

**Regular meeting of the Governing Council
Mission Valley Regional Occupational Center/ Program
Tuesday, June 23, 2009**

Member Larry Sweeney called the meeting to order at 3:06pm.

Present: Ray Rodriguez, President
Kevin Harper, Vice President
Larry Sweeney, Clerk
Nancy Thomas, Alternate

Approval of Agenda:

Vice-President Kevin Harper made a motion to approve all items on the June agenda. Member 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:
Revenue Limit Funds*

Superintendent Brown announced to the Board that all three school districts had agreed to pass through the Tier Three revenue limit funds to MVROP.

Member Rodriguez thanked Superintendent Brown for continuously updating the Board throughout the process.

Prop 1 D Project Update

Superintendent Brown updated the Board that the Department State Architect (DSA) had approved the Prop 1D Plans for modernization and new construction. The next step is to submit the plans to the Office of Public School Construction (OPSC) for approval. Once this approval is received, MVROP can then go out to bid.

CNA Testing

Superintendent Brown was very pleased to announce that 100% of high school and adult students from the MVROP CNA Program who took the State Exam passed with flying colors. The MVROP CNA Program boasts a 100% passing rate record for the California State Exam. Similar programs offered at other site locations, such as the community colleges, only boast around a 70% passing rate. This speaks to the level of instruction and the quality of the program at MVROP.

Recent MVROP Events

Several adult programs held their graduation ceremonies over the last few weeks. These programs included: EKG, Certified Nursing Assistant (CNA), and Pharmacy Technician. These graduation ceremonies, put on by their

instructors and the Instructional Team, provide the opportunity for students and their loved ones to celebrate their accomplishments.

Superintendent Brown then displayed a prototype that was created by a student in Richard Lawrence's CAD program at James Logan High School. It was created by their 3-D printer. The model started as a CAD file, then was sent to the printer software. The printer then took sand-like material and epoxy to create the model displayed. Many companies use this technology and equipment to create mock-ups of projects when they go out to bid.

c. **Written Communication:**

Superintendent Brown explained the SIA Press release to the Board. He stated that SIA started to develop press releases on successful programs at ROPs. It is distributed to a small but select audience including the Governor, key legislators, elected officials and key industry professionals. We are very proud to be the second article distributed. The article focused on the proposed alternative energy pathway in partnership with Kennedy High. Two other components in this pathway include: the Construction Technology program, which will be working with solar technology and green technology and the Automotive Technology program which will be exploring alternative fuels, electrical cars and hybrid vehicles. It is in the beginning stages, but has great potential.

The next press release covered the Seventh Annual Forensics Challenge that took place on Tuesday, May 26th from 9am to 2pm on the Mission Valley ROP campus. Approximately 170 students, or Evidence Collection Technicians, were given the great task of solving a murder crime scene. Students from American High, James Logan High and the ROP Center participated in this annual event. Throughout the day students managed their assigned crime scenes, documenting, "bagging and tagging" evidence, established Chain-of-Custody, and then analyzed evidence in the laboratory to confirm or eliminate possible suspects in the case. Field judges included representatives from the ATF, FBI and the FBI ERT, investigators from the Alameda County Coroner's Office and officers from Oakland, Fremont and Union City Police Departments. The lunch was hosted by the Fremont Rotary Club.

The third article covered the Copper Cooks competition that took place at Chef Carey's American High culinary class. The competition was modeled off of the reality show "Iron Chef" competition. Students competed over a period of five weeks until two final teams were selected to "cook off". Students created their signature menus for a celebrity panel of judges that consisted of Superintendent Brown, advisory member and Local Master Chef Patrick Farjas and Tri-City Voice Publisher William Marshak. In a close contest between chicken quesadilla and red velvet cake, Basic Cooking's quesadilla was declared the winner. In addition to this article by

the Tri-City Voice, a picture slideshow of the entire event is posted on the paper's website for viewing pleasure.

d. **Items from the Board:**

Member Harper shared that New Haven USD was holding a Board of Education meeting that night. They will cover the budget and the ROP funding.

Member Sweeney stated that Fremont USD would be holding their meeting tomorrow night and that he did not foresee any policy issues regarding funding for the ROP.

Member Rodriguez shared that all school's in Newark USD had held their graduation ceremonies the previous week. He also visited the ROP Automotive Technology students recently. It has been a very busy month at the end of the school year.

e. **Public Comment**

Tim Culbertson, Principal of Bridgepoint High Publicly thanked the ROP for taking such great care of his students at the Center campus and at Bridgepoint High. ROP has been gracious enough to place classes on their campus. One of his goals as the new principal is to evaluate the situation and encourage elective courses that can be meaningful to alternative education students. He also stated that he would love to be involved in a conversation about a class that might prepare his students for the work world.

Member Rodriguez commented that it is always a challenge running alternative schools, especially with the current budget restraints in education. It is important to have full classes with lots of participants to successfully run programs. From Newark's side of the discussions, they welcome future development in a possible combination class possibly centered around computer skills and lifelong skills. It could be modeled off of the course located on the American and Kennedy High campuses.

Consent Calendar:

Member Rodriguez opted to pull all Consent Calendar items and vote on them individually.

Member Rodriguez brought up the March 18, 2009 Governing Council Minutes.

Member Harper made a motion to approve the March 2009 Governing Council Minutes. Member Sweeney made a second to approve the motion. Members voted 3-0 to approve the March 2009 Governing Council Minutes.

Member Rodriguez brought up the May 20, 2009 Governing Council Minutes.

Member Sweeney made a motion to approve the May 2009 Governing Council Minutes. Member Rodriguez made a second to approve the motion. Members voted 2-0 to approve the May 2009 Governing Council Minutes.

Member Rodriguez pulled Business and Finance Items #1 through 4.

Member Harper made a motion to approve Business and Finance Items #1 through 4. Member Sweeney made a second to approve the motion. Members voted 3-0 to approve Business and Finance Items #1 through 4.

Member Rodriguez pulled Business and Finance item #5. Member Harper stated that he had some questions regarding Items #5 and #6. Marie dela Cruz explained that Business and Finance Item #5, Authorizing the Director of Business Services to Approve Year-End Budget Transfers, enables staff to close out the books at year-end. It allows for the books and journal entries to be closed without having to secure approval from the Governing Council each instance.

Member Sweeney inquired if this is done every year to which Ms. dela Cruz responded that it was and that it was part of the year-end process. She went on to say the results will be seen in September in the Unaudited Actuals.

Member Harper inquired about the second paragraph in Business and Finance Item #5. He inquired about what level would the ROP be at if we are off by a single dollar in any major budget object account. Ms. dela Cruz responded that it can be due to a federal resource, because they do not allow carry-overs. An example of this is Carl Perkins. If we are a dollar over or under, the year end report will show an exception. Member Harper inquired if the ROP was budgeting by individual account numbers to which Ms. dela Cruz responded no and that it was by resources categorized by revenue and expenditure types. Member Harper went on to share that staff at NHUSD supplies a list of all transfers and reasons for the transfers at the end of the process. He inquired whether this was done at ROP. Ms. dela Cruz replied that they normally present the Unaudited Actuals. Member Harper inquired whether the transfers are embedded in this report. Ms. dela Cruz confirmed this. She added that, if Member Harper preferred, more detail could be given. Member Harper responded that he would like the report to reflect all transfers and their reasons because it is a sensitive topic in that some governments have gotten into trouble by moving restricted and unrestricted resources around at the end of the year. Member Rodriguez added that he would prefer this option as well. Ms. dela Cruz stated that all year-end's activity would be summarized in the Unaudited Actuals in the September Governing Council meeting.

Member Harper made a motion to approve Business and Finance Item #5. Member Sweeney made a second to approve the motion. Members voted 3-0 to approve Business and Finance Item #5.

Member Harper pulled Business and Finance Item #6, Balance/ Reserves to 2008-09 Operating Budget for Proposition 1D Career Technical Education Facilities Projects.

Member Harper inquired about the \$1.4 million dollar match to be provided for the Prop 1D Project funding. Ms. dela Cruz stated that ROP's match for the project funding is \$915,000 for new construction and \$494,000 for modernization. She went on to say that ROP set aside this amount in the reserve fund and are now transferring that amount into the operating budget. Now that we are experiencing expenditures, we are now transferring \$85,000 from the reserves. Member Harper inquired if the entire \$1.4 million is in the reserves currently, which Ms dela Cruz confirmed. He then went on to ask what the \$85,000 is for. Ms. dela Cruz explained that this is the amount that the ROP has currently spent on costs related to the Prop 1D Projects. These are part of the soft costs associated with the construction.

Member Harper made a motion to approve Business and Finance Item #6. Member Sweeney made a second to approve the motion. Members voted 3-0 to approve Business and Finance Item #6.

Member Rodriguez pulled Curriculum and Instruction Item #1.

Member Rodriguez inquired whether all classes listed in the summer schedule were adult and how the fees worked. Superintendent Brown explained that all classes indeed were adult. These courses are for the adult students to be able to complete their programs since new courses are starting in the Fall. No new adult students were enrolled in Quarter 4 this school year in order to ensure that all students completed their courses before the new fee schedule began.

Member Sweeney made a motion to approve Curriculum and Instruction Item #1. Member Rodriguez made a second to approve the motion. Members voted 3-0 to approve Curriculum and Instruction Item #1.

Member Rodriguez then pulled Employment & Personnel Item Items #1 and #2. Superintendent Brown explained to the Board that the Certificated members of staff are the hourly instructors that will be working during summer school. He went on to describe that the other items included the termination of the classroom aides. The aides' employment does not continue through the summer because these students have graduated and new aides will be hired in the Fall.

Member Sweeney made a motion to approve Employment and Personnel Items #1 and #2. Member Harper made a second to approve the motion. Members voted 3-0 to approve Curriculum and Instruction Item #1 and #2.

b. **Oral Communication**

Superintendent Brown presented Roland Perez, on behalf of Mack Curtis Paige III, with the 2009 Bridgestone Firestone Scholarship before the governing council.

Roland Perez, MVROP Automotive Instructor, informed the Board that another presentation ceremony would be held at a later date so that the

student and his mother could be present. Unfortunately, transportation issues prevented the student from being present at today's meeting. Roland Perez then thanked Ms. Aldinger for her follow up with students to ensure all interested in applying for the scholarship had ample opportunity to do so. This is the first time a student from Mr. Perez's class has received the Bridgestone/ Firestone Scholarship. Superintendent Brown shared that more ROCPS participated in this scholarship than in past years and that MVROP is extremely proud that Mack Curtis Paige III was able to be awarded under such stiff competition.

Member Rodriguez requested that a letter of thanks be sent to Bridgestone/ Firestone for their generous donation and support for Automotive Technology students. Superintendent Brown agreed.

Board of Education #1

2009-2010 Governing Council Meeting Schedule

Superintendent Brown shared the proposed dates for the 2009-2010 Governing Council Meetings.

Member Harper inquired whether there was a better meeting time, possibly later in the day, that could be arranged. New Haven Unified runs their meetings at 630pm so that Board Members are able to make it from their jobs to the meetings. Member Sweeney mentioned that he would have difficulty in attending meetings on Wednesdays if they are later in the day due to Fremont Unified School District holding their meetings at 4:30pm. Member Rodriguez suggested that MVROP Governing Council meetings be moved to Thursdays with a 5pm start time. The following dates were agreed on:

Thursday, September 17, 2009
 Thursday, October 22, 2009
 Wednesday, November 18, 2009*
 Thursday, December 17, 2009

*Note: November's MVROP Governing Council meeting was scheduled for November 18th due to scheduling complications. It's start time is scheduled for 3:30pm to avoid any possible overlapping meetings with FUSD's Board of Education meeting. Member Sweeney is to confirm the FUSD Board of Education meeting calendar and get back to Ms. Aldinger if any double booking occurs.

Member Rodriguez commented that he favored the podium set up used in the recent meetings for public comment. He would like this used for all future meetings.

Member Sweeney made a motion to approve the new dates for the 2009-2010 Governing Council Meeting Schedule. Member Harper made a second to approve the motion. Members voted 3-0 to approve the new dates for the 2010 Governing Council Meeting Schedule.

Board of Education #2**Instructional Program
Changes for 2009-2010**

Superintendent Brown shared the 2009-2010 instructional item changes. He went over the various groups of changes, the first being the program reductions for adult courses.

The category listed as “suspension” is based on the idea that once the Prop 1D construction is completed and the budget improves, these programs will be restored. These programs include: Automotive Technology and Fashion and/or Interior Design. Automotive Technology could be brought back possibly as soon as one year from now, while it may take at least two years to restore Fashion, or just Interior Design, because of the construction schedule.

The third category is the transition to Adult Fees. This is to continue offering the adult courses, but having them be self-sufficient in their funding. The fees for these courses will be much higher than in the past, however they are still quality programs that are much more cost efficient comparable to private school programs. Superintendent Brown shared the following class fee schedule for the adult courses in the 2009-2010 school year:

CNA: \$1100 per quarter, 2 quarter program
 EKG: \$1200 per quarter, 2 quarter program
 Medical Assistant: \$1500 per quarter, 2 quarter program
 Pharmacy Technician: \$1200 per quarter, 4 quarter program
 EMT: \$1625 for entire 2 quarter program

Member Sweeney had concerns on the process in which major instructional and program changes are made. He shared his concerns regarding classes being discontinued without Governing Council approval. He did not feel staff should make those choices alone without Governing Council approval. He felt that the Governing Council should be more involved in the final decision. It is not meant to question staff recommendations, but to have something to present to the public and explain why such decisions are necessary. It is critical that we provide a venue for the public to express their response to actions taken by the Governing Council and staff. A perfect example of this process is what took place when the Cosmetology Program was eliminated. It was Member Sweeney’s recommendation that whenever a program is going to be reduced, suspended, transitioned, or eliminated, that staff come and present this recommendation to the board before it is in action.

Superintendent Brown stated that changes of this magnitude have never been necessary before and never has MVROP been hit with a 35% reduction over two years. There have been years where programs have been suspended, but mainly due to low enrollment. This year is unique due to many factors taking place simultaneously. Some of those factors include: AB 2448 coming to fruition, the complicated budget status, and the impending Prop 1D construction which would temporarily displace programs located in particular buildings.

Member Sweeney felt that in minor cases when dealing with enrollment numbers in programs, it is understandable to eliminate a course or program. Member Sweeney responded that he was sympathetic to the tumultuous climate at the current moment in time, however, when there are radical changes where the school does have a choice, he wanted those decisions to come to the Board. He followed this by stating that transparency is of the utmost importance when it comes to these types of changes and enables the public to voice their opinions on proposals. The decision then can be reached in public.

Member Rodriguez stated that he understood Superintendent Brown's concerns that Governing Council approval on these items and this type of process has never been required in the past, but that we are in new times and that new processes are needed as a result of that. This means that we are all on the same team.

Member Thomas stated that, at Districts, sometimes programs die, or are discontinued and the Board never hears why this happened. Not being in the process except for the tail end is problematic. There is a parallel issue between approving and not disapproving.

Superintendent Brown shared another issue that can be problematic is that there is a personnel issue tied to these conversations. We are not subject to collective bargaining, and our employees are temporary. Assignments are given at the end of the school year. Another issue is if an instructor hears that the course they instruct may be suspended or discontinued they are going to start looking for work. Many times we have thought that a program would have to be suspended and at the last minute, a solution is found. If that employee had already found other employment, we would have a program with no instructor.

Member Sweeney responded that he understood this point, however, if the need for a program is reduced, it is a way to plan for the change. An example is the suspension of Automotive Technology. "I have people coming up to me inquiring where are those students are going to go at this late date in the school year," stated Member Sweeney. What happens when the other classes they could take are full? If these changes had been brought to the board, the process would have allowed for more public information and more planning. Member Rodriguez echoed these sentiments and added that he felt it made the overall process much cleaner. Member Sweeney then went on to add that the Governing Council Members present today are the ROP advocates on their respective School District Boards. It is necessary for them to know what is going on at ROP to then inform other Board Members at their District Meetings. Member Rodriguez asked Superintendent Brown to research whether a new by-law must be created, or whether the new process can be implemented without one. Superintendent Brown responded that he would research and come back with options in the September Governing Council meeting.

Member Thomas left the meeting.

Business and Finance #1

Revised Budget Plan

Ms. dela Cruz presented the May Revision information to the Governing Council. She shared that on March 18, 2009, the Board approved a plan to balance the 2008-09, 2009-10, and 2010-11 budgets. In May, 2009, Governor Schwarzenegger presented his

2009-10 Budget proposal. The Governor's proposal includes elimination of the CalWORKS program which would further reduce Mission Valley ROP revenues. In addition, Alameda County Office of Education issued a lower interest rate projection for interest income.

The Budget Advisory Committee met on June 3, 2009 to review the proposed 2009-10 budget and multi-year projection. The projected additional revenue shortfall is \$313,900. Ms. dela Cruz broke down the elimination of CalWORKS to be \$280,000 and when added to the reduced Interest Earnings at \$33,900, creates a revenue shortfall of \$313,900.

In order to compensate for this revenue shortfall, additional reductions to expenditures must be made. Ms dela Cruz shared the following proposed reductions for the 2009-10 school year: a reduction in printing services, replacing copiers with newer lower-cost models, reducing the High School Administrator reimbursement, restructuring the Administrative Assistant/ PRA position, and reducing .75 Classified FTE.

Reductions for the 2010-11 school year include an additional reduction of Classified .50 FTE. The reductions for the 2011-12 school year call for a reduction in Certificated 2 FTE. The grand total for the proposed reductions to expenditures is \$313,900.

Member Harper inquired why the CalWORKS total was so high to which Ms. dela Cruz responded it broke down to \$140,000 per year for two years totaling \$280,000. Member Harper then inquired about the reduced printing costs. Ms. dela Cruz responded that this reduction would be continued through the following years.

Superintendent Brown stated that after the new reductions to revenue, MVROP was unable to balance the budget through the 2011-12 school year as required. On paper, MVROP must be able to show where all reductions take place which is why this is a separate board item.

Member Harper inquired whether there were more reductions that were not shown in this Board of Education Item. Ms. dela Cruz responded that these reductions are in addition to those that were approved in May. When the CalWORKS and reduced Interest Earnings were given, the revenues affected the year-end balance. Everything will show in the Adopted Budget that will be seen shortly. Member Harper then inquired about the programs that were just discussed. He asked for clarification on whether those programs were financially approved by default in March. Superintendent Brown confirmed this and added that at that time, they did not know which of the courses would be affected.

Member Sweeney inquired about the restructuring of the Administrative Assistant/PRA position. He shared that the FUSD Board has had many lengthy discussions about the roles and responsibilities of this position, and Member Sweeney absolutely believes that in the trying times that we are experiencing, and what is to come in the future, that we need to keep that position intact as much as possible. He thought it also sends the right message to management that if there is a reduction to management that it should be born across the whole group rather than to one person. Member Sweeney stated that at this point, he would not be able to support the proposal with the \$19,000 for the reduction of the Administrative

Assistant/ PRA position reduction. He thought that MVROP could roll that \$19,000 from somewhere else over the next three years. Member Sweeney stated he would also appreciate more discussion lead time in public on this position, than to just have it now. Member Sweeney stated he could not support a recommendation like this when we have fought so hard at FUSD to have management to help spread the pain, to help keep morale positive, and to lead by example.

Member Rodriguez inquired how much the reduction to the position was to which Ms. dela Cruz responded 15%. Member Rodriguez then asked why this position than another option? Superintendent Brown responded that MVROP already had a position that is similar to this recommendation in place at one time. There was a whole list of what might be appropriate and we reviewed that.

Member Sweeney inquired who would absorb the job responsibilities of this position after its proposed restructuring. Superintendent Brown responded that the Instructional Team would. Either this, or some of the responsibilities would not be done.

Member Sweeney referenced a previous conversation where it was stressed that this specific position was deemed critical and filled so many needs that it needed to be filled as soon as possible. This caused Member Sweeney to question why it is acceptable to change it now. Ms dela Cruz responded several options were explored, including a reduction of service during the school year, therefore eliminating the position during the slower summer months. Member Sweeney responded that what he had before him was not one month's salary. Ms. dela Cruz responded that this is covered in the following Board Item, but that this would be the cost difference between the old position and the new position, as well as the difference between a reduced work year and a full work year.

Member Sweeney stated that this recommendation would essentially be asking for the employee to do the same tasks with a shorter amount of time to complete them. He could not support a recommendation like this at a time when we are trying to engage as many students as possible. He felt there was no pre-discussion on different ways to look at this item and strongly believes it is too critical of a time for this position. He determined he could not support this action.

Member Rodriguez inquired as to whether the districts were aware of the reduction to the High School Administrator position to which Superintendent Brown confirmed that they were informed. Member Sweeney stated that he had recently heard that the Democrats in the Legislature were not going to support the CalWORKS elimination.

Member Rodriguez stated that the way the MVROP bylaws read, if the FUSD Board Member does not approve an item, it cannot pass. He went on to say that this is a very important position, which makes him wonder what else was considered. Superintendent Brown responded that all items considered were bad scenarios. Other items reviewed included reducing the High School Administrator, reducing the reimbursement for Career Techs and DSP Training, among others.

Member Sweeney responded that he felt the \$19,000 could be found elsewhere. Member Harper asked for clarification on what Member Sweeney meant by “spreading the pain” by management staff. Member Sweeney went on to say that FUSD management took a 2.67% decrease so that all management staff could be retained. Teachers also took a 2.67% reduction. It was a technique to spread the pain, but also to keep in tact, and show the value of the employees and not have them feel like a target. Member Harper added to this by stating that this is something similar to what the State of California did, the City of Oakland, and the Port of Oakland when they implemented furlough days in order to help balance the deficit. Member Rodriguez stated that Newark had done the same. Member Harper inquired how many days in furlough reduction would it require to balance the \$19,000.

Superintendent Brown responded that if there was an all staff one day work reduction, it would be about \$27,000. However, there might be things on the list that are easier to do, such as a further reduction in supplies and materials by 5%, and that would get us to \$20,000. Ms. dela Cruz stated that this item can be passed with the understanding that management must find the \$19,000 elsewhere. Member Rodriguez felt the furlough days should be a serious alternative to balancing this deficit. Ms. dela Cruz responded that mid-year cuts are anticipated, so that might eventually be necessary. Superintendent Brown stated that staff development days would be the first to be eliminated in that scenario. Member Sweeney responded that FUSD is reducing five days. He went on to say that he would agree to approve the item with the \$19,000 being taken out elsewhere and this needed to be followed by an update from staff. He stressed that the money needed to be found somewhere else. Superintendent Brown agreed to send an update to the Board.

Member Sweeney made a motion to approve the Revised Budget Plan with the specified changes. Member Harper made a second to the motion. Members voted 3-0 to approve the Revised Budget Plan with the specified changes.

Employment and Personnel #1

Classified Personnel Action

The first item, a reduction of .15 FTE for the Administrative Assistant/PRA position was removed from the list. All Board Members concurred.

Member Sweeney made a motion to approve the Classified Personnel Action. Member Harper made a second to the motion. Members voted 3-0 to approve the Classified Personnel Action.

Business and Finance #2

Adopted Budget

Member Rodriguez opened the Public Hearing on the MVROP Adopted Budget at 4:54pm.

Ms. dela Cruz presented the final adopted budget to the Governing Council Members. Mission Valley ROP submits a final budget to the Governing Council for adoption at the June meeting each year. The budget for 2009-10 is in the State required SACS financial reporting software. Estimates for 2008-09 actuals and budgeted accounts for 2009-2010 are

included in the report, along with a criteria and standards review, long terms debts, multi-year projection and assumptions for income and expenditures. The final budget for the State has not been approved. The Enacted 2009-10 State Budget and SBX3 4 categorizes ROP's in the Tier Three programs. The Board is being asked to approve the following acceptance of and uses of funds to meet educational needs: ROC/P, SACS Resource Code 6350 at 100% use and Professional Development, SACS Resource Code 7393 at 100% use. It is necessary to approve use of funds now in order to receive funding under flexibility.

The final budget for adoption includes the Instructional Programs as well as on the high school campuses. Ms. dela Cruz went over all courses that are to be offered in the 2009-2010 school year.

The revenues for 2009-10 are at \$7,045,957 which is a 15.8% reduction in the revenue limit. This consists of a 4.5% cut, no COLA, no growth, no excess property tax and no CalWORKS. In addition to this, MVROP received 26% less Carl Perkins funds, DSP and staff development are 30% less, and .16% less in lottery funding. Overall, MVROP is experiencing \$931,871 less in revenues compared to the 2008-09 school year.

Member Rodriguez inquired on the student interest with the courses now that a new fee schedule will begin. Ms. Adams responded that there will be heavy promotion of the new program structure and fee schedule on the website, mailers, marquee advertising, in addition to online and print marketing. Enrollment begins in August and classes will begin in September. If enrollment is low in these particular classes, the class would be cancelled to avoid debt. A physical projection is made for each class in order to prevent a deficit. We are confident that these courses will still have full classes as they are in demand and are still much more affordable compared to other private schools. We view the course fees as cost recovery and are taking a chance to still be able to offer these courses for our adult population. However, there are no guarantees that all classes will be full. All students are notified of possible class cancellation if enrollment is low. The same notification is given to our instructors, many of whom instruct high school classes in addition to the adult courses. These courses are not ADA generating courses and therefore are not applicable to AB 2448 regulations.

Ms. dela Cruz then presented the full report of the revenue history for 2006 through 2011, which showcased how MVROP has gone from a \$9 million budget to nearly a \$6 million budget. Ms. dela Cruz then presented expenditures by object code breaking down MVROP's total expenditures which totaled \$7,538,928, 10.2% less than the 2008-09 school year.

Ms. dela Cruz then went on to explain the breakdown of expenditures for MVROP. This included: 48% for certificated salaries, 14% for classified salaries, 5% for books and supplies, 10% for benefits, and 29% for operating expenses. To further break down salaries, benefits and contracted services, teachers make up 52%, management makes up 14%, and classified makes up 13%. Ms. dela Cruz then presented expenditures by function, which demonstrates how MVROP operates. Instruction accounted for 63% of expenditures, Instruction related items made up 14%, general administrative costs accounted for 11%, while plant services accounted for 9% and student services 3%.

Ms. dela Cruz presented the Prop 1D Project construction cost breakdowns. The new construction, which consists of K5, K8, and K9 will cost \$1,830,000. The modernization construction, which includes buildings K2, K2B, and K3 will run \$988,875 and the new construction for building K4 will total \$1,405,000. The funding for these projects requires a 50% match to be provided by MVROP. The MVROP fund balance and reserves is \$3,599,133 which is nearly a \$500,000 decrease from 08/09, thus bringing down the reserve for economic uncertainties to 3.07%.

The SACS report also includes criteria and standards for the budget. There are three areas that were not met. The salaries and benefits category was not met due to higher ratios in salaries and benefits due to a disproportionate decrease in salaries and benefits compared to total expenditures. Total expenditures decreased by 10.2% but salaries and benefits only decreased 1%. The other revenue and expenditures categories were also not met due to total cuts to revenues and expenditures exceeding the standard 10% due to Enacted State Budget and the May Revise. All exceptions in the SACS Technical Review were as a result of Tier III categorical flexibility. When these standards are not met an explanation is provided. CDE clarifies the accounting procedures. There currently is clean-up legislation pending to clarify all the new procedures and expectations with the newly implemented categorical flexibility. At this point everything is new to the State and they are on new ground. This should be cleaned up at year end or by First Interim.

Ms. dela Cruz summarized the overall budget stating that MVROP revenues for 2009-10 are \$7,045,957, expenditures are \$7,538,928 which causes deficit spending of \$492,971. MVROP had still committed majority of its budget, approximately 80%, to instructional activities and student services while maintaining a 3% reserve for economic uncertainty.

Member Harper commended staff on balancing the budget in such tumultuous economic times by reducing expenditures. It is right idea to keep things moving along to serve students and keep the same priorities. Member Sweeney echoed these sentiments adding that he greatly appreciated the power point presentations to make all information very clear. He went on to say that we are in uncharted waters and that MVROP is doing well while being faced with so many challenges.

Member Rodriguez closed the Public Hearing on the MVROP Adopted Budget at 5:24pm.

Member Harper made a motion to approve the Adopted Budget. Member Sweeney made a second to the motion. Members voted 3-0 to approve the Adopted Budget.

Board requests:

Member Harper inquired about the status of the reserve policy. Superintendent Brown responded that research was on-going and that there had been some difficulty in finding policies for school districts. There have been discussions that a 6% reserve is more appropriate for ROPs rather than 3%, but that in these economic times it would be very difficult to maintain. Member Harper responded that the policy is not so much a funding policy as a way of determining the correct amount. As things get better, we can determine

how to fund it. In the down time is the easiest time to see the need for it. He agreed that reserve policies for school districts are not as prevalent and that some tailoring may be needed when selecting language.

Member Rodriguez added that he would like to continue the conversation on furlough days for management. Superintendent Brown responded that this would not be strictly for management, but that MVROP would follow past practice and apply a furlough day across the board. We can also look at instructional materials for another 5%. Member Rodriguez also added that he hoped the dialogue regarding Bridgepoint, and alternative schools be continued. He desired for continued innovation in placing classes to serve that population. Superintendent Brown responded that at the current time, MVROP did not have the budget to add additional classes on alternative school campuses. One factor that might help would be to have Districts pass through a portion of the stabilization funds. Districts would most likely not be able to pass through all stabilization funds, but those stabilization dollars would help MVROP offer additional programs. Member Sweeney commended MVROP on always being prudent with funding and acting responsibly. He continued by saying that this caution is helping to soften the budgetary blows that have been dealt in the school year.

The meeting was adjourned 5:30pm.

Ray Rodriguez, President

Kevin Harper, Vice President

Larry Sweeney, Clerk