

The Board of Education of the Chico Unified School District met in a Special Meeting at 7:00 p.m. in the Large Conference Room of the District Office

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
Randy Meeker, Assistant Superintendent - Business Services
Kim Hutchison, Executive Secretary

OTHERS:

Association representatives, news media, and visitors.

1. CALL TO ORDER

At 6:00 p.m., Mr. O'Bryan called the meeting to order.

2. CLOSED SESSION

The Board recessed into Closed Session for the purpose of conference with labor negotiations. Those attending Closed Session include Randy Meeker, Assistant Superintendent - Business Services.

3. INFORMATION AND DISCUSSION

3.1

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 "The Deal, Part II" between the Governor and the Education Coalition, a new budget model has been developed. The deal increases the CUSD revenue limit over the amounts reported in the 2nd Interim. Estimated unrestricted revenue increases to CUSD could be as follows:

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>

At 10th day enrollment for the 2003-04 fiscal year, we projected P-2 ADA to be 12,685, which is a decline from 2002-03 of (154) ADA. We have calculated actual P-2 ADA at 12,690 for a decline of (149) or a positive variance of five (5) ADA.

4) Estimated loss in ADA of (154)	<u>(\$ 717,032)</u>
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<u>Net estimated increase in unrestricted revenue</u>	<u>\$ 1,127,326</u>
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In this budget model, revenue increases are shown for both the 2004-05 and 2005-06 fiscal years. Estimated increases, which are not Board approved or authorized for employee insurance costs are also included.

- 3.2 The Board discussed the composition and duties of a proposed committee to evaluate demographic information and make recommendations to the Board. President O'Bryan and Member Rees will receive nominations from other Board members for potential committee members and will make selections based on those nominations. The Board will be asked to approve the committee composition and define the specific tasks the committee will be charged with at the May 19, 2004 Board of Education Meeting.

4. ADJOURNMENT

At 8:48 p.m. the meeting was adjourned.

APPROVED:

Board of Education

Administration