

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

The following were present:

BOARD MEMBERS:

Steve O'Bryan, Vice President

Rick Rees, Clerk

Scott Huber, Member

Anthony Watts, Member

Amy English, Student Board Member

ABSENT:

Rick Anderson, President

ADMINISTRATION:

Dr. Scott Brown, Superintendent

Jim Sands, Deputy Superintendent

Kelly Mauch, Assistant Superintendent – Educational Services

Randy Meeker, Assistant Superintendent – Business Services

Janet Brinson, Director II – Educational Services

Bob Feaster, Director – Educational Services

Tracy Martineau, Director – Classified Personnel

Alan Stephenson, Director – Educational Services

Bernard Vigallon, Director – Educational Services

Mike Weissenborn, Manager – Facilities/Construction

Greg Einhorn, Attorney at Law

Kim Hutchison, Executive Secretary to the Superintendent

OTHERS:

Association representatives, news media, and visitors.

1. CALL TO ORDER

1.1 Mr. O'Bryan called the meeting to order at 7:00 p.m. and welcomed visitors.

1.2 Amy English led the flag salute.

2. SUPERINTENDENT'S REPORT

Dr. Brown shared with the Board an article that appeared in the Sacramento Bee regarding the state budget crisis.

By Dan Walters -- Bee Columnist - (Published February 17, 2003)

A chart published by the Legislature's budget office graphically illustrates the roots of California's budget crisis.

The chart shows the growth of state general fund revenues, mostly from taxes on personal and corporate income and retail sales, over the past two decades. In the 1982-83 fiscal year, the state took in \$20.7 billion. By 2001-02, the total was \$67.2 billion.

Two major revenue deviations occurred during the period, one in the early 1990s, when a severe recession buffeted the state, and another in the late 1990s, when it had a high-tech boom.

State revenue plunged from more than \$45 billion in 1991-92 to \$40 billion in 1993-94 -- despite a huge boost in income and sales tax rates -- before beginning a steady climb as California emerged from recession.

By 1997-97, revenues were back at prerecession levels, \$47.6 billion. They hit \$52.4 billion the next year, \$57.3 billion in 1998-99 and \$62.6 billion in 1999-2000, then skyrocketed to \$80 billion in 2000-01 as taxes on high-tech stock options and capital gains rolled in. But when the high-tech bubble burst, revenues simply returned -- and this is the key point -- back to where they would have been without the windfall. Revenues in 2001-02 were \$67.2 billion and they'll be close to \$70 billion during the current year.

Gov. Gray Davis publicly recognized the political perils of the 2000-01 windfall. "I intend to resist the siren song of permanent spending whether it comes from the left or the right," Davis said in May 2000, "and I will stand up to anyone who tries to convince the Legislature that they should spend most or all of this money on ongoing expenses."

Davis, however, reneged on that promise and foolishly diverted most of the surplus into ongoing expenditures and/or tax cuts. The California Teachers Association dragooned him into committing nearly \$2 billion more each year to schools by threatening a ballot measure that would cost even more; business leaders secured major tax breaks; liberals successfully pressed for more health care spending; and Republicans demanded, and got, more reductions in the annual license fees on cars.

The new permanent commitments approached \$10 billion a year. When revenues fell back to their more normal levels a year later, the state was left with what budget mavens call a "structural deficit," an annual income-outgo gap of somewhere around \$10 billion.

The numbers lend credence to Republicans' assertions that California's budget crisis is not so much a lack of revenue as one of overspending. But their position is undercut by the simple fact that the tax reductions they championed, including the car tax, are just as responsible for the structural gap as the Democrats' social spending.

If politicians in both parties would set aside their overblown rhetoric and side agendas, a rational approach is doable, to wit:

The real problem isn't the \$35 billion deficit that Davis ballyhoos or the \$26 billion gap that the Legislature's budget analyst presents. Those numbers represent the deficit that's accumulated because Davis and lawmakers have papered over the gap for the past two years, and what would be added to the deficit next year if nothing is done. The core problem -- the bell to be unrung -- is the yearly structural gap, something in the \$10 billion range.

If the annual gap is bridged by spending reductions and/or revenue increases, the future takes care of itself. Restoring the car tax and repealing other recent tax breaks could cover about half the yearly deficit -- a fair approach because those tax cuts were based on irrational revenue assumptions in the first place -- and the remaining \$5 billion or so could be covered by judicious spending cuts.

The leftover deficit from the past couple of years, perhaps another \$15 billion to \$20 billion, would remain. A rational solution would be to cover it with loans, to be repaid over several years in part by a dedicated temporary tax increase -- or even better, closing some tax loopholes -- and in part by future spending restraint.

The details would be much more complex, of course, but such an approach would restore California's fiscal health, repair its abysmal credit rating and avoid job-killing taxes or overly painful spending reductions.

3. HEARING SESSION/PUBLIC FORUM

At 7:04 p.m. the Hearing Session/Public Forum was opened. Parents and teachers expressed their concern over the potential reduction of elementary music services. There were no further comments and the Hearing Session/Public Forum was closed.

4. CONSENT CALENDAR

Mr. Huber requested that Item 4.13 be pulled from the Consent Calendar for individual discussion.

- 4.1 The Board approved the minutes of the 02/05/03 Regular Meeting. MSC Rees/Watts

4.2 The Board approved the following **Certificated** Personnel changes: MSC Rees/Watts

<u>Name</u>	<u>Assignment</u>	<u>Effective</u>	<u>Comment</u>
<u>Administrative Appointments – Summer School 2003</u>			
Brinson, Rita	Assistant Principal Junior High (one 3-week session)	Summer Session 2003	
De la Torre, Claudia	Assistant Principal Elementary (South)	Summer Session 2003	
Kohen, Kay	Assistant Principal High School (shared position)	Summer Session 2003	
Raven, Ginger	Summer School Principal	Summer Session 2003	
Rupp, Michael	Assistant Principal High School (shared position)	Summer Session 2003	
Scott, Dennis	Assistant Principal Alternative Education	Summer Session 2003	
Strieby, Lori	Assistant Principal Elementary (North)	Summer Session 2003	
<u>Appointments According to Board Policy</u>			
Sarrett, Mary K.	Elementary	2 nd Semester 2002/03 Effective (2/14/03)	0.75 FTE Temporary Appointment
Schoenthaler, Mary	Elementary	2 nd Semester 2002/03 Effective (2/10/03)	0.6 FTE Temporary Appointment
<u>Increase in Assigned Time for 2002/03</u>			
Sheridan, Erica	Elementary	2 nd Semester 2002/03 (Effective 1/10/03)	I increase from 0.4 FTE to 0.6 FTE
<u>Change in Status for 2002/03</u>			
Williams, Amy	1.0 FTE Elementary	2002/03	Change from Temporary to Probationary

4.3 The Board approved the following **Classified** Personnel changes: MSC Rees/Watts

<u>NAME</u>	<u>CLASS/LOCATION/ASSIGNED HOURS</u>	<u>EFFECTIVE</u>	<u>COMMENTS/ FUND</u>
<u>Appointments</u>			
Coats, Veronica	Academic Mentor Pgm Coordinator/ Chico High/6.4	2/20/03	New Position Grant Funds
Gaddy, Nathan	IPS-Classroom/Hooker Oak/3.0	2/20/03	New Position Special Ed

Graham, Michael	Café Asst. Baker/Food Services/8.0	2/20/03	Vacated Position
Martin, Linda	Parent Clsrn Aide- Rest/Partridge/ 2.0	2/20/03	Vacated Position Categorical Funds
<u>Transfer with Increased Hours</u>			
Swifka, Cosima	Café Satellite Mgr/Sierra View/5.5	2/20/03	Seniority Rights
<u>Increase in Hours</u>			
Braiser, Pat	Transp Spec Ed Aide/Transp/5.3 to 7.0	2/20/03	Existing Position Special Ed Transp
Jessen, Kerry	IA Elementary/L C C/from 2.0 to 2.5	2/20/03	Seniority Rights Categorical Funds
Luce, Daniel	School Bus Driver Type 2/Transp/ 6.7 to 7.5	2/20/03	Existing Position Special Ed Transp
Nemat-Nasser, Karen	School Bus Driver Type 1/Transp/7.1 to 7.5	2/20/03	Existing Position Special Ed Transp
Ramos, Tamara	School Bus Driver Type 2/Transp/ 6.5 to 6.6	2/20/03	Existing Position Special Ed Transp
Sayre, Maria	IA Elementary/L C C/from 2.0 to 2.5	2/20/03	Seniority Rights Categorical Funds
Sherman, Carol	Café Asst/McManus/from 3.3 to 4.0	2/20/03	Seniority Rights Food Services
<u>Resignation/Termination</u>			
Ruppel, Lori	Parent Clsrn Aide- Rest/Partridge/ 4.0	1/30/03	Resigned
Sumner, Ezekiel J.	Grounds Worker/M & O/8.0	2/6/03	Auto Resignation

4.4 The Board accepted the following donations to individual school sites: MSC Rees/Watts

<u>Donor</u>	<u>Donation</u>	<u>Recipient</u>
Todd & Roemi Wiley	computer, speakers, moniter, etc.	CCDS
Jerry Waldorf	\$250.00	CCDS
Bruce Dillman	\$2000	CHS
Mark Lewkowicz	VCR recorder	Citrus
Jerry & Marilyn Anderson	\$100	EWE
The Black Crow	\$150	EWE
Kari Foster	\$50	EWE
Sandy MacDonald	Early Learning Cards	FVHS
Anna B. Boulet	2 computer speakers	LCC
Laurie Burelson	1 free month certificate	LCC
Mervyn's	\$25 gift certificate	Marigold
Julie Genthe	HP scanner	MJHS
Walmart 2044	\$100	MJHS

Michael Barnhart	classroom supplies	Neal Dow
Lela Barnhart		
Tami Tyrer	computer	Neal Dow
North Valley Dermatology		
Renee Peters	\$25	PVHS
Burton & Laurene Feingold	\$200	PVHS
Marjorie Willis	\$50	PVHS
Julie Archer, M.D.	\$400	Sierra View
Grace Senoglu	\$11.96	Sierra View

4.5 The Board approved payment of the following warrants: MSC Rees/Watts

<u>FUND #:</u>	<u>FUND DESCRIPTION:</u>	<u>WARRANT #'S:</u>	<u>AMOUNT</u>
01	General Fund	305794 - 306056	\$222,644.19
13	Nutrition Services	306057	\$168.73
14	Deferred Maintenance	306058 - 306060	\$5,217.42
24	BLDG FD - Measure A (P & I)	306061 - 306062	\$1,166.33
29	BLDG FD - 1988 Ser. C - INT	306063	\$2,500.00
35	County School Facilities Fund	306064 - 306069	\$18,653.15
		CURRENT WARRANT TOTAL:	\$250,349.82
		PREVIOUS WARRANT TOTAL:	\$0.00
		TOTAL WARRANTS TO BE APPROVED:	\$250,349.82

4.6 The Board approved the expulsions of the following students: Student No.: 11487; Student No.: 18618; Student No.: 50329; Student No.: 23893; Student No.: 37231; Student No.: 13485
MSC Rees/Watts

4.7 The Board approved the major field trip request by PVHS Yearbook to attend the annual yearbook plant visit in Logan, UT March 6 – 7, 2003. MSC Rees/Watts

4.8 The Board approved the major field trip request by PVHS Yearbook to attend the annual Journalism Education Association Conference in Portland, OR April 9 – 13, 2003. MSC Rees/Watts

4.9 The Board approved the major field trip request by CHS Symphonic Band to perform in a concert and attend workshops in Anaheim, CA May 14 – 18, 2003. MSC Rees/Watts

4.10 The Board approved the major field trip request by Rosedale's 5th Grade students to attend Environmental Camp in Whiskeytown, CA May 27 – 30, 2003. MSC Rees/Watts

4.11 The Board approved the API Awards Program Expenditures for the following:

- > Shasta
- > Citrus

4.12 The Board approved the notice of completion for work completed at CHS for the gym modernization. MSC Rees/Watts

- 4.13 The Board approved the consultant agreement between CUSD and Francine Gair to provide Edusoft program implementation including survey of sites: equipment locations, budget development, researching specifications, documentation of project, communication (including webpage postings) between partnering entities such as CSUC and/or BCOE interns with CUSD District Office and schools, equipment ordering, coordination of staff development, etc. Funding source is District Title 1 funds. There is no encroachment on the general fund. MSC Huber/Watts
- 4.14 The Board approved the 2002-03 Consolidated Application for funding Categorical Aid Programs (Part 2). MSC Rees/Watts
- 4.15 The Board approved the low bid and authorized the Superintendent to enter into a contract with the low bidder for the replacement of Unit "C" HVAC at Neal Dow Elementary School. MSC Rees/Watts

5. DISCUSSION CALENDAR

- 5.1 Dan Sours, Zack Kincheloe, Stephanie Starmer and Kathy Schulz – Teachers at Chico High School presented information relative to new course proposals at CHS.
- 5.2 Julie Nillson, teacher at Chico High School presented an overview of the Service-Learning Program and reviewed Resolution No. 870-03 relative to the CUSD Recycling Program.
- 5.3 Jim Sands, Deputy Superintendent provided information regarding the public disclosure of the tentative agreement between CUSD and CSEA, Chapter #110.
- 5.4 Mr. Sands provided information regarding the public disclosure of the initial proposal by CSEA, Chapter #110 to CUSD.
- 5.5 Mike Weissenborn, Manager – Facilities/Construction reviewed Resolution No. 869-03. At 7:39 p.m. the Public Hearing was opened relative to the dedication of an easement and right-of way to California Water Service Company. There were no comments and the Public Hearing was closed.
- 5.6 Mr. Weissenborn provided the monthly facilities update. The Chico High School gym has been completed. Work is moving along on the rest of the modernization project, which should be out to bid in March.
- 5.7 Randy Meeker, Assistant Superintendent – Business Services provided the budget update.

Indications are that as of 2/19/03, the House and Assembly have decided to wait until the Governor releases his Revised Budget in May before tackling the 03/04 budget shortfalls, which could be from \$26 to \$35 billion over the next seventeen months. The Legislative Analyst's Office on the 02/03 & 03/04 Budget Analysis will be delivered on 2/20/03. Overall, the Governor's budget proposal for K-12 education is balanced and reasonable. The proposal contains three primary components. It: (1) reduces the level of funding deferrals, (2) relies on ongoing rather than one-time spending reductions, and (3) provides school districts with greater fiscal and programmatic flexibility to respond to these reductions. The LAO recommends the Legislature adopt this general approach and include the same basic components in the budget. As part of their budget solution in 2001-02 and 2002-03, the Legislature opted to defer significant education program costs to the subsequent fiscal year rather than make additional spending cuts. The result has been a steadily growing balance on the state's education "credit card."

Given the large and growing backlog of mandate claims, the mandate deferral presents special problems for the state. By the end of 2002-03, the state is likely to have a total of almost \$900 million in outstanding Proposition 98 mandate liabilities. The cumulative impact of all these deferrals has maxed out the

education credit card. Each year the state relies on deferrals and other one-time solutions rather than ongoing solutions, the problem intensifies the following year. The LAO recommends the Legislature begin gradually paying off deferrals and develop a repayment plan to eventually restore all deferred funds.

The LAO believes the Governor's budget is headed in the right direction by relying on ongoing rather than one-time spending reductions, and reducing the level of funding deferrals. Of the \$2 billion in K-12 education solutions adopted by the Legislature in AB 8x, the LAO estimates that around \$1.8 billion was one-time in nature. Because few solutions made in 2002-03 were ongoing, the Legislature will essentially need to identify a new set of solutions in 2003-04. The Governor's budget proposes a total of \$1.6 billion in ongoing spending reductions. The \$1.6 billion is primarily due to a \$1.5 billion across-the-board reduction to the proposed categorical block grant. In addition, the Governor proposes several minor targeted reductions. Faced with the need to identify \$1.6 billion in new K-12 solutions, the LAO believes the Legislature should make the same level of ongoing spending reductions as proposed in the Governor's budget. The Governor proposes continuing the \$1.5 billion in across-the-board cuts to both revenue limits and categorical programs as well as making targeted cuts to various programs. To provide more flexibility in light of these cuts, the Governor's budget proposes to merge 64 K-12 categorical programs into a K-12 Categorical Block Grant. The LAO believes this proposal takes a significant step in the right direction and, in conjunction with categorical reform, the \$1.5 billion in proposed across-the-board reductions are reasonable. The LAO's alternative block grant proposal combines funding from 62 existing programs into five new categorical block grants. The Governor's budget does not include a plan for managing the transition from a categorical to a block grant environment. The budget assumes SDE has no oversight or technical assistance role under categorical reform. The LAO believes the department has an important part to play even if most categorical programs became part of a block grant system.

CUSD will continue developing budget plans based on the Governor's January 10th proposal. We are projecting reductions in revenue along with increases in unfunded expenditures of \$3,650,532 over a seventeen month period. This is the target amount current recommendations are being based on.

- 5.8 Mr. Meeker reviewed the Quarterly Investment Report.
- 5.9 Mr. Sands reviewed the procedure for non-reelection of temporary certificated employees.
- 5.10 Mr. Sands provided a review of Resolution No. 871-03 relative to reduction and elimination of particular kinds of service performed by certificated personnel which include:

Reduction in Certificated Services

Administration

FTE Reduction

Coordinator

1.0

Psychologists

3.8

Special Programs

Librarians	3.0
Elementary Music	5.0
Nurse (Teenage Parent and Child Care Program)	1.0
Nurse (Regular program)	.4
Supplemental Agriculture (Occupational Experience during summer months...extra work/extra pay positions)	.6
Counselors	<u>19.6</u>

29.6**Junior High School Class Size Reduction Program**

Math	3.0
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High School Class Size Reduction Program

English	4.2
Mathematics	<u>4.2</u>
	8.4
Elementary Education Teachers (classes/sections, K-6)	12.0

Total FTE Reduction 63.4

Education Code requires that certificated staff be notified prior to March 15 that there is the potential for a reduction in certificated services for the 2003/04 school year. These are preliminary notices only. Final notices, if any, must be approved by the Board prior to May 15.

Mr. O'Bryan opened the meeting for public discussion. Teachers, parents and students expressed their concern over the potential elimination of services particularly elementary music and counseling services.

At 8:55 p.m. Mr. O'Bryan called for a recess.

At 9:06 p.m. Mr. O'Bryan called the meeting back to order.

6. ACTION CALENDAR

- 6.1 The Board approved the new textbook proposal, *Economics: Principles in Action*, which is in alignment with state standards. MSC Watts/Huber
- 6.2 The Board adopted Resolution No. 870-03 relative CUSD Recycling Program. MSC Huber/Rees
- 6.3 The Board adopted Resolution No. 869-03 authorizing the dedication of an easement and right-of way to California Water Service Company. MSC Watts/Rees
- 6.4 The Board ratified the tentative agreement between CUSD and CSEA, Chapter #110. MSC Rees/Huber

6.5 The Board approved the non-reelection of temporary certificated employees. MSC Huber/Rees

<u>Name</u>	<u>Assignment</u>	<u>Release Effective</u>
<u>Non-reelection of Temporary Certificated Employees</u>		
Argo, Cynthia	0.2 FTE Secondary Counselor	May 29, 2003
Ball, Cynthia	0.25 FTE Elementary	May 29, 2003
Barnes, Laurie	0.8 FTE Elementary	June 26, 2003
Boyd, Timothy	0.4 FTE Secondary	May 29, 2003
Bradley, Nancy	0.2 FTE Elementary	May 29, 2003
Bransky, Ray	1.0 FTE Elementary	May 29, 2003
Callahan, Meghan	0.4 FTE Elementary	May 29, 2003
Cassetta, Lourdes	1.0 FTE Elementary	May 29, 2003
Christensen, Joyce	0.4 FTE Elementary	June 26, 2003
Christiansen, Steven	1.0 FTE Elementary	May 29, 2003
Collins, Don	1.0 FTE Elementary	May 29, 2003
Connolly, Cheryl	0.6 FTE Elementary	May 29, 2003
Cummings, Joseph	1.0 FTE Secondary	May 29, 2003
Dahlgren, Kathleen	0.6 FTE Elementary	June 26, 2003
Ducote, Loretta	1.0 FTE Elementary	May 29, 2003
Ellis, Amanda	0.4 FTE Secondary Counselor	May 29, 2003

Krulder, Jori	1.0 FTE Secondary	May 29, 2003
Larson, Kristina	1.0 FTE Secondary	May 29, 2003
Leen, Linda	1.0 FTE Elementary	May 29, 2003
Manna, Jennifer	0.4 FTE Elementary	June 26, 2003
McLearn, Janelle	0.4 FTE Elementary	May 29, 2003
Morgan, Gale	1.0 FTE Secondary Librarian	May 29, 2003
Morgan, Patricia	0.6 FTE Elementary	June 26, 2003
Niles, Paul	0.5 FTE Secondary	May 29, 2003
Payne, Kevin	1.2 FTE Secondary	May 29, 2003
Pierce, Jnana	0.8 FTE Secondary	May 29, 2003
Salas, Jennifer	0.6 FTE Secondary	May 29, 2003
Sarrett, Mary K.	0.75 FTE Elementary	May 29, 2003
Schoenthaler, Mary	0.6 FTE Elementary	May 29, 2003
Serrato, Linda	1.0 FTE Elementary	June 26, 2003
Sherer, Marsha	1.0 FTE Secondary	May 29, 2003
Sheridan, Erica	0.6 FTE Elementary	May 29, 2003
Small, Cathy	0.5 FTE Elementary	June 26, 2003
Stoffel, Lauri	0.2 FTE Elementary	May 29, 2003
Trent, Robin	1.0 FTE Elementary	May 29, 2003
Triplett, Vickie	0.7 FTE Elementary Music	May 29, 2003
VanBuskirk, Kimberly	0.2 FTE Elementary	May 29, 2003
Volland, Shawn	1.0 FTE Secondary	May 29, 2003
Ward, Louise	0.4 FTE Secondary	May 29, 2003
West, Dana	0.2 FTE Elementary	June 26, 2003
Wisdom, Kevin	0.4 FTE Secondary	May 29, 2003
Young, Lori	0.6 FTE Secondary	May 29, 2003

- 6.6 The Board adopted Resolution No. 871-03, relating to the reduction and elimination of particular kinds of service performed by certificated personnel. MSC Huber/Rees
- 6.7 The Board voted Bessie Hironymous as the representative to the California School Boards Association Delegate Assembly from this sub-region. MSC Watts/Rees

