

HOPE SCHOOL DISTRICT BOARD HIGHLIGHTS

The monthly meeting of the Hope School District Board of Trustees was called to order at 6:00 p.m. on January 14, 2008, in the Hope District board room. All members were present. The Board adjourned to Closed Session at 6:05 p.m. The Board reconvened in Public Session at 7:05 p.m. The following is a brief outline of the actions and discussions addressed by the Board.

The Meeting Reconvened at 7:12 p.m.

Mr. Sosna reminded everyone of the board meeting protocol that is now being followed and is outlined on sheets available at the back of the room.

The following unanimous actions were taken in closed session: Accepted the resignation of a Speech and Language teacher. Accepted the certificated employees' counter offer of a 3.5% increase on the salary schedule effective August 2007.

Mr. Sosna made the following statement on behalf of the Board:

The Board thanks Donna Jolley and Elizabeth Newman-Smith for their efforts in negotiating for HDTA. The Board also thanks Superintendent Fausett and Trustee Elizabeth Owen for their work during the negotiations process.

The Board is pleased with the spirit of negotiations but wanted to comment on several circumstances. To begin with, the Board wishes it were in a position to have offered and approved a higher increase than 3.5%. We understand there is looming concern about Program Improvement status and there is added stress about how the district would handle this issue, the board also understands that health care insurance premiums are rising and the net effect of COLA increases may not cover that cost, the board is aware that there is a perception that a larger COLA could be given if there was more creativity in the budgeting process. The Board and administration have thoroughly looked at the budget and it is just not the case that more funds are available. The 3.5% increase is going to push the district into its 3% reserves in the next fiscal year, and that is without any change to the State budget. With the changes from the State that are proposed, the impact on the 3% reserve is considerable and will force the district to look at other strategies to keep from going further into reserves. On the bright side, the district is moving toward basic aid and that creates the opportunity in two years time to have a more hopeful projection. The Board feels that we can authorize a COLA now that pushes the budget into 3% reserves with the knowledge that the transition to basic aid will allow us to pull out of the reserves. The transition to basic aid and declining enrollment was always projected to result in some difficult years, this year and next year. Again, the board very much appreciates the spirit of negotiations and wish there had been a different kind of offer. In the future as we transition to basic aid, the board will explore ways to compensate teachers until the transition is complete.

Correspondence

There was no correspondence.

Public Comment

Under public comment, HDTA president Nancy Revlin spoke to the Board regarding the efforts that teachers make on behalf of the district. She presented district history as it relates to salary increases for teachers. She requested that the Board

make a commitment that teacher compensation will be a priority when developing the district budget.

HDTA negotiator Elizabeth Newman-Smith spoke for herself and Donna Jolley and thanked the superintendent, business manager, and Elizabeth Owen for the calm negotiation sessions. She said that HDTA appreciates the 3.5% salary increase but would like to share some thoughts with the Board. Teachers feel that they are losing financial ground and are caught by soaring health care costs and salary increases that have not kept up with the cost of living or helped them get ahead. Health care, child care, college expenses, and families living on one paycheck are some of the financial challenges. She asked the Board to make a commitment to consider teachers first and hold off on making commitments to take money from the unrestricted budget until they have considered how to compensate teachers. She said that outside funding is difficult to find for teacher salaries but possibilities for funding of other district expenses are ample and she will share information about those possibilities with the Board. She asked the Board to begin now to consider how they will compensate teachers next year and the year after.

Vieja Valley teacher David Nelson expressed appreciation for the work the Board does on behalf of the children and staff of the district. He thanked Tony Winterbauer for joining the Vieja Valley staff for lunch and invited board members to visit often. He said that teachers feel appreciated by students, parents, and the community, but do not feel appreciated by the Board when it comes to negotiations. He asked that the Board consider other methods of handling negotiations in the future.

Consent Items

The following routine consent items were presented to the Board for approval: The Board of Trustees unanimously approved the Minutes of the Organizational and Regular Board Meeting of December 10, 2007. The Board of Trustees approved (4 ayes; 1 abstain) the Minutes of the Special Board Meeting of January 3, 2008. The Board of Trustees unanimously approved the commercial warrant registry sheets for December 14, 2007, and January 4, 2008.

Action Items

Presentation of an Appeal in Accordance with AR 5111.1 District Residency

As outlined in AR 5111.1 District Residency, the Board was scheduled to hear an appeal from a parent regarding revocation of enrollment for her daughter because of non-residence in the district. At the request of the parent, the superintendent granted additional time for preparation of the appeal. The board will meet in a special session on January 25, 2008, at 7:00 p.m. to hear this appeal and make a determination.

Approval of the Annual Financial Report for the Year Ending June 30, 2007

Business Manager Julie Wood presented the annual audit report to the Trustees for approval. She reported that there were no findings and the overall audit is in compliance with state and federal regulations. It was noted that the District

has maintained the required reserve level above three percent but future deficit spending in the General Fund could result in depletion of the reserves in the

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General Fund and may put the District below the State recommended available reserves of three percent. The Board of Trustees unanimously approved the Annual Financial Report for the Year Ending June 30, 2007, as presented.

Approve Adoption of Board Goals

Superintendent Fausett presented the revised board goals to the Trustees for adoption. She reported that the Board had met for a special board meeting on January 3, 2008, to develop these revised board goals. The Board discussed the presented goals and made minor amendments to the language and format.

The Board of Trustees unanimously approved adoption of the Board Goals as amended.

Discussion Items

Special Board Meeting for School Site Plan Presentations

The superintendent requested that the Board determine a date for a special board meeting at which the school principals will present their Single Plan for Student Achievement. The special meeting will be held on February 29, 2008, from 11:00 a.m. to 1:00 p.m.

Implementation of Board Policy 4136, 4236, 4336 Non-School Employment

Trustee Todd Sosna requested that this item be placed on the agenda. Superintendent Fausett reported on the employees who are performing duties outside their assigned position and the compensation that they receive. The Board requested that the superintendent characterize the different categories of compensation and relate to the policy. A report will be made at a future board meeting.

Superintendent's Report

Superintendent Fausett reported that Curriculum Council had a workday last week to begin to work on the upcoming math adoption. They developed a belief statement for math achievement and math instruction and then visited the instructional materials lab at UCSB to review State approved textbooks. Teachers will also have an opportunity to review textbooks at the County Education Office on January 21. The math adoption will take place in the 2008-09 school year.

Ms. Fausett reported that the district had received no complaints during the final quarter of 2007 regarding the Williams Settlement Uniform Complaint process.

At the staff development day on January 18, the staff will hear an all-day presentation by Jim Trelease, author of the "Read Aloud Handbook". Mr. Trelease will also speak to parents on January 17, at 7:00 p.m., in the Hope School Multipurpose Room.

The superintendent congratulated Vieja Valley teacher David Nelson who received a Rotary Club award of \$750 to be used at his school.

Ms. Fausett and Julie Wood met with a consultant from the Orfalea Foundation in connection with the foundation's program to improve school lunches in our county. Chef Kate Adamick visited our school lunch program and will provide more information and suggestions for our lunch program, although she was very impressed with our current program.

Board Members' Reports

Tony Winterbauer reported that he had joined the Vieja Valley and Monte Vista staff for lunch and was looking forward to joining the staff of Hope School for lunch also.

Patricia Hiles reported that she had attended a program at UCSB last Friday morning. The first part of the presentation focused on research and, following that, the superintendents from Carpinteria and Goleta districts both spoke to the audience about their districts and the current financial situation.

There were no other reports from board members.

Superintendent Fausett reported that the governor declared a fiscal emergency on Thursday, January 10. This deficit announcement is for this fiscal year and for the upcoming year. The reasons given for the state's financial problems are the massive fires last summer, the slow down in the housing industry (resulting from the mortgage crisis) and the decline of revenues that were expected from Indian Gaming. The governor outlined a plan of proposed cuts, including K-12 education funding to help close the budget gap. The magnitude of these cuts is massive and requires action on the part of most school districts this year and next. Hope School District anticipates cuts of \$75,000 for the remainder of the 2007-08 school year. The preliminary amount for reduction next year is \$150,000.00. The major part of these cuts are in categorical funding. We will receive the COLA that is slated for this year but don't know what other cuts may occur.

These are the proposals as we know them now and a great deal of change is anticipated in the next few weeks: we will not receive a COLA for next year, the base revenue limit will be reduced, class size reduction money will be reduced, and the final apportionment that is usually received in July for this year may not be received until September. These proposals coupled with our declining enrollment will result in possible program reduction beginning this year and carrying on into the next.

The legislature has 45 days to come to some agreement and generate a plan for the adjustment of this deficit. This is not expected to be generated in a timely fashion. The longer they take in making these decisions, the more impact on school budgets if they maintain the cuts effective for 2007-08.

Ninety percent of our district's costs are in personnel and benefits and we have contract and notification issues that we must abide by. Therefore, we may be forced to make preliminary decisions this year prior to knowing the exact effect of the legislative and governor's decision. The desire is to make the reductions away from the classroom, however in a district this small that presents quite a challenge.

The district has instituted a spending freeze effective immediately.

Adjournment of Regular Session

The meeting was adjourned at 8:48 p.m.

The next board meeting will be at Monte Vista on February 11th. There will be a "Meet and Greet" prior to the regular meeting so that the community can get to know board members.