

Town Hall Questions/Responses

April 10, 2018

Dear Parents and Community Members,

First, I want to thank you all for understanding when I could not be present for the Town Hall meeting on April 10 due to a family emergency. I have taken each of the questions as they were presented to me and have responded in writing. I hope you will find this helpful in understanding the steps the District is taking to address budget challenges. Our goal, and our common interest, is to provide the very best education for the children and the young people of Buellton given the resources the District has available. I certainly wish the District was not in this financial position, but it is my responsibility to provide the Board of Trustees with options which allow the District to remain fiscally healthy and prepared to meet the unknown challenges of the future. You will see that the responses include some repeated information in case individuals do not wish to read the entire document but need a complete answer for a given question. Questions posed to Board Members and SBCEO staff may be included at a later date. Thank you again for your patience, and I hope you will let me know if you have additional questions: (805) 686-2767, option 1; or via email at rhaggard@buelltonusd.org.
Dr. Haggard

1. Dr. Haggard/Mr. Rheinschild--Who is responsible for grants? Have any grants been written to increase financial support for the schools?

Pursuing grants for the district is a collective effort involving multiple staff members. There are a few examples in process such as Chumash grants for technology (local), "Broadband Infrastructure Improvement Grant" (BIIG, California Department of Education grant) for increasing bandwidth, "Scaling Up Multiple Systems of Support" (SUMS Knowledge Development Site, California Department of Education grant) for developing system-wide capacity for effective interventions, and state awards being pursued for modernization of facilities (the district is currently eligible for approximately \$600K that can only be used for modernization of Jonata's facilities when released by the State, and has applied for modernization when Oak Valley becomes eligible for approximately \$1.2 million in 2022). All of these grants take time and are typically "restricted" to the goals of the grant. It is not advisable for grant funding to be used for salaries due to their limited time-frame and the legal requirements for staffing in schools under collective bargaining.

2. Do we need a Principal and a Superintendent with only two schools?

In 2015-2016, the District employed two full-time Principals and a part-time, retired Superintendent. The Board of Trustees decided to go with a different administrative structure in 2016, reducing administration by approximately 9%: one K-8 Principal, and one full-time Superintendent. The District includes Oak Valley Elementary School and Jonata Middle School (an approximately \$5 million "General Fund" budget annually), as well as the Santa Ynez Valley Special Education Consortium (an approximately \$6 million budget annually).

3. If pre-planning is involved in the budget, why wasn't it taken into consideration and communicated to the community sooner that this deficit was a problem? If the

district knew there would be a loss of enrollment due to the large 8th grade class, what happened?

Dr. Haggard arranged Budget Workshops in 2016-2017, and early in the 2017-2018 school year, which were well-attended and included information about the impact of the loss of the historically large 8th grade class last spring. Dr. Haggard has communicated concerns about the budget deficit at meetings including staff meetings, Stakeholder meetings regarding the LCAP (Local Control Accountability Plan) and Budget workshops for the Board of Trustees; in writing in the “Buellton Bulletin” distributed via ParentSquare; and through reports at monthly Board meetings. He has also been available through Community “Coffee with the Superintendent” events throughout the community where this topic has been addressed. The business of the Buellton Union School District is conducted in public every month at the meeting of the Board of Trustees and includes regular public disclosure of the financial position of the District. Resources regarding the budget are readily available on the District web-site in “Administration” under “Financial Reporting.” Please follow this link if you would like to review these materials, including audit reports and budget summary reports presented via PowerPoint:

http://www.buelltonusd.org/administration/financial_reporting

4. The Budget FAQs state that reductions in administrative budgets are being reviewed, what does this mean?

In the development of the budget for the 2018-2019 school year, Dr. Haggard is proposing 8-10% reductions in administrative and operating budgets. These reductions, along with an approximately 9% reduction in administrative staffing in 2016, appropriately reflect reductions in other areas. The budget for the 2018-2019 year will be adopted in June.

5. Why are there no cuts to administration?

In the development of the budget for the 2018-2019 school year, Dr. Haggard is proposing 8-10% reductions in administrative and operating budgets. These reductions, along with an approximately 9% reduction in administrative staffing in 2016, appropriately reflect reductions in other areas. Further reductions in administrative staff would result in a lack of supervision and create greater challenges with compliance in all areas, putting the District at risk of losing additional funds. Public schools are required under state law to balance their budget with existing revenue, and “live within their means” while maintaining a minimum 4% reserve. The district will still have a deficit (though much smaller) with the proportional reductions in expenditures proposed for 2018-2019.

6. Dr. Haggard—The Budget FAQs stated that cuts to teachers are one at Oak Valley and one at Jonata, but the Board minutes states cuts at 2.5 teachers. Can you explain where the other cuts are being made?

The total reduction in classroom teachers is as stated in the FAQs: one less classroom teacher at Oak Valley, and one less classroom teacher at Jonata. The District’s Certificated staffing is complicated due to some teachers who are on less than a full-time assignment, or who were on a leave of absence. Due to employee confidentiality, there are some aspects of this question that may remain confusing, though this is certainly not the intent. The reduction in classroom teachers is a smaller percentage than the loss of

student enrollment the district has experienced. Additional certificated reductions include a 20% reduction in the Intervention Coordinator (to an 80% position), and a 60% reduction in the Counseling position (to a 40% position), and a 20% reduction in a PE Specialist. Classified staff (everyone who does not possess a credential authorized by the California Commission on Teacher Credentialing) is being reduced by two part-time Instructional Aide positions (totaling almost 80% of a full-time position), and the reduction of one part-time custodian position through a resignation.

7. Will there be more cuts next year?

No one wants to see any further reductions. With the implementation of the proposed reductions and the adoption of a budget for the 2018-2019 year in June, the District anticipates that there may be a remaining deficit to be addressed of up to \$100K based on information available at this time. The District is unfortunately spending down reserves to handle expenditures over the next two years (“using savings to pay the bills”) over and above these reductions. This pattern cannot continue, in part because there will be no significant savings left to draw upon. An economic downturn could be devastating to a small district without reserves above the 4% mandated by the State of California. In public education, we are required by law to adopt a budget in June without knowing what resources will be provided by the State of California (they adopt their budget at the end of June after we are required to adopt ours). This is admittedly a crazy system, but if the state budget is strong, and the Governor’s Budget makes it through the legislature, then the District may be in a better position to balance the budget for next year. Without budget reductions, the District would continue toward insolvency rather than a responsibly balanced budget.

8. Dr. Haggard—Can you explain how cutting teachers, the school counselor, and intervention services meets the goal you described in your FAQs of “minimizing disruption to the classroom”?

The reduction in classroom teachers is a smaller percentage than the loss of student enrollment the district has experienced. Over 85% of the District’s budget expenditures are on salaries and benefits. With most operating costs fixed (and escalating), there is very little that is “discretionary” about the District budget. With the identified priority from stakeholders at Budget Advisory and District Advisory meetings of keeping class sizes lower, the proposed reductions (along with others in administrative budgets, Classified staffing, and operating budgets) are needed to balance the budget. Our projected average class sizes for the 2018-2019 school year will be less than 23 students/teacher in grades TK-3, and less than 27 students/teacher in grades 5-8.

9. Dr. Haggard—a) Why are general education counseling/intervention services being cut and not Special Education? b) Why were parents, staff and community not informed about these cuts on ParentSquare?

- a) Special Education services are provided based on the requirements of the Individualized Education Plan (IEP) created for each student with a disability by their IEP team. The IEP has the force of law and there is a legal requirement that the district continue a “maintenance of effort” with regard to these services. It is against federal and state law to unilaterally reduce services to students with disabilities that are identified in their IEP.

We are looking for other ways to increase efficiencies for the Special Education Consortium, but initial analyses of the Consortium indicate that it is saving the district money over other alternative approaches (accessing services through Santa Barbara County Education Office, for example). A report on the study of the Consortium is scheduled to be presented to the Board of Trustees at the regular meeting on May 9, 2018.

- b) Dr. Haggard arranged Budget Workshops in 2016-2017, and early in the 2017-2018 school year which were well-attended and included information about the impact of the loss of the historically large 8th grade class last spring. Dr. Haggard has communicated concerns about the budget deficit at many meetings including staff meetings, Stakeholder meetings regarding the LCAP (Local Control Accountability Plan) and Budget workshops for the Board of Trustees; in writing in the “Buellton Bulletin” distributed via ParentSquare; and through reports at monthly Board meetings. He has also made himself available through Community “Coffee with the Superintendent” events throughout the community where this topic has been addressed. The business of the Buellton Union School District is conducted in public every month at the meeting of the Board of Trustees and includes regular public disclosure of the financial position of the District. Resources regarding the budget are readily available on the District web-site in “Administration” under “Financial Reporting.” Please follow this link if you would like to review these materials, including audit reports and budget summary reports presented via PowerPoint: http://www.buelltonusd.org/administration/financial_reporting

10. Dr. Haggard/Board members—Why was District staff not cut? A Board member stated in the March meeting that in “Closed Session” the Board decided not to cut District staff. This was not on the agenda nor announced as a closed session action and so it is a Brown Act violation.

In the development of the budget for the 2018-2019 school year, Dr. Haggard is proposing 8-10% reductions in administrative and operating budgets. These reductions, along with an approximately 9% reduction in administrative staffing in 2016, appropriately reflect reductions in other areas. Further reductions in administrative staff would result in a lack of supervision and create greater challenges with compliance in all areas, putting the District at risk of losing additional funds. Public schools are required under state law to balance their budget with existing revenue, and “live within their means” while maintaining a minimum 4% reserve. Personnel matters are agendized appropriately by the Buellton Union School District under the Brown Act, and addressed confidentially in “Closed Session.”

11. Why are we not talking about job sharing with Solvang for a Superintendent? We seem very top heavy for a small school.

Attempts have been made by the Board of Trustees in the past to explore shared services such as these with Solvang, but these have not been successful. In 2015-2016, the District employed two full-time Principals and a part-time, retired Superintendent. The Board of Trustees decided to go with a different administrative structure in 2016, reducing administration by approximately 9%: one K-8 Principal, and one full-time

Superintendent. The District includes Oak Valley Elementary School and Jonata Middle School (an approximately \$5 million “General Fund” budget), as well as the Santa Ynez Valley Special Education Consortium (an approximately \$6 million budget).

12. Is the Santa Ynez Valley Special Education Consortium costing Buellton USD more than other districts are paying? Is it benefitting our students to still be in charge of it?

Buellton USD is the “Administrative Unit” for the Santa Ynez Valley Special Education Consortium, and has been for almost twelve years. The District includes Oak Valley Elementary School and Jonata Middle School (an approximately \$5 million “General Fund” budget annually), as well as the Santa Ynez Valley Special Education Consortium (an approximately \$6 million budget annually). This “shared services” model has benefitted all of the districts cooperating in the Consortium by reducing the costs associated with the provision of services to students with special needs. When Dr. Haggard joined the district, he began a project of delineating the two budgets for greater transparency and accountability. Information about these two parts of the District budget have been presented regularly in public to the Board. This information is currently being reviewed by an expert who will make proposals for greater efficiency for the Consortium, and this report will be made public at the May 9, 2018 meeting of the Board of Trustees. Preliminary analyses indicate that while there are still areas to be addressed, the Consortium is operating as intended to reduce Special Education costs for all participating districts (including Buellton USD).

13. How much of the Superintendent’s salary is paid by the Consortium?

Participating districts in the Consortium contribute a total of \$5,000 annually toward the Buellton USD Superintendent’s salary.

14. It has been mentioned that other schools in the area are funded by a “basic aid” property tax model. Was it ever discussed or reviewed if making that change would benefit BUSD?

This is not something a district “decides” to do. The determination is made by the state based on property tax revenues. Property tax revenues in the Buellton Union School district are not currently high enough for the district to qualify to fund itself from property taxes. Should this occur in the future, the Board of Trustees will need to carefully examine the overall impact of potential fluctuations, and the needs of the district. “Basic aid” is really a misnomer: LCFF districts like Buellton actually receive a base amount of state aid to run its schools, while “community funded/basic aid” districts typically enjoy more revenue due to higher property values.

15. General questions about “unification” of Valley districts.

Unification can be helpful, but the geography, economics and community identities in the Valley create barriers to this being implemented. There is a very specific process outlined in law for consolidation or “unification” of districts. Even when there is a great deal in common (for example: Buellton and Solvang are both LCFF districts in similar communities and share a boundary), it can be difficult to make this happen and it would require a vote of the communities impacted. Shared services have been explored, but only the Special Education Consortium has been successful over time. Attempts to unify

“community funded/basic aid” districts (those funded by higher taxes from higher property values...most of Buellton’s neighbors in the Valley) with “LCFF” districts (funded by student attendance under the Local Control Funding Formula...like Buellton USD and Solvang SD) are very difficult to accomplish because by necessity the partnership begins on an unequal footing. Studies have been completed regarding the feasibility of such a Valley-wide consolidation in the past (most recently in 2005). There is currently no incentive in California for districts to pursue the tremendous effort to consolidate, though in the past it could have been beneficial. This year there were preliminary discussions of shared services with Vista del Mar School District that stalled due to the desire by the Vista community to maintain their local school.

16. I understand that there is a large amount of unused bond money that is unable to be spent on water wells that it was designated for. Can’t the interest we make on that money be used in an unrestricted way?

There is currently over \$660K in revenue from the bond sale last summer that will be used for projects related to the bond authorization by voters in 2012. The district will require additional modernization grants from the state to complete projects such as kitchen modernization at Jonata. Wells for irrigation came in at a much higher cost than the District anticipated in 2012, so it is unlikely at this point that this project will be completed. Bond proceeds, by law, may only be used for capital improvements (regulations specifically require that these resources may only be used for school facilities improvements). Any interest from a balance in this fund may only be used for these restricted purposes and is subject to a specific audit reported to the Citizen’s Bond Oversight Committee (CBOC), a body comprised of legally-mandated representatives from the community, and the Board of Trustees.

17. Is there some sort of exit survey conducted of Buellton students that still live in Buellton but decided to take their kids out of BUSD so considerations can be made on what to keep for budget purposes?

The Superintendent authorizes “inter-district transfers” subject to BUSD Board Policy, Administrative Regulations, and our agreements with neighboring districts. We currently have far more students transferring into the district than those leaving for reasons such as parent employment outside the district, or child care outside the district. The District tracks reasons given for these requests, and follows up with families in cases where it may not be clear in their request what the reason for leaving may be. There is no provision for a district to retain part of the funding in the case of an inter-district transfer. Our current problem with declining enrollment is due to an historically large class moving through our system and on to the high school this year. Other than this anomaly, our enrollment appears to be stable, and the District is tracking it regularly.

18. How do we get the City of Buellton to provide funding to our school (since a strong school benefits our City)?

District funding is provided by the State of California under the provisions of the Education Code and the “Local Control Funding Formula” (LCFF). Dr. Haggard and District staff are working with the Joint Use Task Force (including representatives of District and City staffs) and will be presenting to the City Council on the budget crisis the district faces on April 26. Our hope is that the District and the City may be able to find

new ways to work together, and that this may help to ease the budget pressures the district is facing.

19. Is there a committee in place for outreach to the community for funding/sponsors/donations? How can the community raise funds to support programs such as counseling and intervention services?

There has been a great deal of interest around the use of a Foundation to raise funds to support BUSD schools. Foundations are typically independent organizations with a separate Board, by-laws, and financial disclosure. Funding on-going costs associated with staffing through fund-raising is typically inadvisable, though there can be exceptions in the case of a substantial endowment that could underwrite on-going salaries and benefits. The Buellton Education Foundation (BEF) currently exists and the local contact is Judith Dale (recently recognized in the Valley as “Woman of the Year”). Community members have also discussed forming a new Foundation. District staff and the Board of Trustees will be happy to join the community in the effort to augment resources for the schools. Our supportive PTSA should be included in any discussions to ensure coordination in fund-raising efforts.

20. Dr. Haggard--How do you expect the community to pay a parcel tax when you just gave yourself and staff a raise and you are cutting staff and programs?

Regarding the Parcel Tax, the Board of Trustees is waiting on the results of a survey and feasibility study before making a decision as to whether to include such a measure on the ballot for the community to decide. A Parcel Tax is one of two ways a school district is able to increase revenue: 1) with a bond election, revenue generated can only be used for facilities/capital improvements, 2) a Parcel Tax can be used to support General Fund expenditures. With a two-thirds majority required to pass a Parcel Tax measure, the Board will have to review the results of the survey in order to determine how best to move forward. Given the inadequacy of current state funding for schools, this may be one way to address the budget deficit.

With regard to the salary increases for staff, the current settlement was the result of negotiations between the District and the Buellton Education Association (CTA/NEA), and included a one-time off salary schedule “bonus” of 1% in 2017-2018, and a 1% increase to the salary schedules in 2018-2019. Our district salaries and benefits are on the lower end when compared with other districts in Santa Barbara County. In order for the District to attract and retain the talented staff the community enjoys, such an increase is needed. Dr. Haggard chose to decline this year’s “bonus” upon ratification of the agreement back in February due to his concerns about the financial position of the district, despite stipulations in his contract that would trigger the additional compensation. He would have preferred to keep this a private choice, but he felt it important to disclose this information based on the question from the public.