UNADOPTED

Minutes of
Madera County Board of Education
January 14, 2020

Present: Cathie Bustos, Nancy Prosperi, Alfred Soares, Jr., Grant Sturm, Bobby Thatcher, Joe Vived, Sara Wilkins (via conference call), Dr. Cecilia A. Massetti, Executive Secretary

Also Present: Steve Carney, Fred Cogan, Jessica Drake, Dennis Lingo, Dianna Marsh, Jennifer Pascale, Tricia Protzman, Christina Zakarian

1.0 Call to Order

Vice President Alfred Soares, Jr., called the meeting to order at 3:32 p.m., followed by the flag salute.

2.0 Consideration of Minutes

2.1 Regular Meeting December 17, 2019

Cathie Bustos moved to approve the minutes of December 17, 2019, seconded by Joe Vived and carried by unanimous vote.

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

3.0 Adoption of Board Agenda

Dr. Massetti requested agenda item 8.3 Consideration Review and Accept 2018-2019 Audit Report be moved up on the agenda and heard after agenda item 4.7 Member Reports.

Joe Vived moved to adopt the agenda as amended, seconded by Cathie Bustos and carried by unanimous vote.

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

4.0 Information

4.1 Public Comment

Vice President Soares, Jr., 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 Letter and Communications
Dr. Massetti reported and provided copies on the following:

- A ribbon cutting ceremony was held at Madera Community College Center on January 9, 2020, in honor of the first Measure C building being completed on their campus. The new building will house the Center for Agriculture and Technology.

4.3 Non-School Sources
Dr. Massetti announced the Academic Decathlon is around the corner. Kristi Winter is in need of volunteers and at least one Board member to present awards. Cathie Bustos volunteered to present awards.

4.4 Madera County School Boards Association (MCSBA) Executive Committee Meeting Report
Dr. Massetti reported the next meeting will be held February 26th. Tricia Protzman will present on new employment laws impacting districts and Kevin Gordon will report on the governor's budget. Dr. Massetti asked the Board to RSVP soon. Cathie Bustos will attend with her daughter. Nancy Prosperi and Alfred Soares, Jr., will attend as well.

4.5 Communications Committee Report
Nancy Prosperi reported that the next meeting will be held on January 22, 2020, at 2:30 p.m.

4.6 Madera County Foundation Board Report
Cathie Bustos reported there is nothing new since the last time the Board met.

4.7 Member Report(s)
None.

The Board moved to agenda item 8.3 Consideration Review and Accept 2018-2019 Audit Report.

8.3 Consideration Review and Accept 2018-2019 Audit Report
Mr. Carney introduced Christina Zarkarian, CPA, a partner with Borchardt, Corona, Faeth & Zakarian. Ms. Zakarian stated the audit has been submitted to the State. Acceptance letters from the State will be sent in the summer. Because MCSOS spends more than $750,000 in federal funds, a single federal audit was completed as well. That will be submitted soon. As part of the federal single audit, the Special Education program was reviewed.

Page 1 is the auditor's report, which shows the results and provides an opinion as to whether everything was okay. The auditors issued a "clean opinion," stating that everything presented is financially correct.

Page 5, Table 1 shows the net position of MCSOS. It represents all of the funds. It also

shows the full accrual basis of the County, which means it shows the capitol assets: the building, equipment, improvements as well as long term debt such as the pension liability. Those are items not normally shown on the interim report.

The cash balance increased substantially because of the unused Certificates of Participation (COP). Accounts receivable and payable increased. That had to do with the timing. There were pass through funds, so when one side went up, the other side went up as well. The other items had to do with long-term liabilities, which increased from 2018 to 2019. The pension liability relates to the proportionate share of the PERS and STRS pension liabilities. That also increased a bit from 2018 to 2019. The COP's increased by about $5 million.

Page 6 shows a change in net position of $1.2 million decrease and includes depreciation. The depreciation of MCSOS assets was at $1.3 million.

Page 7, Table 4 shows a summary of governmental balances. There was an increase due to COP funds not being spent completely.

Page 8, Capital Asset Table shows the work in progress at the Early Education Center and the Career Technical Education building. Those projects were not completed as of the end of the last fiscal year. Therefore, they are listed as a work in progress. The Long Term Debt Schedule shows an increase between the two years. The change is primarily due to the COP as well as the increases to the net pension liability for STRS and PERS.

Page 56 discloses a schedule of financial trends and an analysis of just MCSOS' general funds. The deferred maintenance fund and post-employment benefits fund, for financial statement purposes, are considered general funds and were included in the balances Ms. Zakarian reviewed with the Board. For the 2019 year, the change in fund balance was noted at about $5 million, primarily due to COP proceeds coming in, but not being spent. The fund balance jumped up during the 2018-2019 year. In the 2019-2020 budget, there is a deficit of $4 million showing. Those proceeds are being spent down and showing more of a normal ending fund balance for MCSOS. The average daily attendance (ADA) shown on this page relates only to the general fund and not the charter funds. The ADA did decrease compared to the prior year. The state recommends a 3% reserve and MCSOS is above that at 11.9% (3% reserve might cover one and a half months of payroll).

Page 66 and 67: As part of the attendance procedures, there was a teacher misassignment finding, but it had no fiscal impact. There was a class with more than 20% English Learners and the teacher did not hold a CLAD. To correct the issue, an emergency CLAD permit has been requested. This wasn't a big finding, but it was something the auditors had to disclose. No other issues were found.

In closing, Ms. Zakarian stated she appreciates the staff and the assistance the auditors receive every year.

Note: Grant Sturm arrived at 3:51 p.m.

Bobby Thatcher moved to approve the Audit Report for the 2018-2019 Fiscal Year, seconded by Nancy Prosperi and carried by unanimous vote.

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

The meeting moved to agenda item number 5.1 Financial Report.

5.0 Information from the Superintendent and Staff

5.1 Financial Report

Mr. Carney reported that after the full implementation of LCFF, we are now living on the COLA. He believes the proposed budget is a little more favorable than expected. The Legislative Analyst Office released a summary of the budget, which reveals that California is still a healthy state. MCSOS is in good shape to get through the recession if there is one. Currently, the prediction for a recession has been pushed out to 2024. Economists are anticipating continued growth, but at a slower pace. They are still saying that new jobs will be added in California. They also anticipate that in 2020 and 2021 the available surplus will be $7 billion. They also see a continued growth in the stock market.

Overall, the State budget for K-12 and community colleges is $84 billion of Prop 98 funding. This is an increase of $3.8 billion from last year. In the K-12 arena ADA it is estimated $496 per student, which takes the LCFF to $12,600. One of the winners is Special Education, which may have $900 million put into it. There will be a three-year multi-phase process of implementation. A few reasons for this increase is the new funding formula and expanded statewide supports. The recommendation is a three-year rolling average of LEAs ADA. The good news is a 15% increase to Prop 98 general fund contribution. That is an increase of $645 million of the $900 million that may be added to the SELPAs. An additional $250 million from the Prop 98 general fund may be allocated for children with exceptional needs from ages 3-5. There is educator recruitment and training monies totaling $900 million. Most of that is for special education teachers, but there are some general education dollars. $500,000 will be used for a one-time general fund Prop 98 study for SELPA governance and accountability structures. $600,000 will go toward creating two work groups to study improved accountability in special education, services delivery, and student outcomes. There is $300 million to expand supports and services for the states' neediest schools and that is to establish opportunity grants and expand the capacity of CTEE. $70 million will go to improve and strengthen school meal programs. $600 million has been added to create an online statewide LCAP portal and co-locate the SARCs. Nothing was taken away from supplemental pension payment. The $3.1 billion that was in the budget last year remains. Early Education and Child Care were also winners. There is an increase

in slots and transferring unused childcare funding to the preschool side.

Regarding the MCSOS budget, approximately $21 million has been received and approximately $22 million has been spent. MCSOS continues to be fiscally conservative. This helps with cash flow and MCSOS has not needed a TRANS.

Mrs. Prosperi asked about the ending fund balances for MCSOS of $19,233,075. Mr. Carney explained that what he has always presented to the Board is just the General Fund. The other fund balances can be shown. The balance at the bottom of the agenda item cover page comes from $12 million (general fund), $4 million (post employment), $3 million (charter schools).

Vice President Soares, Jr., asked what are some things that can be done to get ahead during this time of prosperity. Mr. Carney stated the audit report showed a reserve balance of $1.9 million. That figure is now $5.1 million. The ending fund balance and the reserve balance have been slowly growing. Dr. Massetti added that MCSOS has consolidated all debt. By consolidating, payments are less and will be a stable amount going forward rather than sharp increases in the out years.

Dr. Massetti talked about growth in early education and the Bridges to Leadership program.

Mr. Vived asked if MCSOS sets the fee for Bridges. Dr. Massetti explained that MCSOS charges $7,000 per participant. The districts have the option to pitch in whatever they choose and the candidate pays the rest.

Ms. Prosperi asked if Bridges is self-supporting. Dr. Massetti confirmed that it is self-supporting at this time.

5.2 MCSOS Williams Quarterly Report

Ms. Drake reported that no complaints were received this last quarter.

5.3 Dashboard

Mrs. Marsh reviewed the CA School Dashboard 2020. This is the measure that the State of California and the federal government use to evaluate school districts. It takes into account where the school starts and looks at their growth. State indicators include: academic, college and career, graduation rate, suspension rate, and English Learner progress. MCSOS charter schools offer manufacturing, child development, and welding for a career path. Accountability is multifaceted. Local indicators include: implementation of academic standards, parent & family engagement, local climate survey, access to a Board course of study, coordination of services for Expelled Youth (COE only), coordination of services for Foster Youth (COE only). The target color is green. The color spectrum includes red, orange, yellow, green, and blue with red signaling improvements are needed and blue signaling things are in good shape. “None” means they are not held accountable. Ex: Chowchilla Elementary will not have graduates so they will not be accountable for graduation rate. Mrs. Marsh explained

that MCSOS will be marked, “none” across the board because of the student population we serve. Next year, the scores will be reported with the student’s district of residence.

The dashboard is used to hold districts accountable. Any district with two categories in the red are selected for differentiated assistance (DA). Last year, Bass Lake, Chowchilla Elementary, Chowchilla High, Madera Unified, and MCSOS qualified for DA. Bass Lake, Chowchilla Elementary, and Chowchilla High no longer qualify because of the progress they have made. This year districts that qualify are: Chawanakee, Golden Valley, MCSOS, Madera Unified, and Yosemite Unified.

6.0 Old Business

6.1 Consideration President Appointments

President Wilkins made the following appointments:

- CSBA Legislative Network (1): Alfred Soares
- Foundation Board (1): Cathie Bustos
- MCSOS Communications Committee (1): 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 December 1-31, 2019. 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 and carried by unanimous vote.

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

8.2 Consideration Disposition of Surplus/Obsolete Equipment

Mr. Carney provided the Board with a list of equipment declared obsolete. Items included laptops, a printer, video cameras, monitors, and mobile monitor stands.

Joe Vived moved to approve the list of surplus/obsolete equipment as submitted, seconded by Cathie Bustos and approved by unanimous vote.

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

Abstain: None
Absent: None

8.4 Consideration of School Accountability Report Card (SARC) for the School Year 2018-2019

8.4.1 Endeavor/Voyager Secondary School

8.4.2 Pioneer Technical Center

8.4.3 Madera County Independent Academy

8.4.4 Special Education

Mr. Cogan presented the SARCs for approval. Mr. Vived asked about the notable increase in staff development days. Mr. Cogan explained the days are not full days of staff development, some are late starts. Vice President Soares, Jr., asked if this was something being done previously. Dr. Massetti stated this is fairly recent. Mr. Carney clarified the added staff development time began around the time the blended program started.

Ms. Prosperi asked if the SARC report can be printer in larger font. Dr. Massetti explained that it is a State template that cannot be modified.

Bobby Thatcher moved to approve the School Accountability Report Cards for Court and Community Schools, Pioneer Technical Center, Madera County Independent Academy, and Special Education, seconded by Nancy Prosperi and carried by unanimous vote.

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

9.0 Other

9.1 Consideration Excusing Member from Absence at a Meeting for Purposes of Member Participation in Conference(s)

None

10.0 Adjournment

Nancy Prosperi moved to adjourn the meeting, seconded by Bobby Thatcher and carried by unanimous vote.

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

The meeting adjourned at 4:53 p.m.

Respectfully submitted,

Cecilia A. Massetti, Ed.D.
Executive Secretary