UNADOPTED

Minutes of
Madera County Board of Education
January 8, 2019

Present: Cathie Bustos, Nancy Prosperi, Alfred Soares, Jr., Grant Sturm, Joe Vived, Sara Wilkins, Dr. Cecilia A. Massetti

Also Present: Steve Carney, Jessica Drake, Larry Lara, Dennis Lingo, Dianna Marsh, Cheryl Mohr, Leslie Neumeier, Jennifer Pascale

Absent: Bobby Thatcher

1.0 Call to Order
1.1 Flag Salute
President Sara Wilkins called the meeting to order at 3:30 p.m., followed by the flag salute.

2.0 Consideration of Minutes
2.1 Regular Meeting December 11, 2018
Nancy Prosperi moved to approve the minutes of December 11, 2018, seconded by Alfred Soares, Jr., and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

3.0 Adoption of Board Agenda
Dr. Massetti asked to move item 5.4 behind 5.2 and 8.2 behind 5.4.

Alfred Soares, Jr., moved to adopt the agenda as amended, seconded by Joe Vived and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

4.0 Information
4.1 Public Comment
President Wilkins stated that this time is offered to members of the public wishing to address the Board on matters not listed on the agenda. Board members may listen to, but not discuss matters not on the agenda (G.C. 54954.2). No one came forward to address the Board.

4.2 Letters and Communications

Dr. Massetti reported and provided copies on the following:

- On December 21st, Gould held a Winter Performance.
- The office Winter Luncheon took place on December 14th. The first ever gingerbread house competition took place. Seven houses were entered. Tricia Protzman won first place.
- The Academic Decathlon will take place on February 2nd. Cathie Bustos volunteered to present awards.
- The Martin Luther King, Jr. Celebration will be held on January 20th. The keynote speaker is Madera Unified School District Superintendent Todd Lile. Humanitarian Award recipients include: Anne Lozano (posthumously), Gloria Brown, and Margaret Medellin Esquibel. Dr. Frazier will be introducing the keynote speaker, Todd Lile.

4.3 Non-School Sources

None

4.4 Madera County School Boards Association Executive Committee Meeting Report

Grant Sturm reported there is no new information. The next meeting will be held March 6th at Hillside Elementary.

4.5 Communications Committee Report

Nancy Prosperi reported the next meeting will be held on January 23rd at 2:30 p.m.

4.6 Madera County Foundation Board Report

Cathie Bustos reported there has been no meeting. The Academic Decathlon will be on February 2nd and judges are still needed. Contact Kristi Winter if you are interested in judging. Mock Trial competitions will take place on January 17, 24, & 26.

4.7 Member Report(s)

Nancy Prosperi reported she attend the Oath of Office ceremony for Dr. Massetti. It was a great event.

<u>5.0 Information from the Superintendent and Staff</u>

5.1 Financial Report

Steve Carney reported the ending general fund balance is $7.4 million and does not include the December property tax payments, which will post in January. Thus far, MCSOS has received 38% of its revenue. The working budget shows deficit spending of $1.7 million for restricted and unrestricted funds. The unrestricted fund balance will increase by $327,496. The total actual unrestricted and restricted balance has increased by $280,194. The biggest adjustment to budgets has been the increase in Capital Outlay to account for the new Early Education Center (EEC) and Career Technical Education (CTE) buildings. It is anticipated that the CTE building will be completed in April 2019. MCSOS is going out to bid for the EEC campus. The solar project is underway and is expected to be completed by the end of January.

5.2 MCSOS Williams Quarterly Report
Cheryl Mohr reported that no complaints have been received.

5.4 Excellence in Education Speeches
Larry Lara showed the Board a video of the 2018 Excellence in Education acceptance speeches.

8.2 Consideration Review and Accept 2017-2018 Audit Report
Steve Carney introduced Christina Zakarian of Borchardt, Corona, Faeth & Zakarian Certified Public Accountants. Ms. Zakarian provided a summary of the audit report to the Board. Ms. Zakarian stated the audit report has been submitted to the State. The State will review the report and send MCSOS an acceptance letter sometime during the summer. The format of the audit report is set by the State. A Federal single audit report is performed because MCSOS has $750,000 in Federal program expenditures, which is submitted to the Federal Government.

The first page of the report contains an opinions paragraph. In this paragraph, it states everything is fairly stated in material respects, which is a clean audit opinion. This page also included an “Emphasis of a Matter” paragraph. This is included in the audit report when there are major changes to the account standards or the adoption of new accounting standards. During this previous year, there was a big change regarding the GASB Statement No. 75, relating to other post-employment benefits. These benefits are the health benefits for retirees. Ms. Zakarian commented she would refer to this item several times throughout the report as the liability for retiree health benefits has substantially increased.

Ms. Zakarian reviewed page three: Management, Discussion, and Analysis. This page summarizes the financial statement. In the Financial Highlights section, it states the total net position of MCSOS is negative by almost $18 million. The reason it is negative has to do with the change in the accounting for post-employee benefits. This net position is a combination of all the activities for MCSOS. It includes all funds combined, as well as accounting for all capital assets and the long-term liabilities.

Ms. Zakarian moved to page five of the report. She highlighted the changes. The Deferred Outflow of Resources Line Item, the Deferred Inflow of Resources Line Item, and the Net Pension Liability increased significantly this year. This is related to STRS and PERS. The MCSOS proportion of share is reported here. For the Net Pension Liability, there was an increase of approximately $4.3 million.

Ms. Zakarian pointed out that MCSOS offers lifetime benefits for medical and prescription drugs for eligible retirees and their spouse. Staff hired after April 15, 1990, are not eligible for this benefit. These lifetime benefits are what is causing the large liability. Out of the $24 million liability listed, $18 million is related to the retiree benefits that are a part of the MCSOS plan.

Mr. Carney noted, when MCSOS goes to borrow funds, the lenders are aware of the GASB Statement No. 75 and do not hold that against MCSOS when determining ratings.

Ms. Zakarian referred the group to page six. This page shows the total change in net position. It reflects the activities, revenues, and expenditures. The increase in net position for the 2018 year is a positive increase of $1.4 million. It is the long-term liability change that is causing the deficit.

Page seven shows the net capital assets, which slightly increased due to the Apollo project and the PTC conversion. The construction projects are in progress. The amount shown is reserved for the CTE and EEC buildings.

A summary of the long-term debt was provided on page eight.

With the new accounting standards, additional footnotes were added to the financials. The change to the MCSOS beginning net position can be found on page 18.

Page 38 marks the start of new financial statement footnotes relating to the post-employee benefits. The values provided are from the actuary. The information provided to the actuary was audited to come up with these dollar amounts.

Page 56 shows that the general fund balance increased by $815,000 primarily due to the increase in state apportionment and unfilled teaching positions. The average daily attendance for the general fund, which does not include the charter schools, was 352. This is a decrease of 19 and relates to the closure of the Enterprise site. MCSOS had budgeted an ADA increase of 13. The available amount in the reserve was almost 11%.

The audit also involves looking at specific State compliance requirements as well as a Federal single audit requirement. For this year's Federal single audit, the special education cluster was tested as well as the Title I program. No issues were found in those areas that warranted audit findings. There were no current year or prior year audit findings.

Alfred Soares, Jr., moved to accept the 2017-2018 Audit Report, seconded by Grant Sturm and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

5.3 Dashboard

Dianna Marsh explained the Dashboard was released in December 2018. It has a new look with new symbols and a new way to show information. The Dashboard is an accountability system that shows how schools are performing. To access the Dashboard

visit: www.caschooldashboard.org. Users are able to enter any school district in the browser to obtain accountability information.

There are new indicators this year, including chronic absenteeism for K-8 only and a college/career indicator.

Districts want to remain in the green or blue indicator areas. Yellow, orange, or red means the district needs improvement. Groups are triggered by 30 students or more. Foster youth will trigger a group with only 15 students.

Differentiated Assistance (DA) is technical assistance for districts from the county office. DA begins when two or more of a district's student groups score in red for different priorities. The district and the county office work together as a team to develop solutions for the identified areas. The process has been started so late in the year that progress may not be reflected in the indicators for two years.

Last year, no districts were identified for DA within Madera. This year, five districts have been identified, including: Bass Lake, Chowchilla Elementary, Chowchilla High, Madera Unified, and Yosemite Unified.

This is the first year that county offices can be identified and MCSOS is eligible for DA. County offices cannot serve themselves, so MCSOS will work with a consortium. Charter schools will be eligible for DA in the Fall of 2019. County offices will be able to work with charter schools. (ex: MCSOS will be able to work with PTC and MUSD will be able to work with ETAA.)

The MCSOS DA team includes Jim Sargent, Kirk Delmas, Kathy Condren, and Dianna Marsh.

Orientation for the districts involved took place on December 12th. The first step will be for the DA team to meet with each district individually to review the data.

6.0 Old Business

6.1 Consideration President Appointments

- CSBA Legislative Network: Alfred Soares, Jr.
- Foundation Board: Cathie Bustos
- MCSOS Communications Committee: Nancy Prosperi

7.0 Closed Session

None

8.0 New Business

8.1 Consideration Issuance of Temporary County Certificates

Tricia Protzman asked the Board to ratify the issuance of Temporary County Certificates (TCCs) from November 1-31, 2018. TCCs are issued in order to authorize the individual to

work while the California Commission on Teacher Credentialing reviews his/her waiver request, emergency permit, initial and/or renewal credential application packet.

Nancy Prosperi moved to ratify the TCCs, seconded by Cathie Bustos.

Discussion: Joe Vived asked how long it takes the State to get back to MCSOS. Ms. Protzman stated that they respond quickly, at least within a few days, but that it varies from case to case.

The TCCs were ratified by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

8.3 Consideration of the School Accountability Report Card (SARC) for the School Year 2017-2018

8.3.1 Endeavor/Voyager Secondary School

Leslie Neumeier reported on pupil outcomes. Endeavor and Voyager Secondary Schools are eligible for Differentiated Assistance (DA) based on data in the areas of ELA and Math. Ms. Neumeier attributed low test scores to the instability of students in programs. For many, the day they are tested is the first day they have entered the program. Ms. Neumeier explained staff are participating in professional development and the program in now incorporating technology, which has helped. The new library has been a step in the right direction.

Joe Vived moved to approve the SARC for Endeavor/Voyager Secondary School, seconded by Grant Sturm and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

8.3.2 Pioneer Technical Center (PTC)

Ms. Neumeier stated PTC serves students in grades preschool through 12. There are a number of students transitioning between Endeavor/Voyager and PTC. Therefore, the data for PTC mirrors the data for Endeavor/Voyager. The program has changed this year to a blended program. It focuses on the four content areas with project based learning.

Alfred Soares, Jr., moved to approve the SARC for Pioneer Technical Center, seconded by Nancy Prosperi and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

8.3.3 Madera County Independent Academy (MCIA)
Ms. Neumeier reported the focus for MCIA this year has moved toward K-8. However, the data used for the report was from last year, which was K-12. ELA was at 12% and Math was at 1%. Parent participation will continue to be a struggle.

Cathie Bustos moved to approve the SARC for Madera County Independent Academy, seconded by Nancy Prosperi and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

8.3.4 Special Education
Cheryl Mohr reminded the Board that although the SARC specifies Gould Educational Center, the data includes students located on integrated sites throughout Madera. A change has taken place in how student grade levels are reported. Grade 12 now includes students from ages 18 to 22. There is no longer a Grade 13. This will impact the graduation rate. Ms. Mohr believes all county offices will be eligible for Differentiated Assistance because of graduation and suspension rates. Ms. Mohr prefers to use the Student Annual Needs Determination Inventory (SANDI) and student progress for more accurate data. There are no teacher vacancies.

Joe Vived moved to approve the SARC for Special Education – Gould Educational Center, seconded by Grant Sturm and approved by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

9.0 Other
9.1 Consideration Excusing Member from Absence at a Meeting for Purposes of Member Participation in Conference(s)
Per Board Bylaw 9350, a member may be excluded from a meeting to attend conferences or due to special circumstances as long as they have met an attendance requirement of 75% of the preceding 12 months of board meetings including special meetings.

Alfred Soares, Jr., moved to excuse Bobby Thatcher, seconded by Cathie Bustos and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

10.0 Adjournment

Alfred Soares, Jr. moved to adjourn the meeting, seconded by Joe Vived and carried by unanimous vote.

Ayes: Bustos, Prosperi, Soares, Jr., Sturm Vived, Wilkins
Noes: None
Abstain: None
Absent: Thatcher

The meeting adjourned at 5:20 p.m.

Respectfully submitted,

Cecilia A. Massetti, Ed.D.
Executive Secretary

CAM/jep