

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

SPECIAL MEETING
SANTA ANA BOARD OF EDUCATION

November 20, 2008

MINUTES

CALL TO ORDER

The meeting was called to order at 5:43 p.m., by President Hernández. Also in attendance were Mr. Richardson, Dr. Yamagata-Noji, and Mr. Palacio. Mrs. Avila was not in attendance.

Cabinet members present were Ms. Russo, Dr. Olsky, Mr. Murrey, Mr. Mendez, Ms. Lohnes, and Mr. Dixon. Public Information Officer Burrell was also in attendance. Mr. Lopez and Mr. Ayala were not in attendance.

PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENTS/PRESENTATIONS:

President Hernández asked members of the community who wished to address the Board to step to the podium as he called their names.

The following individuals addressed the Board regarding the District's budget crisis in relation to Classified Employees. They urged the Board to reconsider laying-off classified employees should the budget continue to be cut.

Allan D. Clark, CSEA 1st VP, Valley Springs, CA
Robert Chavez, CSEA Vice President and classified employee

PRESENTATIONS:

Base Educational Program

Governor's Special Legislative Session Proposals for 2008-09 School Year

Ms. Russo asked Dr. Dale Shimasaki, Chief Executive Officer of Strategic Education Services, to update the Board and community of the statewide impacts to the Santa Ana Unified School District. Mr. Shimasaki stated that the Governor signed the 2008-09 Budget on September 23, ending the longest budget stalemate in California's history. Since that time, the Governor has proposed changes to expenditures. Mr. Shimasaki described the situation as fluid. Legislators are unsure of the outcome due to the newness of many members and the tremendous issues facing the State. Mr. Shimasaki stated that there is a special legislative session on November 25 and the legislature has until November 30 to come to an agreement. He stated that in reality school districts may receive information by late December or early January for the 2008-09 school year. If the budget is not passed, the potential cuts to K-12, education could increase from \$2.2 billion to \$4.4 billion in the current year. Additionally, the \$4.4 billion reduction would not be restored in the 2009-10 school year.

The bigger problem is that the Governor will release the 2009-10 Budget on January 10th and the 2008-09 budget would still be undecided. Mr. Shimasaki said the information he conveys could easily change tomorrow. However, the outcome looks very grim. Mr. Shimasaki then reviewed handouts showing reductions at school districts statewide and the affects of potential cuts in the amounts of \$2 billion, \$4 billion, and \$5 billion. He stated \$2 billion would cause shutting down every school across the state early, increasing class sizes, reduce per-student spending, laying off additional employees, cutting funds to schools, eliminating music, art, and career technical education programs, etc. At the SAUSD it calculates to \$18.6 million in additional mid-year cuts. If the Governor cuts \$4 billion, it will be \$37.2 million to SAUSD and \$5 billion calculates to \$46.6 million in cuts to the SAUSD. The Board thanked Mr. Shimasaki for the information and asked him to inform the District of any additional information he may receive from legislation.

Mr. Murrey then provided a PowerPoint presentation regarding mid-year reductions to K-12 and the District has built its educational base programs using the funds received from the State.

Mr. Murrey stated that the Board of Education is required to meet its fiduciary responsibility to keep schools fiscally solvent. He commented that due to the Board's actions taking that responsibility and accountability, the district has remained fiscally solvent to date with positive financial report certifications. However with the District's budget using 90% of its funds for employees it is difficult to adjust to possible mid year reductions of funding as suggested by the Governor. Ms. Russo stated that the State might see the cuts as easily attainable; therefore, demanding severe reductions without fully understanding the devastation districts are experiencing.

Mr. Murrey stated that the district over the past five years has had to cut \$130 million by:

- closing a school
- defining school base programs and implementing minimum school staffing
- eliminating administrative positions to a 4% administrative ratio
- imposing unpaid furlough days for administrators
- imposing a hiring freeze
- adjusting health benefits and increasing employee contributions
- eliminating many programs districtwide
- reducing instructional assistant to 3.75 hours
- reducing the number of elementary music teachers
- reducing the number of nurses
- reducing summer school offerings
- reducing department budgets
- laid off classified staff
- maximized categorical funding

Mr. Murrey stated that if the governor would approve categorical flexibility, it could help districts with some of the reductions that are being asked for.

Dr. Olsky stated that even with the fiscal crisis, students continue to experience academic success and that quality academic programs have been maintained. She added that schools have experienced statewide gains in API scores, a 4% increase in graduation rates the past year, had 4 of the 10 most-improved schools in Orange County, held the highest State increase for English Language Learners in scoring proficient or above, and a 98% pass

rate for redesignated students on the California High School Exit Exam. Dr. Olsky reviewed the funding of the school's educational base instructional program.

Mr. Murrey then shared the legislative analyst's 2008 proposed mid-year reductions to K-14 education which include eliminating the current year's .68% COLA, savings from current and prior years, K-12 program suspensions, increased community college fees, reducing funding rate for certain CC enrichment programs totaling \$1 million. Mr. Murrey stated that all proposals project that SAUSD would lose from 5% to 10% of this year's State Revenue, which is approximately \$19 to \$46 million of anticipated State funds, and that amount would be immediately eliminated from the state's funding for the last half of this school year. He stated that since the District's operational cost is at least \$2 million per school day; the projected amount is the same as 10 less days of school. Mr. Murrey itemized the mid year unrestricted general fund budget changes in revenue and expenditures:

Decrease estimated revenue by	\$18.2 million
Increase estimated expenditures by	<u>\$3 million</u>
Estimate Change is	\$21.2 million
Adopted budget deficit is	<u>\$4.5 million</u>
Estimated total revised budget deficit =	\$25.7 million

Dr. Olsky stated that this would affect the 2008-09 instructional program funding to way below funds needed to operate. With mid-year cuts, the per-student cut is estimated to be \$400, which puts students in far below basic funding.

Dr. Olsky stated that this would cause the 2008-09 instructional program funding to be lowered to below basic. Since the mid-year cuts per-student is estimated to be \$400, that would make the per student amount at far below basic funding.

Discussion ensued with input and suggestions from members of the Board that included, but were not limited to, strategizing with other school districts, holding a rally to voice concerns as held in the 1990's, meet with legislators to discuss issues including the allowance of categorical funding to be used for unrestricted expenditures, lifting of contractual mandates, hold open/closed public session meetings that include negotiations, hold community and key communicators meetings with local legislators, and K-12 COLA.

ADJOURNED

There being no further business to come before the Board, the meeting was adjourned at 8:00 p.m.

FUTURE MEETING

The next regularly scheduled meeting of the Board of Education will be held on Tuesday, November 25, 2008 at 6:00 p.m.

ATTEST:

Jane A. Russo
Secretary
Santa Ana Board of Education

