

The Board of Education of the Chico Unified School District met in a Special Meeting at 7:00 p.m. in the multipurpose room at Chico Junior High School.

The following were present:

BOARD MEMBERS:

Steve O'Bryan, President
Scott Huber, Vice President
Anthony Watts, Clerk
Rick Anderson, Member
Rick Rees, Member

ADMINISTRATION:

Dr. Scott Brown, Superintendent
Bob Latchaw, Executive Director – Human Resources
Kelly Mauch, Assistant Superintendent – Educational Services
Randy Meeker, Assistant Superintendent – Business Services
Bob Feaster, Director – Educational Services
Dr. Cynthia Kampf, Director – Educational Services
Bernard Vigallon, Director – Educational Services
Kim Hutchison, Executive Secretary

OTHERS:

Association representatives, news media, and visitors.

1. CALL TO ORDER

At 7:04 p.m., Mr. O'Bryan called the meeting to order and welcomed visitors.

2. INFORMATION AND DISCUSSION

2.1 Randy Meeker, Assistant Superintendent – Business Services presented information regarding the CUSD Budget. As presented in the 2nd Interim, the Multi-year projections included the 2002/03 Unaudited Actuals, the 2003/04 2nd Interim Budget and the preliminary estimates for the 2004/05 and 2005/06 fiscal years.

Assumptions used in developing the multi-year projections included the following:

- 1) Use the Strategic Planning and Special Education designated reserves of \$678,208 in 2004/05.
- 2) Use the categorical balance flexibility transfers from 2003/04 of \$1,069,645 in 2004/05.
- 3) Recognize EIA salary adjustments to unrestricted in 2003/04 of \$202,956. In addition, recognize \$168,575 in both 2004/05 and 2005/06 for adjustments to unrestricted expenditures.
- 4) Do not recognize a COLA, Equalization or Deficit reduction in 2004/05.
- 5) Do not recognize a COLA in 2005/06.
- 6) Adjust recommended reductions in 2004/05 to (\$1,500,000) down from (\$1,850,000).
- 7) Adjust recommended reductions in 2005/06 to (\$1,700,000) down from (\$2,100,000).
- 8) Do not recognize projected Health and Welfare premium increases in 2004/05 or 2005/06. The increases to the H&W cap are negotiable.
- 9) Recognize declining enrollment of (154) ADA in 2003/04 and (54) ADA in 2005/06.
- 10) Recognize un-funded expenditure increases in both 2004/05 and 2005/06 in the amount of (\$1,110,000) and (\$1,100,000) respectively.

Based on the Governor's proposal, Chico Unified revenue limit is projected to increase for the 2004/05 fiscal years. At this point, these estimated revenue increases are only "proposals". We did not base our 04/05 budget assumptions on receiving these revenues.

1) Revenue Limit COLA 1.84% or \$87.13/ADA	\$ 1,098,796
2) Equalization of \$15.73/ADA	198,371
3) Deficit Reduction, from (3.002%) to (2.10%)	<u>547,191</u>
Total new estimated unrestricted revenue	<u>\$ 1,844,358</u>
4) Estimated loss in ADA of (154)	<u>(\$ 741,094)</u>

Net estimated increase in unrestricted revenue \$ 1,103,264

A multi-year projection provides an optimistic revenue projection based on the Governor's January 9, 2004 proposal. Revenue increases are shown for both the 2004/05 and 2005/06 fiscal years. Estimates, which are not Board approved or authorized for employee insurance cost increases are also included at this time.

An alternative list of budget reductions for the 2004/05 fiscal years includes:

DESCRIPTION	SUB-TOTALS	CUMULATIVE TOTALS
1 DO CLERICAL	\$ 38,550	\$ 38,550
2 ASB VENDING MACHINES	\$ 59,500	\$ 98,050
a) ASB pays utilities on those machines under their control.		
3 ASB CONTROLLERS	\$ 82,472	\$ 121,022
a) One half total cost of \$164,944		
b) Paid for by ASB.		
4 RDA FUNDS-MAJOR MAINTENANCE	\$ 262,158	\$ 383,180
a) Used to backfill encroachment.		
5 TITLE II FUNDING	\$ 279,500	\$ 662,680
a) Used to back fills K-3 CSR encroachment.		
6 UNRESTRICTED AIDES TO RESTRICTED	\$ 90,971	\$ 753,651
7 COUNSELOR'S DOWN TO 185 DAYS	\$ 52,350	\$ 806,001
8 TITLE II FUNDS	\$ 27,500	\$ 833,501
a) Use for Staff development needs.		
9 CARD USE OF FACILITIES (net)	\$ 110,350	\$ 943,851
10 REDUCE LEGAL COSTS-PERSONNEL	\$ 50,000	\$ 993,851
11 REDUCE DEPT/SITE ALLOCATIONS 10%	\$ 161,225	\$ 1,155,076
12 CARRYOVER ADJUSTMENT	\$ 174,325	\$ 1,329,401
a) One-time funds		
13 REFINANCE COPS (estimated savings)	\$ 205,000	\$ 1,534,401
a) One-time savings.		
b) This requires using Modernization funds We would need to issue a new COPS to fund the modernization Bidwell and		

to fund the modernization Bidwell and the remainder of Chico High. The savings are realized from the total refinancing, but is recognized in the 1st year.

3. ACTION CALENDAR

3.1 The Board approved the 2004-05 student calendar. *MSC Anderson/Watts*

	Traditional Track	Blue Track	Alternative Programs
First Day of School	08/17/04	08/03/04	07/27/04
Winter Break	12/20/04 - 12/31/04	11/29/04 - 12/31/04	12/20/04 - 12/31/04
Spring Break	03/21/05 - 03/25/05	03/14/05 - 04/08/05	03/21/05 - 03/25/05
Last Day of School	05/26/05	06/24/05	05/26/05

4. ADJOURNMENT

At 8:42 p.m. the meeting was adjourned.

APPROVED:

Board of Education

Administration