

Calaveras Unified School District
P.O. Box 788
San Andreas, CA 95249
MINUTES
BOARD OF TRUSTEES
July 22, 2014

The meeting of the Calaveras Unified School District Board of Trustees was called to order at 4:00 p.m. at the CUSD District Administrative Office Board Room.

MEMBERS PRESENT:	Evan Garamendi Gregory Gustafson Sherri Reusche	Karan Bowsher Zerrall McDaniel
MEMBERS ABSENT:	None	
STAFF PRESENT:	Mark Campbell Titia Ashby Ric Stitt Lisa McInturf Michelle Coggin Jennifer Neel Sharon Schlegelmilch Joe Cruz Jason Weatherby Nadine Ost Noreen Puisis Michelle Erbeck Marcelle Papp Patrick Foley Scott Grutzmacher LaRynn Newby Brooke Aleshire Terri Henderson Kathy Campbell Fred Mier Megan Long Kraig Clifton Allison Hampton Alyson Batchelor Patricia Luna Kathleen Risso Elisa Rameriz	Liz Stanko Jan Kendall Kristie Starkovich Carol Beck Crosby Michelle Besmer Renetta Hale Dawn England Dee Dee Weatherby Tessie Reeder Sandy Hoffman Kaarn Egge Judee Judd Tamera Foley Connie Gleason Roxane Stanphill Lupe Silveira Jade Long Debra Roberts Trudy Dunnigan Randall Youngblood Doug Clark Rene Malamed Dave Brainerd Robert Wise Celeste Garamendi Susan Wolters Belinda Brager

Any individual who requires disability-related accommodations, including auxiliary aids and services, in order to participate in the board meeting, should contact the Superintendent in writing. (Gov. code 54953.2, 54954.1) Members of the Public may request an item be placed on the agenda. The agenda request form is available on the CUSD website, www.calaveras.k12.ca.us, under forms, public. Agenda requests must be received at the District Office no later than 9:00 a.m., Monday, one week before the Board meeting. Forms can also be requested by calling (209) 754-2300. All Board meetings are tape recorded and the audio is posted on the district's website.

CCOE: Kathy Northington Claudia Davis
OTHERS: Students and Community Members

NOTE: You may listen to an audio recording of this meeting available at www.calaveras.k12.ca.us. Go to the "School Board Info" page.

1. Call to Order

2. Roll Call

Roll call was taken. All Board members were present. A quorum was established.

3. Approval of the Agenda

The July 22, 2014 agenda was approved.

4. Announcement of Closed Session Items

- a) Conference with Labor Negotiator: Mark Campbell in regard to negotiations with CSEA (Gov. Code 54957.6)
- b) Conference with Labor Negotiator: Mark Campbell in regard to negotiations with CUEA (Gov. Code 54957.6)
- c) Conference with Labor Negotiator: Mark Campbell in regard to negotiations with Management/Confidential/Supervisory (Gov. Code 54957.6)
- d) Conference with Labor Negotiator: Mark Campbell in regard to negotiations with CASTA (Gov. Code 54957.6)
- e) To Consider the Appointment, Employment, Evaluation of Performance, Discipline, or Dismissal of a Public Employee (Gov. Code 54957)
- f) Anticipated Litigation, Government Code section 54956.9(c): One case.

5. Public Comments

At this time, visitors may comment on closed session items appearing on the agenda. This is not the time for discussion or deliberation nor can action be taken by the Trustees or Superintendent unless the matter is placed on a subsequent agenda. Individual speakers shall be allowed three minutes to address the Board on each closed agenda item (BB 9323). The Board shall limit the total time for public input on each item to 20 minutes. If visitors wish to address issues listed on the agenda, they may do so at the time the item is addressed by the Board. Conduct of Hearing Session/Public Forum will be as follows, per Calaveras Unified School District Board Bylaw #9322.

6. Closed Session

July 22, 2014

7. Reconvene to Open Session

8. Pledge of Allegiance/Roll Call

Student Garrett Hesser led the Pledge of Allegiance. Roll call was taken by Superintendent Campbell. All Board members were present. A quorum was established.

9. Report of Action taken in Closed Session - No action was taken in closed session.

10. Celebrations, Recognition and Announcements

11. Correspondence

There was correspondence from the County Office of Education and President Garamendi said she believes everyone is aware that we are facing some very serious financial problems. Copies of the letter are available if you would like to request it.

12. Superintendent's Comments

Superintendent Campbell will hold off on comments until we reach the Budget section of the agenda.

13. Public Comments

At this time, visitors may address issues that do not appear on the agenda. This is not the time for discussion or deliberation nor can action be taken by the Trustees or Superintendent unless the matter is placed on a subsequent agenda. Individual speakers shall be allowed three minutes to address the Board on each agenda or non-agenda item (BB 9323). The Board shall limit the total time for public input on each item to 20 minutes. If visitors wish to address issues listed on the agenda, they may do so at the time the item is addressed by the Board. Conduct of Hearing Session/Public Forum will be as follows, per Calaveras Unified School District Board Bylaw #9322.

Teacher Schlegelmilch had questions on the variances reported June 24, 2014 versus June 30, 2014.

Parent Anna Gates hopes our district would continue to model after our LCAP and all work collectively. Keep the civility.

Citizen Allen Lujan wants to make sure people remain civil. He mentioned a community member, Dave Tanner, who wrote on Facebook "Lujan, I'm sorry but you are an absolute idiot. How long do we have to listen to your crap. Please shut up. You have no crystal ball. You have no idea of what you are talking about. Please go away." As a professional it's not acceptable and he doesn't know how it would help your business if you are a business person to speak that way, even on Facebook. The sad thing is that only 2 people came along and said they liked his comments and one of them was the Superintendent's wife. Prominent people need to behave and not encourage it. We have bullying policies and cyberbullying policy. It's very painful what we are going through but he doesn't think name calling and encouraging that is going to help at all.

Student Elizabeth Enderlein addressed the Board asking if they would please save band and sports. She would like us to move away from a standards-based model of education and remind people that testing is optional.

July 22, 2014

PUBLIC COMMENTS – CONTINUED

Principal Merrill voiced his “devastation” with the decision to sweep ROP funding into the General Fund. Taking away that \$1 million to bridge a budget shortfall took away a plan they had developed to allow them to keep their career technical programs for an additional two years. This will probably mean layoffs of staff and decline of the career educational programs.

Shari Lujan voiced her concern about the adequate room and accommodations for comfort and the ability for everyone to be able to hear and the belief audience members are encouraged to participate yet they are being “cut off” and told not to debate.

14. Action on Items Removed from the Consent Agenda

The Board requested item a), Minutes, be removed from the Consent Agenda.

Motion: Bowsher Second: Reusche Vote: 5-0

15. CONSENT AGENDA:

Generally routine items are approved by one motion without discussion. The Superintendent or a Board member may request that an item be pulled from the consent agenda and voted on separately.

Motion: Bowsher Second: McDaniel Vote: 5-0

CONSENT AGENDA – CONTINUED

a) Approval of Minutes

1. June 30, 2014 – This item was removed from the Consent Agenda

b) Routine Personnel Report , July 22, 2014

c) Approval, Vendor Warrant Listings

The vendor warrant listing from June 21 through June 30 and from July 1 through July 15 were presented for approval.

d) Approval of Donations

e) Service Contracts Under \$500 Approved by the Business Department – No item presented

f) Recognition of Grants – No item presented

g) Approval of Bond Disbursements

CONSENT AGENDA – CONTINUED

h) Special Contract Services

1. Dr. Robert Hoffman, O.D.

The contract service provides vision screening for CUSD students in grades K, 3, 6 and 9 for the 2014/15 school year. The cost is not to exceed \$3,500, funded through the District General Fund.

2. Stanislaus County Office of Education

A 2014/15 contract to provide hearing screening for CUSD students in grades K, 2, 5, 8 and 10. The cost will not exceed \$5,600 and is funded through the District General Fund.

i) Overnight Trips

1. CHS Varsity Boys Soccer Team

August 15 through August 17, 2014, for a Team camping trip at Union Lake in the Spicer Reservoir. They will conduct team building exercises and challenges. Chaperones will be Teacher Michelle Boitano, coaches and parents. Transportation will be by approved parent drivers and is funded by the parents and players.

j) Approval of Williams Settlement Legislation Quarterly Report

The quarterly report for the Williams Settlement Legislation Act for April through June 2014 is presented for Board approval. This report provides information on complaints received for instructional materials, facilities and/or teacher vacancy and misassignments. This report is sent to the County Office of Education.

To vote on Item a), Minutes, separately:

- a) Minutes of the July 22, 2014 Board meeting

Motion: Bowsher Second: Reusche Vote: 4-0

1 Abstention by Garamendi, who was not present at the July 22, 2014 Board meeting

16. PERSONNEL

a) Certificated Report (Lorraine Angel)

Teacher Loraine Angel reported 10 people attended a week-long training in Sacramento on improving classroom environments. She attended the National Educator's Association in Denver and the CTA President's Conference in San Jose. Renetta Hale is the new CUEA President and will be giving the Certificated Reports in the future. They are planning a big get-together and looking forward to the start of a new school year. The teachers and entire staff will do their jobs and make sure things are done correctly for their students no matter what's going on in this

PERSONNEL – CONTINUED

Certificated Report - Continued

Board room. The Board is charged with making decisions so they can do their jobs and the Board will make those decisions so it will be in the best interest of all employees of the district and all the students in the district.

b) Classified Report (Scott Grutzmacher)

Chief Job Steward Scott Grutzmacher said they have worked hard all summer. He hopes the Board can find a way to make things happen for CSEA. When you ask them to give and give with nothing to give back, it makes things hard.

c) All Personnel

d) Classified Personnel

1. AB 1200 Fiscal Disclosure for CSEA

The AB 1200 is the financial document required to demonstrate fiscal solvency prior to any salary increase. A Public Hearing is also required.

PUBLIC HEARING OPENS: 5:59 P.M.

Any citizen may appear before the Board to provide comments on the ratification of the agreement and/or approval of the AB 1200 Disclosure for CSEA.

Fiscal Director Titia Ashby explained the AB 1200 is a disclosure that demonstrates whether or not CUSD could afford the Tentative Agreement with CSEA. She reviewed the AB 1200 document that was available as a handout.

CSEA Labor Relations Representative Kyle Harvey addressed the Board. CSEA has a lot of issues with this. They have spoken to many of the Board members and Superintendent Campbell about how this developed. He addressed County Superintendent Kathy Northington and he wanted her to hear their concern. When the AB 1200 for the teacher agreement was brought before this body back in May, why was not the calculation for their agreement placed at that time and at the same public hearing? They have a "me too" clause for salary and benefits. He questions the competency of the business officials who were making recommendations while they were bargaining. They bargained for one day and the money had already been calculated before he got there. How did that change in one month? He checked with Governmental Relations, who worked with the Governor in developing LCFF and at no time were districts promised that whole lump sum of Class Size Reduction. That should never have been assumed in your budget at any time. He questioned the County Office in their oversight. This has caused a tremendous problem for this district – the students. Nobody wants to close a school, closes programs. Because of incompetency, missteps and not biting the bullet when you needed to, now you are forcing the issue. They are very disappointed in the Board's actions. The Board runs the show and it's up to you to take responsibility for these errors, and to take immediate action, whatever that is, to make amends. There comes a day of reckoning, and that is today. So if you are a part of these mistakes and this ongoing problem you

PUBLIC HEARING - CONTINUED

need to stand up and tell us what you did, when you did it and how we got here. His members are out here and they want to hear from you.

Other concerns discussed were concerns about the cuts to extracurricular activities, possible loss of ADA due to those cuts.

How did we get this far in debt so quickly? Even people who have been coming to Board meetings regularly are in shock. Former CSEA Rep, Dan Morris, questioned how \$8 million in reserves dwindled down to zero. Director of Fiscal Services Titia Ashby pointed out through past interim reports and audits that we have been deficit spending for over 5 years now. That money was taken out of Fund 20 and Fund 17 and placed into the General Fund due to our deficit. There was also a change in our auditors, who reported revenues differently than the previous auditors. Goodell Porter corrected the report. Those reports were presented to the Board and posted on our website. Superintendent Campbell explained that Ms. Ashby presents our financial reports regularly, the County oversees those reports and an independent auditor comes in and checks our books to make sure the path of money is clear. We have produced these reports in the past but if there are specific items you would like to request, please let us know.

A parent asked who oversees this and how did it happen?

Superintendent Campbell stated this has to do with the budget section of the agenda but he will address it during this time. We have a structural deficit, and if this is the first time you are hearing about it, it is not a new issue. This impacts our ending fund balance and has been ongoing even before he became the Superintendent. We've been dealing with it for the last five years. We've had declining enrollment and declining revenue. We've had to do some things that weren't pleasant. We've had to reduce staff and programs. The first 3 years of the 5 year cycle were really ugly. We had layoffs and reduced programs trying to reduce that deficit. We were successful to a degree but we did not want to cut sports or music. The people who are here from sports and music know we've been having this conversation for 5 years now. We were trying to walk that fine line. We are investing in people and programs which help kids. We are also trying to watch our fiscal bottom line and we've been doing a very delicate balancing act with declining revenue. We are getting more revenue now but our spending is far outpacing our revenue. We have some new faces here and you are truly surprised that we have a structural deficit. If that is the case you have not been to our meetings, reading the paper and communications to see there have been layoffs, proposals for closure of small schools, diminished programs in music and sports. There are some who profess to be surprised, but you have been here and have been informed. There are others – most – who are not surprised we have a structural deficit. A lot of us are surprised that it accelerated so much this year, and there are factors that we talked about at the last Board meeting. We will continue to talk about it today in terms of how we got here and why we got here. The fact is we usually end up with a strong ending fund balance that will get chewed up by the deficit that we, collectively, didn't do enough to address because we wanted to keep sports and music; we wanted to keep class sizes as small as possible. In hindsight, 3 years ago it should have been 30:1 in every classroom. We should have cut sports and music to right this ship, but we didn't do that for all the right reasons. Although, now it's coming back to bite us. Many, many factors through the course of April through May came into play. Some of it internally inflicted – the misprojection of class size reduction, which has nothing to do with the structural deficit. We were hoping we could hold this off as long as possible

PUBLIC HEARING – CONTINUED

and that didn't work. We knew this day was coming, but we were hoping to soften the scope of it but many, many things happened to get us here much faster.

Fiscal Director Titia Ashby handed out a letter dated June 30 that was sent from the County Office of Education.

Assistant Superintendent of Business at the CCOE, Claudia Davis, spoke. She wrote the letter. When a district is in qualified status, which CUSD has been for the entire fiscal year 13/14, CCOE is required to do an annual report. The letter is the annual report. The second page of the letter shows a chart which demonstrates what they see at the county office as a systematic problem – the deficit spending which has been occurring at the district. These are audited numbers of the 11/12 year showing the district with an ending balance of \$5 million+. The 12/13 audited numbers show the district total revenues and expenditures shows a \$1.5 million deficit. That is the structural deficit. The district is spending more than it brings in in a single year. In that year CUSD transferred funds from other available sources to build your fund balance back up to cover that deficit. You ended the year with \$7 million as a fund balance. The 13/14 year, the year we just completed, are estimated actuals because we haven't closed that year yet, the district has an operating deficit of \$3.5 million. This is a \$3.5 million shortfall so you must use half of that \$7 million to maintain the operations for the year that has just closed. That's why when you start the 14/15 year, the audit question of you were at \$7 million and where did it go – you spent it in 13/14. Now you have \$3.5 million to start 14/15. The projection, based on the Board's adopted budget, is that it will end 14/15 with a million dollars, so you will deficit spend again to the amount of \$2.5 million. She explained that our reserve fund balance is like a savings account and once we spend it it's gone. It is not an ongoing source of income. Revenues are less than expenditures every single year (shown on the chart).

Homeowner Mr. Stanko stated he believe everybody must understand that our operating fund is operating in the in red. Wouldn't we be better served to find some solutions to make it solvent again rather than spend all our time wondering where the money went to? There is enough oversight here by the Superintendent, by the Fiscal Managers, by the State Audit to say no money has been put into somebody's retirement fund unauthorized. Why don't you find some solutions on what you going to cut because you are going to have to cut something. We are operating in the red here. My taxes are going in and you spend it. I'm sure you spend it wisely. You are spending it on too much stuff that's not necessary – so cut.

CSEA Field Rep Kyle Harvey wants to know why the AB 1200 for the teachers was passed with the County had all this information. This does affect the fact that the Board is now being asked not to approve their agreement.

Claudia Davis said their office (CCOE) is presented with the agreement ten days prior to the Board taking action and their letter said they should not increase ongoing expenditures without a corresponding decrease in ongoing expenditures in another category. They also said that based on the deficit we currently have that this was going to exacerbate the deficit the district had and they would have to find additional cuts to make it. Their job (CCOE) is not to approve or disapprove. Their job is to comment. They (CCOE) did comment and the Board took action.

So now Mr. Harvey's question is to the Board – why?

PUBLIC HEARING – CONTINUED

Trustee Bowsher said she was very hesitant to approve it, but the information she had at the time said they would the money there. It was presented to her in such a way we were getting the class size reduction in one lump sum and projections looked like we would be able to do it.

Board President Garamendi said that was the information they were working with at the time. The money was coming in a lump and they would be able to take care of the situation.

Superintendent Campbell said based on projections that had at that time – and take class size out of it because we would still be in a structural deficit with or without the class size reduction piece. That was a misinterpretation of criteria. That was an internal mistake. That was a monumental one but it has nothing to do with our structural deficit. Whether that happened or not (class size reduction piece), this deficit existed prior to that and after that – not even connected to that. With that set aside, based upon the numbers we had, for both CUEA and CSEA, we projected that it was going to be tight but investing in people and thinking that ending fund balance projected and an increase in revenue we would be able to squeak through. There were tough conversations amongst our team and at the table. We felt it was worth it to take the risk to maintain relations and take care of people. I can't fault the Board or the County. That comes here because he made the recommendation. Based on the information we had, that recommendation was tenuous but doable. Factors changed after that that made it undoable. We overextended ourselves and that's a crushing one. Just like the class size reduction piece. It's a brutal thing to even consider doing that to people. Nobody wants to do this. But at the time, Kyle, that's why the decision was made.

Bus Driver LyRnn Newby attended some of the Board meetings and was at a couple of the auditor meetings, she is flabbergasted. She mostly worried about her job and not the raise. She has given 22 years of her life to this district. When the closing of the small school and 10 furlough days disappeared off the radar she trusted those in charge. She had no idea that the scope of this was on the radar. She is extremely disappointed with her leaders right now. Our CCOE recommended to our Board to not give those CUEA raises. At what point will you step up so we can move on to whatever's it is going to be because if we would have done this 3 years ago she wouldn't be worried about her job today.

Paraeducator Marcelle Papp wants to know why if we saw our deficit growing by millions every year did you continue relying on that net? CSEA is feeling the Board should have listened to CCOE and you shouldn't have offered anybody a raise in negotiations. The district should have been saying no and instead saying you have jobs. She agrees the teachers deserve the raises – everybody does – but we need to take our emotions out of it way back when before it got to where it is now. The Board should have acted sooner because now it's their (CSEA) shoulders.

Teacher Sharon Schlegelmilch asked for an explanation about the variance in the structural deficit. What happened – why did it grow?

Titia Ashby explained that we were at second interim we were at \$2.7 million deficit spending. This is an estimated actual as of expenses for June 30. Next week we'll start closing the books for the 13/14 year, which is a six week process. During that time we will be able to see if we were actually deficit spending by \$3.4 million or did if we over budgeted in categories. Since we were qualified for

PUBLIC HEARING – CONTINUED

third interim and because we had this issue, in the last five weeks she has combed our 13/14 budget for every penny she can pull out and move forward to 14/15. However, she doesn't believe it will be much different than \$3.4 million. Possibly around \$700,000 – maybe. Of that, all but \$120,000 is categorical and it is restricted to certain expenses like Title I and Title II. It's not general fund money. Estimated unaudited actuals are due September 15 and our Board meeting is September 16 for unaudited actuals. At that point in time we will be able to see what happened in 13/14.

Trustee McDaniel asked the CCOE that if we knew we were having a problem before the teachers' contract, why we didn't get this message before that was ratified?

Claudia Davis said we did get the message. The county office's role is to provide feedback. The Board are elected officials and make decisions. We (CCOE) merely say "Hey, think about this." That is their role in their capacity of oversight. They can't prevent us from doing anything. They write a letter at every interim report and with our budget approval she writes a letter saying "You have approved your budget and here are some things you ought to think about." Namely, deficit spending. When your certificated disclosure came to them they commented that your structural deficit is already significant, and you have significant cuts that you are proposing to make in your out years that involve things like school closures, which are highly volatile from a public viewpoint. Those are hard to do. We have to come up with ongoing expenditure reductions.

Teacher Allison Hampton wants to know when we knew that we couldn't afford the new teachers and the CSEA raises.

Superintendent Campbell said we did not know in April what was going to hit us in mid-June. Many different factors, internal and external, that we didn't foresee threw us so far so fast. So in April we had red flags from the county but we believed, based upon our numbers, that we were going to be able to sustain that until next year based upon our increased revenue. We grappled with how we would find that balance. We knew we have a deficit spending issue and we have chosen to nick away at it as opposed to shut it down entirely.

The letters from CCOE are mailed to the Board President so they can share it with the rest of the Board. They also copy it to the Director of Fiscal Services and the Superintendent. Board President Garamendi said she did not receive that letter. She did not get a letter stating that if we approved the CUEA agreement it would put the district in a serious financial situation. Claudia Davis said they wrote that approving the CUEA agreement would increase our deficit spending by an additional \$436,000. When you are already deficit spending by \$3.5 million, that's a significant amount of money.

Teacher Dave Brainerd and lead negotiator for the teachers wanted to clarify that their raise has nothing to do with the structural deficit problem at CUSD. Whether or not the teachers received raise makes no difference for the upcoming year. From 2006 to now they have lost over 25% of their full time teachers. When he first got to CUSD, teachers' salaries and benefits accounted for 59% of the total expenditures. Last year it was less than 40%. It's not their problem and yet a lot of the comments he's heard point a big finger at the wrong people. They are not decision-makers; they just negotiate.

PUBLIC HEARING – CONTINUED

Board President Garamendi said they have known about the structural deficit for some time now. She doesn't want to close Rail Road Flat. When the people come to the Board meetings and want their school open, the band people come and want to keep band, it breaks her heart. She doesn't want a school for our children, her grandchildren, to go to a school with nothing going for it. Mr. Campbell has sat here for a long time and said we need to take some action. So speaking for herself, she wants these things for our children and has obviously been derelict and need to make some unfortunate and sad decisions.

Superintendent Campbell said a few people kept asking where' the money and where's it spent. So to clarify, it used to be that 84-85% of our budget was staff. With a \$28 million budget that's a significant amount. Now we are closer to 90-91% being all staff. It's all clearly mapped out and you can come look at it any time. If there's even a hint of a question as to how we spend our money it's predominantly staff. If you look at what we have been trying to protect the last two years, it's predominantly staff. If you look at what we're going to have to reduce, it's going to be predominantly staff because we are funding predominantly staff. It's a matter of public record what we spend our money on and it's reported out at every reporting period we have here in public. Staff consists of certificated, classified and management. (147.6 FTE in Classified, 31.5 FTE in Management and 148.9 FTE in Certificated staff).

A parent Nichole Walters believes if the budget is made up of 90% people, we should "drill down" so we can see where we are overspending.

President Garamendi described how the certificated salary schedule works in that when teachers earn extra college units they can move on the salary scale (increase their salary) as well as earn longevity. The district tries to get an estimated/forecast of how this will affect the budget by sending information to staff asking them annually for "assurances." This, however, only provides an estimate.

Citizen Jim VanZant asked when the Board will do its duty and present a budget that is balanced.

We will discuss this when we get to the budget discussion section of the agenda.

School secretary Sandy Hoffman believes that when we transferred funds from our reserves to the general fund it should have been a red flag. Also, have we compensated enough for our decrease in enrollment?

Superintendent Campbell said if we had, we wouldn't be where we are. The reality is we are losing over 50 students a year -- \$300,000 a year roughly. We have not made decisions (cuts) to keep up with that. When that deficit presents itself in September in unaudited actuals, yes, that is absolutely a red flag. Every interim report has been a red flag. We've been qualified for over a year. We've been living off our reserves and off the promise of an ending fund balance, investing in people and programs and holding off on the hard decisions, which we should not have done. We believed in our hearts and on paper that we could squeak by and do what we needed to do for people and program, but it was short-sided. Three years ago it should have been small school closures and 30:1 across the board and looking at other concessions to right this ship. There is a degree of

PUBLIC HEARING – CONTINUED

accountability as to how we got here. But no matter how we got here and what you do and don't believe, the reality is come September we have to have a list. No matter what that list looks like, we are going to have a lot of angry people, and rightfully so. We will have 1.8 million reasons why we should cut. There is not a person in this room who doesn't want to see CSEA get what they should. There's not a person in this room who doesn't want to see sports and music and class sizes as small as possible. People are going to come up and advocate, as you should, but he will have to make recommendations for approving the list of cuts. If we don't do it, somebody else will come in and do it for us. That is our hard, cold reality.

We need to decide on the AB 1200 tonight because our budget is built on the recommendation not to approve it. If the board approves it, then tomorrow morning we will be looking for another \$592,000 worth of cuts. We would have to do them in five weeks, and when you look at what our options are in five weeks to make that level of cuts it's beyond ugly for CSEA and everybody else.

Right now our 13/14 budget has been approved. It's not balanced because our expenditures far exceed our revenues. But right now we can show that we can meet our minimum reserve requirement for this year only. We have to show that we can meet it for two years out. So the plan that is submitted on September 2 to the county will demonstrate that we will move in a direction to make those cuts to balance our budget for the next two years.

We need to spend more time on how to pull ourselves out.

Trustee McDaniel reiterated that we do want input from our community and staff on ways to cut dollars.

President Garamendi said someone asked about renegotiation and she said that would have to come from the unions and not from the Board.

CLOSE PUBLIC HEARING: 7:51 P.M.

Motion Not to Certify the AB 1200 for CSEA: Bowsher

Second: McDaniel

Vote: 1-4 (Gustafson Yea; Bowsher, McDaniel, Reusche and Garamendi, Nay)

Motion did not pass for the Board to certify the AB 1200 for CSEA

2. [Agreement Between the District and the Classified School Employees' Association, Chapter 405](#)

Background: On May 14, 2014 the District and CSEA reached a Tentative Agreement for salary, benefits and language changes for the 2014/15 CSEA Successor Agreement. It was ratified on May 29, 2014.

Requested Action: Board consideration

PERSONNEL – CONTINUED

Classified Personnel - Continued

Trustee Bowsher said she is doing this so we do not have to do layoffs and wants people to be able to have a job.

President Garamendi said they all want them to have their raise but it is their obligation to fix this situation and she is sorry it has landed on the backs of a great portion of their appreciated staff. We have our County Superintendent sitting here informing them it would be very bad to approve this. It's a budgetary nightmare.

Trustee Reusche said she knows how hard everyone works. She tries hard to go and see what you do – ride your buses, visit the classroom, ride in the food truck. She knows how hard the custodians work day in and day out. This is not personal. Teachers, staff – everybody works hard. This is a tough decision but she will not allow the state to come in and take this district so they have to make the decisions whether you like them or not to keep this district from the state.

Trustee McDaniel has heard the comment about feeling like a second class citizen. It is certainly not the intention of herself and the Board to make any employee feel like a second class citizen. She reluctantly supports denying this request. She and the Board will work hard to make sure all of you get what you deserve and what's promised.

Board President called for a motion to not approve the agreement between the district and the Classified School Employees' Association Chapter 405

**Motion: Bowsher Second: McDaniel Vote: 4-1
(Bowsher, McDaniel, Reusche,
Garamendi Yea; Gustafson, Nay)**

Motion was passed not to approve the agreement between CUSD and CSEA.

BOARD PRESIDENT GARAMENDI CALLED FOR A 5 MINUTE BREAK

e) Certificated Personnel

1. Approval of Job Share at Valley Springs Elementary

It is recommended the Board approve a 50/50 job share with Celeste Garamendi (Permanent) and Jade Long (Temporary).

**Motion: Bowsher Second: Reusche Vote: 4-1
(Garamendi, Gustafson, Bowsher and
McDaniel, Yea; Reusche, Nay)**

PERSONNEL – CONTINUED

f) Management/Confidential/Supervisory

1. Job Description Revisions

It is requested the Board provide direction on proceeding with a revision to the Director of Fiscal Services and Director of Personnel job descriptions from Range 2(b) to Range 4(b) on the Management/Supervisor/Confidential Salary Schedule.

Trustee Gustafson wanted to set a motion to rescind the previous agreement (from the June 30 Board meeting) approving the 2014/15 Management/Confidential/Supervisor salary schedule. This item has not been agendized.

Superintendent Campbell explained that what is on the agenda is to give direction on whether or not to revise the job descriptions. Two positions, Director of Fiscal Services and Director of Personnel, have job descriptions which have been in effect for many years placing these positions at Range 2. These two incumbents have been receiving pay at two ranges lowers, Range 4(b), however. They did so because the district requested this and told them they would correct the ranges this year, not knowing the turmoil our budget would be in. On June 30, 2014 the Salary schedule was approved making the correction to pay these positions at the proper range. Now it is being placed on the agenda to reconsider the job description. In order to continue to pay these positions in the Range 4(b) the job descriptions would have to be rewritten and receive Board approval. The District wishes to receive direction from the Board on how to proceed, keeping in mind that if the job descriptions are rewritten to accommodate the lower range, some of the responsibilities of the jobs would need to be removed/shifted elsewhere.

Liz Stanko, Director of Personnel, spoke before the Board. She presented a letter which she read aloud. The letter asked for justice to do the right thing. She was asked by the former Superintendent to take over the Personnel position when her predecessor left the district with the promise of receiving the Director Salary in the future. She has been in the position for 9 years now receiving less than the Board approved salary range stated in the job description which was adopted by the Board in 1999. Two years ago the board attempted to correct her salary. However, because of dismal fiscal times the Board did not correct it in its entirety. She was compensated two ranges lower. One of her responsibilities as Personnel Director is to insure that every employee is paid at the range in accordance with their job description. If she didn't, the unions would. She does not have a union. She has the Board. If any classified person works out of classification for 5 days in a 15-day period, the employee receives a least a 5% increase for the time worked out of class, per their collective bargaining agreement. She's been working out of class since 2005 – 9 years. She declined a job opportunity in a neighboring county (Tuolumne) for six figures because she was assured the Board would make her salary just in 2014/15. This situation is not about the budget, or about CUEA or CSEA, it's about compensating an employee for the value the Board deems a job is worth, established back in 1999. If the Board reverses the action it took on June 24, the Superintendent would not be able to promote one of our own administrators in the position of Director of Personnel or Director of Fiscal Services unless they are willing to take a salary reduction. She has honored her end of the bargain. As a matter of fact this Spring she was nominated by the Superintendent and County

PERSONNEL – CONTINUED

Management Confidential - Continued

Superintendent and selected by the Association of School Business Administrators as Classified Employee of the Year for our Region. She understands the Board's dilemma; however, not paying the correct range of pay has saved the district thousands of dollars over these past 9 years and not paying the appropriate salary range will not fix our fiscal problems alone. While she realizes this is not a popular thing to do right now. Every employee in the district is paid at the range the job description calls for, except for the Director of Fiscal Services and the Director of Personnel.

Trustee Bowsher said she feels they had to make a decision tonight that was extremely unfair. So it's difficult to be asked to make a just decision after making an unjust decision. Prior to our current Fiscal Director taking over that job there used to be an Assistant Superintendent of Business and then we eliminated that position and to save money the person in the fiscal position did not get help underneath them. That person has been doing a lot of work and we've had a number of people complain about not getting budgets a week in advance. We've had a lot of conversations tonight about our financial difficulties. A lot of time people want to find someone to blame. Understaffing a department, as you all know, means that no one can do everything. If we don't have positions like this that are paid correctly and have the people qualified to do them she fears for the future and these areas of our district. We have the least amount of administrators per students in our district than any other county around us.

Teacher Dave Brainerd addressed the Board. He has worked in our district for close to 20 years. He has worked with Liz Stanko for many of those years. It has been a past practice of this district that management people grow into their jobs. Our Superintendent was one of those who did not have his Level 1 when he was a Vice Principal. He was working on it. Our head of SPED is another one, as is most of administration. They are working toward getting whatever requirement but they are being paid/compensated to the job they are doing. Liz walked into a very difficult situation. We had a Personnel Director that basically walked off the job. She has done a marvelous job since then and for 9 years. Although we've been talking about cuts for the last 2-1/2 hours but you also have to do what's right. Past practice shows you have done this for other management people. He can't speak to the fiscal side because he doesn't know it as well but he does know the personnel side. He wants it to go on record that he supports the decision the Board made prior.

Bus Driver Lyrnn Newby reminded the Board of the discussion she had and the letter she wrote two years ago when some of the management people were receiving raises. She read part of the letter she wrote two years ago. Items mentioned were over her 19 years of service she has seen 2 gardener positions eliminated, with only 1 gardener, Terri Truelock, who runs from site-to-site doing what she can and is extremely dedicated and hard-working. She has seen the maintenance crew and custodians become groundskeepers and gardeners. The Classified members stepped up to the plate and assumed many new job duties with no increase in time or pay. The bus drivers have assumed the duties of seat repairers for the buses due to the elimination of a seat repair position. The mechanics now do tire changes due to the elimination of a tire changing position. These are extremely tough financial times

PERSONNEL – CONTINUED

Management Confidential - Continued

and she knows you are aware of it. It is difficult to make decisions to keep our district fiscally sound. She is pleased management was able to offer cost savings measure and delighted our children will benefit from some aspects of this proposal, but at the same time she sees promotions and pay increases to a few. She respects our administration but does not feel it proper at this time to promote 3 people into new positions with higher pay. Why not just ask them to absorb greater duties as they have all done. She knows how financially strapped we are but she sees many luxuries still afforded the few. Their positions have had time whittled off of them on a regular basis. The cost of their insurance has risen 150% over the years while their paychecks have shrunk. She has seen board policy that was approved when things were good and there was plenty of money to go around. Please consider they are all CUSD employees and they don't want special treatment; only fair and equitable treatment.

Music teacher Robert Wise said anytime we make cuts we should cut as far away from kids. That should be our goal. Basically a school runs on teachers and kids. You are looking at making some pretty drastic cuts here and you have already said it's going to be bad. Keep your cuts as far away as you can from kids.

Citizen Kelly Smith asked for the current and past salary ranges for the Director of Fiscal Service and the Director of Personnel. The old range was 4(b) and the corrected range is 2(b) on the Management/Supervisor/Confidential salary schedule.

Range 4(b) from \$71,461 to \$96,776

Range 2(b) from \$83,585 to \$113,196

Terri Henderson, Food Service Driver, and CSEA Chapter 405 President, said if you look at the state average all of Classified is probably 20% less than what the state pays. It's not just Liz and Titia who are underpaid. It's the whole district. If they have to live on what they have and we are in such a budget crisis why isn't everybody staying where they are until we right this out?

Denise Gustafson, wife of Trustee Gustafson, said patterns of behavior tell us a lot about people. She believes our Superintendent places friends and relatives in highly paid positions for which some are not fully qualified. He also omits important information to the public and the School Board with no accountability. This pattern compromises important decisions with affect taxpayers and students. This pattern also creates suspicion, fear and anger in current employees. At the June 24 2014 School Board meeting, immediately before the 2014/15 salary schedule was voted on a School Board member publically asked the Superintendent if there were any changes to the salary schedule. The Superintendent responded with a "no, except for elimination of 4(b)," without explanation and a change to a wastewater treatment position. At the June 30th School Board meeting an audience member pointed out that due to job classification changes the Director of Personnel and Fiscal Services allegedly will be making more money this coming school year. This perked many people's curiosity. She wrote a letter to the Superintendent requesting some

PERSONNEL – CONTINUED

Management Confidential - Continued

important public information. There is a huge change resulting in reclassification for Personnel Director and Fiscal Services Director. Their incomes would go from \$77,290 to \$90,405. Why would our Superintendent reward the Director of Fiscal Services and Director of Personnel with huge income increases right before announcing that our budget is in crisis and while simultaneously reneging and negotiated salary increases for Classified employees and employment offers to new teachers? The County Office of Education recently had to hire a highly paid fiscal advisor and assistant to help our Director of Fiscal Services to do her job. Critical personnel mistakes and double-talk are negatively affecting people's lives and costing the district excessive legal expenses. Why does CUSD require a least a 4-year degree in a related field for the Director of Personnel and Director of Fiscal Services? Her research indicates this is a very common requirement for the management level in other districts. Many require a Master's Degree or CPA for fiscal services. There are rumors that these ladies do not have 4-year degrees. If you don't, she believes you should go back to school on your own time and get educated. Teachers have to. During these critical financial times Mr. Campbell continues the pattern of omitting information while spending taxpayer money to protect and reward certain unqualified loyal friends and relatives, as well as threaten or censure those who question district spending. How can we trust our current Superintendent with our money? We need highly qualified management employees, but we need people who are responsible and will ethically perform their duties for us. One solution that has been brought up is that we need to consolidate school districts.

Seth Matthews, parent, says there are two big elephants in the room – deficit spending and the new Local Control Funding Formula -- that is a game changer for us. We all know you are short and need to make cuts. He understands the "share the pain" comment but he wants you to remember when you vote tonight, if you have hard decisions to make in the next few months and over the next year, such as layoffs, just remember you will be asking your team to go forward and give you the tough numbers. You may not find a Director of Fiscal Services who has a harder work ethic, whatever the experience. And you may not find a Director of Personnel who has the experience to go in and negotiate or renegotiate and has the experience to do risk management. If you want to replacement them with someone else, good luck on getting all that experience.

Superintendent Campbell addressed the question from Mrs. Gustafson about college degrees. The job description says college degree or equivalent. We've always placed a value on experience and a degree to whatever balance because a piece of paper doesn't make you qualified any more than 10 years of experience alone, but they are all factors. If he strips away the rhetoric and emotion and looks at the job descriptions and what they ask these people to do, it states that we pay at a specific range. We chose to save money for a couple years and not pay at the job description stated range. He said, "Shame on me because now here we are at the worst time." It is the absolute right decision at the worst time. If the Board is saying they do not believe that these positions justify that level of compensation then you need to direct him, per the agenda item, to go back and reduce the scope and subsequently the Board would vote to reduce the salary. We cannot continue these two job descriptions at the current range and have these two people do these jobs without changing the compensation, and thus reducing the scope of the job descriptions. He understands

Management Confidential - Continued

politically because of the fiscal impact of this is difficult/damaging. If we are not going to abide by what was approved in 1999 and 2011 then they need to be changed before we even talk about reducing compensation.

Marcelle Papp is concerned that if we rewrite/reduce the scope of the job descriptions we may have to hire someone else. Will that be another wage, health benefit, retirement and all, which would amount to more than the \$22,000 it would cost to give the correct salary? If people are stretched too thin we may have a bigger “oops.” She agrees that people should get compensated for the work they do.

Superintendent Campbell stated that if he is advised to reduce the compensation then either somebody else internally will have to fulfill some of these duties . So if we are looking at this level of cuts we will have to redistribute. Two years ago they eliminated the Assistant Superintendent of Business. Titia came in as Director of Fiscal Services and Liz went from Coordinator of Personnel to Director of Personnel. Those positions were at the higher range 2(b), but in an effort to help save money during fiscally difficult times, they agreed to take the lower range 4(b) salary temporarily. The job descriptions were not changed and they did all the scope of the work. We also did not replace Titia’s former position, Accounting Supervisor.

County Superintendent Northington said we have staff here who have been doing these jobs for many years. Right now you, the Board, have two key positions here that are going to help you navigate through this year. If she were in your shoes she would not want to jeopardize those jobs and lose those staff and have to find new staff and find the level of expertise they have in those areas. You say that starting salary is \$71,000 – I say good luck finding someone at that price. You really need to think about where you are headed and what staff you need to go where you need to go. If you change the job descriptions, you are giving the people who do these jobs demotions. If that happened to me I would probably go elsewhere.

Kyle Harvey of CSEA, believes Superintendent Northington’s issue with this and the long discussion about hard choices. Now is the time to follow through with what you said you were going to do whether it’s uncomfortable or not. You are going to have to layoffs. You are going to have to actually fire people. Those people are going to lose their jobs as a result of where we are right now. The County Office is advising you to hire Terri Ryland’s services. He has a lot of experience working with Ms. Ryland. She is excellent at her job. But she will help you for a while and he expects that she will advise us to hire one of her CPAs on an hourly basis to come in and assist your Director with her duties. That is going to be another cost we’ll need to consider in the next few weeks. It’s not just a big pay increase – it’s also the cost to run the department properly, which has not been done to this point, at least in his experience this year. He doesn’t have any experience working with Ms. Stanko. As far as what she does she does it professionally and gets back with us immediately. He has no experience working closely with Ms. Ashby other than to see these assumptions that were made is harming this district. We need to take that into consideration as we consider the motion on the floor.

PERSONNEL – CONTINUED

Management Confidential - Continued

President Garamendi polled the Board:

Bowsher: They have been chastised a number of times tonight for not listening to our County Office of Education. She is going to listen to our County Office of Education and go with what Ms. Northington says. It is a difficult decision because it would much more popular to go in a different direction.

Gustafson: He has a great deal of difficulty with this. He can't by a hypocrite and vote one way against somebody and one way for another.

McDaniel: She would like to move forward with some investigation on this. She's not saying that is how she is going to finally vote.

Reusche: She believes Ms. Northington is right. She thinks that trying to navigate this is going to be very difficult. She thinks we don't have very many people who are left at the District Office to give them the guidance. Persons aside, she thinks we have a hard road to tow and she recommends they keep their vote in place.

Garamendi: She has the greatest and utmost respect for these directors and Mr. Campbell. She cannot in good conscious look at these people out here who have been denied their raise, and she fully understands the work they do, and she appreciates every bit of it but she must ask Mr. Campbell if he will investigate these job descriptions. So that is a 3-2 vote to move forward on investigating these job descriptions.

Superintendent Campbell will redraw the job descriptions and bring them back to the Board in August to continue to discussion.

17. CURRICULUM AND INSTRUCTION

a) **[Approval, Resolution 2014/15-01, Contract Agreement with the State of California for a Literacy Program for Preschool Students and Families \(pp 40-47\)](#)**

It is recommended the Board approve a contract with the State of California for a literacy program for Preschool students and families for \$2,500 to promote the interactive literacy activities for children and families enrolled in the Pre-K and Family Literacy Program for the 2014-15 school year.

Motion: Gustafson Second: Reusche Vote: 5-0

18. BUSINESS

a. **Bond Disbursements for the Performing Arts Facility – Performing Arts Center - No item Presented**

b. **Budget Action Plan**

The Board will engage in discussion to develop a CUSD Budget Action plan to address the Multi-Year Projection (MYP) negative qualifications for 2015-16 and 2016-17.

Superintendent Campbell reiterated that no decisions are going to be made tonight. They are looking at a six week process that will lead them to September 2 (the night of the Board meeting) to have a Board approved plan to submit to the county. There will be Board meetings on August 5, August 19 and August 23. Those three meetings have to provide him direction in terms of what proposal he gives to the Board on September 2, because if we leave without a plan, we will have a plan drawn up for us by someone else. (The plan is due to the County on September 8 but our Board meeting is September 2.) We are not going to ask the County to do our job. We are not going to ask the State to come in and do our job. We are going to do our job and that means \$1.8 million in cuts. He will have Titia Ashby walk through the list and talk about what's changed in the last week that has increased our target that was a state decision. We will have many people advocating for programs but \$1.8 million will be a reality. This Board has a number of hard decisions. We are looking for ideas and options. We're not talking nickels and dimes. We are talking big figures. When we look at this and see we our budget is 90% staff, so we will talk about reducing staff. Nobody wants to do so. If things change after September 2 and we can come back to the Board and say for instance we have \$300,000 now we will ask what do you want to take off that cut list that is of equal value. For everyone who advocates to take something off the list, we will have to replace it with something of equal value to place on the list. That's our challenge and dilemma. This process requires everybody's voice and understanding as well. No matter how passionate the plea – kids in front of you, parents knocking down the door and staff calling out for their program for all the right reasons, at the end of the day we have to filter down and make \$1.8 million worth of decisions for this year to be implemented in 2015/16

Director of Fiscal Services Titia Ashby gave an update of our budget and multi-year projections. There was also a handout provided and the information was projected on the screen. She gave an explanation of why the numbers always change. When she reported on June 30, 2014 to the Board our 15/16 gap funding was 30.39%. On July 11 School Services of California indicated that the budget that was adopted by the State of California reduced our gap funding for the 15-16 year by 9.71% to 20.68%. That's where we come up with the additional \$443,000 that needs to be added to the \$1.4 million that was reported on June 30. She reviewed the list of items for possible cuts and their related fiscal impact. In addition, we have not yet come up with our list for 2016/17, in which we will need to cut an additional \$1,095,000. The total cuts for the two-year period that we need to cut is \$2,938,000.

Kyle Harvey stated that School Services is very, very conservative. He doesn't believe that estimate of that gap funding is proper considering that their estimations are always low. Last year School Services did not project that we would receive a 16% increase in gap funding . It is exactly what we received. He does not take for a budget in those out years their word as gospel because they are always, always underestimating what you are going to receive in revenues.

BUSINESS – CONTINUED

Budget

President Garamendi stated this is where we've gotten in trouble; not keeping ourselves to the low figure and hoping that we're going to get more.

Ms. Ashby stated that is the Department of Finance's recommendation, not School Services recommendation. School Services recommendation is gap funding of 7.9%, not 20%, so do we want to revise our budget to gap funding of 7.9% for next year? That would be an additional reduction that we would have to make. The Department of Finance is saying it should be 20.68%. This number may be more or it may be less, but every time we do an interim report we will use the most current information that we have. That's why numbers always change.

We have a Local Control Funding Calculator that we use. Sharon Schelgelmilch asked why there were variances in the numbers from the June 24 to the June 30 report. Two things happened: Titia took us out of Class Size Reduction because we were not going to be able to make the Class Size Reduction in the 14/15 year unless we reduced those class sizes and hired those 8 teachers. The Local Control Funding Formula says we must have class sizes 24:1 to participate in Class Size Reduction. If any one of our CSR classes was even just 1 student over, we would lose our funding. So when we fell out of CSR, there was a difference in our revenue from June 24 to June 30. In addition, when we presented to Local Control Calculator on June 30 we had expectation that gap funding for 14/15 would be 30%. Eleven days later we changed our Local Control Funding Calculator to 20% and now we have additional cuts. Every time we do a report we use the most current information available and update all of our numbers. Also, there was a variance because we moved our ROP funds from the restricted to unrestricted side of our budget. This is what Mr. Merrill commented about. Originally CUSD had planned to hold onto that money in order to be able to have the ROP program function at its current level for the next 2 years. We had to say as a district "Thank you ROP for being so diligent at saving your money." There are a lot of factors that happen and unless you are here for every reporting period you don't see those things. She is more than happy to share any of reports.

President Garamendi asked if we are required by law to run Preschools and After School programs.

Ms. Ashby said Preschool is not currently required but there is an Assembly Bill out there about it though.

Lisa McInturf, former PS Director and Director of Instruction, said it is not required. It is not a mandate.

President Garamendi suggested we look at cuts for Preschool and After School Program rather than cuts into our K-12.

Ms. Ashby said that is an option and would be approximately a \$180,000 savings to our general fund.

BUSINESS – CONTINUED

Budget

Superintendent Campbell said we will put that on the list and find out how much it generates in savings. That's the whole point of these discussions – not to debate the value of these programs but to see what items we can place on the list of considerations.

Trustee Bowsher asked if the "Other non-classroom" expenditures and "undefined" items on the list mean we're not sure where we are getting that money from yet?

Ms. Ashby said currently we've already done some internal restructuring this year that will have a savings to the district. Ms. McInturf is going back to the high school as Vice Principal, vacating her position as Director of Preschool and Instruction. We will not fill that directorship. There was a teaching position that has been restructured and we are not going to fill that position. The teacher who was there took another teaching position in the district. We also are not filling a VP position at the high school but that savings was already in the budget, so she's not counting that as undefined but the other items mentioned fall into that "undefined" area.

Jason Weatherby, teacher and athletic director at the high school, said if we cut athletics we also should consider the number of ADA we would lose. That loss in ADA would probably outweigh the cut in expenses for keeping athletics.

Doug Clark, teacher and athletic director at the middle school, suggested we consider K-8 schools. Also, it cost more to have block scheduling.

Craig Clifton, teacher, coach and parent, . He has spoken with CIF and they said if our student athletics want to transfer to another district who offers athletics the CIF would allow it under a hardship.

Marcelle Papp said if we decide to go K-8 we could possible rent the TMS campus to Delta College for a satellite program.

A parent spoke and said if her son has to attend first grade in a class over 30, she would transfer him to Linden Unified.

A citizen, Kyle Krause, said he went to Mokelumne Hill Elementary and prior to his attending that school it was a K-8 school for probably 100 years and thinks it is a benefit and should be discussed. He wants us to know how important it is to have all the varying stakeholders involved in this process going forward to find a solution that may not be satisfying to certain people, certain groups and certain stakeholders who have a vested interest in our district and the success of our district. There will be tough decisions. Nowhere on the list does he see elimination of complete campuses, such as Toyon. He thinks there are significant cost savings to eliminating the middle school completely. Please consult with parent, alumni, your teachers and other staff. Assemble all interested stakeholders when you go forward and listen and ask for advice.

Budget

A question was asked about what does consolidation mean? Superintendent Campbell said the particular proposal on the list is to consolidate Rail Road Flat, West Point and Moke Hill into one school – site to be determined.

Citizen Mr. Long said we should consider restructuring the current staff such as a reduction in salaries and furlough days. Reducing salaries may harm teachers but it's not going to hurt the kids as much. We have to take care of our kids.

Teacher Allison Hampton said it would need to be across the board.

Aaron Baisch, Skilled Maintenance, cutting athletics and music is not a fix. We would lose student and thus lose money. Rail Road Flat is a nice little school but the bottom line is we don't have the money for that luxury right now. When we consolidate 3 schools that he sees are running on 50% capacity then we are cutting fat at that point. From a maintenance standpoint he could spend the next year with a 3 man crew trying to put Rail Road Flat back together again.

Kyle Krause would urge the Board to consider other ways to consolidate schools rather than all three upcountry into one school.

Citizen Sabina is an advocate of K-8. Also we should consider the savings of bussing students from upcountry to Toyon.

Lisa McInturf said for the 14/15 school year we have additional days built into our calendar for professional development. The State allows schools to go from a 180 day contract to a 175 day contract. That was allowed to provide districts the opportunity to provide furlough days. We can consider the discussion about using some of those for furloughs.

One furlough day equates to approximately \$60,000 for certificated staff.

Lisa McInturf also said we have some Preschool students on funding aid through the State. Preschool allows some of our economically disadvantage children to enter Kindergarten more prepared. Economically disadvantaged kids who do not attend Preschool can be up to two years behind when they enter Kindergarten and that gap continues to grow even if they continue on the trajectory of learning. Sometimes that costs us later on in special education costs, intervention costs. That's why there has been a big push in the State to provide universal preschool. Research shows the value in it for dollars spent and dollars paid later on.

Trustee Gustafson said it is ironic that we put nearly \$8 million into Toyon and then we want to abandon it. Seems we could use the bond money to bring our campuses more up-to-date .

Principal Mike Merrill said one of the things they are trying to do at Round-up and Warrior Welcome tomorrow is to get parents to complete the Free and Reduced lunch form in order in create additional revenue. Even if you don't think you will qualify, fill it out and let the State determine that. If you do qualify, that's more Title 1 money for our district – more money in our LCFF, so we can increase revenue that way. The second thing we are going to hit really hard

BUSINESS – CONTINUED

Budget

again this year is attendance. When they (students) are not in their seats, we do not get paid. They only have to be there for second – as long as they check into the class, we get revenue for the entire day. If you have a dental, doctor or court appointment, come to school during the day before you go. Please help us to get the word out. Show up, turn in your homework, collect as much homework as you can because that's good educational experience. Students must go to the classroom for attendance.

Claudia Davis said attendance is certified by the classroom teacher. So as a classroom teacher they are certifying that the student attended that day. Whether it was for a minute, an hour or 4 hours, the teacher owns that responsibility.

A question was posed: If the state does take over what happens?

Fiscal Advisory Terri Ryland answered. At this point the district is under control of the Board and they are trying to take steps to make this work. The County Office has the ability to give them time, a very short time, to get their house in order. Let's say we get to September 8, which is the Ed Code day for revising the budget that has not yet been approved and to come up with an implementable plan. If that didn't happen a budget committee can be convened at the state level or that can be waived, and the County Office working with the Fiscal Crisis Management Assistance Team (FCMAT) and working with the California Department of Education (CDE) would appoint a fiscal advisor to come in and work with the Board or with the staff to help make that happen. The budget would be certified negative at first interim. There would be even more oversight by the County Office and the fiscal advisor has stay and rescind power over the Board. So if the Board wanted to hire somebody, we could say no. If the Board wanted to give a raise that was not affordable and voted to do that, we could come back the next day and say that was not a valid action and undo it. The Board is still under its own control but if the Board is not going to right its ship in the current plus one or the current plus two years, and the plan doesn't support that and working with FCMAT and CDE, they would get together with their local legislator and write language to go to the legislature to declare you bankrupt. FCMAT would declare a fiscal emergency and the legislature would go through to do an emergency loan. Once the governor signs the bill it's done. The district would own that money back and it's a 20 year repayment. It's almost impossible to get out from under that the way it's now structured. It used to be like a line of credit, so the districts were only making payments on what they drew. Now they say, how much are you going to need for the next 3 year and inflate it just to be sure and the loan is set for that amount. It's not a draw on the State of California like it used to be at 1 or 2 percent. Now they go out on the public market, called the I-Bank, and they sell it for whatever the rate is that day so the district could have tens of millions of dollars at 6% or 7%. King City is now the poster child for how ugly that state loan could be. They are spending 10% of their budget on debt service and they also had to cut 10% or 15% of their budget to get it in order so now they are looking at cutting 25% of their budget to right the ship and make those payments. The Board is removed from office and they have no power. The Superintendent is removed. The Business person is not automatically removed – that's a judgment of the trustee. There is a state trustee until the district repays every dollar. FCMAT comes in every year and does updated studies. At some point the Board can be given

BUSINESS – CONTINUED

Budget

back some of the power. They will at some point hire a Superintendent in addition to the trustee. The district pays for the trustee and the original FCMAT study which runs about \$200,000. This all gets folded into the loan. The district pays 75% of the fiscal advisor. You not only have the loan but almost a circular formula of finance. The state administrator cannot abrogate contracts but they can make it really uncomfortable and get everybody to the table immediately. They can fast track a fact finding process. They will get things done a lot faster. The really sad part for the district is that the state trustee's job is to repay the state loan. In the law it is not their priority to deliver the best education. They are there as a safeguard for the state's money that's now been invested in the district. Right now it's in your control. It's hard but it's ultimately your decision and the community still gets a say. You wouldn't even be coming to Board meetings. You wouldn't have a Board. Most districts have been able to pull themselves out before it got that far. There's been about 12 statewide since 1992. The first was Richmond and it was so ugly they changed the name of the district. It's now West Contra Costa. That was 1992 and that's when FCMAT was created and AB 1200 came along, and that's when county offices were provided more oversight. There was no county office oversight or first interims reports until then.

19. POLICIES AND REGULATIONS

- a. **First Reading – Board Policies, Bylaws, Administrative Regulations and Exhibits** - No item presented.

BB9250 **Remuneration, Reimbursement and Other Benefits (pp 48-50)**

- b. **Second Readings/Adoptions**

This item was tabled at the June 30, 2014 Board meeting.

It was getting late and President Garamendi asked this item to be table until 8-5-14.

E 9250 **Exhibit: Remuneration, Reimbursement and Other Benefits (pp 51-52)**

Motion: Reusche Second: Gustafson Vote: 5-0

20. Calendar of Events

DATE	EVENT
July 23	CHS Roundup – 11:00 a.m. to 6:00 p.m.
July 23	Warrior Welcome – 1:00 p.m. to 5:00 p.m.
July 24	New Teacher Orientation – 8:30 a.m. – 12:30 p.m., Board Room
July 25	New Teacher Prep Day
July 28	CORE DAY – Certificated & Classified Staff
July 29	First Day of School
BACK TO SCHOOL NIGHTS	
July 29	San Andreas Elementary – 6:00 p.m.
August 6	Toyon Middle School – Community Groups 5:00-6:00 p.m. Classroom Presentations 6:00-7:30 p.m.
August 7	Valley Springs Elementary – 6:00 p.m.
August 13	Mokelumne Hill Elementary – 6:30 p.m.
August 14	West Point Elementary – 5:15 p.m. to 6:30 p.m.
August 20	Calaveras High School – 6:00 p.m.
August 22	Rail Road Flat Elementary – 6:00 p.m.

21. Future Agenda Items

22. Comments from Board Members

Karan Bowsher

Trustee Bowsher thanked everyone for being here tonight and for the comments/input.

Gregory Gustafson

He doesn't know who specifically makes up our agendas. He knows it says in policy it is the Board President and the Superintendent. He noticed that Mr. Reno resigned but we are still paying him until the end of August, which if he's making around \$8,000 a month, there's \$16,000, and he's already left the district. He doesn't know why we are paying him all the way until the end of August. There are various transfers from one area to another and he doesn't know if we are creating a new job or if we are hiring someone to replace them. He thanked everyone for being here.

Superintendent Campbell informed Trustee Gustafson that Mr. Reno resigned effective the end of August and is still here working, and he will continue working until the end of August. Also, if at any point of time you see something on the Personnel Report on the Consent agenda, you can pull it off Consent at any point in time and talk about those items separately.

BOARD MEMBER COMMENTS – CONTINUED

Zerrall McDaniel

Trustee McDaniel would rather have a room full of concerned people so they are aware of what is going on. There is a lot of work ahead and she very much appreciates the comments. She hopes we have a lot of people at every meeting so we can, hopefully, have a lot more ideas. They want to address some of the inequities.

Sherri Reusche

She thinks this is a record of the longest Board meeting. She thanked everyone for coming. We have a long road ahead and we will get through it together.

Evan Garamendi

President Garamendi thanked everyone for coming. She is looking for everyone to join the Board meetings in the future and make this a combined effort. Come to them with your suggestions and solutions. They are all willing to listen. A truck driver in San Andreas told her we run expensive tires on our buses and we should be using a less expensive tire, but that's probably not going to save us in our budget right now. She appreciates everyone coming and being part of the solution.

23. Next Meeting/Adjournment

The next regular meeting of the CUSD Board is scheduled for Tuesday, August 5, 2014. This meeting will be held at CUSD Administrative Office, IMC Training Room (Green Building, 2nd Floor). Closed Session begins at 4:00 p.m. and Open Session begins at 5:30 p.m.

The meeting was adjourned at 10:09 p.m.

Mark Campbell, Superintendent
By Shirley Bell, Executive Assistant