

The Board of Education of the Chico Unified School District met in a Special Meeting at 7:00 p.m. in the Chico City Council Chambers. The following were present:

BOARD MEMBERS:

- Ann Sisco, President
- Rick Anderson, Vice President
- Steve O'Bryan, Clerk
- Scott Schofield, Member

ABSENT:

- Donna Aro, Member

ADMINISTRATION:

- Dr. Scott Brown, Superintendent
- Jim Sands, Deputy Superintendent
- Kelly Mauch, Assistant Superintendent – Education Services
- Randy Meeker, Assistant Superintendent – Business Services
- Kim Hutchison, Executive Secretary to the Superintendent

OTHERS:

Association representatives, news media, and visitors.

1. CALL TO ORDER

- 1.1 President Sisco called the meeting to order at 7:00 p.m. and welcomed visitors.

2. INFORMATION AND DISCUSSION

- 2.1 Randy Meeker reviewed the 1st Interim Report, the Governor's proposed midyear budget cuts and the proposed 2002/03 state budget and the impact for CUSD. Ninety-two percent of unrestricted money for CUSD comes from the revenue limit and 87.33% of unrestricted dollars goes to pay employee salaries and benefits. Current enrollment projections would indicate that CUSD's enrollment is stabilizing.

The midyear cut proposals by Governor Davis could affect CUSD as follows:

- 1. Elimination of the PERs freeze - New this year, this stopped any increases to the PERs Reduction above the 00/01 fiscal year. This bill effectively increased our Revenue Limit by \$59,541.
- 2. Elimination of Equalization Aide - New this year, this funding represented a \$7.59 per ADA increase to our Base Revenue Limit, and ultimately an increase to our Revenue Limit of \$101,587.
- 3. Energy Grant - New this year and one-time funding, the Energy Grant was to offset last years increases in the cost of power and gas. This grant increased our revenues by \$505,000 for this year only.
- 4. Elimination of Mega-Item funding - this funding is not new and we have received it for many years. It is the only line item in the Mega item categories that the State will allow a greater transfer percentage than 20% out and 25% in. The District helps fund Special Ed transportation with these funds. We have the potential to lose \$158,000.

The potential loss to CUSD is \$824,000.

Mrs. Meeker also reviewed the major impacts to of the Governor's 2002/03 proposed budget and reviewed CUSD budget models based on information known today. Built into the budget models are items such as salary increases not yet negotiated, assumptions regarding retiree savings, Golden Handshake arbitration costs, and strategic planning. Given the current information available, CUSD will need to cut \$1.8 million from the 2002/03 budget.

3. **CLOSED SESSION**

At 8:05 p.m. the Open Session of the Special Meeting was adjourned and the Board recessed into Closed Session for the purpose of conference with labor negotiators. Those attending Closed Session are: Jim Sands, Deputy Superintendent and Agency Negotiator; Kelly Mauch, Assistant Superintendent - Education Services; Randy Meeker, Assistant Superintendent - Business Services

4. **ADJOURNMENT**

At 8:55 p.m. the Board reconvened, no announcements were made and the meeting was adjourned.

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APPROVED:

Board of Education

Administration