

WCCUSD Budget  
**Solutions Meeting September**

**Questions for Solutions from Labor**

1. Please provide us with an updated working budget that you based your assumptions/projections for 2019-2020 on. We all need to be on the same page about projected expenditures and revenue, since it is significantly different from the budget passed in June. **Tony provided mini-MYP.** For any given number, why is it the projection? Where does that come from, what are the factors?
  - **The changes in the budget will be incorporated into the first interim report that will be reported in December. Prior to this the District will provide additional information about the expenditure portion of the budget at the October 23<sup>rd</sup> (nonsalary) and November board meetings to provide greater background on the changes that occurred.**
2. Why is the District expecting a \$12 million drop in state revenue for this year? What is that comprised of?

**The following changes reflect the reduction of revenue:**

  - **The District received one-time block grant funds/mandate reimbursement of approximately \$4.8 million that will not continue.**
  - **Lottery revenue ongoing was reduced approximately \$2 million.**
  - **The District also received a CTP (California Pathways Trust) and CTE Incentive Grant of approximately \$1.3 million combined that were not continued.**
  - **Special Education (6500) was reduced based upon CASEMIS reports of approximately \$564k.**
  - **Learning Community School Success Grant of approximately \$1.3 million**
  - **The Classified Employee Staff Development Grant of \$215k was one time**
  - **Low Performing Student Block Grant of approximately \$1.3 million**
  - **Teacher Residency Block Grant support of \$380k**
3. There is a decrease of 3 million in other local revenue, what is that?
  - **Donations are not budgeted until received which will reduce this in the initial budget**
4. The District spent 16.5 million in Books and Supplies last year, an increase of 3 million from our highest expenditure in the last 5 years. What accounted for this 3 million jump?
  - **Last year the District transferred and utilized \$6 million in refreshing Chromebooks for students. This expense increased the total for this category in Object 4360 (Supplies/Technology)**

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- 5. Was the technology replacement/Chromebook expense of 7 million included in Materials and Supplies? Seems like there is a slight discrepancy between actual cost of Chromebook and line item.
  - **As is stated in number 4 above approximately \$6 million was spent on Technology. \$500k was utilized as a bottom line one-time reduction and the remainder fell to the bottom line reserve.**
- 6. The District spent 63 million on Other Expenditures/contracts last year and are projected to spend a similar amount this year. How can we reduce this? Can we get an up to date itemized sheet of this?
  - **This line item will be part of the October 23<sup>rd</sup> Board presentation and will outline all of the expenditures within the budget for more discussion.**
- 7. Mandated Cost Reimbursement 8550- last year received almost 6 million, this year only projecting to receive 1 million... what is this projection based off?
  - **For the first time in many years the State no longer included the one-time block grants in the adopted budget.**
- 8. All other state revenue 8590- last year received 6 million, this year projecting 3 million, what's the reason for this projected reduction?
  - **As stated in Number 2 above this references the CTP, CTE, Low Performing Student Block Grant, and Teacher Residency grants that are not part of the current budget. In addition MAA (Medical Admin Activities) funds get budgeted in this category as they are received which will adjust the total from interim to interim report.**
- 9. All other local revenue 8699- last year received 4.6 million, this year projecting 1.8 million, what's the reason for this projected reduction?
  - **As stated in Number 3 above, donations and local grants are not budgeted until they are received.**
- 10. What falls under Noncapitalized Equipment? The District seems to be reducing this by nearly 50%, what are these costs?
  - **Noncapitalized Equipment is the category used for purchases that are less than \$500. This is where Chromebooks are accounted for and the large refresh from last year accounts for the change in operating budget this year.**
- 11. Travel costs last year were 1.34 million. This year the District is projecting to spend 1.14 million. What are these costs for, how do they directly support classroom teaching and student learning?

- **All conference are being reviewed for necessity and reductions will be made where appropriate. Many of the conferences are paid for with restricted funds (\$851k) which are dedicated to staff development.**
12. The District is reducing consulting services by approximately 25%, is there any more room to reduce this line item?
- **Significant work was done in the 2018-2019 school year to reduce non-salary expenditures.**
  - **This line item is constantly being reviewed, many of these are fixed service contracts and will be part of the discussion for the October 23<sup>rd</sup> Board meeting.**
13. In the presentation on the 18<sup>th</sup>, The District mentioned that we have 15.8 million in restricted reserves, including 1.3 million in a low performing student block grant and 2.25 million in special ed mental health services. We have an additional 4.6 million in restricted reserves. Because we know that special ed encroachment is an area of concern for our general fund, how can we leverage these funds to cover some of our special education services that are currently coming out of fund 1? What is the justification for not spending 4.6 million?
- **The majority of the \$4.6 million is in donations (approximately \$1.9 million). MRAD (Maintenance and Recreation District) accounts for approximately \$2.7 million which is used for specific purposes.**
  - **Special Education Mental Health funds are highly restricted and the staff made multiple adjustments to utilize these funds for ongoing services, they are also utilized for high-need non-public school placements that occur throughout the year based upon the IEP requirements**
14. What are the current freezes that have been set for the 2019-2020 school year on the budget and long term?
- **The District is currently reviewing all positions that come vacant**
  - **The District is reviewing all central budgets with budget managers for possible savings**
  - **The DBEC and Solutions Teams will be analyzing the non-salary components of the budget for opportunity as part of this process**
15. How will we set controls moving forward so that departments cannot overspend?
- **Beginning the week of October 7, 2019 all District office departments are meeting with the Associate Superintendent of Business Services and Superintendent to review the current operating budgets and begin planning for 2020-2021 budget development.**
  - **At the beginning of the fiscal year the Superintendent reinforced cost control policies with staff and those memorandums are attached to this document**

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- 16. What's the District plan to continue to work with labor units and its members?
  - **It is essential to collaboratively work with all stakeholder groups to provide information, obtain feedback, and develop options for long-term fiscal stability. Part of this will be the ongoing interaction with Solutions Team comprised of all labor units and the District.**
- 17. Will the District notify Solutions team of any possibly cuts prior to informing the public?
  - **The District plans to continuously update Solutions on options that are being considered and receive input on options that may be presented to the Board of Education for consideration.**
- 18. Tell us more about the facilities revenue idea and how it would help the deficit.
  - **Any options with surplus property are longer term projects and would possibly be investigated over the next couple of years, due to the time horizon of these they could not be part of any initial budget solutions. The Board will have an introductory presentation at the October 16<sup>th</sup> Board meeting, but again this is only preliminary discussions at this time.**
- 19. At the School Board meeting it was mentioned that the first set of cuts would come out on December 11th and presented to the Board. How much of the total projected deficit do you plan on presenting on that day?
  - **It is essential that the process of identifying cuts allows for stakeholder groups to provide input and obtain answers to their questions. For this reason, the District has not identified the scope or magnitude of cuts which will be adopted at each interim report. The Board will commit to making the reductions at each interim report, but the process of specific identification of reductions will occur as the process of communication is completed with each round. The Business Services office will continue to work with district committees and the Board of Education to provide information to complete this process.**
- 20. Are there already conversations in departments happening in the district to discuss the cuts? Where are they possibly coming from?
  - **This process involves all district stakeholders and discussions and ideas should naturally occur in many venues. The Business Services office will continue to engage any, and all, options and groups to obtain ideas for investigation and then review those ideas with the appropriate committees in preparation for Cabinet to present options for consideration to the Board.**
- 21. Are there conversations about possibly cutting site funds?

- **The initial focus has started on Central funds for the current year. Discussions about site budgets will likely be part of the process as we define our programs for next year and the appropriate stakeholders will be involved in those discussions as the process continues.**
22. What are the LCFF Concentration Funds and what is the district plan to anticipate and prepare for volatility in these funds?
- **The funds are linked to the Local Control Funding Formula and are only volatile if there is a material change in the Unduplicated Student Count.**
23. What are the Charter school impacts on the LCFF Concentration Funds?
- **LCFF Funding changes occur if enrollment drops. Part of the budget focus will remain on the sustaining and enhancement of programs that attract and retain students within the District.**
24. What % needs to be kept in reserve to offset volatility in the LCFF Funds?
- **The recommended unrestricted reserve levels for public school districts and governmental agencies is approximately 17% (which is 2 months of operating expenses). The required minimum reserve is 3% (approximately \$12 million) which is less than 2 weeks of payroll. Part of the one-time solution may have to be utilization of reserves which would then necessitate additional cuts in future years to restore the reserve levels above the minimum 3%. The State of California currently has a reserve planned above \$18 billion.**
25. How much of the \$39.9 million deficit is in the unrestricted General Fund and how much from the Restricted Side?
- **The total deficit is unrestricted! The District contributes funds to the restricted side of the budget, but reductions must all come ultimately from the unrestricted side of the budget.**
26. None of the graphs on the front page of the Citizen's Transparency Tool appear to be based upon the adopted budget for the year ended 6/30/2020. When will these be updated? The tool says the numbers are current as of September 15, 2019, however there is no way to select the current fiscal year (2019-2020).
- **We apologize for the confusion. This tool updates automatically each month to reflect the current operational budget for the fiscal year. This tool is showing the current 2019-2020 budget that will be for the year ending in June 2020. It will not connect back to the adopted budget as all changes within the system are reflected in these reports.**



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## Overview of Cost Control Policies for 2019-2020

1 message

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**Matthew Duffy** <matthew.duffy@wccusd.net>

Sat, Jun 29, 2019 at 9:26 AM

To: Management\_Team <management\_team@wccusd.net>, Gracie Guerrero <gracie.guerrero@wccusd.net>, Kenneth Whittemore <kwhittemore@wccusd.net>, Lisa LeBlanc <lisa.leblanc@wccusd.net>, Marcus Walton <mwalton@wccusd.net>, Nick Berger <nick.berger@wccusd.net>, Tracey Logan <tracey.logan@wccusd.net>

Leaders,

Happy end of June. I know some of you are off on break and others getting ready to take a break while still others are working diligently to close the year and prep the next year. As I mentioned at our Leadership Team meeting, this year I plan to support stronger cost control measures as a way to manage our budget diligently. To that end, please note the following:

**1. Extra Time and Overtime.** Our major focus this year will be on pre-approval and making sure that any OT/ET work is charged to the correct budgets. An important memo with details of our OT/ET policy is linked here. It is critical we make sure our spending is pre-approved and that we are all clear about what accounts will pay for what services before the service is rendered.

As a way for our team to understand our OT/ET situation more clearly, any OT/ET work must have Cabinet level pre-approval between July 1 and August 5 when all Managers will have returned to work and when we can review more in depth with school leaders.

**2. Travel and Conferences.** All travel and conference will continue to require Cabinet approval. The following is strongly recommended:

No more than 3 people per department at the same conference

No person shall attend more than 2 conferences per year paid for by district funds

Follow all preregistration and pre-approval guidelines.

**3. Food for trainings and PD.** Next year our standard for food provided by all central departments will be coffee and pastry in the morning and water and snack in the afternoon. We will not provide full breakfasts or full lunches. Schools are strongly encouraged to follow the same guidelines.

**4. Purchase Orders and Contracts.** Managers and Cabinet members will continue to look diligently at our contracts and purchases to adequately determine our needs for the 19-20 school year. We will keep a careful eye on contracts have been augmented historically. We are firmly asking that no vendor be given any verbal or written authorization to do any work in WCCUSD without going through the requisition and purchase order procedure.

Thank you. I look forward to a great year ahead.

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# BULLETIN

West Contra Costa

Unified School District

Bulletin No. P-4

Date: July 1, 2019

To: All Classified Non-Administrative Employees

Subject: Overtime/Compensatory Time/Extra Time

By: Matthew Duffy, Superintendent

This is a reminder of the District procedures for the authorization and recording of overtime, extra time, and compensatory time. These procedures **must** be followed in order to receive payment or compensatory time for working in excess of the regular workday or work week.

## **Definition:**

Overtime or compensatory time off is defined to include any time required to be worked by an employee in excess of his/her established work week or workday. Employees whose established working hours are thirty-seven and one-half (37-1/2) hours per week, seven and one-half (7-1/2) hours per day shall be eligible for overtime for time worked in excess of thirty-seven and one-half (37-1/2) hours in a calendar week or in excess of seven and one-half (7-1/2) hours per day. For most employees, this is work in excess of seven and one-half hours (7-1/2) per day or thirty-seven and one-half (37-1/2) hours per week. All time worked in excess of the regular schedule will be reimbursed at the rate of time and one-half.

## **Prior Authorization**

Authorization from the employee's direct supervisor **must** be secured, **prior** to working overtime in accordance with the bargaining unit agreement. A direct supervisor can only authorize extra time/overtime for someone getting paid through a budget that he/she supervises. Employees will not be recompensed for unauthorized overtime. Overtime should never be after the fact. There are very few exceptions to this but here would be an example:

The waterline broke at school X. In fixing it, the Plumber went over the shift by an hour. You can verify the work and because water was running everywhere, the plumber could not stop to call. This would be an exception.

### 1) **Overtime should only be used in:**

- a. Emergency situations, there is an imminent safety risk that needs to be rectified.

Example: There is an exposed wire that if touched could cause harm. It needs to be fixed before there is an injury and it may necessitate overtime.

Example: A window is broken and jagged. The glaziers would have to work overtime to make sure it is prepared for the next day of school.

Example: Responses required during non-regular hours related to vandalism and intrusion

2) Necessitated by needs for proper functioning of school.

Example: The laptops just came in on Tuesday and testing is on Thursday. The IT Department would have to work overtime to prepare the laptops for Thursday.

3) Necessitated by proper functioning of District.

Example: Payroll and Human Resources ensuring all people are in the system prior to payroll running. Because of deadlines and the hiring process, people in these departments may need to work overtime.

**Compensation Time in Lieu of Overtime Pay reminder**

Compensation for Overtime Worked – All compensable overtime shall be paid at the rate designated. When compensatory time off is authorized in lieu of cash compensation, such compensatory time off shall be granted within twelve (12) months following the month in which the overtime was worked and without impairing the services rendered by the District. If the compensatory time has not been taken within twelve (12) months of the date on which it was earned, and mutual agreement not reached to extend the period, the District shall pay the employee in cash for all such time at the appropriate overtime rate based on the employee's current rate of pay.

Employees have the right to request compensation time in lieu of overtime. As a district, we need to allow the worker to use compensation time when requested. The optic for this would be the employee worked overtime when we needed them to perform a task, we should reciprocate when they elect to use compensation time to fit what they need. Compensatory time must be used within 12 months of the date earned.

**Procedure for Receiving Payment for Overtime**

1) Obtain pre-approval via a **Personnel Requisition** with the appropriate budget code.

2) All overtime must be reported in Employee Self Service (ESS) or via timecard

**Extra Time:**

Extra time entails bringing in employees to complete upcoming tasks. It is important to note that the District has released people from work during budget reductions. Please be mindful we cannot say we are cutting back while hiring people to do special work.

Extra time for people should only be used in accordance with the same guidelines as overtime usage. If we are to stay within our budget, this is a key area of discipline.

**Procedure for Receiving Payment for Overtime**

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