

**Regular meeting of the Governing Council
Mission Valley Regional Occupation Center/ Program
Wednesday, January 28, 2009**

President Ray Rodriguez called the meeting to order at 3:04pm.

Present: Ray Rodriguez, President
Larry Sweeney, Clerk
Kevin Harper, Member
Lily Mei, Alternate

Board of Education #1

Election of Officers

Member Ray Rodriguez stated that New Haven Unified School District was in line for the presidency. However, it has been board practice to delay the rotation when a brand new member is next in line for the presidency. Member Larry Sweeney wanted the minutes to document that if the rotation was altered, it would be three years until FUSD would take the presidency. All members agreed that it would be best for Kevin Harper, NHUSD, to resume occupying the Vice President role until next year, when he will take the Presidency. It was unanimously agreed that this was the best option to pursue.

Kevin Harper made a motion to elect Ray Rodriguez, Newark Unified School District, to the office of President of the MVROP Governing Council. Larry Sweeney made a second to the motion. Members voted 3-0 to elect Ray Rodriguez as President of the MVROP Governing Council. Mr. Rodriguez will serve in that office for the remainder of the school year through December of 2009.

Larry Sweeney made a motion to elect Kevin Harper, New Haven Unified School District, to the office of Vice President of the MVROP Governing Council. Ray Rodriguez made a second to the motion. Members voted 3-0 to elect Kevin Harper to the office of Vice President of the MVROP Governing Council. Mr. Harper will serve in that office for the remainder of the school year through December of 2009.

Ray Rodriguez made a motion to elect Larry Sweeney to serve as clerk of the MVROP Governing Council. Kevin Harper made a second to the motion. Members voted 3-0 to elect Larry Sweeney as clerk of the MVROP Governing Council. Mr. Sweeney will serve in that office for the remainder of the school year through December of 2009.

Approval of Agenda:

Member Ray Rodriguez made a motion to approve all items on the January agenda. Member Larry Sweeney made a second to approve the motion. Members voted 3-0 to approve all items on the agenda.

Communication:

a. Items from Staff:

*Report from Superintendent Charles Brown:
State Budget*

Superintendent Brown stated that until the State reaches an agreement on the budget ROPs will not know what will happen. In order for a clear picture of the future to be made, the issue of categorical flexibility issue must be decided. What we presently know at this point is that there will be no COLA and .55% negative growth for the 08/09 school year. We also know that there will be no COLA and .63% negative growth for the 09/10 school year.

There are two proposals for categorical flexibility. The first proposal is the Governor's proposal for complete and permanent flexibility, including ROPs. The second proposal is from the LAO's Office and the Democrats. Their plan specifies targeted cuts for categoricals. This would include limited flexibility (for two years) including ROPs. Until an agreement is made, ROPs must follow the Governor's proposal.

ACSA holds a strong position as an Education Coalition member. They recently announced their recommendation for broad flexibility. Their position is to protect revenue funded programs, including ROPs and Adult Education. They also recommended for state lawmakers to pursue other cuts and not categorical flexibility for ROPs.

CCSESA handles oversight responsibilities for school districts. Their recent talking points on the issue of categorical flexibility shared their concerns over utilizing categorical flexibility. They advised school districts to not depend on those funds and to pursue other methods of funding. Overall, Superintendent Brown felt that this was good news on how the education community views categorical flexibility.

Call to Action

Superintendent Brown shared that he, along with, staff, students, and various industry partners had commenced a call to action contacting our state legislators. From what he has heard thus far, our efforts, in conjunction with the other ROPs, have been effective in reaching the legislators. The efforts will continue until a budget is approved.

Budget Committee Meeting

Superintendent Brown announced that administrators would be meeting with the MVROP Budget Committee in the following week. The committee is made up of instructors, and classified employees. It will be difficult to give the committee members hard numbers due to the State not passing a budget.

Prop 1D Projects

All projects are on hold until the State budget is approved. Therefore, no construction contracts can be given out until the funds are released from the State.

Upcoming MVROP Events

The MVROP Arts, Media, and Entertainment Technology Program will be putting on its Fourth Annual Multimedia Festival on Thursday, February 26th starting at 6pm in the James Logan High School Little Theatre. Superintendent Brown shared that the work that these high school students do is very impressive. He went on to say that the students do college-level work even though they are in high school.

Another event that is coming up quickly is the MVROP Annual Educators' Brunch taking place on Friday, February 13th at 8am here at the ROP Center. All Board Members received their invitations in their Governing Council packets for this meeting. Allison Aldinger shared that invitations had also been extended to all district Superintendents, high school vice principals and counselors, all junior high school counselors and staff, college partners, and other valuable industry partners.

Ray Rodriguez commented that he had some people in mind that he would like to invite. Allison Aldinger asked Ray Rodriguez to send her the contact information so that she could add these individuals to the invite list. She also added that if any of the other Board Members had someone they would like invited to send her the information.

Larry Sweeney felt that it was great that MVROP was reaching out to the middle schools in the local school districts. It will ensure as many advocates of ROP will be present the day of the event.

d. Items from the Board:

Lily Mei congratulated the MVROP staff on a clean audit. She also mentioned that several elementary schools have green eco clubs and that MVROP might want to consider reaching out to them as they pursue developing green curriculum.

Kevin Harper shared that NHUSD had yet to break ground on the performing arts center due to the State freezing all educational construction projects. Although once it is completed it will serve as an excellent collaboration between local "green" companies and schools. Tri-Ced, a local business in Union City, has had a history of collaborating with Chabot. In fact, it is the only non-profit of its kind that will take on troubled youth in its programs.

Larry Sweeney commended the MVROP staff for always being very responsive to any inquiries or support that has been needed. It is very impressive and greatly appreciated.

Ray Rodriguez mentioned that he wanted to go to a NHUSD Board of Education meeting and present Jenn Stringer with something for her years of service. Kevin Harper said that she would have to come back and attend the meeting since she is no longer on the board but that it could be done. Mr. Rodriguez went on to say that there might be some relief in sight with Federal dollars. Superintendent Brown responded that school districts had been cautioned that until there is approval of Federal monies for Education and there is an approved stimulus package, that those funds should not be depended on. Mr. Rodriguez responded that some of the money would go to the State and that it is not clear where it will go from there. He had spoken with both Senator Corbett and Assemblymember Torrico about both NUSD's and MVROP's budgets.

Superintendent Brown mentioned that he had been in Sacramento on January 22nd. He held very productive meetings with both Assemblymember Torrico and Senator Corbett's staff members. It was clear that they understood the issue and he felt that they were able to understand his position. Mr. Brown will be returning to Sacramento in March for the CAROCP legislative visits.

Mr. Brown shared that from what he understood, legislators were working hard at a very focused pace trying to work with each other. The legislators have differing ideas of how to get the final numbers but are trying to reach an agreement. Larry Sweeney responded that the longer the budget is delayed, the less likely mid-year cuts will take place.

- e. **Public Comment**
None

Consent Calendar:

Superintendent Brown drew attention to the fact that the Governing Council minutes were from both November and December.

Member Larry Sweeney commended Allison Aldinger on her minutes. They are always very clear and capture the tone of the meetings very well. The other governing board members agreed.

Member Ray Rodriguez questioned whether the DECA fieldtrip was only made up of FUSD student only. To which Allison Aldinger responded that the students from all three school districts will be in attendance.

Member Larry Sweeney made a motion to approve all items, excluding the November minutes, in the Consent Calendar. Member Kevin Harper made a second to approve the motion. Members voted 3-0 to approve all items in the Consent Calendar.

Business and Finance #1

**Review and Accept Audit Report
from Vavrinek, Trine, Day & Co.
for the Fiscal Year 2007/2008**

Marie dela Cruz reported that each year the District is required to have an independent audit by an outside auditor. This is conducted in accordance with Governing Auditing Standards issued by the Controller General of the United States and Standards and Procedures for Audits of California K-12 Local Educational Agencies 2007-08. The audit report for the fiscal year ending in June 30, 2008 was prepared by Vavrinek, Trine, Day & Co. Marie dela Cruz went on to introduce Ki Lam, a partner of the firm, who would be co-presenting the audit report to the Board.

Ms. Lam shared that the audit is performed to obtain reasonable assurance about whether the financial statements are free of material misstatement. Auditors examine evidence supporting the amounts disclosed in financial statements. The report reviews accounting principles and procedures used when evaluating overall financial statement presentation.

Ms. Lam went over the Management's Discussion and Analysis (MD&A) of the report with the board. This portion of the report includes Overview of Financials Statements, Financial Highlights, Asset Reports, and Significant Accomplishments in 2007-08.

Financial Highlights in the report consisted of a revenue of \$9,283,212 (which is 2.4% more than last year). Expenditures consisted of \$8,641,366 (2% less than last year). The final ending balance for the 2007-2008 school year was \$4,508,610 (a \$641,846 increase over the last school year). Marie dela Cruz shared that this increased amount was mainly due to the budget freeze which was implemented in January of 2008.

New Building contributions included the new MVROP building being completed in June 2008. The up front cost paid(in school years 2003-2005) came to \$750,000. Technology infrastructure (paid in the 2006-2007 school year) totaled \$500,000. The science labs (paid for in the 2007-2008 school year) came to \$220,000. The grand total MVROP contribution for the new building came to \$1,470,000.

Assets include: construction in progress, buildings and improvements, furniture and equipment. Assets are totaled after depreciation is factored into the final amounts. These figures also include the cost of new building K-6 construction which totaled \$290,792.

MVROP's organizational structure can be found on page 35 of the audit report. It describes who we are and what we do at MVROP. Page 36 details ADA reported by the school district for year ended June 30, 2008. By reviewing the trends and analysis, there has been an increase in fund balance and an increase in ADA.

The overall finding of the Independent Auditor's report was that there were no deficiencies or material weaknesses found in Internal Control over Financial Reporting. They found that MVROP complied with State laws and regulations thus making the schedule of findings "None".

Mr. Rodriguez inquired how many days ROP provides for sick leave. Ms. dela Cruz responded that 12 days are provided and then additional emergency leave without pay can be taken. Two sick days can be used as special leave. This must be requested and approved in advance by program managers.

Kevin Harper responded that he liked the slide which stated "No Findings" for the MVROP Audit. He also liked the MVROP reserve balance and he wished that NHUSD were as strong. He inquired as to what makes up the balance. Marie dela Cruz responded that Equipment replacement, DSP carryover, retirement benefits, and lottery monies were some of the items that made up this amount. She also pointed out that a detailed breakdown of the amount was provided in the Unaudited Actuals. Mr. Harper went on to ask whether these particular funds were earmarked. He then went on to suggest creating a reserve policy. He felt that it helps sustainability and helps educate the public that there is a plan in place. He then went on to inquire if MVROP had an investment policy approved by the Board.

Mr. Brown stated that MVROP is required by Education Code to deposit money with Alameda County Treasury. Mr. Harper suggested that there be more clarification on the wording regarding investments in County Treasury (page 25 of the report) for next year's audit to make this clearer.

Kevin Harper questioned what was meant by "taxpayers paid \$198,000" on page seven of the report. He also pointed out that there was a tax increase on the next page listed under governmental activities. The auditor replied that she would need to go back to her records and would get back to the Board regarding this inquiry. Kevin Harper then inquired about the tax increase monies totaling \$582,000. Mr. Brown responded that property tax is considered one time monies. It is unknown what will be received, if anything, each year. Marie dela Cruz then stated that these monies are added to the general fund and are part of the local apportionment. This is an increase in the budget, not an increase in property tax. The \$582,000 is the amount of excess property tax income that was received that year.

Larry Sweeney commented on Kevin Harper's question regarding the statement on page seven stating that "cost paid by those who benefited from the programs" could be related to adult fees. Charles Brown added that this could be in reference to adult students who take MVROP courses. The instructional budget is offset by these adult class fees. This amount also helps to cover the cosmetology courses. Larry Sweeney then shared that he thought it was amazing that once again there were no findings on an MVROP audit. With as many restrictions that are placed on educational dollars it is quite the challenge to remain so accountable and transparent.

Member Larry Sweeney made a motion to approve the Audit Report from Vavrinek, Trine, Day & Co. for the Fiscal Year 2007/2008. Member Ray Rodriguez made a second to the motion. Members voted 3-0 to approve the Audit Report from Vavrinek, Trine, Day & Co. for the Fiscal Year 2007/2008.

Ray Rodriguez suggested that a section be added to the Governing Council agenda for Board suggestions. Superintendent Brown informed the Board would have to change the agenda by-laws to do this. Mr. Rodriguez said that this was acceptable. Ray Rodriguez inquired as to how Board Members receive binders. Charles Brown responded that they were passed down from member to member when someone leaves the board. Therefore, Kevin Harper would get Jenn Stringer's previous binder.

The meeting was adjourned 4:17pm.

Ray Rodriguez, President

Kevin Harper, Vice President

Larry Sweeney, Clerk