

Santa Ana Unified School District
1601 E. Chestnut Avenue
Santa Ana, California 92701

MINUTES

REGULAR MEETING
SANTA ANA BOARD OF EDUCATION

January 27, 2004

CALL TO ORDER

Board President Richardson called the meeting to order at 4:45 p.m. Dr. Yamagata-Noji, Mr. Tinajero, and Mrs. Avila were also present. Mr. Palacio arrived at 5:20 p.m.

Cabinet members present were Dr. Mijares, Dr. Bennett, Dr. Stabler, Mr. Best, Dr. Stainer, Dr. Bratcher, Ms. Brown, Mr. Sharp, and Mrs. Araujo-Cook.

RECESS TO CLOSED SESSION

The meeting was immediately recessed to Closed Session to consider legal matters, real estate negotiations, personnel matters, and student discipline.

MEETING RECONVENED

The Regular meeting was reconvened at 6:25 p.m.

There were approximately 100 members of the community, and District staff in the audience.

PLEDGE OF ALLEGIANCE

The meeting was opened with the Pledge of Allegiance led by Mr. Palacio.

SUPERINTENDENT'S REPORT

Dr. Mijares drew attention to those present the artwork posted in the Board Room contributed by students from King Elementary and Santa Ana High.

Mr. Randy Coleman, Coordinator of Visual and Performing Arts, introduced Mc Fadden student Brandon Tanielu who entertained the Board and audience by singing a German love song, "Sonthe." Accompanying Brandon was choir teacher Greg Ellis and accompanist Eileen Matsuada.

Students throughout the District learned about Dr. Martin Luther King, Jr., as they participated in events and assemblies commemorating his birthday. At Saddleback High School, more than 2,000 students gathered in a Quest for Respect—where the themes were acceptance, tolerance and respect. Valley High School had its own celebration. An **Education First** video highlighted the various events.

Dr. Mijares announced that in classrooms throughout the District, the Asian culture held TET celebrations and parades. At Davis Elementary School, second and third-graders paraded as a Dragon through the school, while others wore hand-made hats and masks, celebrating the Chinese New Year. Kindergartners also participated by creating a coloring book that explained the concept of the Year of the Monkey.

Valley High School, Class of 1978 classmate V.J. Lovero, lost his long battle with cancer on Monday, January 12th. Following his graduation from Valley, Lovero went on to Cal State Fullerton, where he took photography classes and met future baseball Hall of Fame recipient Rod Carew. It was Mr. Carew who provided him an opportunity of a lifetime as the Anaheim Angels photographer, a position he held for more than 20 years. In addition to Angels photography, Lovero's work made 29 Sports Illustrated covers and he photographed every World Series since 1989. Lovero is survived by his wife Trish and his sons, John and Jay.

El Sol Science and Arts Academy of Santa Ana is seeking to fill three vacancies on its Board of Directors. Details and applications are available from the Public Information Office at 714 558-5555. The application deadline is Tuesday, February 3rd.

The Superintendent stated that student attendance is linked with academic achievement and the District is making sure that daily attendance is upheld. Superintendent's Cabinet developed "Attendance Reward" Fridays to generate attendance on days that students might not be in attendance. A computer database chooses the students at random and the student must be present to win. An **Education First** video captured very excited students receiving their prizes. The incentives increase attendance which means increased funding for the District. Five television, VCR combination sets were donated to the District by SAUSD partners, Telacu Construction; Westgroup Design; Atkinson, Andelson, Loya, Ruud, & Romo, Law Firm; and NTD Architects.

PRESENTATIONS

District's Budget Comparability and Human Resources Timelines as it Relates to the Multi-Year Financial Plan

CHANGE OF ORDER IN AGENDA

It was the consensus of the members of the Board to change the order of the agenda to accommodate those present in the meeting.

Mr. Ron Bennett, Fiscal Expert, with School Services of California, Inc., provided a presentation on the District's Budget. The presentation also included information on teacher layoff timelines, by Mr. Best and the SAUSD's multi-year financial plan, by Dr. Stabler.

Mr. Richardson stated that in order to balance the budget, adjustments and reductions must occur. The SAUSD's current year budget is balanced. The District has a legal obligation to assure that the budget will be balanced for the subsequent two years. The State has yet to approve their budget and when the Governor's budget is balanced, there will be additional adjustments. Below you will find budget information presented by Mr. Bennett, Mr. Best, and Dr. Stabler.

Mr. Bennett said that as a fiscal expert, his sole mission is to facilitate successful financial results; review the District financial condition and plans for maintaining fiscal stability; advise the District on options and alternatives; assist the District with financial aspects of collective bargaining including layoff notices and fact-finding process; and advise the Superintendent on progress and status. He then provided the Board with the following information:

General Characteristics of the District Affecting Financial Flexibility

- ◆ Enrollment pattern - the District is now declining in enrollment downward in the current year and projected to be down further in 2004-05
- ◆ The District is now declining in enrollment and ADA following a long period of growth
- ◆ State funding has gone down - no COLA for 2003-04 and a reduction of 1.2%
- ◆ Costs have gone up for health benefits, Workers' Compensation, step and column movement, and inflation in other areas
- ◆ Reserves have declined as a result of deficit spending - leading to a qualified First Interim Financial Report
- ◆ This trend continues into 2004-05 and beyond unless action is taken

Review of Enrollment/ADA

- ◆ Revenue: 120 students at \$4,700 each yields marginal revenue growth, total revenue \$564,000
- ◆ Expenditures: 120 students requires four teachers at 30:1; or six teachers at 20:1; Six beginning teachers at \$57,000 each costs \$342,000; Supplies at \$400 per student cost \$48,000, total cost is \$390,000
- ◆ Result: Fast ADA growth can cover many budget issues
- ◆ Caution: Declining enrollment causes revenues to drop faster than costs

District Revenues are Driven by ADA

In 2003-04, the District received funding for:

- ◆ Statewide average COLA of Zero
- ◆ 1.86% declared but not paid
- ◆ Amount lost is approximately \$5 million per year
- ◆ District received an additional revenue limit reduction of 1.2%
- ◆ Amount lost is approximately \$3.5 million per year (but the District also lost funding because of declining enrollment)
- ◆ The actual dollars the District received resulted in an affective loss from the prior year (the total is about \$8.5 million less than would be expected during "normal" times)
- ◆ When doing a three-year projection, this lost revenue totals more than \$25 million

District Expenditures (costs are up, revenues are down, and reserves make up the shortfall)

Show increase for:

- ◆ Step and column costs, averaging about 1.5%
- ◆ Increased cost of health benefits, averaging about 11%-15%
- ◆ Increased costs for Workers' Compensation, averaging about 20%

Summary

- ◆ The ending balance is projected to decrease again this year and into the future
- ◆ Projections for 2004-05 show a deficit of about \$29 million without the continuation of the District's multi-year implementation plan

Mr. Bennett provided school District comparisons from Anaheim ESD, Anaheim UHSD, Capistrano USD, Garden Grove, USD, Irvine USD, Newport-Mesa USD, Orange USD, Placentia-Yorba Linda USD, Saddleback Valley USD, and Statewide Unified Average

Selected Categories of Revenue and Expenditures

- ◆ Unrestricted revenues are about \$125 per ADA, lower than the statewide average
- ◆ Total revenues are about \$280 lower per ADA than the statewide average
- ◆ Per-ADA expenditures for administrators; salaries are below average (8 of 10)
- ◆ Per-ADA expenditures for classified salaries are higher than average of the comparative group (2 of 10)
- ◆ Per-ADA expenditures for teacher salaries are the highest in the group (1 of 10), and average teacher salaries were the second highest in the group - about \$63,275
- ◆ Per-ADA employee health and welfare benefits are about average (5 of 10), and per employee costs are in the middle of the group at an average cost of \$6,522 and a maximum cost of \$11,607
- ◆ Total salary and benefit expenditures are about average (6 of 10)

Expenditures for Teacher's Salaries

Factors that affect expenditures for teacher salaries:

- ◆ Rates from the salary schedule
- ◆ Employee placement on the schedule, i.e., seniority
- ◆ Number of teachers, i.e., staffing ratios and class size
- ◆ Commitment of resources both in terms of dollars and percentage of budget
- ◆ Commitment of dollars to other compensation categories, for example, health, and welfare benefits and post-retirement benefits
- ◆ These factors, taken in combination form the basis of the District compensation model

Scheduled total compensation for salaries and benefits was

School District Comparisons:

- ◆ Above average for beginning teachers (4 of 10)

- ◆ Also above average for mid-career teachers (4 of 10)
- ◆ Higher than average for the most senior teachers (3 of 10)
- ◆ Teacher seniority is above average (4 of 10)
- ◆ Staffing ratios and class sizes are slightly lower than the average of comparative districts
- ◆ The total resources committed to teacher salaries is much higher than average (1 of 10)
- ◆ Commitment of dollars to employee benefits was at the average of the comparative group (5 of 10)
- ◆ Total compensation is higher than salary alone and includes benefits (4 of 10)
- ◆ Even with average benefits costs, the large number of teachers at the most senior end of the salary schedule causes District expenditures to be very high (2 of 10)
- ◆ Seniority is such a dominant factor that Santa Ana is (2 of 10) in average salary, though the schedule is (3 or 4 of 10).

Staffing Reduction Timeline

The District plans calls to reduce teacher staffing:

- ◆ Board shall adopt resolution to eliminate Particular Kind of Service (PKS) by March 15, 2004
- ◆ Currently planned for February 25, 2004, Board meeting
- ◆ Superintendent shall send notices of reassignment or layoff by March 15, 2004 for certificated staff
- ◆ Currently planning for March 10, 2004
- ◆ Laid-off employees may request hearing within seven days of being noticed. Currently planned for March 22, 2004, deadline
- ◆ Hearings to be conducted April 2004
- ◆ May 15, the Board must make final decision on layoffs
- ◆ Currently scheduled for May 11, 2004, Board meeting
- ◆ The District plans administrator layoffs
- ◆ The same notification timelines apply as for teachers
- ◆ Notices planned for March 10, 2004
- ◆ Must be confirmed or withdrawn by June 30, 2004
- ◆ Classified reduction requires a 45-day notice

Multi-Year Projections/Forecast

Historical Districtwide CBEDS Enrollment:

- ◆ Even the Governor's proposed budget does not provide enough additional money to avoid budget cuts
- ◆ Step and column and health benefits will increase ongoing costs, even with a pay raise
- ◆ Must consider current year plus two subsequent years
- ◆ ADA numbers are very soft, little control over enrollment/ADA
- ◆ Class sizes were increased to lower the number of teachers as enrollments continue to decline - and further increases may be necessary
- ◆ Control over hiring, budgeting, and position control must be continued

- ◆ Declining enrollment will push teacher seniority and salaries even higher
- ◆ Early action was required to control costs

Ms. Brown provided a historical Districtwide CBEDS Enrollment comparison from 1990 through 2003-04 in all grade levels. Also included were comparables from the eight largest school districts, which included projected enrollment vs. the actual enrollment for all grade levels and the differences.

Mr. Ron Bennett stated that the District must have: efficiency, control over spending; control over position; and control over hiring in order to implement the multi-year plan.

Mr. Tinajero inquired about salary comparisons concerning administrative costs. Mr. Bennett responded that SAUSD is below average in terms of salary and certificated staff are at the top of salary comparisons.

Mr. Tinajero also inquired about step and column increases and the type of savings the District expects a freeze to accomplish. Mr. Bennett stated that the numbers are provided in the multi-year plan.

Mr. Tinajero inquired about revenue limits. Mr. Bennett stated that Santa Ana has always operated in a lower tax base in comparison to surrounding areas which has an effect on the SAUSD. Revenue limits were instituted by SB 90, in 1970, which was designed to equalize funding among school districts in low and high wealth areas. Districts that already had high funding from their property taxes were able to keep the revenue, Districts that did not were brought up by the State contribution to the minimum level in that band. Santa Ana having low tax space remains below the average to this day. This is why equalization is an important concept. He then provided the definition to equalization. He said that the state provides funds so that the revenue limit received by every district in the state is closer to the same, as it is now. Neighboring districts may be receiving more as a result. He said that the State takes property taxes from an area, subtracts that tax from revenue that SB 90 provides, and pays school Districts the difference. If property taxes go up, State provides less. If taxes go down SAUSD receives less than other districts.

Mr. Richardson asked Mr. Bennett to supply the Board with comparisons in Week In Review.

Mr. Tinajero stated that the data provided states that Santa Ana has a higher amount of teachers in comparison to other districts and can the District function competitively with reductions. Mr. Bennett responded that SAUSD and all other districts are struggling to meet the No Child Left Behind Act. He said that Santa Ana has enough money to do anything they want to do, but not everything. There is a higher concern for students, but fewer resources.

Mrs. Avila asked if equalization money is predicated on the March 2 election (if Bond passes), and is this something the SAUSD could lobby. Equalization is for Districts below the 90 percentile and SAUSD is far below that percentage. If the Bond passes, Mr. Bennett recommended that the District lobby.

Mr. Palacio inquired about fiscal years used on comparison data presented. Mr. Bennett stated that 2001-02 was utilized for financials; 2002-03 CBEDS utilized for staffing, and only 2003-04 CBEDS utilized for current staffing, for all districts. He said that staffing charts are

current. Mr. Palacio asked for the difference between CBEDS and ADA. Mr. Bennett replied, CBEDS are driven by enrollment and revenues are driven by ADA.

Teacher Layoff Timelines

Mr. Best provided information on teacher layoff timelines as follows:

- ◆ December 1, 2003 - Certificated Department staff commenced review of seniority list, credentials and assignments, including appropriate layoff documents
- ◆ January 5, 2004 - Meeting with District legal counsel to review teacher layoff process, appropriate documents and timelines
- ◆ January 29, 2004 - Completion of teacher seniority list review by Certificated Department. Completion of list of credentials possessed by affected teachers, etc.
- ◆ February 10, 2004 - Certificated seniority list to be provided to Board of Education for adoption of tie-breaking criteria
- ◆ February 11-18, 2004 - Staff conducts ongoing cleansing of seniority lists and "dry run" bumping and skipping to establish the final list of names of individuals who will receive the notice of recommended lay off. Draft resolutions, letters, notification, legally-required documents, and letters of reassignment
- ◆ February 24, 2004 - Board takes action on resolution to reduce particular kinds of services (PKS), including adoption of seniority list
- ◆ March 10, 2004 - Notices of layoff to certificated bargaining unit members mailed certified, return-receipt required
- ◆ March 22, 2004, - District receives request for hearing from certificated bargaining unit members
- ◆ April, 2004 - Layoff hearing

Mr. Polanco clarified notice terminology. He then provided information on the No Child Left Behind Act concerning probationary and emergency teachers and meeting their requirements.

PUBLIC COMMENTS

Kim Gerda, 2215 Ross, Santa Ana, spoke in opposition of an increase in class size. She said that there was a lack of open process for parents and teachers to express their opposition. She said that the fiscal consultant should have been here last year.

Jennifer Charles, spoke in opposition of class size increases and affirmed Open Court as the right choice for the District.

Florence Ball-Freeman, 680 Gravier, Orange, shared concerns about bilingual, probationary, and emergency teaching positions, and urged the Board to save as many jobs as possible. She said that math goals are honorable, but encouraged options. In comparison to other Districts graduation requirements are higher in math, science, and foreign language. She stressed that the District must be aware of dropout rates. And, students must be prepared for the business world by offering more business classes.

Michael Murphy, teacher, Valley High School, spoke in support of Algebra A and B for "some" students in the SAUSD and expressed the importance of passing math in order to graduate. Many students are failing math, therefore, not graduating. He also spoke in opposition of No Child Left Behind.

Patricia O'Neil, 1524 Dresser, Santa Ana, spoke in opposition of a class size increase and urged the Board to reverse the decision. She asked that teachers not be made the cause of class size increase. She also discussed the Governor's budget.

PRESENTATION CONTINUED

Dr. Stabler stated that presented to Board tonight is a review of the SAUSD multi-year financial plan; historical Districtwide CBEDS enrollment; and a budget calendar.

Santa Ana Unified Multi-Year Financial Plan

Dr. Stabler stated that the \$29.8 million continues to be a concern for 2004-05. Below is information relative to the financial plan:

Implemented in 2003-04 - (in original adopted budget in August 2003)

- ◆ Increase in student-teacher ratio
- ◆ One-time flexibility transfers
- ◆ Significant reductions at the District office
- ◆ 22 staff reductions due to decreasing enrollment for \$1.2 million
- ◆ 13 additional transfers/elimination at the District office, a savings of \$900,000
- ◆ Athletic program transfers, a savings of \$300,000
- ◆ Elimination of Saturday Work program, saving \$70,000
- ◆ Expenditure transfers to categoricals, a savings of \$900,000
- ◆ Totals \$3,370,000 in reductions

Board approved the following for 2004-05: (October 2003 adopted)

- ◆ Reduce staffing by 24, due to decreased enrollment, a savings of \$1.3 million
- ◆ Implemented a District staffing allocation, reducing 92 classified, 19 administrators, 34 certificated, a savings of \$7.8 million.
- ◆ Eliminating 36 custodian positions a savings of \$1.9 million
- ◆ Eliminating 14 District safety officer position, a savings of \$910,000
- ◆ Increase student-teacher ratio by a reduction of 54 positions, 4-12 grade, saving \$3 million
- ◆ Reduce school extra curricular allocations, a savings of \$400,000

Elimination of K-3 Class Size Reduction

Dr. Stabler stated that there would be a \$4.6 million savings, which was validated by FCMAT and Mr. Bennett with School Services of California.

- ◆ Kindergarten - 90
- ◆ First Grade - 96

- ◆ Second Grade - 101
- ◆ Third Grade - 106
- ◆ Totals 393 teachers positions

Negotiable Items (Proposed)

- ◆ Reduction in work year - a savings of \$2.5 million
- ◆ Implementation of a health benefit cap - a savings of \$2.5 million
- ◆ Reinstitute elementary recess duty for teachers, a saving of \$300,000
- ◆ Eliminate 4-5 substitute days - a savings of \$100,000
- ◆ Eliminate step and column - a savings of \$3.2 million
- ◆ Totals approximately \$28 million.

Dr. Stabler stated that due to the uncertainty of the State budget and the mandates of AB 1200, budget reduction elements must be in place by early spring to meet the legislative requirements for notification.

Mr. Palacio inquired about District Safety Officers' salaries. Dr. Stabler stated that the number listed on the chart includes overtime. Mr. Palacio asked if the overtime is paid from special funds or outside persons. Dr. Stabler responded affirmatively, although all costs incurred were included in that number.

Historical Districtwide CBEDS Enrollment

Ms. Brown presented information on the historical Districtwide CBEDS enrollment. She provided a comparison of changes in the enrollment, in all grade levels, from 1999 through 2003-04. She then provided California's Big-8 annual change in total enrollment which included the eight largest districts based on 2002-03 CBEDS, showing the rates of growth declining. Enrollment projections vs. actual students enrolled was also discussed.

Dr. Stabler provided information on enrollment at Charter schools. He said that there is a combination of approximately 400 students at all charter schools. He said that overall, there has been a 749 reduction on ADA. He reminded Board that the SAUSD is paid on the previous year's ADA.

Dr. Stabler introduced Ms. Cecile Nunley who provided information on the Budget Calendar.

Ms. Nunley said that the development of the budget is a difficult process, but is required by State Law. The calendar is a complex process with many steps, which includes details of actions and responsibilities. There are 56 sites and 40 departments totaling 96 individuals who must be involved in the process, not including Cabinet and Directors. She then provided the following information:

Working Backwards

- ◆ June 18 - Post Public Hearing
- ◆ June 15 - Completed
- ◆ May 15 - Validation of budget
- ◆ April 30 - Complete all line items
- ◆ March 31 - Department and site worksheets due to Business Services
- ◆ February 25 - Guidelines due to sites and departments
- ◆ February 15 - Final enrollment projects in detail by school

- ◆ February 12 - Strategic budget workshop with principals, department heads, and directors
- ◆ February 2 - Constituent groups (to include Parent Cabinet, Teacher Cabinet, DELAC, PTA, etc.)
- ◆ January 27 - Budget Calendar

Decision Deadlines

- ◆ January 23 - Enrollment
- ◆ February 9 - Budget parameters
- ◆ February 25- Department and site guidelines
- ◆ March 9 - Second Interim approved by Board
- ◆ March 15 - Letters to Certificated staff
- ◆ May 15 - Letters to Classified staff
- ◆ May 26 - Draft Budget

Board requested a copy of the enrollment projection from a previous presentation, perhaps as far back as 1998, which included future trends in enrollment.

Dr. Noji asked that FCMAT and OCDE provide presentations to the Board at the next Board meeting or shortly after.

Mr. Richardson requested that a copy of the monthly flow chart that is sent to OCDE also be provided to the Board.

REGULAR MEETING RECESSED

The Regular meeting was recessed at 9:05 p.m., for a short break.

REGULAR MEETING RECONVENED

The Regular meeting was reconvened at 9:30 p.m.

APPROVAL OF MINUTES

It was moved by Mr. Tinajero, seconded by Dr. Yamagata-Noji, and carried 5-0 to approve the Regular Board meeting of January 13, 2004.

APPROVAL OF CONSENT CALENDAR

The following items were removed from the Consent Calendar for discussion and separate action: Approval of Change Order No. 9 for Construction of Buildings at Jackson, Lincoln, Roosevelt, and Washington Elementary Schools; Approval of Agreement for Purchase of Districtwide Communication System from Partnership for Academic & Community Excellence (PACE); Authorization for the Disposal of Obsolete Textbooks; Ratification of Memorandum of Understanding (MOU) Between Paradigm Health Care and Santa Ana Unified School District for Medi-Cal Administrative Activities (MAA) and Billing Services for the 2002-03 School Year.

It was moved by Mrs. Avila, seconded by Mr. Tinajero, and carried a 5-0 to approve the remaining items on the Consent Calendar as presented.

The following gifts were accepted subject to the condition that the District does not guarantee maintenance of the items or expenditure of District funds for their continued use.

Gifts

Donors

Diamond Elementary
\$617 for Instructional Supplies

OCTFCU
Mr. Rudy Hanley
Santa Ana

Franklin Elementary
Stage Lighting Rental

STAGETECH
Mr. Kevin Sharp
Santa Ana

Monte Vista Elementary
Computer Software and
Curriculum Program

Mr. Fernando Coria
Santa Ana

MacArthur Fundamental Intermediate
Scholastic Book Voucher

Bank of America
Ms. Kimberly Husky

Sierra Intermediate
Staff Awards

P.A.S.O., Parent & School Organization
Mr. Raul Vargas, President
Santa Ana

Sierra Intermediate
Graphics for School Murals

P.A.S.O., Parent & School Organization
Mr. Raul Vargas, President
Santa Ana

Sierra Intermediate
Book Shelves and Cabinet

P.A.S.O., Parent & School Organization
Mr. Raul Vargas, President
Santa Ana

Sierra Intermediate
Student Incentives

P.A.S.O., Parent & School Organization
Mr. Raul Vargas, President
Santa Ana

Sierra Intermediate
Disaster Supplies and Equipment

P.A.S.O., Parent & School Organization
Mr. Raul Vargas, President
Santa Ana

Sierra Intermediate School
\$500 for P.A.S.O., Parent &
School Organization

The Ralphs/Food4Less Foundation
Mr. Terry O'Neil
Compton

Villa Fundamental Intermediate
\$200 for Student Uniforms, Bus Fare,
School Supplies and Other Students' Needs

Mr. & Mrs. King
Irvine

Villa Fundamental Intermediate
Instructional Supplies

Edison International
Mr. James Beasley
Rosemead

Special Education/Health Services
Invacare 9000 XT Wheelchair -

Mr. Bernie Labowitz
Lake Forest

*Denotes Business Partners

Review and approval of purchase orders issued December 10, 2003, through January 13, 2004, to purchase materials, supplies, etc., with funds previously approved.

Review and approval of warrant listings prepared January 9, 2004, to pay budgeted District financial obligations.

Award

Vendor

Amount

Long Distance
Telecommunications
Service Districtwide

SBC

\$8,400

Computer Equipment at
Fremont Elementary

Arey Jones Educational
Solutions, Inc.

\$81,250

Bids and Quotes in Process

Item

Funding

Est. Cost

School Paper	General Fund	\$450,000
Instructional Supplies	General Fund	\$525,000
Audio Visual Equipment	General Fund	\$400,000
Custodial Supplies	General Fund	\$325,000

Food Services Statement of Operations - October 31 through November 30, 2003.

Approval of appointment of Harris Realty Appraisal to provide appraisal services for the El Sol Science Academy property located at 1010-1020 North Broadway, Santa Ana, in the amount not to exceed \$16,500 from the General Fund.

Approval of amended contract and grant with the California Integrated Waste Management Board (CIWMB) to design Heroes Elementary School as a California High Performance Demonstration School and authorize entering into an escrow account.

Authorization of Administration to ratify a contract with SBC for a five-year CALNET agreement for an approximate savings of \$480,000.

Authorization of disposal of surplus District vehicles.

Approval of extension and additional funding for the Weed and Seed Safe Haven Program at Kennedy Elementary for 2003-04 school year.

Approval of the recommendations of the Administrative Hearing Panel which found that the following pupils violated Section 48900.4, 48900.7, or 48915 of the California Education Code for the specific paragraphs enumerated in this motion and to expel the students for the recommended term and with recommended remediation conditions:

105651 - Valley High

for violation of Section f, that the Board expel him from the schools of the District and that he may apply for readmission on or after June 15, 2004.

130317 - Mendez Fundamental Intermediate

for violation of Section c, that the Board expel him from the schools of the District and that he may apply for readmission on or after June 15, 2004.

199213 - Community Day High

for violation of Sections c and j, that the Board expel her from the schools of the District and that she may apply for readmission on or after June 15, 2004.

Ratification/Approval of Extended Field Trips:

Lathrop Intermediate
Mile High Pines - Outdoors Science School
Angelus Oaks, CA
May 4-7, 2004, (Tuesday-Friday)

Century High -Pep Squad
USA Regional Championships
Las Vegas, NV
January 16-18, 2004 (Friday-Sunday)

Saddleback High - Youth and Government Class
Youth and Government Conference
Paso Robles, CA
January 16-19, 2004 (Friday-Monday)

Santa Ana High - Outdoor Science Club
Casper Regional Park Campground
San Juan Capistrano, CA
January 30-31, 2004 (Friday-Saturday)

Santa Ana High - Debate Team
UC Berkeley Invitational Tournament
Berkeley, CA
February 13-15, 2004 (Friday-Sunday)

Valley High - Choir
American Choral Director's Association (ACDA)+
Las Vegas, NV
February 25-29, 2004 (Wednesday-Sunday)

APPROVAL OF CHANGE ORDER NO. 9 FOR CONSTRUCTION OF BUILDINGS AT JACKSON, LINCOLN, ROOSEVELT, AND WASHINGTON ELEMENTARY SCHOOLS

Dr. Yamagata-Noji requested additional information on the item which was provided by Mr. Sharp. She suggested that the backup information include reason for change, cost, and organization initiated the change order.

It was moved by Dr. Yamagata-Noji, seconded by Mr. Palacio, and carried 5-0 to approve Change Order No. 9 for the Construction of buildings at Jackson, Lincoln, Roosevelt, and Washington elementary schools at a cost of \$16,112.65 for a revised total construction cost of \$24,971,656.90.

APPROVAL OF AGREEMENT FOR PURCHASE OF DISTRICTWIDE COMMUNICATION SYSTEM FROM PARTNERSHIP FOR ACADEMIC & COMMUNITY EXCELLENCE (PACE)

Administration removed the item from the Consent Calendar to provide further information.

It was a consensus of the Board that this item be removed and returned to a future meeting to research services such as the maximum cost, the not to exceed amount, and ongoing maintenance costs. Mr. Richardson requested that Administration send information in Week In Review prior to the return.

APPROVAL OF REIMBURSEMENT AGREEMENT WITH KFPLB MICHELSON JAMBOREE, LLC FOR PROPOSED CENTRAL PARK PROJECT COMMUNITY FACILITIES DISTRICT (CFD)

Mr. Tinajero removed this item from the Consent Calendar and requested further clarification on the reimbursement agreement.

Ms. Brown stated that KFPLB Michelson Jamboree, LLC has requested that the SAUSD form a Community Facilities District (CFD) for the purpose of financing various public facilities in connection with the development of the Central Park Project located at the northwest corner of Jamboree Road and Michelson Drive in the City of Irvine. She said that the District is authorized to accept advances of funds to pay any costs incurred by the local agency in creating a CFD. In order to begin the process of analyzing the formation of the CFD, the owner is advancing to the District upon execution of the agreement the sum of \$50,000. From time to time, the owner shall make additional advances to the District to cover the costs of forming the CFD and/or issuing bonds.

It was moved by Mr. Tinajero, seconded by Mrs. Avila, and carried 5-0 to approve the reimbursement agreement with KFPLB Michelson Jamboree, LLC for the proposed Central Park Project Community Facilities District (CFD)

AUTHORIZATION FOR THE DISPOSAL OF OBSOLETE TEXTBOOKS

Dr. Yamagata-Noji removed this item from the Consent Calendar and requested further clarification on the District's plan for disposal of the textbooks.

Ms. Karen Aeppli, Director of Purchasing, stepped to the podium and provided a brief summary of the textbook disposal process. She said that much of the textbooks being disposed are bits and pieces of incomplete training materials, damaged, and old and discontinued textbooks and due to limited storage space in the warehouse, disposal is necessary. Board discussion ensued. It was a consensus of the Board that the textbooks be offered to outside groups or perhaps to parents of Santa Ana students.

Mr. Tinajero requested that this item be returned to a future meeting with a plan for textbooks.

RATIFICATION OF MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN PARADIGM HEALTH CARE AND SANTA ANA UNIFIED SCHOOL DISTRICT FOR MEDI-CAL ADMINISTRATIVE ACTIVITIES (MAA) BILLING SERVICES FOR THE 2002-03 SCHOOL YEAR.

Mrs. Avila removed this item from the Consent Calendar and requested further clarification on the reimbursement. Mrs. Avila asked if this included special education funding. Dr. Stabler responded affirmatively. He said that this is also provided for therapy and any health services. The question was asked if the reimbursement was more than the cost of service. Dr. Stabler responded, significantly more.

Mrs. Avila requested that the District send her a list of reimbursement services.

Dr. Yamagata-Noji requested the list to include revenue and the account to be reimbursed.

It was moved by Mrs. Avila, seconded by Mr. Palacio, and carried 5-0 to approve the ratification of Memorandum of Understanding (MOU) between Paradigm Health Care and Santa Ana Unified School District for Medi-Cal Administrative Activities (MAA) billing services for the 2002-03 school year.

CHANGE OF ORDER IN AGENDA

APPROVAL OF MASTER PROGRAM BUDGET/TIMELINE FOR THE SCHOOL BUILDING PROGRAM AND STAFF RECOMMENDATION OF MODERNIZATION PROJECT PRIORITIES

Ms. Brown stated that tonight Administration seeks the approval of the Master Program Budget and timelines for the School Building Program which includes the ten modernization project priorities. She said that at the next Board meeting an update on Group I, Lincoln and Jefferson elementaries and Valley high school modernization would be provided to Board. Staff met with architects Juarez Associates and Don Krotee to go over price estimates and value engineering and a report will be forthcoming.

Ms. Brown then introduced Mr. Jay Davis, with Capital Program Management.

Mr. Davis referred to documents before the Board. He said that there is one significant change in the funding, which was previously shown as cash on hand in the amount of \$40.8 million and a revision was made. It was not cash on hand, it was a receivable and constituted a loan to the El Sol Charter School, the net result is additional monies in the amount of \$400,000 on the revenue side. He said he continues to work with an Oracle consultant and Business Services, making progress.

Ms. Brown clarified the estimated District cost to complete the projects is \$2.3 million, which enables the District to receive State funding in the amount of \$22 million. She said that bids would come to Board for approval on Lincoln and Jefferson elementaries.

Mrs. Avila inquired what the modernization consists of at Lincoln. Mr. Hills responded:

- ◆ ADA compliance
- ◆ Interior and exterior painting
- ◆ Doors and hardware replacement
- ◆ Fire alarm/public address replacement
- ◆ Flooring replacement/tile work
- ◆ Replacement of casework

- ◆ Abatement
- ◆ Plumbing, electric upgrades, and HVAC upgrades
- ◆ Replacement of white boards and tack boards

Mr. Palacio asked that the modernizations be approved tonight and return with the program at a later date.

It was moved by Mr. Richardson, seconded by Mr. Palacio, and carried 5-0 to approve moving forward with modernizations of Fremont, Hoover, Jackson, Jefferson, Lincoln, Lowell, and Roosevelt elementaries and Lathrop, McFadden, and Sierra intermediate schools as modernization project priorities and that the Master Program Budget/Timeline for the School Building Program be returned to the next Board meeting.

ADOPTION OF RESOLUTION NO. 03/04-2546 - ONE-TIME-ONLY INSTRUCTIONAL MATERIALS CONTRACT FOR STATE PRESCHOOL FOR 2003-04

Mrs. Avila requested further clarification on the one-time monies.

Dr. Stainer stated that the District currently provides services for 192 children through the State Preschool program. If the contract is approved, a one-time amount of \$2,236 will be provided to the program through the State Department of Education, Child Development Division.

It was moved by Mr. Palacio, seconded by Mr. Tinajero, and carried 5-0, to adopt Resolution No. 03/04 - one-time-instructional materials contract for State Preschool for 2003-04.

A copy of the Resolution is attached to the Minutes of the meeting.

ADOPTION OF RESOLUTION NO. 03/04-2547 - DECLARING FEBRUARY 2004 AS AFRICAN AMERICAN HISTORY MONTH

It was moved by Mr. Richardson, seconded by Mr. Tinajero, and carried 5-0, to adopt Resolution No. 03/04-2547 - Declaring February 2004 as African American History Month.

Dr. Yamagata-Noji announced that the schools throughout the District were celebrating African-American History month and anyone wishing more information should contact the Public Information Office for a schedule of events.

A copy of the Resolution is attached to the Minutes of the meeting.

APPROVAL OF DELEGATION OF AUTHORITY FOR CONDUCTING PUBLIC BID FOR PROPERTY SALE AND REVISION OF INITIAL DEPOSIT AMOUNT FOR PROPERTY SALE

Ms. Brown introduced District legal counsel, Mr. Andres Chialtas, who updated the Board in reference to the former Lorin Griset Elementary/Farmers property. He said that the District is able to proceed with the public auction, which will be held on February 10, 2004, at 2:00 p.m., at the District office. At the last meeting, trustees approved Mercy Housing California, a non-profit housing corporation, to rescind their purchase and sale agreement allowing District to move forward with the sale of the property. Also approved was the extension of escrow, from six months to nine months. He said that he may be able to announce the highest bidder at the next meeting if it is a cut and dry bid. Or, if a bid is unclear and requires review, the law allows for 10-days before an announcement is made. He said that tonight approval is being sought for the following:

- ◆ Delegation of authority to, and the appointment of, the District Superintendent, or his designee, to conduct a public bid or auction for the sale of the 2800 North Farmers Drive property, scheduled for February 10, 2004, at 2:00 p.m.
- ◆ The change of the minimum initial deposit amount for the sale of the property to reflect a minimum non-refundable initial deposit of twenty five thousand dollars (\$25,000), which initial deposit shall be due immediately upon execution of the purchase agreement.

It was moved by Dr. Yamagata-Noji, and seconded by Mrs. Avila, and carried 5-0 to approve a delegation of authority to, and the appointment of, the District Superintendent, or his designee, to conduct a public bid or auction for the sale of the 2800 North Farmers Drive property, scheduled for February 10, 2004, at 2:00 p.m. 2) Approve the change of the minimum initial deposit amount for the sale of the property to reflect a minimum non-refundable initial deposit of twenty five thousand dollars (\$25,000), which initial deposit shall be due immediately upon execution of the purchase agreement.

APPROVAL OF APPOINTMENT AND AGREEMENT WITH LEGAL COUNSEL FOR CONDEMNATION ACTION AT 720 N. FAIRVIEW, SANTA ANA, CA (OTSUKA ELEMENTARY SCHOOL SITE)

Ms. Brown introduced Mr. John Dietrich, District legal counsel with the law firm of Atkinson, Andelson, Ruud, & Romo. Mr. Dietrich stated that his firm is making a recommendation to retain a specialized legal counsel due to certain technical matters concerning the condemnation action at 720 N. Fairview, Santa Ana, CA (Otsuka Elementary School Site).

It was moved by Mr. Tinajero, seconded by Dr. Yamagata-Noji, and carried 5-0, to approve the appointment and agreement with Palmieri, Tyler, Wiener, Wilhelm and Waldron LLP (PTWWW) for condemnation action at 720 N. Fairview, Santa Ana, CA (Otsuka Elementary School site).

APPROVAL OF CONSULTANT CONTRACT WITH MERCER HUMAN RESOURCE CONSULTING

Mr. Best introduced Mr. Tao and Constance Schwindt, District legal counsels. Mr. Tao stated that the agreement before the Board contains revisions as promised by the consultant Mercer Human Resources Consulting.

Dr. Yamagata-Noji inquired about Kaiser Permanente's inability to remove commission from the rating formula. Mr. Tao stated that formula used by Kaiser makes it impossible to identify the commission.

Mr. Tao provided clarification on items within the agreement; the definition of commission; and consultant fee disclosure.

It was moved by Mr. Tinajero, and seconded by Dr. Yamagata-Noji, and carried 4-1, Mr. Palacio dissenting, to approve the consultant contract with Mercer Human Resource Consulting for the employee benefits program, effective February 1, 2004, through January 31, 2007, subject to annual review, with the stipulation that Kaiser Permanente's commission would remain due to formula.

APPROVAL OF PERSONNEL CALENDAR

It was moved by Mr. Tinajero, and seconded by Mr. Palacio, and carried 5-0 to approve the personnel calendar as presented.

A copy of the Personnel Calendar is attached to the Minutes.

BOARD AND STAFF REPORTS/ACTIVITIES

Mrs. Avila

- ◆ Asked for a report on the English reading accountability achievements for Santa Ana students.
- ◆ Are graduation requirements high - requested a report from principals as to their thoughts on the matter.

Mr. Tinajero:

- ◆ Announced the NJROTC Pass and Review Program to be held at Santa Ana High School on February 10, 2004.
- ◆ Announced that the Orange County Speech and Debate Final winners (Santa Ana High School) will move on to State finals. He said Valley will participate this year.
- ◆ Requested a vehicle surplus status report in WIR.

Dr. Yamagata Noji:

- ◆ Congratulated Valley High School for working so hard on the accreditation. Asked the District to step in and assist with that preparation.
- ◆ Asked Mr. Seroter to return information on Valley high school's library ventilation issue.
- ◆ Inquired about an Algebra report containing information from all high schools.
- ◆ Asked to integrate enrollment and budget into one presentation and to include critical dates and to include county interventions.

Mr. Richardson:

- ◆ Stated that with the challenges related to the budget, Board will meet those head on and rely on everyone's diligence, hard work and patience while wrestling those difficult issues.

RECESS TO CLOSED SESSION

The Regular meeting was recessed to Closed Session at 10:35 p.m., to consider legal matters, real estate issues, personnel matters, education of Special Education students, and administrative appointments.

REGULAR MEETING RECONVENED

The Regular meeting was reconvened at 11:15 p.m.

REPORT OF ACTION TAKEN IN CLOSED SESSION

The President reported the following actions taken in Closed Session:

By a vote of 5-0 the Board authorized school contract with nonpublic school for the education of a disabled pupil for the 2003-04 school year as named in Closed Session.

By a vote of 5-0 the Board took action in Closed Session to approve the workers' compensation compromise and release as authorized in Closed Session.

By a vote of 5-0 the Board took action in Closed Session to approve a second worker's compensation compromise and release as authorized in Closed Session.

ADJOURNMENT

There being no further business to come before the Board, the Regular meeting was adjourned at 12:22 p.m.

FUTURE MEETING

The next regularly scheduled meeting of the Board of Education will be held on Tuesday, February 10, 2004, at 6:00 p.m.

ATTEST:

Al Mijares, Ph.D.
Secretary
Santa Ana Board of Education