

**Regular meeting of the Governing Council  
Mission Valley Regional Occupation Center/ Program  
Wednesday, December 17, 2008**

**President Ray Rodriguez called the meeting to order at 3:33pm.**

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

Everyone present at the meeting introduced themselves.

**Approval of Agenda:**

*Member Larry Sweeney made a motion to approve all items on the December agenda. Member Kevin Harper made a second to approve the motion. Members voted 3-0 to approve all items on the agenda.*

**Communication:**

**b. Oral Communication:**

*Presentation of National Electrical Contractors Association 2008 Project Excellence Award*

Marie dela Cruz shared that the Mission Valley ROP building had recently been recognized for an award of excellence in electrical contracting. Darlene Besst, Director of Business Development for NECA (National Electrical Contractors Association), shared that there are several categories in which buildings are judged. Mission Valley ROP's building has been recognized in the educational construction over \$1 million category.

Jody Brahmst, of Niles Electric, shared that working on the Mission Valley ROP building was very rewarding. He felt that it was a rare opportunity for a local contractor to help contribute to a building that would surely benefit the education of our local students. His hope is that maybe some of the students attending classes in this building will be able to enter into the electrical trade industry.

Superintendent Charles Brown stated that it was evident that Jody really cared about the building by his steadfast dedication to the project. There was no doubt in Mr. Brown's mind that MVROP was always in good hands. Jody was very direct and up front about any challenges that came up along the way.

Member Kevin Harper responded that Jenn Stringer had always been very fond of the project and that everyone at New Haven Unified School District are very pleased to have MVROP, and this building, as a resource. Member Larry Sweeney concurred and thanked Jody for his dedication to his work.

**a. Items from Staff:**

*Introduction of New Board Members*

The new Mission Valley ROP Governing Board members, Kevin Harper from New Haven Unified School District and Lily Mei from Fremont Unified School District were introduced by Superintendent Brown. He followed the introductions by informing the Board that MVROP's reorganization would take place at the January meeting.

*Report from Superintendent Charles Brown:*

*07/08 Audit*

Superintendent Brown stated that the financial auditors had finished reviewing the 07/08 school year records and had no findings or recommendations. As in the past, MVROP was found to be solvent. Presently, MVROP has just finished its report for 08/09. This report will be provided in the January Governing Board agenda.

*Prop 1D Projects*

Superintendent Brown informed the Board that Mission Valley ROP has three projects in total. The State Allocation Board is scheduled to meet on December 10, 2008. This will include the third project for the demolition and reconstruction of the K4 building which houses the Fashion and Interior Design Program. MVROP is expecting the approval letter from OPSC by mid January. Once that is received, Mission Valley ROP can then meet with the architects.

Modernization plans for the First Round Prop 1D Projects have been submitted to DSA for approval. It was recently discovered that MVROP's fire hydrant water line does not meet the minimum pressure level required by the Fire Department. MVROP is working with the Alameda County Water District and the Fremont Fire Department to resolve the issue. Once it has been resolved, LCA will submit plans for the new construction project by the following week. This should have a quick approval turnaround. Superintendent Brown estimated that MVROP would be able to start the bidding process by mid- March.

*UC Board of Admissions*

Superintendent Brown informed the Board that the MVROP Anatomy/ Physiology course had recently been approved for UC "g" credit. This is an excellent course for those students who are pursuing medical careers. Students taking this course next school year can receive this UC credit.

### *Negative Growth Formula*

MVROP is facing .55 negative growth for the 08/09 school year. According to Superintendent Brown, this normally would be taken off revenue limit. CAROCP is lobbying the California Legislature for ADA to be reduced instead of the base revenue limit. CAROCP will be sponsoring a bill. Once a member agrees to take ownership of the bill, we will be asking for all of our Board Members' support. This might take place in February.

### *Green Technology Conference*

Several members of the MVROP Administration, Shelley Adams, Jim Omlid, and Superintendent Brown, attended a Green Technology Conference in Anaheim, California. Several staff members from Kennedy High School were also in attendance at the conference. This was a very positive step towards developing curriculum for courses and deciding the overall direction of this new career pathway. MVROP and Kennedy High had an excellent dialogue filled with shared enthusiasm for partnership on this shared venture. Superintendent Brown hopes a very successful program will result from this productive collaboration.

### *08/09 Midyear Cuts*

Mission Valley ROP is waiting to see what the Governor will say in his budget due out in January. It is expected to be bad. Superintendent Brown hopes that the State Legislature will act soon. He will have a better idea of how the midyear cuts will affect MVROP in February.

#### **d. Items from the Board:**

Member Sweeney commended Marie dela Cruz on yet another flawless audit. He expressed that MVROP has always been very good about maintaining transparency. He then went on to inquire what would be done about the water pressure if it could not be improved. Ms. dela Cruz responded that options would be explored with the architect and FUSD. The water line is required to have 1500 PSI. MVROP's line is currently at 1350 PSI.

Member Sweeney then mentioned that the solar panel project has been approved in Milpitas. He went on to say the final decision will come down to cost as to what FUSD will do with its proposed solar panel project. He is very supportive of green technology and wants to ensure that this technology will be a smart long term commitment.

Member Lily Mei announced that she is very pleased to be a part of the MVROP Board and looks forward to working with everyone. She had taken a tour of the campus during MVROP's Open House and was very impressed with the programs.

Member Kevin Harper made mention that Conley Carabello had some recent press about being a completely green building. This was a few months ago. He then stated he would be interested to know how to best utilize the space within the proposed Culinary Academy construction project for the Culinary Arts Program. He also wanted to know how the interaction, if any, has been thus far from Superintendent Brown. Superintendent Brown responded that he would defer to Ms. Adams on this subject as she put in quite a bit of support during the grant writing process. She gave feedback on the kitchen design, curriculum and other items. This building project is also a green no-waste project. A lot of collaboration and thinking has been put into the plans.

Member Dino inquired which school sites house Culinary Programs. Ms. Adams responded by stating: American High, James Logan High, Newark Memorial High, Kennedy High, and Mission San Jose High.

Member Kevin Harper then requested a tour of the MVROP campus to see the programs in action. Member Dino also suggested that tours be scheduled for the entire NHUSD Board of Education and its new Superintendent once all the new players were acclimated.

Member Rodriguez felt that it is great for MVROP's programs to be at the front of technology. He encouraged the new Board Members to familiarize themselves with MVROP and its programs. He also requested to have a report about the new culinary academy and how it will affect surrounding districts. He then informed everyone that he had recently met with Assembly Member Alberto Torrico. Member Rodriguez lobbied Mr. Torrico to understand that the fat has already been cut out of education and that all districts are literally going to have to cut into the meat if further cuts are implemented.

Superintendent Brown stated that ROPs are considered categorical, yet they generate their own revenue through average daily attendance. This is different from other categoricals that receive Federal funding and grants. Regardless, ROPs are included in this group. We have a local JPA but the question of what will take precedence in this unique environment becomes; state budget or JPAs?

### **Consent Calendar:**

*A decision for Jenn Stringer to sign the November minutes was agreed upon in order to have appropriate signatures. It will be added to the January agenda. 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**

## **Certification of First Interim Report**

Marie dela Cruz reported that the First Interim Financial Report reviews the financial condition of Mission Valley ROP for the period of July 1, 2008 thru October 31, 2008. The report includes an analysis of our current and adopted budget, and projections for the current year and two subsequent years. As part of the review, MVROP must also certify whether it will be able or unable to meet its financial obligations.

Projected revenues for the year are \$8,602,037 which is \$579,662 (7.2%) higher than the adopted budget mainly due to the restored 6.5% cut to categorical programs. This is based on what we knew as of October 31<sup>st</sup>. Some of this may be misleading in January when we learn more about the midyear cuts.

The ADA cap for the year is 2,138 which is 13 ADA more than last year. Projected growth funding is zero. Estimated CalWORKS ADA is 25. Total ADA needed for full funding is estimated at 2,163.

Projected expenditures for the year are \$8,266,813. This is \$116,266 (1.4%) more than the adopted budget mostly due to budget costs restored in the final State budget. Total employee salary and benefit cost is 73% of total expenditures. This includes 13% for the Cosmetology contract and contracted employees' salaries and benefits paid to Fremont, Newark, and New Haven School Districts.

The Criteria and Standards section reviews our financial data against State established standards in ten (10) different areas. Standards are either "met" or "not met". MVROP's First Interim report indicates two (2) standards that were "not met": Salaries and Benefits and (2) Other Revenues.

For Salaries and Benefits, the ratio of salaries and benefits to total expenditures should not exceed 3% plus/minus the historical average ratio. Our historical average ratio based on the past three years is 60.4%. In the current year and the next two subsequent years, our ratio is 65%. Although this is higher than the three-year average, it is the same ratio as last year's. Ratios are higher due to lower revenues and reductions in total expenditures.

Regarding Other State Revenues, changes in this category shall not exceed plus/minus 5% since budget adoption. The current year revenues in this category were "not met" due to the 6.5% budget cut that was restored in the Final State Budget. There is also an increase in revenues for the DSPT (Direct Support Professionals Training) program due to delayed 07-08 payments received in the current year. Revenues for the DSPT program are posted in the fiscal year that the payments are actually received from the State.

All other standards were met. As long as reasonable explanation is given, the County Office of Education will accept the standards “not met”.

The projected ending fund balance shows an increase of \$335,224. This amount may change depending on the Governor’s January Budget proposal which may include midyear cuts. Reserves for Economic Uncertainties is 14% which is above the State minimum of 3%.

Projections for future years 2009-10 and 2010-11 are included in the 1<sup>st</sup> Interim Financial Report. The revenue projection is based on zero COLA for 2009-10 and 3.5% in 2010-11. Projected certificated and classified salaries for 2009-10 and 2010-11 include step and column adjustments only.

Based on our multi-year projections, the fund balance will be positive at the end of this fiscal year and the two subsequent fiscal years. Mission Valley ROP is, therefore, able to make a Positive Certification in this First Interim Financial Report.

Member Kevin Harper shared he had attended a CSBA event that had announced they anticipated only 50% of school districts to have positive ending balances. Is there any reason to believe that the ending balance for MVROP will withstand another round of cuts?

Superintendent Brown responded that \$335,000 was set aside for this exact reason. Also, MVROP is currently keeping 14% for Economic Uncertainties.

Member Harper inquired if MVROP has existing reserve policy goals. To which Superintendent Brown responded that is it the common practice for ROPs to maintain over 6%. Member Harper then questioned whether the ROP running over its ADA cap hurt its finances. Superintendent Brown answered that the general rule of thumb is to have a 60 to 90 ADA buffer over cap. Beyond that amount is considered to be less efficient.

Member Sweeney also pointed out that MVROP had taken steps to reduce ADA by not accepting any new adult students. Also, MVROP had recently turned some programs to be fee-based. The goal was to increase programs in the high schools, and that is exactly what MVROP has successfully done.

Member Harper then inquired as to whether those ADA totals had been figured in this report. Ms. dela Cruz responded that indeed they had.

The county will require districts to provide additional certification indicating any budget reduction needed to maintain positive certification. By the 2<sup>nd</sup> Interim Report, districts will be required to submit a detailed list of Board approved ongoing budget reductions

Member Sweeney responded that he was pleased with the healthy reserve that MVR0P had maintained. The amount is nearly what is required to function for a year. He finished by stating that most school districts cannot say the same.

Member Rodriguez agreed and admitted that the 1<sup>st</sup> Interim report is always a moving target and is a challenge. Currently, there is no direction for school districts other than to brace for what is to come.

*Member Kevin Harper made a motion to approve the Certification of First Interim Report. Member Larry Sweeney made a second to the motion. Members voted 3-0 to approve the Certification of First Interim Report.*

### **Board of Education #1**

### **Approve Meeting Dates for Remainder of the Year**

Superintendent Brown shared that several years ago; members opted to have the Governing Council meeting calendar split into two because so many changes had to be made to the latter part of the school year. These are the currently scheduled dates for the remainder of the year.

*Member Larry Sweeney made a motion to approve the Approve Meeting Dates for Remainder of the Year. Member Kevin Harper made a second to the motion. Members voted 3-0 to Approve Meeting Dates for Remainder of the Year.*

**The meeting was adjourned 4:51pm.**

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Ray Rodriguez, President

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Kevin Harper

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Larry Sweeney, Clerk