

**NICASIO SCHOOL DISTRICT
BOARD OF TRUSTEES**

AGENDA

~ **SPECIAL MEETING** ~

Wednesday, May 18, 2016 5pm

Nicasio School Library 5555 Nicasio Valley Road, Nicasio CA

1. **Call to Order**
 - a. **Roll Call**

2. **Approval and Adoption of Agenda** *Action*

3. **Public Comment Information**
 - *Public Comment is only for items not on the agenda.*
 - *No formal action will be taken.*
 - *Board members or district staff may, but are not obligated to, briefly respond to statements made or questions posed by the public about items not appearing on the agenda.*
 - *Designated amount of time to address the Board is limited to three minutes per individual.*
 - *Concerns about individual employees shall not be discussed in public at school board meetings. Please contact the superintendent with specific concerns.*

4. **Discussion of the Second Interim Budget Report and New Financial Information** *Discussion*

5. **Review Enrollment Projections for 2016-17 and Related Classroom Configuration Options** *Discussion/Action*

6. **Consider Staffing Options for 2016-17 based on Financial Status and Enrollment** *Discussion/Action*

7. **Consider Requests for Interdistrict Transfer into Nicasio School for 2016-17, Continuation of May 5, 2016 Regular Board Meeting** *Discussion/Action*

8. **Conclusion**
 - a. **Adjournment** *Action*

If you need assistance to access the Board meeting room or to otherwise participate at the meeting, please submit a written request to Nicasio School District Superintendent at P.O. Box 711, Nicasio, CA 94946 or office@nicasioschool.org. Notification at least 48 hours prior to the meeting will better enable the District to make reasonable accommodations in accordance with the Americans with Disabilities Act.

NICASIO SCHOOL DISTRICT History of Business Services

Prior to January 1, 2008

Marin County Office of Education (MCOE) provided the following administrative and business services to Nicasio School District free of charge:

- Assistant Superintendent
- Director of External Business
- Accountant, Accounting Assistant, Accounting Technician

On October 19, 2016, MCOE presented a new business service model to Nicasio School District's board of trustees that would take effect in 2007-2008. This model provided details of long-term costs to Nicasio School District for the administrative and business services being provided by MCOE that could no longer provide free of charge:

	2006/07	2007/8	2008/09	2009/10
Total Cost to MCOE	\$64,602			
5% Increase in Costs		\$67,832		
50% Recovery from Nicasio		\$33,916		
5% Increase in Costs			\$71,224	
75% Recovery from Nicasio			\$ 53,481	
5% Increase in Costs				\$74,785
100% Recovery from Nicasio				\$74,785

These new costs to the district is what prompted members of the community to form a committee for the district's first parcel tax.

January 1, 2008 through December 31, 2012

Nicasio School District contracted with employees as "extra hires" who were working in Shoreline Unified School District's business office. By the end of this term, the cost of administrative and business services was as follows:

- Chief Business Officer (.20 FTE) \$ 27,460
- A/P and A/R \$ 1,737
- P/R \$ 8,267
- \$ 37,964 Total Cost to Nicasio School District**
- Superintendent \$ 7,051 paid by MCOE (one day/month for 11 months)
- \$ 45,015 Total Cost for Administrative and Business Services**

January 1, 2013 through June 30, 2016

All four employees of Shoreline Unified School District resigned effective 12/31/2012. MCOE agreed to take on business services in the interim at the same cost budgeted under the Shoreline model. MCOE also agreed to identify and pay costs associated with a new superintendent.

2013-14

- Business Services **\$ 37,962 paid by Nicasio School District**
- Superintendent \$ 8,584 paid by MCOE (one day/month for 11 months)
- \$ 46,546 Total Cost for Administrative and Business Services**

2014-15

- Business Services **\$ 48,000* paid by Nicasio School District**
 - Superintendent \$ 8,584 paid by MCOE (one day/month for 11 months)
 - \$ 56,584 Total Cost for Administrative and Business Services**
- *MCOE estimated actual cost for business services at \$68,000*

January 1, 2015

Nicasio School District hired a Chief Business Official/Financial Manager as an employee to replace MCOE interim services.

- CBO Salary/Benefits (.50FTE) **\$ 54,300 to be paid by Nicasio School District**
- Superintendent \$ 8,584 paid by MCOE (one day/month for 11 months)
- \$ 62,884 Total Cost for Administrative and Business Services**

The employee resigned at end of February 2015

2015-16

MCOE continued to provide interim services until shared services were entered into with Bolinas-Stinson School District.

- MCOE Services \$ 34,873 (7/1/2015 – 1/29/2016)
- CBO (Bolinas-Stinson) (.40FTE) \$ 46,318 (9/14/2015 – 6/30/2016)
- Accounting Assistant (.40FTE) \$ 16,126 (2/1/2016 – 6/30/2016)
- \$ 97,317 paid by Nicasio School District**
- Superintendent \$ 8,584 paid by MCOE (one day/month for 11 months)
- \$105,901 Total Cost for Administrative and Business Services**

Projected Costs for 2016-17

Nicasio School District continues sharing business services with Bolinas-Stinson School District.

- CBO (Bolinas-Stinson) (.40FTE) \$ 59,312
- Accounting Assistant (.40FTE) \$ 34,873
- \$ 94,185 paid by Nicasio School District**
- Superintendent \$ 8,584 paid by MCOE (one day/month for 11 months)
- \$102,769 Total Cost for Administrative and Business Services**

Projected Costs for 2017-18

Nicasio School District continues sharing business services with Bolinas-Stinson School District.

- CBO (Bolinas-Stinson) (.40FTE) \$ 61,024
- Accounting Assistant (.40FTE) \$ 36,483
- \$ 97,507 paid by Nicasio School District**
- Superintendent \$ 8,584 paid by MCOE (one day/month for 11 months)
- \$106,091 Total Cost for Administrative and Business Services**



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MEMO

Date: May 17, 2016

To: Nicasio School Board Trustees
Superintendent Thomas Lohwasser

From: Christy Stocker, Principal

Subject: Recommendations Related to the May 5, 2016 Board Meeting Continued on May 18, 2016 and the Concurrent Special Board Meeting

FINANCIAL OVERVIEW

In June 2015, the board approved the 2015/16 budget, which included multi-year projections for the 2016/17 and 2017/18 school years. The following represents the end fund balance for each of the three years:

Restricted/Unrestricted Funds	2015/16	2016/17	2017/18
End Fund Balance	\$ 393,540	\$ 365,102	\$ 329,951
Deficit Spending	(\$ 14,382)	(\$ 28,438)	(\$ 35,151)

At the regular school board meeting held on March 31, 2016, the board was presented with the second interim budget report. This report indicated a significantly increased deficit spending pattern, resulting in the following projections for the end fund balances:

Restricted/Unrestricted Funds	2015/16	2016/17	2017/18
End Fund Balance	\$ 394,517	\$ 255,506	\$ 90,210
Deficit Spending	(\$ 99,441)	(\$ 139,011)	(\$ 165,296)

A more recent analysis of the budget identified specific revenue sources and expenditures that had not been included in the second interim report. These are the most current projections:

Restricted/Unrestricted Funds	2015/16	2016/17	2017/18
End Fund Balance	\$ 394,517	\$ 317,112	\$ 205,005**
Deficit Spending	(\$ 99,441)	(\$ 77,405)	(\$ 112,107)

*** Per state law, the District shall maintain a \$65,000 reserve. In addition, per board policy, the District shall maintain a reserve in the amount of \$135,219 for economic uncertainty and an additional \$45,000 for special education. Total designated reserves shall be \$245,219.*

What Is Driving the Additional Expenses?

There are two primary areas in which the District has seen significant cost increases since the original budget adoption in June 2015:

- *Business Services*
Refer to document titled History of Business Services for a detailed overview of related costs to the District over the past 10 years. In the budget adopted in June 2015/16, projected costs for business services annually was approximately \$45,000 based on rates known at the time. After nearly three years of actively exploring various options for a business services model, the District entered into the only available model with Bolinas-Stinson Unified School District. The cost for these services to Nicasio School District annually is approximately \$100,000. This makes up a significant portion of the unanticipated expenses.
- *Special Education*
Special education costs are driven by the individual needs of students who qualify for services. While some costs can be predicted based on known needs of current students, other costs cannot be foreseen. Each year there are students who become eligible for services who may not have previously been identified as special needs children and there are also special needs students who enroll in the district after the budget has already been adopted. These factors make budgeting for special education very challenging.

Since 2012, annual costs for special education have ranged between \$100,000 and \$140,000. In the budget adopted in June 2015/16, projected costs were approximately \$120,000 throughout the multi-year projection. Unanticipated expenses during the 2015/16 school year have increased the cost of special education to approximately \$ 150,000 for services and programs. Projected costs for 2016/17 are around \$157,000.

RECOMMENDATIONS: ENROLLMENT AND STAFFING

Interdistrict Transfer Requests

Based on review of the District’s interdistrict attendance policy (BP/AR 5117) and current enrollment projections with legal counsel, it is recommended that the policy be enforced as follows:

New Requests

Deny new interdistrict transfer requests for 2016-17 based on the deficit spending pattern that has occurred since the original budget adoption in June 2015 and due to the District’s financial uncertainty in the multi-year projections. In light of this recent financial information, the District should not commit to enrolling new interdistrict transfer students at this time. Denial of new requests would be in the best interest of Nicasio School/District. (*Bases for Denial of IDT Request, Item 9 (AR 5117)*)

Renewal Requests

Approve renewal requests for interdistrict transfer students for 2016-17 in accordance with the classroom capacity limits established in the board policy. If all 19 renewal requests spanning grades K-8 were approved, the projected classroom enrollment would be as follows:

- K/1/2 13
- 3/4/5 19*
- 6/7/8 16

*Based on these projections, the 3/4/5 classroom is over capacity (the capacity is 16) by three (3) students. As is outlined in the administrative regulations, priority for enrollment shall be given to students who have a sibling who will be attending Nicasio School during the requested transfer year. There are eight (8) renewal requests for the 3/4/5 classroom. Of these eight (8) students, five (5) will have siblings enrolled in other classrooms at Nicasio School in 2016-17. Therefore, it is regrettably the recommendation that the board deny the renewal requests of the three (3) students who will not have a sibling enrolled in 2016-17. (*Priority/Requests in Excess of Capacity; Bases for Approval of IDT Requests, Item 2; Bases for Denial of IDT Request, Item 1 (AR 5117)*)

Of the 16 renewal requests for whom there is capacity, it is recommended that the District approve any students from Shoreline Unified School District “conditionally” based on Shoreline Unified School District renewing their participation in the countywide interdistrict agreement. Shoreline’s current signed agreement expires at the end of the 2015/16 school year. The other three districts (Ross Valley, Lagunitas, and Two Rock) have signed agreements in place that include the 2016/17 school year.

Furthermore, it is recommended that the board revisit the interdistrict policy during the early part of the 2016/17 school year and discuss whether the District will be able to continue renewing interdistrict transfer students and/or accepting new interdistrict transfer requests in the future.

Vacant Position – Certificated Teacher for 3/4/5 Classroom

It is recommended that the District hire a new certificated teacher to fill the 3/4/5 classroom teaching position in 2016/17. While it is possible that future student enrollment and finances may warrant reducing full-time certificated teachers from three to two, the District is in a financial position to support the current 3.0 FTE for 2016/17. Maintaining the staffing of three full-time teachers for at least one more school year will give the District time to analyze future projections carefully and, should it be determined that reductions need to be made in the future, time to plan thoughtfully.

The above recommendations do not reduce expenses in the budget by any significant amount, but they do allow the educational program to continue with little disruption and provide opportunity to begin making additional changes in the future.

Vacant Principal (.60 FTE)/Teacher Position (.40FTE)

To begin reducing administrative costs in 2016/17, it is recommended that the District reassign the teaching portion (.40 FTE) of the Principal’s current assignment to the 3/4/5 and 6/7/8 certificated teachers. This not only provides the District with various options regarding how to staff the Principal position, it also provides equity among the three full-time certificated teachers. For the past decade, the K-5 teachers have taught all academic subjects (language arts, math, social studies, and science). Whereas, the academic subjects in the middle school have been split between the Principal (language arts) and the 6/7/8 teacher (math, social studies, and science).

Impacts

- Reassign .75 FTE Classroom Assistant to provide equitable support in all three classrooms during core (math and language arts) instruction.
- Revise the current master schedule to stagger when core subjects (math and language arts) are taught in all three classrooms to allow classroom assistant to support all rooms.
- Learning Center support for English language learners and special education students may need to be reassigned to the homeroom teachers.

Recommended Next Steps

- Schedule as soon as possible a meeting between the District Superintendent, Nicasio School Board President, and the Superintendent of Marin County Office of Education to discuss options for future support.
- Consider creating a Superintendent/Principal position at .80 FTE (4 days per week). This would save the district approximately \$25,000 based on the current salary schedule and current placement of the Principal on the salary schedule. The amount of savings will vary depending on whether the salary schedule is modified and prior experience of the Superintendent/Principal.
- Develop a salary schedule appropriate to the Superintendent/Principal position.
- Provide a 1-year overlap of the current Superintendent services to support the transition to a new .80 FTE Superintendent/Principal position.

Business Services

To further reduce administrative costs, it is recommended that the District continue to explore and pursue an affordable business service model. The current financial impact is not sustainable and the total .80 FTE (CBO = .40 FTE, Financial Specialist = .40 FTE) currently contracted by the District higher than is needed.

Recommended Future Steps

- Open discussions with Bolinas-Stinson Unified School District regarding current configurations and cost of shared positions for Chief Business Officer (60/40 FTE) and Financial Specialist (60/40 FTE).
- Continue exploring options for sharing business services with other districts.
- Continue trying to identify and hire, as a Nicasio School District employee, a .50 FTE Chief Business Officer to manage all financial aspects of the District.
- Continue exploring options with MCOE for county support.