

BERKELEY UNIFIED SCHOOL DISTRICT

OFFICIAL BUT UNADOPTED MINUTES

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MINUTES, SPECIAL MEETING
Wednesday, March 14, 2001
District Administrative Offices
2134 Martin Luther King Jr. Way
Berkeley, CA 94704-1180

CALL TO ORDER

President Terry S. Doran called the meeting to order at 6:05 p.m. and the Board recessed to Closed Session.

1 BOARD ROLL CALL:

MEMBERS PRESENT: President Terry S. Doran
Vice President Shirley Issel
Director Joaquin J. Rivera
Director Ted Schultz
Director John T. Selawsky

ABSENT: Student Director Niles Xi'an Lichtenstein

ADMINISTRATION: Interim Superintendent Stephen A. Goldstone, Secretary

2. Recess to Closed Session (Board Conference Room)

- a. Discussion with Legal Counsel-Existing Litigation (Government Code Section 54956.9(a)).
- b. Collective Bargaining Session (Government Code Section 3549.1(d)).
- c. Public Employee Discipline/Release/Transfer/Assignment (Government Code Section 54557).

RECONVENE IN PUBLIC SESSION

The Board reconvened to Public Session at 7:49 p.m.

REPORT OF ACTION TAKEN IN CLOSED SESSION

President Doran stated that there was nothing to report from Closed Session.

COLLECT "REQUESTS TO ADDRESS THE BOARD OF EDUCATION" CARDS

President Doran collected the "Requests to Address the Board of Education" cards.

PUBLIC TESTIMONY

One speaker addressed the Board.

ADVISORY COUNCILS

Ms. Cynthia Papermaster, a PTA Council representative, announced the date of the next PTA Council Meeting, and topic of their next program, *Talking with Our Kids About Tough Issues*, which will be held Tuesday, March 20, 2001, at Berkeley Arts Magnet School.

At this time, President Doran made the following announcements:

- The Berkeley High School Women's Basketball Team won, for the third consecutive year, the Northern California Championship in Division One. On Saturday, March 17, 2001, they will be playing in Sacramento for the State Championship.
- The District is considering moving forward in conjunction with several softball organizations in this area—the Berkeley-Albany Women's Softball League—to build a new softball diamond at Longfellow Arts & Technology Magnet Middle School. There will be an opportunity for public input and discussion about the financial impact and ramifications of that softball field on Monday, March 17, 2001, at 7:00 p.m. The public is invited to attend this meeting.

BOARD COMMENTS

Board members reported on their attendance at school activities.

APPROVAL OF ACTION ITEMS

3. Approval of the Second Interim Report: July 2000-January 2001, FY 2001

The Board had before it a 26-page document: **Budget Review Second Interim Report, July 2000-January 2001.**

Mr. George Sirogiannis, Chief Financial Officer, said this report includes the District's estimated expenditures to finish the year, as well as any revenues that we anticipate that we will be receiving. It also includes the settlement of Berkeley Federation of Teachers (BFT), Union of Berkeley Administrators (UBA), non-represented managers and an amount that appears to be the settlement with Public Employees Union Local One. All negotiated settlements are included in the Second Interim Report.

The Second Interim Report includes some cost of living adjustments for substitutes. Because of the increase in utilities, we have included approximately \$160,000 for natural gas, and \$100,000+ contract services to a firm to provide data processing services. A large amount of the expenditures, approximately \$3-\$4 million, are due to additional grants; these revenues and expenditures usually offset each other.

Mr. Sirogiannis said there is one potential liability that is not included in the written report. The liability of approximately \$296,000 per year for the next four years for the Staff Development Day payback.

He said the Second Interim Report reflects a \$490,000 shortfall. In addition, the Child Development Fund is in trouble for the current year.

APPROVAL OF ACTION ITEMS (continued)

3. Approval of the Second Interim Report: July 2000-January 2001, FY 2001 (continued)

Mr. Sirogiannis recommended the following:

- a. That the Board accept the Second Interim Budget Review presented in the 26-page budget document.
- b. That the Board approve a positive certification to the County and State that the District will be able to meet its financial obligations for FY 2001.

Interim Superintendent Stephen Goldstone stated:

"The first recommendation that I gave to the Board was given without an opportunity to fully analyze the information provided by staff. One of the reasons that I asked that this item be postponed from the last Board meeting was to give me an opportunity to further analyze the information and to talk to some people who I respect in the field of school finance, as well as talk to the county and other individuals. My recommendation is based upon that analysis and what I consider good advice that I received from a variety of sources. I want to emphasize that we have a very serious budget challenge for next year. We have a shortfall in this current year in our 3% recommended reserve of \$490,000. If we add the \$290,000 that is being taken from the principle apportionment by the State because of the Staff Development Day Waiver, that moves our shortfall in the 3% reserve to \$780,000 and the recommended 3% is \$2,099,000. So the fact is that we are going to fight the waiver and I am confident that we are going to win. With a budget that includes \$780,000 taken away from our recommended reserve, I think we have an issue of the 3% reserve this year. What the State is concerned about is how we are going to restore the 3% reserve for the following year. If we add the \$290,000 waiver issue from this year and next year, that moves our target to reduce next year's budget by \$5.8 million.

"There are three levels of certification:

"Positive certification: The Board President certifies that this District will be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.

"Qualified certification: The Board President certifies that this District may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

"Negative certification: The Board President certifies that based upon current projections this District will be unable to meet its financial obligations for the remainder of the fiscal year or for subsequent fiscal years."

APPROVAL OF ACTION ITEMS (continued)

3. Approval of the Second Interim Report: July 2000-January 2001, FY 2001 (continued)

"The District must declare a negative certification. The County can review the certification and change it and in so doing there is a provision of law that provides an opportunity for local school districts to appeal that certification at the State level and, as a result of that, the State will either support the County or support the District's appeal.

"Based upon a variety of factors, I am recommending to the Board that the Board issue a "qualified certification" based upon a variety of factors:

- We will not end this year positively in relationship to our 3% reserve.
- The cuts that we are projecting for next year are significant in a school district this size with a budget of this size. The cuts that will be required are manageable but they are significant.
- Because of the conversion into a new financial system.
- We have several key positions in the business office that have been unfilled for quite some time and I need to fill those positions in order to make that staff fully functional.
- The repayment waiver of Staff Development.
- A qualified certification is an indication that we are being proactive, that this recommendation is serious.
- I recommend that we have a Third Interim Report.

"My recommendation to the Board is that we say to ourselves that we have a serious financial challenge—that we have a shortfall this year that will have to be addressed. This shortfall will be added to our shortfall next year."

Motion: Directors Rivera/Schultz and approved 3-2-0-(1) on roll call vote:

To accept the Second Interim Report: July 2000-January 2001, and that the Board approve a "positive certification" to the County and State that the District will be able to meet its financial obligations for FY 2001.

AYES: Directors Doran, Rivera, Schultz
NOES: Directors Issel, Selawsky
ABSTAIN: None
ABSENT: (Student Director Xi'an Lichtenstein)

ADDITIONAL PUBLIC TESTIMONY

There was no Additional Public Testimony at this time.

BOARD MATTERS

4. Boards Committee Appointments/Reports

- Berkeley School Financing Corporation
- Berkeley Arts Education Steering Committee
- Citizens Advisory Committee on Diversity
- Citizens Budget and Finance Advisory Committee

Director Rivera appointed **Robert Smith** to the Citizens Budget and Finance Advisory Committee.

- Citizens Construction Program Advisory Committee
- Facilities Maintenance and Security Advisory Committee
- Music Program Committee
- Peace and Justice Commission
- Student Assignment Advisory Committee
- Surplus Facilities Advisory Committee
- Two-by-Two Committee
- Youth Commission

The Board recessed to Closed Session at 10:00 p.m. The Board reconvened in Public Session at 11:30 p.m.

ADJOURNMENT

President Doran declared the Special Meeting of March 14, 2001 adjourned at 11:30 p.m.

APPROVED:

ATTEST:

President, Board of Education
Berkeley Unified School District

Secretary, Board of Education
Berkeley Unified School District

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