

Santa Ana Unified School District
1601 E. Chestnut Avenue
Santa Ana, CA 92706

SANTA ANA BOARD OF EDUCATION
Special Study Session
November 23, 2009

MINUTES

CALL TO ORDER

The special meeting was called to order at 4:25 p.m. by President Hernández. Also in attendance were Mr. Richardson, Dr. Yamagata-Noji, Mr. Palacio, and Mr. Reyna.

Cabinet members present were Ms. Russo, Dr. Olsky, Mr. Murrey, Mr. Lopez, Mr. Mendez, Mr. Ayala, Ms. Lohnes, and Mr. Dixon.

PLEDGE OF ALLEGIANCE

The meeting was opened with the Pledge of Allegiance led by Mr. Hernández. He welcomed staff and members of the community in the audience to the special meeting.

PUBLIC PRESENTATIONS

President Hernández asked those members of the community who wished to address the Board to step forward.

Kate Medina, Executive Director, Orange County Youth Commission, addressed the Board in reference to the non-profit organization's program offered to Santa Ana students and asked that fees be waived for the use of SAUSD facilities.

Anne Menaldo, SAUSD teacher, addressed the Board regarding the Board's decision at a previous Board meeting implementing Board Policy 1330.1, fees for use of school facilities for after-school clubs. She too asked that the District waive fees for the use of facilities at SAUSD by the Orange County Youth Commission.

Victoria Zaragoza, SAUSD resident and parent, addressed the Board on behalf of parents in the community. She spoke in reference to the budget crisis and the State's mismanagement of funds, as it relates to the SAUSD. She spoke of concerns of job loss and the effects on our children and the community.

There were no other individuals wishing to speak.

PRESENTATION

Superintendent Russo opened the meeting and welcomed all in attendance to the Special Study Session.

Ms. Russo introduced the presentation and stated that Mr. Murrey and staff would recommend \$17.1 million in additional reductions required by the Orange County Department of Education.

Mr. Murrey stated that all school districts are experiencing budgetary crises. He briefly reviewed a slide that showed newspaper headlines statewide illustrating school districts newspaper headlines including words as elimination of jobs, sports programs in jeopardy, percentage cuts in salary, cut school days, State system failing, etc. He stated that the Governor's press conference of November 9, 2009, indicated that California's budget will fall short by an additional \$5-7 billion this fiscal year, in 2009-10 school year. Mr. Murrey stated that there is a \$7.2 billion funding gap already projected for 2010-11, and a total two-year budget deficit of \$12.4-\$14.4 billion. Discussion ensued regarding the borrowing of funds and paying back at higher interest rates and funding shifts for the current year.

Mr. Murrey reviewed 2010-11 Board achievements and priorities and proposed program reductions, the use of one-time funds, and funding shifts. He stated that one-time funds are used as a reduction for the following year and only for one year. He stated that SAUSD has used one-time funds to maintain programs and avoid layoffs in 2008-09. And the Board used reserves to delay cuts until 2009-10. Today, ARRA funds are being used for 2009-10 to save jobs, which will delay cuts to 2010-11. He next reviewed the multi-year budget, and stated to keep in mind as the year progresses, there may be additional unforeseen expenditures. The numbers do not include any deficits the Governor has mentioned for the current year or next year.

Description	2010-11	2011-12
Reductions Needed as of today	\$31 Million	\$12.5 million
Will use ARRA Stabilization this year pushes cuts to next year	<\$10.9 million> (pushed to next year)	\$10.9 million
Teaching Staff budgeted and not hired due to enrollment drop	<\$3.0 million>	Find funding source next year
Unidentified budget reductions needed	\$17.1 million	\$23.4 million

Mr. Murrey then detailed reductions totaling \$17.1 million that would be either a cut/savings or be a funding shift.

A Board member inquired of the submission of financial reports to the County. Mr. Murrey stated that school districts are required to adopt financial reports throughout the school year. A budget adoption occurs in June, a financial report (first-interim report) occurs in the summer, and a 2nd interim occurs in spring. Then at the end of the year, there is an end-of-year report. The State requires it; therefore, the County Office requires it from districts because they are the agency responsible for state requirements. The Orange County Department of Education must make certain that district's report their budgets. Mr. Murrey stated that reports are important because they drive borrowing if a district should go out for a bond measure or for cash flow during difficult times for economic uncertainties. The County is required to review the budget and make sure that districts are doing what they can to keep reserves for the current year and projected two years out. The County must report to the state if districts do not meet that criteria.

Mr. Murrey received input from the Board. It was confirmed by staff, if the District submitted the interim report without addressing the \$2.7 million, it would be directed to remove it from the reserves.

Board members made several recommendations and suggestions to staff. Information to address those will be brought to the regular Board meeting tomorrow evening.

RECESS TO CLOSED SESSION

At 5:50 p.m. the Board recessed to closed session to discuss employee negotiations.

ADJOURNED

There being no further business to come before the Board, the Special Meeting was adjourned at 6:38 p.m.

FUTURE MEETING

The next regularly scheduled meeting of the Board of Education will be held on Tuesday, November 24, at 6:00 p.m.

ATTEST:

Jane A. Russo
Secretary
Santa Ana Board of Education