

**CHICO UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION**

**Special Session**

**Wednesday, February 3, 2010**

**5:00 p.m. Closed Session**

**6:00 p.m. Open Session**

**Chico Jr. High School/Durst Theater**

**280 Memorial Way, Chico, CA 95926**

**AGENDA**

**1. CLOSED SESSION**

**1. Update on Labor Negotiations**

Employee Organizations:

CUTA

CSEA, Chapter #110

Representatives:

Kelly Staley, Superintendent

Bob Feaster, Assistant Superintendent

Jan Combes, Assistant Superintendent

**2. Conference with Legal Counsel**

Anticipated Litigation

Attending:

Kelly Staley, Superintendent

Significant exposure to litigation pursuant

Bob Feaster, Assistant Superintendent

to Government Code Section 54954.5(b)

Jan Combes, Assistant Superintendent

One case

Paul Gant, Attorney at Law

**6:00pm 2. RECONVENE TO REGULAR SESSION**

1. Call to Order

2. Report Action Taken in Closed Session (5 minutes)

**6:05pm 3. CONSENT CALENDAR (5 minutes)**

**1. EDUCATIONAL SERVICES**

1. Consider Approval of the Field Trip Request for two Chico High School Band Members to attend the All-State Honor Band in Fresno, CA from 2/18/10-2/21/10
2. Consider Approval of the Field Trip Request for Pleasant Valley High Yearbook students to attend the Herff Jones Publishing Plant in Logan, Utah from 2/28/10-3/01/10

**2. HUMAN RESOURCES**

1. Consider Approval of Certificated Human Resources Actions

**4. DISCUSSION/ACTION CALENDAR**

**1. EDUCATIONAL SERVICES**

**6:10pm 1. Discussion/Action: Boys and Girls Club Consultant Agreement (Dave Scott/Janet Brinson) (20 minutes)**

**2. BUSINESS SERVICES**

**6:30pm 1. Information: Budget Update: Governor's Proposals for 2010-11 Budget (Jan Combes) (10 minutes)**

2. Information: Update from Butte County Office of Education (Kevin Bultema) (10 minutes)

3. Information: Budget Crisis Intervention/Ideas (Jan Combes) (90 minutes)

4. Information: District Demographic Analysis and Student Housing Projection Report (Michael Weissenborn) (5 minutes)

**3. HUMAN RESOURCES**

**8:25pm 1. Information: Overview of Employee Layoff Process for 2010-2011 (Bob Feaster) (15 minutes)**

**8:40pm 5. ADJOURNMENT**

Jann Reed, President  
Board of Education  
Chico Unified School District

The Chico Unified School District Board of Education welcomes you to this meeting and invites you to participate in matters before the Board.

### **INFORMATION, PROCEDURES AND CONDUCT OF CUSD BOARD OF EDUCATION MEETINGS**

***No disturbance or willful interruption of any Board meeting shall be permitted. Persistence by an individual or group shall be grounds for the Chair to terminate the privilege of addressing the meeting. The Board may remove disruptive individuals and order the room cleared, if necessary. In this case, further Board proceedings shall concern only matters appearing on the agenda.***

#### **CONSENT CALENDAR**

The items listed on the Consent Calendar may be approved by the Board in one action. However, in accordance with law, the public has a right to comment on any consent item. At the request of a member of the Board, any item on the consent agenda shall be removed and given individual consideration for action as a regular agenda item. Board Bylaw 9322.

#### **STUDENT PARTICIPATION**

At the discretion of the Board President, student speakers may be given priority to address items to the Board.

#### **PUBLIC PARTICIPATION FOR ITEMS ON THE AGENDA (Regular and Special Board Meetings)**

The Board shall give members of the public an opportunity to address the Board either before or during the Board's consideration of each item of business to be discussed at regular or special meetings.

- Speakers will identify themselves and will direct their comments to the Board.
- Each speaker will be allowed five (5) minutes to address the Board.
- In case of numerous requests to address the same item, the Board may select representatives to speak on each side of the item.

#### **PUBLIC PARTICIPATION FOR ITEMS NOT ON THE AGENDA (Regular Board Meetings only)**

The Board shall not take action or enter into discussion or dialog on any matter that is not on the meeting agenda, except as allowed by law. (Government Code 54954.2) Items brought forth at this part of the meeting may be referred to the Superintendent or designee or the Board may take the item under advisement. The matter may be placed on the agenda of a subsequent meeting for discussion or action by the Board.

- Public comments for items not on the agenda will be limited to one hour in duration.
- Initially, each general topic will be limited to 3 speakers.
- Speakers will identify themselves and will direct their comments to the Chair.
- Each speaker will be given five (5) minutes to address the Board.
- Once 2 speakers have shared a similar viewpoint, the Chair will ask for a differing viewpoint. If no other viewpoint is represented then a 3<sup>rd</sup> speaker may present.
- Speakers will not be allowed to yield their time to other speakers.
- After all topics have been heard, the remainder of the hour may be used by additional speakers to address a previously raised issue.

#### **WRITTEN MATERIAL:**

The Board is unable to read written materials presented during the meeting. If any person intends to appear before the Board with written materials, they should be delivered to the Superintendent's Office or delivered via e-mail to the Board and Superintendent 10 days prior to the meeting date.

#### **COPIES OF AGENDAS AND RELATED MATERIALS:**

- Available at the meeting
- Available on the website: [www.chicousd.org](http://www.chicousd.org)
- Available for inspection in the Superintendent's Office prior to the meeting
- Copies may be obtained after payment of applicable copy fees

#### **AMERICANS WITH DISABILITIES ACT**

Please contact the Superintendent's Office at 891-3000 ex. 149 should you require a disability-related modification or accommodation in order to participate in the meeting. This request should be received at least 48 hours prior to the meeting in order to accommodate your request.

Pursuant to Government Code 54957.5, If documents are distributed to board members concerning an agenda item within 72 hours of a regular board meeting, at the same time the documents will be made available for public inspection at the Chico Unified School District, Superintendent's Office located at 1163 East Seventh Street, Chico, CA 95928 or may be viewed on the website: [www.chicousd.org](http://www.chicousd.org).

**PROPOSED AGENDA ITEM:** All-State Honor Band

**Prepared by:** Karol Forrest, Chico High School band director

☒ Consent

Board Date February 3, 2010

☐ Information Only

☐ Discussion/Action

**Background Information**

Two Chico High School band students were selected to perform in the All-State Honor Band. The students submitted CD auditions and were selected based on merit. The All-State Honor Band will be held in Fresno, California. The trip will be from February 18th, 2010 through February 21, 2010.

**Education Implications**

The students will perform with students from schools throughout the state and under the direction of a renowned conductor. It is a great honor to be selected to participate in the band.

**Fiscal Implications**

A substitute will be needed for two days to cover while Karol Forrest is away. The cost will be taken care of through Chico High School's music account.

**Additional Information**

Transportation will be provided by Karol Forrest, Chico High School's band director.

RECEIVED

JAN 21 2010

CHICO UNIFIED SCHOOL DISTRICT

1163 East Seventh Street  
Chico, CA 95928-5999  
(530) 891-3000

3.1.1.  
Page 2 of 2

SUPERINTENDENT'S OFFICE  
CHICO UNIFIED SCHOOL DISTRICT

FIELD TRIP REQUEST

TO: CUSD Board of Education

Date: 1/20/10

FROM: Karol Forrest

School/Dept.: Chico High / Band

SUBJECT: Field Trip Request

Request is for 2 members of Chico High Band  
(grade/class/group)

Destination: Fresno

Activity: ALL STATE HONOR BAND

from 2/18 , 8am  
(dates) / (times)

to 2/21 , 9:00pm  
(dates) / (times)

Rationale for Trip: Students will perform with students from school throughout the state under the direction of a renown conductor. The students submitted CD auditions and were selected based on merit.

Number of Students Attending: 2 Teachers Attending: 1 Parents Attending:       

Student/Adult Ratio: 2-1

Transportation: Private Cars        CUSD Bus        Charter Bus Name       

Other: Teacher vehicle

All requests for bus or charter transportation must go through the transportation department - NO EXCEPTIONS.

ESTIMATED EXPENSES:

Fees \$        Substitute Costs \$ 156.00 Meals \$       

Lodging \$        Transportation \$        Other Costs \$       

ACCOUNT NAME(S), NUMBER(S) and AMOUNT(S):

Name Music Acct. #: 01-0000-0-1206-1000-\$ 156.00

Name        Acct. #: 010 \$

Requesting Party

Date

Site Principal

Date

Director of Transportation

Date

☒ Approve/Minor ☐ Do not Approve/Minor  
or  
Recommend/Major Not Recommended/Major  
(If transporting by bus or Charter)

IF MAJOR FIELD TRIP

Director of Educational Services

Date

Board Action

Date

☒ Recommend ☐ Not Recommended  
☐ Approved ☐ Not Approved

**Title:** Field Trip Request to Herff Jones publishing plant in Logan, Utah  
February 28 – March 1 2010

Action: \_\_\_\_\_  
Consent:   X    
Information: \_\_\_\_\_

February 3, 2010

Prepared by: Cindy Hopkins and Brent Manuel  
Pleasant Valley High School Yearbook

### **Background Information**

PV Yearbook – Grades 9 - 12

Every year hard working students work diligently to create a memory that will last forever. They work long hours and weekends to put together the yearbook. They design, write and digitally create the book, which magically appears in hard copy form at the end of the year. What is missing is the ability to visit the plant and watch the process first hand providing the students a rare first hand experience of seeing the yearbook creation come full circle.

### **Educational Implications**

The ability to visit a working plant to see all aspects of the publishing industry is extremely beneficial to the students. They will be able to see what is involved on a day-to-day basis in creating the yearbook. This information can transcend to numerous professions including advertising, marketing, publishing, copy editing, and more.

The students attending the trip will bring back the knowledge to share with the class.

### **Fiscal Implications**

This field trip will be funded in part by Herff Jones Publishing. Substitute teachers will be covered by either Herff Jones or yearbook budgets.

### **Additional Information**

The advisers, Ms. Hopkins, Mr. Manuel and Ms. Chase (Our HJ Rep) will supervise the trip.

RECEIVED

CHICO UNIFIED SCHOOL DISTRICT

1163 East Seventh Street  
Chico, CA 95928-5999  
(530) 891-3000

3.1.2.  
Page 2 of 2

JAN 25 2010

SUPERINTENDENT'S OFFICE  
CHICO UNIFIED SCHOOL DISTRICT

FIELD TRIP REQUEST

TO: CUSD Board of Education

Date: 1/21/10

FROM: Cindy Hopkins & Brent Manuel

School/Dept.: PVHS ~ Yearbook

SUBJECT: Field Trip Request

Request is for: 9-12 / Advanced Journalism / Yearbook & Production Journalism/Newspaper  
(grade/class/group)

Destination: Logan, Utah Activity: Herff Jones Plant Visit

from 02/28/10 / all day to 03/01/10 / all day  
(dates) / (times) (dates) / (times)

Rationale for Trip: Herff Jones Publishing is providing the yearbook with a unique opportunity to visit the Herff Jones publishing plant in Logan, Utah. Herff Jones is paying for the trip as a thank you to the PV staff and to provide inspiration for the editors to bring back to the class of how a yearbook is physically put together.

Number of Students Attending: 6 Teachers Attending: 2 Parents Attending: 1

Student/Adult Ratio: 3/1

Transportation: Private Cars X CUSD Bus \_\_\_\_\_ Charter Bus Name \_\_\_\_\_  
Other: Airplane

All requests for bus or charter transportation must go through the transportation department - NO EXCEPTIONS.

ESTIMATED EXPENSES:

Fees \$ 0 Substitute Costs \$ 240/per sub Meals \$ 0  
Lodging \$ 0 Transportation \$ 1800 Other Costs \$ 0

ACCOUNT NAME(S), NUMBER(S) and AMOUNT(S):

Name Yearbook Acct. #: \_\_\_\_\_ \$ 2300  
Name \_\_\_\_\_ Acct. #: \_\_\_\_\_ \$ \_\_\_\_\_

Cindy Hopkins & Brent Manuel  
Requesting Party

1/21/10  
Date

[Signature]  
Site Principal

1/22/10  
Date

☒

Approve/Minor

☐

Do not Approve/Minor

n/a  
Director of Transportation

\_\_\_\_\_  
Date

or  
Recommend/Major

or  
Not Recommended/Major

(If transporting by bus or Charter)

IF MAJOR FIELD TRIP

[Signature]  
Director of Educational Services

1-25-10  
Date

☒

Recommend

☐

Not Recommended

☐

Approved

☐

Not Approved

CHICO UNIFIED SCHOOL DISTRICT  
1163 EAST SEVENTH STREET  
CHICO, CALIFORNIA 95928  
February 3, 2010

3.2.1.  
Page 1 of 1

MEMORANDUM TO: Board of Education  
FROM: Kelly Staley, Superintendent  
SUBJECT: Certificated Human Resources Actions

Name/Employee #	Assignment	Effective	Comment
<u>TEMPORARY APPOINTMENT 2009/10 According to Board Policy</u>			
Taylor, Tammara	Secondary	2 <sup>nd</sup> Semester 2009/10	0.2 FTE Temporary Appointment (in addition to current .8 FTE assignment)

**PROPOSED AGENDA ITEM:**

- ☐ Consent
- ☐ Information Only
- ☒ Discussion/Action

Board Date: February 3, 2010

**Background Information**

The Boys and Girls Club of Chico (B & G Club) partners with Chico Unified School District to implement the ASES/21<sup>st</sup> Century After School Program for Bidwell and Chico Junior High Schools, Chico High School, Fairview High School and Academy for Change. The Boys and Girls Club of Chico provides an academic, recreation and enrichment program to implement the state and federal grants per the requirements of the grant.

**Education Implications**

The goal is to increase student achievement and provide a safe and healthy environment conducive to learning.

**Fiscal Implications**

**Additional Information**



Mandatory Instructions  
(click to view)

CHICO UNIFIED SCHOOL DISTRICT  
Business Services  
1163 E. 7<sup>th</sup> Street, Chico, CA 95928  
(530) 891-3000

Business Services Use Only

CA#

V# 1057

### CONSULTANT AGREEMENT

1. A completed BS10a. "Certificate of Independent Consultant Agreement" guideline is:

☒ On File (click to view) ☐ Attached

2. A completed W9 "Request for Taxpayer Identification Number and Certification" form is:

☒ On File (click to view) ☐ Attached

This Agreement to furnish certain consulting services is made by and between Chico Unified School District and:

Name: Boys and Girls Club of Chico (B&G Club)  
Street Address/POB: 601 Wall Street  
City, State, Zip Code: Chico, CA 95926  
Phone: (530) 899-0335  
Taxpayer ID/SSN: 68-0294846

This agreement will be in effect from: 08/12/09 to 05/26/10

Location(s) of Services: (site) Boys and Girls Club of Chico

3. Scope of Work to be performed: (attach separate sheet if necessary)

Subject to available resources, B&G Club will provide an academic, recreational and enrichment program that complies with all statutory and regulatory requirements applicable to programs conducted at school sites. The B&G Club will provide 180 days of after school services for up to 40 junior high students and up to 60 high

4. Goal (Strategic Plan, Site Plan, Other) to be achieved as a result of Consultant services:

school students. Additionally, the B&G Club will be funded \$7,500 for services related to students with disabilities.

5. Funding/Programs Affected: (corresponding to accounts below)

- 1) 21st Century Learning Centers  
2)  
3)

6. Account(s) to be Charged:

	Pct (%)	Fund	Resource	Proj/Yr	Goal	Function	Object	Expense	Sch/Dept
1)	100.00	01	4124	0	1110	1000	5800	14	674
2)							5800	14	
3)							5800	14	

7. Is there an impact to General Fund, Unrestricted funding? ☐ Yes ☒ No

8. Payment to Consultant: (for the above services, District will pay Consultant as follows)

\$ 674.80 Per Unit, times 180.00 # Units = \$ 121,464.00 Total for Services

(Unit: ☐ Per Hour ☒ Per Day ☐ Per Activity)

9. Additional Expenses:

\*Students with disabilities at a flat rate \$ 7,500.00  
\$  
\$

Total for  
7,500.00 Addit'l Expenses

\$ 128,964.00 Grand Total

10. Amounts of \$5,001.00 or more require Board Approval: (date to Board)

(to be completed by Business Services)

**CONSULTANT TERMS AND CONDITIONS**

(Applicable, unless determined to be Contract Employee – See BS10a)

Consultant Name: Boys and Girls Club of Chico (B&G Club)

Business Services Use Only

CA# \_\_\_\_\_

V# 1057

1. The Consultant will perform said services independently, not as an employee of the District; therefore, the District is not liable for worker's compensation or unemployment benefits in connection with this Consultant Agreement. Consultant shall assume full responsibility for payment of all Federal, State and Local taxes or contributions, including Unemployment Insurance, Social Security, and Income Taxes with respect to Consultant's employees.
2. Consultant shall furnish, at his/her own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement, unless agreed upon under Additional Expenses on page 1 of this Agreement.
3. In the performance of the work herein contemplated, Consultant is an independent contractor, with the authority to control and direct the performance of the details of the work, the District being interested in the results obtained.
4. If applicable, the Consultant will certify in writing, using Administration Form #3515.6, that criminal background checks have been completed as per Board Policy #3515.6 prior to commencement of services. This requirement also applies to any subcontractors or employees utilized by the Consultant.
5. Consultant agrees to defend, indemnify and hold harmless the District, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of Consultant's negligence in the performance of this Agreement, including, but not limited to, any claim due to injury and/or damage sustained by Consultant, and/or the Consultant's employee or agents.
6. Consultant will provide to Assistant Superintendent, Business Services, upon request, a Certificate of Insurance showing a minimum \$1,000,000 combined single limits of general liability and automobile coverage as required by the District.
7. Neither party shall assign nor delegate any part of this Agreement without the written consent of the other party.
8. The work completed herein must meet the approval of the District and shall be subject to the District's general right of inspection to secure the satisfactory completion thereof. Consultant agrees to comply with all Federal, State, Municipal and District laws, rules and regulations that are now, or may in the future become, applicable to Consultant, Consultant's business, equipment and personnel engaged in operations covered by this Agreement or occurring out of the performance of such operations.
9. The District will determine whether the Consultant will be paid by vendor check as a Consultant or payroll check as a Contract Employee (with taxes withheld) by reviewing the completed Certificate of Independent Consultant Agreement (a blank sample may be viewed at [http://www.chicousd.org/\\_dept/business/documents/Consultant\\_Agreement.pdf](http://www.chicousd.org/_dept/business/documents/Consultant_Agreement.pdf)). IRS publication SWR 40 and IRS Ruling 87-41 will assist the District in determining the payment method applied to this Consultant Agreement.

**11. AGREED TO AND ACCEPTED:** (If determined to be a Contract Employee, a payroll check will be issued with applicable taxes withheld.)

Maureen Price  
(Signature of Consultant)

Maureen Price, CEO  
(Print Name)

12/10/09  
(Date)

**12. RECOMMENDED:**

Janet Brinson  
(Signature of Originating Administrator)

Janet Brinson, Director  
(Print Name)

12/10/09  
(Date)

**13. APPROVED:**

[Signature]  
(Signature of District Administrator, or  
Director of Categorical Programs)

Dave Scott, Director  
(Print Name)

12/10/09  
(Date)

**APPROVED:**

[Signature]  
(Signature of District Admin-Business Services)

☒ Consultant ☐ Contract Employee  
Scott Jones Director, Fiscal Services  
(Print Name)

12/11/09  
(Date)

**14. Authorization for Payment:**

**CHECK REQUIRED** (Invoice to accompany payment request):

- ☐ Partial Payment thru: \_\_\_\_\_  
(Date)
- ☐ Full or Final Payment

**DISPOSITION OF CHECK** by Accounts Payable:  
(check released upon completion of services)

- ☐ Send to Site Administrator: \_\_\_\_\_  
(Date check required)
- ☐ Mail to Consultant

\$ \_\_\_\_\_  
(Amount) (Originating Administrator Signature – Use Blue Ink) (Date)

PROPOSED AGENDA ITEM: Budget Update: Governor's Proposals for 2010-11 Budget

Prepared by: Jan Combes, Assistant Superintendent, Business Services

☐ Consent

Board Date February 3, 2010

☒ Information/Discussion

☐ Discussion/Action

**Background Information:**

Annually in January the Governor releases his proposal to the State Legislature regarding the upcoming budget year.

We will review some of the major highlights of the Governor's proposal and the impact those might have on funding for Chico Unified School District. Discussion will include both the impact the Governor's proposals have on budget as well as cash flow projections.

A PowerPoint presentation will be provided on the night of the Board meeting that will be available on the District website by the end of the day on February 4, 2010. Copies of the PowerPoint may also be obtained at the meeting.

This is an information only item.

The budget will be adjusted to reflect the Governor's proposal when the Board reviews and approves the next financial update which is scheduled for March 24, 2010 (Second Period Interim Report).

PROPOSED AGENDA ITEM: Update from Butte County Office of Education

Prepared by: Jan Combes, Assistant Superintendent, Business Services

☐ Consent

Board Date February 3, 2010

☒ Information/Discussion

☐ Discussion/Action

**Background Information:**

Last fall the Butte County Office of Education (BCOE) began to share the district's projected cash flows with the Fiscal Crisis Management Assistance Team (FCMAT) as part of their ongoing concern about the district's financial solvency.

In October, FCMAT declared Chico Unified to be in a fiscal emergency based on its negative budget certification and its projections that it may run out of cash to make payroll around November, 2010.

In December, FCMAT sent a team of experts to Chico Unified School District to gather pertinent data. FCMAT is in the process of preparing its report on their independent analysis and projections of our fiscal condition and cash flow.

Representatives from BCOE will update the Board on the status of the FCMAT study and the timeline.

If a state loan is needed for 2010-11, the deadline to introduce legislation is February 19, 2010.

PROPOSED AGENDA ITEM: Budget Crisis Intervention/Ideas

Prepared by: Jan Combes, Assistant Superintendent, Business Services

☐ Consent

Board Date February 3, 2010

☒ Information/Discussion

☐ Discussion/Action

**Background Information:**

For many years Chico Unified School District has been focusing on budget cuts. In addition, the district has worked to reduce overstaffing and align the number of teachers as closely as possible to contractual maximums in contract language.

Over the last six years the total number of teaching positions is down 16.7%, from 730 down to 608. The reduction in teaching staff is a combination of: 1) tighter staffing to contract; 2) staffing K-3 classrooms at 30:1 instead of 20:1 at all sites except Chapman Elementary School in 2009-10; and 3) a reduction of about 650 students served in the last six years. Enrollment hit a high of 13,450 students in 2004-05 as compared with our current count of 12,800.

Over the years the following cuts have been identified as budgets were developed:

- **In 2004-05 proposed cuts of \$1.4 M, including:**
  - reduction in District Office clerical (1.0 FTE)
  - shifting of redevelopment dollars to pay for maintenance costs
  - backfilling the shortfall in Class Size Reduction funding using Title II
  - reduction of 10% in department and site allocations
- **In 2005-06 proposed cuts of \$1.1 M, including:**
  - closing of Jay Partridge Elementary School
  - closing of Nord Elementary School
  - reductions of 4.0 FTE in management/clerical/district office positions
  - further reduction of 6% in department and site allocations
  - reduction of overtime/comp pay
  - planned savings in food services encroachment
- **In 2006-07 proposed cuts of \$270,000 that were the result of:**
  - change in YRE to traditional
  - Young Teen program changes
  - ISP lines changed to fiber
  - savings anticipated in legal costs
- **In 2007-08 reductions were \$1.6 M:**
  - further reduction of site and department supply budget by another 20% (bringing the total cut to 36% in three years)
  - shifting of opportunity program costs to categorical programs
  - reduction of one mechanic in the Transportation Department
  - reallocation of the Educational Services Director to after school program dollars
  - reduction of 1.4 Principals,
  - reduction of 1 district office clerical position.
  - a one-time transfer from building reserve funds

- **In 2008-09** the cuts were more drastic as the Board attempted to bring the budget into balance and pull the district out of negative certification. Cuts amount to over **\$3 M**:
  - eliminated the administrative intern program
  - reduced receptionist position in the District office by one-half
  - demoted the Fiscal Services Manager to Coordinator
  - eliminated a third district office clerical position in the business office
  - eliminated a senior office assistant in the District office
  - eliminated funding for teachers in charge by moving principal meetings to after school hours
  - closed the print shop (2.0 FTE)
  - eliminated another maintenance position
  - reduced 5.2 custodial positions through the implementation of elementary team cleaning
  - eliminated a grounds keeping position
  - reduced counselors by 1.45 FTE
  - eliminated extra pay for counselors
  - captured school site carryover except for donated funds
  - limited the purchase of textbooks by \$100,000
  - closed Cohasset and Forest Ranch Elementary Schools
  - eliminated pull-out band and choir at grades 4-6
  - eliminated the sixth grade program at the junior high schools
  - eliminated several junior high extra pay assignments
  - cut the general fund contribution to athletics in half
  - reduced prep time for agricultural release periods
  - eliminated several high school extra pay assignments
  - reduced a clerical position at Pleasant Valley High School
  - reduced an SDC Pre-K to 6<sup>th</sup> grade teacher for moderate/severe program
  - reduced staffing for itinerant instructional aides for special education
  - reduced RSP support for junior high schools and eliminated four instructional aide positions in special education
  - Management staff took a reduction in health plans
  - Senior Management took a 3% reduction in compensation
  - District Office eliminated a Director position in the Educational Services Department
  - District Office cut management staff for Technology in half, eliminating the supervisor position
- **In 2009-10** there were more changes to the budget as a result of the state providing flexibility in some categorical programs, and federal funds (one-time) being provided. **Overall cuts totaled about \$3.5 M and shifts represented about \$6 M (about half in one-time money and half in ongoing income through 2013-14).** Cuts included:
  - the district reduced its contribution to maintenance by \$1 M, including elimination of the risk management department
  - in November of 2009, teachers reduced their health coverage from the Silver Plan to the Red Plan -- saving the District about \$700,000 in 2009-10
  - about \$2.2 M of expenses in the general fund were shifted to Federal Stimulus funds, saving about 40 positions
  - the District was able to “sweep” categorical funds into the general fund, redirecting grant funds to general “unrestricted” reserves
  - the elimination of one clerical position at the District Office

Despite cutting 122 teaching positions and trimming other expenses by nearly **\$11 M** over the last six years Chico Unified now finds itself on the precipice of a budget and cash flow crisis. State revenues are shrinking faster than school district expenses can accommodate.

The Governor's Proposed Budget indicates that Chico Unified will receive \$4,991 dollars per student in 2010-11, as compared with \$5,800 in 2007-08. Budget projections indicated a \$6.5 M shortfall before the Governor's Proposal and are now anticipated to be about **\$9.5-\$10 M**.

2007-08 is a significant year for CUSD as that is the year that an increase in employee compensation was granted that equated to an 11% raise. That raise was defensible in the budget assuming that attendance rates held/improved and that the State would continue to grant cost of living increase to help support the ongoing expense. Unfortunately for the budget, both areas fell short of expectations.

Compound the budget gap by the fact that the state is deferring payments to schools districts. About 25% of the state's share of school funding will not even arrive in CUSD until two months after the school year is over.

The largest portion of any school budget is staffing cost. Payroll is expected to be paid on time, regardless of the cash position of the district. This pushes Chico Unified into a cash crisis. When will the district run out of cash? That is difficult to pin-point but according to projections the district will need to do internal borrowing of facility fee (developer fee) monies to make payroll by next fall, and run completely out of local borrowing options by late 2010-11 or early in the 2011-12 school year.

Each month that the district spends more than it brings in the size of the deficit increases. The longer the district waits to solve the structural deficit, the larger the solution will need to be.

The longer the District takes to resolve the structural budget deficit, the larger the deficit grows and the harder it will be to correct. Simply put, the problem compounds the longer we take to put measures in place to solve the structural budget deficit.

The District is working to reduce compensation for employees by about 8% to help balance the budget. With 90% of the budget committed to personnel expenses, it is impossible to bring the budget into balance without affecting compensation.

Many of the options provided by the legislature to help districts get through this funding crisis are negotiable issues. For example, schools can reduce from 180 instructional days to 175 but that only yields a savings if the district can eliminate days of pay for employees, something that has to have the support and approval of the union membership to enact.

Until the District is able to reduce the cost of compensation, it has to look at other ways to avert the looming crisis.

It is against this backdrop that the District will present budget saving concepts for 2010-11 that are being researched and investigated. Proposals include school consolidations and elimination of services that would dramatically impact education for CUSD students.

These concepts will be made public on February 3 in a PowerPoint presentation which will be available on the district's website following the meeting. No action is scheduled on these items for this agenda. This is an information only item intended for disclosure and discussion purposes only.

The District continues to be open to all ideas and suggestions to generate income, cut expenses, or both. Please contact any member of Cabinet or Jan Combes at [jcombes@chicousd.org](mailto:jcombes@chicousd.org) or 891-3000 ext 112 to leave a message. All suggestions will be kept confidential as to who has proposed them.

**TITLE: District Demographic Analysis and Student Housing Projection Report**

Action \_\_\_\_\_  
Consent \_\_\_\_\_  
Information   X  

February 3, 2010

Prepared by:

**Background information**

On April 1, 2009, the Board of Education directed staff to engage J M King & Associates to perform Demographic Analysis and Student Housing Projections.

The District relies upon demographic data to project its student housing needs into the future. This data is revised on an annual basis and will inform discussions on the need for new facilities, consolidation of existing facilities, possible boundary modifications and/or other District housing decisions.

**Educational Implications**

The District's Strategic Plan states: "A safe, nurturing and inspiring environment is essential for individuals to thrive."

**Fiscal Implications**

The cost of this report has no impact on the General Fund because it is funded entirely out of Developer Fees.



PROPOSED AGENDA ITEM: **Overview of Employee Layoff Process for 2010-2011**

Prepared by: Bob Feaster, Assistant Superintendent, Human Resources

Consent	
<input checked="" type="checkbox"/> Information Only	
Discussion/Action	Board Date: February 3, 2010

**Background Information:**

The District will need to reduce both classified and certificated staffing in a variety of areas for the 2010-2011 school year. Declining student enrollment and the ever worsening State budget make staffing reductions necessary. This will require the Board to initiate and complete the prescribed layoff processes for both classified and certificated staff. Bob Feaster and David Koll will provide the Board with the process and timeline used in the layoffs of both certificated and classified employees.

**Educational Implications:**

The educational implications depend on which programs are eliminated or reduced and subsequently which employees are laid off. In any event, this will likely result in larger class sizes (still within contractual limits) and fewer classified staff members working in the District.

**Fiscal Implications:**

The fiscal implications depend on which programs are eliminated or reduced and subsequently which employees are laid off.