

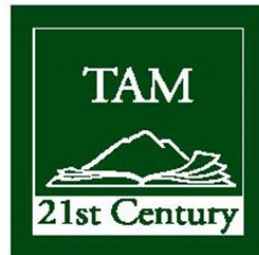
Tamalpais Union High School District

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# Fiscal Advisory Process Update

— TUHSD Board of Trustees —  
January 15th, 2019

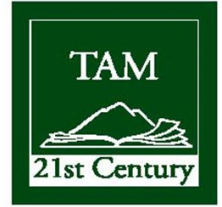


# Where were we in July 2018?

- In the last 10 years, TUHSD has added 1,227 students resulting in additional 70.5 fte certificated staff
- Given TUHSD is 'basic aid', we do not get extra revenue for each student
- As a result, TUHSD is projecting operating deficits of
  - \$7.9M for 2018-19 (current year)
  - \$8.7M for 2019-20
  - \$9.7M for 2020-21
- The Reserve has and will decrease by these operating deficits
  - Reserve was \$24.8M in 2016-17 & is currently \$17.7M to begin this year
  - ~~Reserve is projected to be depleted by 2020-21~~
- Solution = Reduce costs + Increase revenue (supplemental parcel tax)
  - \$8M = \$3M + \$5M if parcel tax passes
  - ~~\$8M = \$8M + 0 if parcel tax fails~~
- Need staff and community input on how to reduce costs with and without Parcel Tax



# Cost Reductions - Spring 2018-Reflected in Current Year Budget



TUHSD has already reduced costs

- \$1.8M in savings identified in Spring 2018 for 2018-19
  - Suspended Teacher Leader model
  - Reduced Instructional Coach staffing
  - Eliminated all but essential food, travel and conferences
  - Reduction in number of new teachers/counselors/Assistant Principals due to tighter staffing
- Original goal was identifying \$3M of cost savings

**NOTE:** *These \$1.8M in cost reductions brought the 2018-19 deficit down to \$7.9M*

## Cost Reductions made in the Current Year

<b>TUHSD Budget Savings Tracking Tool - 2018-19</b>		
<b>Date of Action:</b>	<b>Ongoing Implemented Actions:</b>	<b>Savings (Costs) Estimate:</b>
August 2018	Reduction of Sr Director of C&I/Combined with Tamiscal Principal	\$ 150,000
August 2018	10% reduction in Department budgets	\$ 300,000
August 2018	25% reduction in Site budgets	\$ 300,000
September 2018	No current replacement Asst Supe of Ed Services	\$ 256,000
September 2018	Reduce work calendars for Directors of Nutrition (5 days) & Comm Ed (8 days)	\$ 17,000
September 2018	Additional Special Education transportation costs for 17.5 students	\$ (136,000)
	<b>Total of Current Ongoing Savings to Date:</b>	<b>\$ 887,000</b>
<b>Date of Action:</b>	<b>One-time Implemented Actions:</b>	<b>Savings (Costs) Estimate:</b>
Fall 2018	Return of Superintendent's Housing Loan	\$ 500,000
	<b>Last Updated:</b>	<b>9-18-18</b>

# Comparison: Adopted Budget vs. 1st Interim Budget

<i>Description</i>	<i>Amount</i>
<b>2018-19 Adopted Budget Projected Deficit</b>	<b>\$ (7,847,650)</b>
<b>Changes</b> <i>(See Next Slide)</i>	<b>\$ 4,129,039</b>
<b>2018-19 First Interim Projected Deficit</b>	<b>\$ (3,718,611)</b>

Operating Deficit occurs when the current year expenditures exceed current year revenues, which results in depleting reserves.

# Summary of Multi-Year Projections

	<b>2018-19 (Current Year)</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Operating Deficits (June 2018)</b>	<b>\$(7.8M)</b>	<b>\$(8.7M)</b>	<b>\$(9.7M)</b>
<b>Ending Fund Balance/Reserve (June 2018)</b>	<b>\$8.6M (6.5%)</b>	<b>\$1M (1.1%)</b>	<b>Insolvent by mid-year</b>
<b>Operating Deficits (December 2018)</b>	<b>\$(3.7M)</b>	<b>\$(1.1M)</b>	<b>\$(2.2M)</b>
<b>Ending Fund Balance/Reserve (December 2018)</b>	<b>\$14.0M (11.5%)</b>	<b>\$12.9M (10.9%)</b>	<b>\$10.7M (10.5%)</b>

	1st Interim			Notes:	Projection			Projection		
	2018-19				2019-20			2020-21		
	Unrestricted	Restricted	Combined		Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
<b>Revenue</b>										
LCFF Sources	63,666,385	0	63,666,385		66,427,582	0	66,427,582	69,118,588	0	69,118,588
Federal Revenue	0	1,169,181	1,169,181		0	1,140,005	1,140,005	0	1,113,747	1,113,747
State Revenue	1,821,575	2,870,397	4,691,972	2	941,701	2,886,553	3,828,254	960,492	2,886,553	3,847,045
Local Revenue	13,840,595	3,448,133	17,288,728	1	16,501,587	3,744,924	20,246,511	16,976,409	4,080,298	21,056,707
<b>Total Revenue</b>	<b>79,328,555</b>	<b>7,487,711</b>	<b>86,816,266</b>		<b>83,870,870</b>	<b>7,771,483</b>	<b>91,642,353</b>	<b>87,055,489</b>	<b>8,080,598</b>	<b>95,136,088</b>
<b>Expenditures</b>										
Certificated Salaries	33,239,901	4,204,539	37,444,440	3,4,7,8,9	34,288,009	4,539,692	38,827,701	35,355,297	4,618,257	39,973,555
Classified Salaries	8,211,746	2,836,025	11,047,771	3	8,373,628	2,888,889	11,262,517	8,538,795	2,942,826	11,481,622
Benefits	17,169,114	5,803,056	22,972,170	3,9	18,856,849	6,192,601	25,049,451	20,318,140	6,535,947	26,854,087
Books and Supplies	2,064,390	3,219,294	5,283,684	5,6	2,064,390	1,164,217	3,228,607	2,064,390	1,164,217	3,228,607
Other Services & Oper. Expenses	5,826,969	6,844,021	12,670,990		5,646,969	6,764,021	12,410,990	5,826,969	7,564,021	13,390,990
Capital Outlay	152,173	53,777	205,950		152,173	53,777	205,950	152,173	53,777	205,950
Other Outgo 7xxx	331,992	2,488,397	2,820,389		331,992	3,346,286	3,678,278	331,992	3,346,286	3,678,278
Transfer of Indirect 73xx	(694,145)	663,802	(30,343)		(694,145)	663,802	(30,343)	(694,145)	663,802	(30,343)
<b>Unidentified Budget ((Cuts)/Increase)</b>			<b>0</b>		<b>(3,000,000)</b>	<b>0</b>	<b>(3,000,000)</b>	<b>(3,000,000)</b>	<b>0</b>	<b>(3,000,000)</b>
<b>Total Expenditures</b>	<b>66,302,140</b>	<b>26,112,911</b>	<b>92,415,051</b>		<b>66,019,865</b>	<b>25,613,286</b>	<b>91,633,151</b>	<b>68,893,612</b>	<b>26,889,134</b>	<b>95,782,746</b>
Deficit/Surplus	13,026,415	(18,625,200)	(5,598,785)		17,851,005	(17,841,803)	9,202	18,161,877	(18,808,535)	(646,658)
Other Sources/(uses)	502,220	0	502,220	17	0	0	0	0	0	0
Transfers in/(out)	(677,123)	0	(677,123)	13-15	(957,123)	0	(957,123)	(957,123)	0	(957,123)
Contributions to Restricted	(16,570,123)	16,570,123	0	10-12	(18,000,538)	18,000,538	0	(19,380,874)	19,380,874	0
<b>Net incr (decr) in Fund Bal.</b>	<b>(3,718,611)</b>	<b>(2,055,077)</b>	<b>(5,773,688)</b>		<b>(1,106,655)</b>	<b>158,734</b>	<b>(947,921)</b>	<b>(2,176,120)</b>	<b>572,339</b>	<b>(1,603,781)</b>
Beginning Balance	17,749,646	2,150,098	19,899,744		14,031,035	95,021	14,126,056	12,924,380	253,755	13,178,135
<b>Ending Balance</b>	<b>14,031,035</b>	<b>95,021</b>	<b>14,126,056</b>		<b>12,924,380</b>	<b>253,755</b>	<b>13,178,135</b>	<b>10,748,260</b>	<b>826,094</b>	<b>11,574,354</b>
<b>Components of Fund Balance</b>										
Revolving/Stores/Prepays	12,000	0	12,000		12,000	0	12,000	12,000	0	12,000
Restricted Programs	0	95,021	95,021		0	253,755	253,755	0	826,094	826,094
Assigned	3,282,775	0	3,282,775		2,836,120		2,836,120	595,000	0	595,000
Unassigned - REU @ 3%	2,792,765	0	2,792,765		2,777,708	0	2,777,708	2,902,196	0	2,902,196
Amount Above/(below) 3% REU	7,943,495	0	7,943,495		7,298,552	0	7,298,552	7,239,064	0	7,239,064
<b>Total Fund Balance</b>	<b>14,031,035</b>	<b>95,021</b>	<b>14,126,056</b>		<b>12,924,380</b>	<b>253,755</b>	<b>13,178,135</b>	<b>10,748,260</b>	<b>826,094</b>	<b>11,574,354</b>
<i>Unassigned Fund Balance</i>			<i>11.5%</i>				<i>10.9%</i>			<i>10.5%</i>

# Budget Calendar & Key Dates

January 2019	Fiscal Advisory Draft Recommendation presented to Staff/Community for feedback  New Governor's proposal for State budget
February 2019	Superintendent presents Fiscal Advisory recommendations to Board
March 2019	2nd Interim TUHSD Budget Report for 2018-19
May 2019	Board reviews preliminary 2019-20 Budget from Superintendent inclusive of Fiscal Advisory input  Governor's May Revise budget proposal
June 2019	Board adopts 2019-20 Budget & LCAP





# Timeline for Budget Reduction Recommendation

Date	Action
Spring 2018	<ul style="list-style-type: none"><li>● Budget reductions of \$1.8M recommended to the board, reflected in 2018-19 Budget</li><li>● Board placed Measure J, a \$149 parcel tax, on the November 6, 2018 ballot</li></ul>
July 2018	<ul style="list-style-type: none"><li>● TUHSD Leadership set a goal of making an additional \$3M in reductions in the current fiscal year to help balance the budget within 2 years</li></ul>
August 2018	<ul style="list-style-type: none"><li>● Communication out to the community and staff seeking applicants for the Fiscal Advisory and LCAP committees.</li><li>● Committee members selected via application process</li><li>● Joint meeting of both committee held to outline scope of work and ensure clarity on role of each committee as advisory only</li></ul>
September 2018	<ul style="list-style-type: none"><li>● CFO Corbett Elsen visited each school site during a staff meeting to provide a budget update and solicit feedback on budget reductions</li><li>● Fiscal Advisory Committee met 2 times to review LCAP priorities and began examining resources that support each LCAP goal.</li><li>● LCAP and Fiscal Advisory Survey sent to parents, staff and students</li></ul>

# Timeline for Budget Reduction Recommendation (cont'd)

Date	Action
October 2018	<ul style="list-style-type: none"><li>● LCAP committee meeting to provide input to fiscal advisory</li><li>● Fiscal Advisory, 2 meetings to review feedback from various stakeholder groups</li><li>● 3 community Budget Update meetings (Oct 2nd-RHS, Oct 10th- DHS, Oct 11th-THS)</li></ul>
November 5th	Fiscal Advisory will consider feedback and refine recommendation
November 26th	Fiscal Advisory will update their draft recommendation with information on parcel tax
December 11th	Board Meeting <ul style="list-style-type: none"><li>○ new Board Trustees seated</li><li>○ Fiscal Advisory update &amp; including Mission/Vision/Values</li><li>○ 1st Interim Budget Update</li></ul>
December 17th	Fiscal Advisory met to update draft recommendation
January 7th PD day	Tara and Corbett present Fiscal Advisory recommendation to sites for processing and feedback

# Timeline for Budget Reduction Recommendation (cont'd)

Date	Action
January 8th-18th	<ul style="list-style-type: none"><li>● Corbett and Tara at sites for feedback<ul style="list-style-type: none"><li>○ ½ day at each site</li></ul></li></ul>
January 16th	Community Meeting at Redwood HS, 6pm
January 17th	Community Meeting at Drake HS, 6pm
January 22nd	Community Meeting at Tam HS, 6pm
January	Fiscal Advisory considers feedback & adjusts recommendation (as appropriate)
February 12th	Board Meeting <ul style="list-style-type: none"><li>● BOT initial presentation to Board (process and rec but no action) workshop format</li></ul>
February 26th	Board Meeting <ul style="list-style-type: none"><li>● BOT final recommendation to the Board-Tara</li></ul>

# Purpose of the Fiscal Advisory Committee

The Fiscal Advisory committee is an advisory body that will provide input to the Superintendent regarding budgetary decisions. The committee will make decisions on what recommendations to bring to the Superintendent for consideration. They are a representative body that will provide the district with multiple perspectives on how resources should be allocated in order to meet our goals.



# Fiscal Advisory Committee Composition

13 members:

TFT representative

CSEA representative

2 at large teacher representatives

1 at large classified employee

5 parent representatives (1 from each comprehensive, 1 from alt. schools)

1 community partner representative

1 management representative

1 Trustee observer

\*2 community representatives resigned from the committee



# Fiscal Advisory Decision Making Process

## **Step 1: Mindset**

The mindset speaks to values and beliefs upon which any decisions will be made. For our purposes, we will ground our mindset in the District's LCAP goals.

## **Step 2: The Problem**

Clearly defining the problem being addressed ensures that we are all in agreement upon what issue we are to focus.

### *Problem Statement Draft:*

Currently, TUHSD is operating with a structural deficit which, if not corrected, will render the district insolvent within 3 years. The District has a strong reputation for rigorous and engaging educational programming that we wish to maintain.

## **Step 3: Solution Criteria:**

Our solution should provide a short term recommendation for balancing the budget along with long term strategies for ongoing fiscal solvency.

*We will know we have drafted a good solution if...*

## **Step 4: Possible Solutions**

Possible recommendations are drafted and discussed

## **Step 5: Solution Choice**

The group will use a consensus process to select the recommendation to be made to the superintendent

# LCAP Prioritizing Exercise - 9/17

Purpose: Receive input on general priorities given some general examples under each LCAP goals

Process:

1. Brief review of LCAP goals with some sample actions for each goal
2. Individually then in trios, prioritize each provided example as:
  - a. Mission Critical
  - b. Mission Supportive
  - c. Mission Related
3. Each trio will share-out general discussion for larger group



# Review Stakeholder Feedback Data - 10/15

Purpose: To review input from other stakeholder groups for alignment and divergence compared to Fiscal Advisory Prioritization Activity results

Process:

1. Briefly review data (LCAP Survey & Budget Update Feedback) individually (15 min)
2. In trios, review results (20min)
  - a. Compared to the FA prioritization results, where does this feedback data align with the FA results?
  - b. Where does the feedback data differ from FA results?
3. Whole group share-out (35min)

Next Meeting: Begin to draft Fiscal Advisory recommendation (\$3M scenario) given feedback.



# How will we know we have crafted a good recommendation?

Solution Criteria for the recommendation include:

- assuming parcel tax passage, provides a net of \$3 million of cost reductions
- aligns to LCAP goals and prioritizes student learning and well being
- takes into account feedback from stakeholders

Comments: equity, reflects broader community's values, minimize the impact on school community

Next Steps: way to measure impact of recommendation on student learning after the fact, ensure effective communication to community, broader community feedback

# Drafting of Fiscal Advisory Recommendation for 2019-20 - 12/17

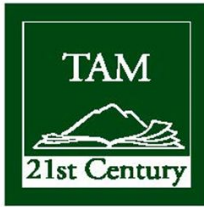
Purpose: To finish drafting a Fiscal Advisory recommendation that meets the solution criteria and builds-on the Fiscal Advisory work to date.

## Process:

1. Given feedback from 11/26 meeting, review updated draft of FA recommendation
2. Given the solution criteria & feedback (stakeholder groups & FA conversations), are there any further changes (additions or subtractions) you would like us to consider?
  - a. Individually (10 min)
  - b. Trios (15-20 min)
  - c. Whole group share-out (25-30 min)

Next Meeting: Review the staff & community feedback on Fiscal Advisory recommendation from January presentations





# Opportunities to Provide Feedback

- Tara & Corbett at Sites for Feedback

- *Redwood/DO/Carlisle*      **1/11**      7:45-11 am      Room 107
- *Tam*      **1/16**      7:45-11am      Room 326 (Staff Rm)
- *Drake*      **1/14**      7:45-11 am      Staff Room
- *San Andreas*      **1/15**      2-3:30 pm      Multi-Purpose
- *Tamiscal*      **1/24**      12pm to 1pm      Hub

- Community Forums for Feedback

- *Redwood*      **1/16**      6:00pm (Library)
- *Drake*      **1/17**      6:00pm (Main Office/Staff Lounge)
- *Tam*      **1/22**      6:00pm (2020)

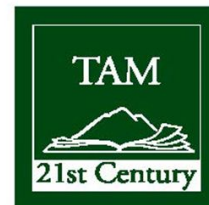
# Staff & Community Feedback

1. What aspects of the draft recommendation do you support? Why?
2. What questions would you like the Fiscal Advisory committee to consider when finalizing the recommendation?
3. What aspects of the draft recommendation do you have concerns about? Why?

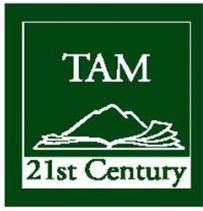


Use your smartphone and go to: <https://tinyurl.com/FArec>

*This was emailed this out to all staff.*



# Next Steps



- Community Forums for Feedback (**6pm**)
  - Redwood **1/16** Library
  - Tam **1/22** 2020
  - Drake **1/17** Staff Lounge
- Fiscal Advisory will meet in late January to review staff & community feedback
- Superintendent will present a recommendation for budget reduction, based on work of the Fiscal Advisory committee, to the Board on February 12th for discussion
- The Board will take action on a budget reduction recommendation on February 26th

