

**SANTEE SCHOOL DISTRICT
SPECIAL MEETING
OF THE BOARD OF EDUCATION**

February 11, 2003

MINUTES

Douglas E. Giles
Educational Resource Center
9619 Cuyamaca Street
Santee, California

A. OPENING PROCEDURES

1. Call to Order and Welcome

President Ryan called the meeting to order at 6:35 p.m.

Members present:

Barbara Ryan, President
Dianne El-Hajj, Vice President
Cathy Abel, Clerk
Dustin Burns, Member
Julie McIntosh, Member

Staff present:

Marcia Johnson, Superintendent and Secretary to the Board
Carolyn Harness, Assistant Superintendent, Business Services
Lisbeth Johnson, Assistant Superintendent, Educational Services
Sue Yakubik, Assistant Superintendent, Human Resources
Arletta Schaffer, Recording Secretary

Heard following Item C.1. but reported here for consistency

B. PUBLIC COMMUNICATION

President Ryan invited members of the audience to address the Board about any items not on the agenda. There were no public comments.

C. DISCUSSION AND/OR ACTION ITEMS

1. BUDGET DISCUSSION

President Ryan introduced Ron Bennett, president and CEO of School Services of California. He was invited by the Board to make a presentation on the state of the state budget. He will include information on how districts should prepare for a reduction of state allocations. Mr. Bennett's introductory caveat was that the news of the state budget could change by tomorrow. In addition to the dilemma of the state budget, he is aware that Santee School District is also dealing with declining enrollment.

The state has convened a special session to consider cuts to the 2002-03 budget. Running simultaneously is the regular session to deal with the 2003-04 budget. The Legislature is making deferrals and pushing the budget problems into the next year. Eighteen months ago the projection was a state budget surplus of \$8 billion. Now the projection is a deficit of \$34 billion. Mr. Bennett predicts that if the economy doesn't turn toward recovery in the next couple months, the state will be declaring a much larger deficit. The January 10 Governor's budget is the most unrealistic budget in memory. Now is the time for districts to ratchet costs down as revenues fall. Acting early helps. The key to success in a declining budget environment is to size the problem correctly, determine priorities, direct actions to be taken, follow through, and reevaluate and adjust.

Considering only the implications of a declining enrollment budget, the reductions in Santee for next year would be estimated at \$1.5+ million. That would include an estimated 20 percent

increase in health benefits costs. Step and column raises annually cost \$700,000. Santee's June budget is only a "pretend" budget until the Governor approves his state budget in the summer or early fall.

Mr. Bennett opposes reducing a district's reserves during this time. He favors more flexibility and use of funds from the restricted programs, where possible. The budget disaster does not begin in the board room. It begins in Sacramento and filters down to all state agencies. With a multi-year plan and flexibility, Mr. Bennett advises districts to:

1. impose a hiring freeze
2. prepare for layoffs
3. freeze capital expenditures
4. do a re-enrollment for health benefits
5. review efficiency of operations
6. balance categorical budgets
7. consider a parcel tax election
8. investigate an early retirement incentive
9. plan for increased class sizes

He recommends no negotiations and no raises during this time because of the uncertainties. Cutting classified employees cuts support for teachers. This causes certificated staff to work harder. SB 1419 severely limits school districts to contract out for work just to save money.

Mr. Bennett closed with the advice that "now is the time to prune the tree." He suggested planning for success with reduced resources. Identify what is core to the district. Expect political "noise." Be ready to adjust. District personnel do have control over relationships.

The Superintendent invited leaders and members of the employee associations to provide input. CSEA President Stan Molina commented that CSEA members are compiling cost-saving suggestions, which will be presented to administration. A common thread from classified employees is that CSEA members are willing to hurt a little so someone low in seniority doesn't have to hurt a lot.

Raydene Wolf, president of the Santee Administrators Association, is confident that all voices are being heard as evidenced by the compiled list of suggested reductions for consideration. She realizes that a long-term plan will be needed to address this budget crisis with emphasis on how we use our resources to meet our goals for children.

President Ryan thanked the associations for participation in the workshop. She believes this is the first time that the Board and employee associations have heard a message of this nature at the same time.

Lis Johnson mentioned mandates from the state. Mr. Bennett remarked that mandates will not be relaxed, but the Governor can suspend payments of mandated costs. President Ryan asked about mandates for standards based textbooks. Mr. Bennett commented that the Governor's proposal is for boards to certify that approved standards based materials in the core areas are available for all students before textbook funds can be released for other purposes. President Ryan encouraged writing to legislators to voice opposition.

In response to a question from Carolyn Harness, Mr. Bennett stated that School Site Councils have the sole responsibility to develop plans for spending Title I and SI funds. The board, in turn, has responsibility to approve or reject the plans. Boards can encourage their School Site Councils, in time of budget crisis, to develop common threads across the district in a cooperative forum.

D. CLOSED SESSION

President Ryan announced that the Board would meet in closed session for:

1. Public Employee Discipline/Dismissal/Release

2. Conference with Labor Negotiator
*Agency Negotiator: Sue Yakubik, Assistant Superintendent,
Human Resources*
*Employee Organizations: Santee Teachers Association (STA)
California School Employees Association (CSEA)*
3. Student Discipline Matters
4. Public Employee Performance Evaluation
Title: Superintendent
5. Conference with Real Property Negotiators
Location: Renzulli Site
*Agency Negotiator: Carolyn Harness, Assistant Superintendent,
Business Services*
6. Conference with Legal Counsel – Anticipated Litigation
*Significant exposure to litigation pursuant to subdivision (b) of Government Code Section
54956.9*

The Board entered closed session at 8:40 p.m.

E. RECONVENE TO PUBLIC SESSION/ ADJOURNMENT

The Board reconvened to public session at 11:50 p.m. No action was reported. The February 11, 2003, special meeting adjourned at 11:50 p.m.

Cathy Abel, Clerk

Marcia J. Johnson, Secretary