.5:1 so the requirement is almost completely implemented.
- The district's declining enrollment trend appears to have flattened out.

- District responsibility for student mental health continues to increase, impacting fiscal and personnel resources. The district experienced a residential placement for one student in 2015-16 for a partial year. The residential placement will continue in 2016-17 at a cost of ~\$210K.
- In view of the lack of statewide facility bonds the district must solve facility issues locally.
- Proposition 30's sales tax rate increase is set to expire at the end of the 2016 calendar year. This will have an impact on the state budget, in turn potentially impacting the district budget.
- Minimum wage enactment over the next five years, starting 1/1/2017, will considerably impact the budget as no additional funding is made available.
- There is no additional funding, nor a COLA, for Special Education except for a small increase at the federal level. Special Ed is a program that already requires a general fund contribution.
- The 3-year Career Technical Education Incentive Grant will require increasing district matching funding per state dollar.

Assumptions for 2016-17

- LCFF Gap funding 54.84%
- \$ per ADA (LCFF) \$8,560
- Student ADA 4,616
- California CPI 2.15%
- COLA 0.00% (down from 0.49%)
- Lottery \$140.00 per student
- Proposition 20 \$41.00 per student
- Mandated Cost Block Grant \$165,000
- One time discretionary funding \$237 per pupil offsetting state obligations for any district with outstanding mandate reimbursements
- Cost of Step & Column is estimated at ~1% for all associations
- Cost of Health and Welfare package is calculated at a ~3.2% cost increase
- CalSTRS employer contribution 12.58%
- CalPERS employer contribution 13.888% (from 13.05%)
- Adult Education Block Grant No increases
- Deferred maintenance will be paid at 100% from the unrestricted general fund.
- District Reserve for Economic Uncertainty maintained at 5% (\$2.5M) in the general fund
- Transportation funding add-on to the LCFF maintained at the same level as 2012-13 funding

Future outlook:

- Gap Funding for the out years is projected by the DOF to be 73.96% and 41.22% vs. SSC 19.30% and 34.25%. At full LCFF implementation the district will receive COLA only.
- COLA increases for the next few years are expected to be in the range of 1%-3%.
- Much lower growth in Proposition 98 is expected due the fact that the maintenance factor has been paid down and was the main driver of accelerated annual increases.
- California is still one of the states with the lowest public education funding despite LCFF.
- Proposition 30 personal income tax rate increase is set to expire at the end of 2018 and a tax extension is not guaranteed. This may have an impact on the state budget, in turn potentially impacting the district budget.
- Should the economy slow down significantly and Prop 30 is not extended, state revenues could drop to prior year levels potentially necessitating cuts to education.
- STRS unfunded liability is projected to result in cumulative increases in employer contributions – increases of 1.85% are slated yearly until full implementation.
- PERS employer contribution rates are slated to increase to as high as ~20% by 2020.
- An Early Education Block Grant has been proposed which, if implemented, is expected to have a major impact on the district budget.

While the Governor's continuing funding of the LCFF gap is to be lauded, it must be noted that implementation of gap funding is almost complete at 95.7% by 2016-17 with only small increases in funding expected from here on out. Expected additional LCFF funding and one-time money in mandated cost reimbursement for the district in the 2016-17 school year cannot but help the district's operating budget, but increasing demands on available funding necessitates caution in moving forward. Continuing expenses will include the areas of technology, facility maintenance needs, and utility cost increases, paired with the rising costs in STRS and PERS employer contributions, targeted pupil services, and many others. The expected ~\$1.1M in one-time funding has been tentatively designated for textbook adoption. Continuing vehicle replacement and facility maintenance needs must also be considered.

Future budget considerations must include increased demands on resources to close the achievement gap for targeted students. As funding received will fall short in meeting competing demands for all expenditures, the district with guidance from the board, will remain vigilant in its stewardship of available funds.

It must be noted that the state budget has not yet been finalized at the time of preparation of this document. Before the state budget is adopted it will most likely include changes to the May Revision. The budget is posted on the district website at www.ssusd.org.

FINANCIAL IMPLICATIONS: The district maintains its positive certification and continues to remain fiscally solvent in 2016-17 and the two out-years.

SUPERINTENDENT'S RECOMMENDATION: It is recommended that the board adopt the proposed budget for the 2016-17 school year as presented.

3. PERSONNEL ADMINISTRATION

3.1 Differential Salary Schedule Change and Health and Welfare Update to the Ratified Agreement for the Desert Area Teachers Association (DATA)

BACKGROUND INFORMATION: The DATA and district negotiation teams reached an agreement for 2015-16 and 2016-2017.

CURRENT CONSIDERATIONS: The district ratified the collective bargaining agreement regarding contract language changes and proposals for the 2015-2016 and 2016-2017 school years. The agreement settled all negotiations for 2015-2016, and 2016-2017. Furthermore, the tentative agreement provided for new duration terms for a 2016-2019 collective bargaining agreement.

Two items of correction are being brought to the board for approval to make appropriate amendments to the contract. Copies of the updated areas of correction are included in this packet:

- 1) On the 2016-2017 Differential Salary Schedule, Step 1 of the “Department Chairs: 1-20 Sections” pay cell should be \$1,653.
- 2) Appendix F (Insurance Premium Calculation Sheet) is updated to reflect all current rates.

FINANCIAL IMPLICATIONS: Minimal.

SUPERINTENDENT’S RECOMMENDATION: It is recommended that the Sierra Sands Unified School District Board of Education approve the Differential Salary Schedule correction and Appendix F (Insurance Premium Calculation Sheet) update to the Collective Bargaining Agreement for the Desert Area Teachers Association (DATA) as presented.

SIERRA SANDS UNIFIED SCHOOL DISTRICT
DIFFERENTIAL SALARY SCHEDULE
2016-2017 School Year
W/2.55%

ASSIGNMENT	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
Varsity Head Coach (Football, Basketball)						
Athletic Director. The AD is paid on tri-annual basis	\$ 2,701	\$ 2,840	\$ 2,983	\$ 3,131	\$ 3,290	\$ 3,454
Varsity Head Coach (all other sports)						
Cheer Advisor. Cheer Advisor is paid on a bi-annual basis	\$ 2,482	\$ 2,602	\$ 2,732	\$ 2,869	\$ 3,015	\$ 3,167
Head JV & Frosh Coach						
All Assistant Coaches, Trainers	\$ 2,253	\$ 2,362	\$ 2,482	\$ 2,602	\$ 2,732	\$ 2,869
ASB Advisor (HS, MS), Band, Yearbook (HS, MS), Newspaper (HS)	\$ 2,253	\$ 2,362	\$ 2,482	\$ 2,602	\$ 2,732	\$ 2,869
Performing Arts:						
Stage Band (HS)						
Orchestra (HS, MS)						
Madrigals (HS)						
Vocal Music (HS, MS)						
Drama Adv (HS, MS)						
Drama Techn (HS, MS)	\$ 1,562	\$ 1,642	\$ 1,758	\$ 1,842	\$ 1,933	\$ 2,030
Academic Decathlon (HS)						
Mathletes (HS, MS)	\$ 1,352	\$ 1,418	\$ 1,490	\$ 1,564	\$ 1,642	\$ 1,724
DEPARTMENT CHAIRS:						
1-20 Sections	\$ 1,653	\$ 1,738	\$ 1,817	\$ 1,913	\$ 2,005	\$ 2,105
21-40 Sections	\$ 1,984	\$ 2,079	\$ 2,185	\$ 2,295	\$ 2,410	\$ 2,531
41-65 Sections	\$ 2,646	\$ 2,780	\$ 2,903	\$ 3,064	\$ 3,218	\$ 3,379
66-99 Sections	\$ 3,309	\$ 3,472	\$ 3,646	\$ 3,827	\$ 4,020	\$ 4,224
100 + Sections	\$ 4,135	\$ 4,341	\$ 4,561	\$ 4,786	\$ 5,032	\$ 5,277
The following positions do not receive increases with salary schedule changes						
MIDDLE SCHOOL DEPT. CHAIRS	\$ 1,000					
MIDDLE SCHOOL COACHES	\$ 1,000					
ELEM. COMBINATION CLASSES	6% of Salary					
ELEM. LIMITED ENGLISH (eight or more)	\$ 2,000					
HEAD TEACHER (No Asst. Princ. On Site)	\$ 2,000					
SAT COORDINATORS	\$ 2,000					

APPENDIX F

Plan Information	Insurance Premium Calculation					
	100-B-\$20	DATA 90/10 90-A-\$20	90-C-\$30	80-C-\$20	80-E-\$20	80-M-\$40
2015/2016						
Anthem Blue Cross / Navitus RX	1,334.00	1,334.00	1,334.00	1,334.00	1,334.00	1,334.00
Delta Dental	89.00	89.00	89.00	89.00	89.00	89.00
Vision Services Plan	16.60	16.60	16.60	16.60	16.60	16.60
Hartford Insurance \$2,000 Life Insurance (paid 100% by District)	0.66	0.66	0.66	0.66	0.66	0.66
Monthly Total	<u>1,439.60</u>	<u>1,439.60</u>	<u>1,439.60</u>	<u>1,439.60</u>	<u>1,439.60</u>	<u>1,439.60</u>
2016/2017						
Anthem Blue Cross / Navitus RX	1,408.00	1,364.00	1,285.00	1,280.00	1,180.00	856.00
Delta Dental	108.00	108.00	108.00	108.00	108.00	108.00
Vision Services Plan	16.60	16.60	16.60	16.60	16.60	16.60
Hartford Insurance \$2,000 Life Insurance (paid 100% by District)	0.66	0.66	0.66	0.66	0.66	0.66
Monthly Total	<u>1,532.60</u>	<u>1,488.60</u>	<u>1,409.60</u>	<u>1,404.60</u>	<u>1,304.60</u>	<u>980.60</u>
2015/2016 Total Premium	17,275.20	17,275.20	17,275.20	17,275.20	17,275.20	17,275.20
2016/2017 Total Premium	18,391.20	17,863.20	16,915.20	16,855.20	15,655.20	11,767.20
District's Share of 15/16 Premium in 16/17 (2 months)	<u>2,879.20</u>	<u>2,879.20</u>	<u>2,879.20</u>	<u>2,879.20</u>	<u>2,879.20</u>	<u>2,879.20</u>
District's Payments of 16/17 Premium in FY 16/17 (10 months)	<u>15,326.00</u>	<u>14,886.00</u>	<u>14,096.00</u>	<u>14,046.00</u>	<u>13,046.00</u>	<u>9,806.00</u>
Total H&W premiums paid in 16/17	<u>18,205.20</u>	<u>17,765.20</u>	<u>16,975.20</u>	<u>16,925.20</u>	<u>15,925.20</u>	<u>12,685.20</u>
90% District Contribution of 90 - A - \$20 plan	<u>15,988.68</u>	<u>15,988.68</u>	<u>15,988.68</u>	<u>15,988.68</u>	<u>15,988.68</u>	<u>15,988.68</u>
** Monthly rates are based on 10 monthly payments	<u>\$ 221.65</u>	<u>\$ 177.65</u>	<u>\$ 98.65</u>	<u>\$ 93.65</u>	<u>\$ (63.48)</u>	<u>\$ (3,303.48)</u>
The information presented above is accurate to the best of our knowledge.				Monthly Employee Portion		Annual Stipend