

**Kingman Unified School District #20**  
**Governing Board Budget Workshop Minutes**  
**3033 MacDonald Avenue, Kingman, AZ**  
**February 24, 2017**

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|--|------------|
| 1) <b>Called To Order at 12:43 pm</b>                        | Action     |
| 2) <b>Pledge of Allegiance was said</b>                      | Action     |
| 3) <b>Roll Call</b>  | Action     |
| <b>Dr. Charles Lucero – Present</b>                          |            |
| <b>Mr. Bruce Ricca – Present</b>                             |            |
| <b>Mrs. Carole Young – Present – arrived at 12:51 pm</b>     |            |
| <b>Dr. Jeri Brock – Present</b>                              |            |
| <b>Mrs. Beth Weisser – Present</b>                           |            |
| 4) <b>Review of the Fiscal Year 2018 Financials</b>          | Discussion |
| <b>PowerPoint was presented and discussed with the Board</b> |            |

## Collaboration and cooperation = solutions

### ► Challenges

- Maintain Current Programming and Strive for Improved Curriculum
  - Cambridge - Maintain
  - STEM - New
- Rising Insurance Costs
- Continuing Reductions in Capital Funding
- Rising Wages
  - Unfunded Voter Mandate

## The Issues

- We needed to come up with \$1.3 million to cover minimum wage (Prop 206), insurance increases, and a 1 percent raise.
  - Classified minimum wage and 1 percent raise - \$500,000
  - Certified 1 percent raise - \$200,000
  - Insurance premium hike - \$600,000
- We must consider that more than 80 percent of our entire budget is consumed by our employees through their salaries and benefits, meaning that every single across-the-board raise has a significant impact on not only our current money, but on our future finances as well.
- Our DAA/Capital allocation from the state is \$389,032 after the \$2,698,119 mandated reduction from our original \$3,087,151 "Budget".
- Bare bones DAA/Capital expenditures are projected at \$1.7 million.
- The \$1.3 million we receive annually for Prop 123 merely allows to avoid deficit spending because we move \$1.3 million over to capital.
- These facts are foundational to the money challenges we're facing for FY18.

## M&O Budget Additions for FY18

- ▶ 1% District Wide Pay Raise for those unaffected by PROP 206
- ▶ New Classified Salary Schedule
  - ▶ PROP 206
  - ▶ Compression
  - ▶ Competitive Rate for School Psychologists
- ▶ Teledoc Services through ASBAIT
  - ▶ Investment in reducing costs/claims ratios for FY19
- ▶ STEM/Middle School CTE
  - ▶ Start Up Costs
  - ▶ Curriculum
  - ▶ Supplies

Board members did not support

Teledoc Services.

## Reductions/Changes to Balance the 2018 M&O Budget

- ▶ Reductions in Force: \$321,000 Savings
  - ▶ SPED (Psych) Secretary \$23,000
  - ▶ Psychologist Intern \$58,000
  - ▶ 3 SPED Paraprofessionals \$69,000
  - ▶ White Fleet Mechanic \$40,000
  - ▶ Warehouse Worker \$34,000
  - ▶ 1 Office Staff Employee at each High School \$70,000
  - ▶ Benefits Coordinator \$27,000

## Reductions/Changes to Balance the 2018 M&O Budget

- ▶ Staff Changes in Hours \$333,500 Savings
  - ▶ Transportation Supervisor and 1 Dispatcher changed from 12 Month Calendar to 11 Month Calendar \$7,500
  - ▶ Bus Drivers/Monitors changed from 35 hours/week to 34 hours/week \$36,000
  - ▶ Paraprofessionals changed from 35 hours/week to 32 hours/week \$120,000
  - ▶ Reconfiguration of Classified Calendars \$170,000
    - ▶ Paid Holidays Equalized to 3% of Total Pay for All Classified Employees



# Reductions/Changes to Balance the 2018 M&O Budget

- ▶ Other Deductions \$59,200 Savings
  - ▶ Eliminated Travel for Gear Up College Visits \$6,000
    - ▶ Final Year of Grant
    - ▶ Applying to Colleges Visited Over Past 3 Years
  - ▶ Reduced K-3 Reading Supplies \$5,000
    - ▶ Funding SAL/RAL Secretary from K-3 Reading M&O
    - ▶ No longer applicable for Title I Funding
  - ▶ Reduced Cambridge Supplies \$13,000
    - ▶ Added STEM Funding
    - ▶ Cambridge Programming Institutionalized
  - ▶ Reduced Athletic Budgets
    - ▶ \$4,200 Middle School
    - ▶ \$10,000 High School
  - ▶ Eliminated Advertising Budget \$4,000
    - ▶ Recruitment can be paid from Title II
  - ▶ Reduced District Wide Travel \$5,000
  - ▶ Reduced District Wide Training \$5,000
  - ▶ Reduced Governing Board Budget \$7,000

The \$7,000 savings to Board budget is due to not continuing with NSBA, National School Board Association. Dr. Lucero wants this as an item on the next Board meeting.

## Pending items to balance the 2018 M&O budget

- ▶ Pending
  - ▶ Bidding for Third Party Management of Substitute Teachers
    - ▶ Elimination of 1 District Office Position
    - ▶ Reduction of Sick Leave Liability
  - ▶ Bidding for Guard Services
  - ▶ Replace Secured/Paper Payroll Checks with Pay Card
    - ▶ Master Card Debit Card
    - ▶ \$1,500 Savings on Check Stock
    - ▶ More Productivity on Payroll Friday
    - ▶ Convenience for Employees who Work 4 Day Week

investigate this option for the 2017/2018 year.

There is not enough time to fully

## Pending 1% Retention Stipend

- ▶ Cost \$266,092
  - ▶ Increase Rollover
    - ▶ Freeze for FY17 on Non-Budgeted/Non-Emergency Spending
    - ▶ Monitor Utility Spending
  - ▶ Increased State Funding?
  - ▶ Unidentified Savings
    - ▶ Natural Attrition
      - ▶ Positions not filled for remainder of FY17 and eliminated in FY18
    - ▶ Special Education
      - ▶ The Professional Group is in the midst of an efficiency audit on SPED spending

## Pending 2% or 3% Retention Stipend

- ▶ 2% Cost \$532,185
  - ▶ Replace 4 Elementary Computer Teachers with Paraprofessionals \$90,344
    - ▶ Amount of Testing results in closure of computer labs
    - ▶ Dynamic Teachers better serve district in classrooms
    - ▶ Technology integrated into general classrooms with tablets and chrome books
  - ▶ Reduce Kindergarten Aides by 1/3 \$164,000
    - ▶ Two teachers would share 1 Aide
    - ▶ Aides previously were not eligible for sick leave but will be under PROP 206
      - ▶ Increase in liability expenses
- ▶ 3% Cost \$798,277
  - ▶ Combine KAMS with PAC \$77,000
    - ▶ Eliminate 1 Teacher and 1 Paraprofessional
  - ▶ Reduce Custodians from 40 hours/week to 35 hours/week \$190,000

## Additional Revenue/Offsets

- ▶ Increase Monthly Insurance Premium
  - ▶ Offset of \$207,000 toward Insurance Expenses
    - ▶ Value Bronze Base Plan - Employee Only
    - ▶ Monthly FY18 Premium \$75
      - ▶ Increased from \$35
  - ▶ Final district share of premium increase coming March 1.
    - ▶ Expecting 14 percent hike
    - ▶ Goal to keep High Deductible Plan free of cost to our employees
    - ▶ Comprehensive Insurance Package
      - ▶ Dental
      - ▶ Vision
      - ▶ Basic Life Insurance

**Board Members want to have access to open**

**enrollment presentation on health care plan.**

## Capital/DAA projections for FY18

Amount	Description
\$267,664	Xerox
\$50,819	Duplicators Lease/Purchase
\$5,388	Wall Machine
\$10,000	Football Helmet Refurbishment
\$266,000	Beyond Textbooks, Edgenuty, Study Island, Accelerated Reader
\$210,000	Microsoft, Aesop, Tyler Technology, Follett/Destiny, Bloss, Insight, TCP, Synergy, Barracuda, Transfinder
\$18,000	Chrome Books for KHS and LWHHS (Title I Supplementing Issue)
\$17,750	IT Initiatives
\$30,000	Projector Replacement
\$50,000	KHS Bell System
\$130,000	Textbooks
\$75,000	Erate Contract - Replacing Switches
\$150,000	Replace Computer Lab Machines - Huslapai, Cerbat, Black Mountain, Desert Willow, KHS, LWHHS
\$350,000	Infrastructure Repairs
\$100,000	New (Used) Buses
\$50,000	KMS Kitchen Upgrade
\$2,500	KHS Weight Room Upgrade

## Grant Funding Changes

- ▶ Title I
  - ▶ State looking closer at Title I district set asides, and all but eliminating them in FY18. This puts set aside costs at the site level, which affects kindergarten teachers, developmental kindergarten program and the Achievement Leader program.
  - ▶ Essentially, the lion's share of costs will be at the sites and not at the district level.
- ▶ Title II
  - ▶ Looking at expanding the recruitment/retention stipend program to emphasize the need for specialized special education teachers, such as those who teach some of our most severely disabled and challenging students.
  - ▶ Working to tie district professional development to the standards set forth by the TIF-5 grant.
  - ▶ Honing in on the recruitment opportunities and funds within the project in order to fill all open positions within the district with highly qualified teachers.

## Grant Funding Changes

- ▶ IDEA Basic (Special Education)
  - ▶ Districtwide special education efficiency study underway in order to find ways to better spend money to provide services focused on student achievement, growth and life skills.
  - ▶ Looking at case manager workload as it compares to case manager stipends.
- ▶ 21<sup>st</sup> CCLC
  - ▶ Competitive application closed for FY18 due to changes in government regulations.
  - ▶ Maintain current funding, but no additional funds available.
- ▶ GEAR UP
  - ▶ Final year of project
  - ▶ Focused on coordinators helping students apply for college

## Other Issues for Discussion

- ▶ Palo Christi
  - ▶ Sell it
  - ▶ Donate it
  - ▶ Demolish building, sell land
- ▶ Portables
  - ▶ Sell them
  - ▶ Donate them
- ▶ Cafeteria
  - ▶ Debt grows
  - ▶ Revenue slows
- ▶ Overrides
  - ▶ M&O
    - ▶ Cash Flow Concern
  - ▶ DAA/Capital

**Mr. Ricca will be on the committee for Palo Christi.**

**Develop materials for the Board on overrides. Board will decide whether to move forward.**

5) **Adjourn at 4:30 pm**

**Action**

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**Dr. Charles Lucero, President**

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**Dr. Jeri Brock, Vice President**