

METROPOLITAN EDUCATION DISTRICT

**Governing Board Meeting Minutes
September 12, 2007**

I. CALL TO ORDER/ROLL CALL

The open session of the regular meeting of the Governing Board of the Metropolitan Education District was called to order by President Grilli at 7:05 p.m., Auditorium at the Central County Occupational Center, 760 Hillsdale Avenue, San Jose, CA 95136.

All Members present, except when noted "absent".

Cynthia Chang, Los Gatos-Saratoga Union High School District

Ernie Dossa, Santa Clara Unified School District

Richard Garcia, San Jose Unified School District

Diane Gordon, Campbell Union High School District

Marsha Grilli, Milpitas Unified School District

J. Manuel Herrera, East Side Union High School District

II. REGULAR MEETING

Time: 7:00 p.m.

Location: CCOC Auditorium

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Member Gordon.

IV. ADOPT AGENDA

Motion to adopt the agenda: M/Gordon S/Chang V/6 aye

V. STUDENT REPORTS

- CCOC Student – there was no CCOC student report.

- MAEP Student

MAEP Director, Sylvia Karp introduced CalWORKs student, Felina Valdez who was the team leader for the August blood drive. Felina talked about the experiences that the students gained in this work experience activity. They exceeded their goal of 50 and accomplished this through community outreach and making presentations to both MAEP and CCOC programs to encourage participation. They were also successful in getting business support.

VI. SPECIAL ORDER OF BUSINESS

Superintendent Hay asked that Director Fox have an opportunity to introduce a CCOC teacher. Fox introduced Ed Van Hagen who was hired last year to replace retiree Dave Walters in the Auto Electric and Tune-up program. Van Hagen was presented to the Board as he did not have an opportunity to be introduced last year.

A. Facilities Presentation

Human Resources Director, Dan Gilbertson, gave a Facilities presentation to give the Board an opportunity to see the improvements made to the grounds and buildings at CCOC, San Jose, and Erikson. Jose Garcia, Head Groundskeeper, was given an award for beautification of the MetroED campuses.

VII. PUBLIC PRESENTATIONS & REPORTS

A. Public Comments

Marsha Holstrom from the Older Adult Program spoke to the Board about the book put together by her class last year. Each of the class members wrote stories about their

family history. A student presented a book to each Board member in June and asked that the books be returned. There are still 4 books outstanding. Ms. Holstrom invited the Board to visit her class at any time.

Prior to Garofolo's comments, Superintendent Hay remarked that there are some misconceptions in Superintendent's Nunez' letter and that he would be addressing each of the issues with Mr. Nunez.

East Side Associate Superintendent, Alan Garofolo, read a letter from East Side Superintendent, Bob Nunez, addressed to Members of the MetroED Governing Board and to Superintendent, Paul Hay. Mr. Nunez also copied each of the 5 district superintendents on his letter.

The letter expressed concern about impacting the relationship between East Side and MetroED. The items specifically mentioned were actions taken by the MetroED Governing Board at the August 22 meeting, section XI, item 9, to terminate Board subcommittee on potential litigation and to appoint a Board ad-hoc advisory committee on potential litigation with East Side Union High School District; items 10 and 11 the MetroED Governing Board approved the retention of legal counsel.

Mr. Nunez also wrote that the actions taken are ". . . directly contradictory to Mr. Hay's comments to the East Side Board of Trustees in an open session. . ." and that he hopes his interpretation of the events is wrong.

He asked the MetroED Governing Board to rescind its vote establishing the ad-hoc committee.

VIII. APPROVAL OF MINUTES

1. **Action Item: Approval of Minutes of Regular Board Meeting, August 22, 2007.**

Motion to approve August 12, 2007 Board Minutes: M/Gordon S/Chang V/6 ayes

IX. CONSENT CALENDAR (ACTION)

Motion to approve the consent calendar, items 2 through 11: M/Garcia S/Chang V/6 ayes

Items approved under the Consent calendar:

BUSINESS AND FINANCIAL FUNCTIONS

- *2. **Approved JULY Warrant Approval List**
- *3. **Approve AUGUST Warrant Approval List)**
- *4. **Items to be Surplused**
- *5. **Accepted Donations**

PERSONNEL

- *6. **Certificated Personnel**
- *7. **Classified Personnel**
- *8. **Administrative Personnel**

INSTRUCTIONAL AND STUDENT FUNCTIONS

- *9. **CCOC Textbook Approval**
- *10. **Medical Apprenticeship Agreement**
- *11. **Approve Agreement with Campbell Union School District**

X. INFORMATION ITEMS

12. **Information Item: 2006-07 MetroED Goals Progress Report**

Director of Instruction and Accountability, Pamela Watson, presented the 2006-07 MetroED Goals progress report.

Discussion:

Member Chang said she noticed that Watson's presentation mentioned a draft of the School Services Management Study. She asked if the draft had been received. Superintendent Hay addressed the question. Mr. Hay said that he had spoken with School Services and they said their delay had to do with the late state budget. They will expect to have a draft to Superintendent Hay by the end of this month. We will then go through an evaluative process to make sure there are no mistakes in the report; it will then be sent back to School Services for completion of the report. When the final report is received, a date will be determined for a joint meeting with the Board and the Superintendents.

13. Information Item: MetroED Investment Portfolio as of 6/30/07

Director of Fiscal Services, Wendy Zhang, presented the MetroED Investment Portfolio as of June 30, 2007. Ms. Zhang reported that this is a routine quarterly report. She mentioned to the Board that she also included, for their information, the new investment policy of the County of Santa Clara. She said that she has no concerns about the investments; they look good.

XI. ACTION ITEMS AND REPORTS

BOARD AND ADMINISTRATIVE FUNCTIONS

14. Information Item: Update on CCOC Funding Equalization; Request for Board Direction

Discussion:

Superintendent Hay said that his position had remained consistent in that California education needs to expand career technical education on high school campuses and in Centers; both are needed – the expansion should happen in both areas.

Superintendent Hay said that he was going to take some time with this item to make sure that everyone understands the complex issue. He walked the Board through the item and explained each item in detail.

The first year results of the equalization formula that was approved by the MetroED Governing Board and all 6 District Boards, were close to estimates. However, years 2-4 will not work as projected. The formula used growth ADA to give to those districts that were not generating enough revenue to cover their students attending CCOC. San Jose Unified and East Side were the two districts who were the most financially impacted.

The equalization formula will no longer work because the state has granted only 44 growth ADA for 2007-08 and zero growth for the two subsequent years. This leaves a shortfall of 238 ADA which amounts to about \$1.4 million.

Another issue has arisen which happened after the board item was prepared. This information has not been confirmed, but it is going to happen, and that is that the state is retroactively taking 92 growth ADA from 2006-07, which amounts to about \$1.2 million. This is money that we needed to make the equalization work. We need to move to resolve the equalization issues, and Hay is committed to making equalization work. We need to look at the funding model when we no longer have the \$2.7 million in growth ADA to use.

Member Chang asked for an explanation of where the \$1.2 million came from. Superintendent Hay explained that it was the 92 growth ADA the state was taking back from 2006-07.

Member Herrera said that the numbers have to work out for East Side to continue our participation at a similar level; we must consider the bottom line.

Member Garcia asked how the process will work and what the timeline might look like. Hay said that the process should begin with the Superintendents in October and before that, in September, a meeting will occur with Superintendent Nunez and Jerry Kurr, his financial person. Hay wants to have the discussion of freeing up ADA with East Side, so that they will know what we are doing. Hay said that he sees a cost to MetroED over the next 4 years. We have paid out \$1.7 million to support the satellite program; can we increase that amount? There may be other ways of adjusting the funding model; such as, East Side could send fewer students and other districts like Campbell could increase the number of students. This is already happening; Campbell's student attendance is up this year. I also need to talk internally with CCOC and our fiscal department. Hopefully by February or March of 2008 we will have a revised funding agreement and a revised Master Business Agreement.

Member Garcia said this is a delicate issue and complex. His hope is that the parties will be able to keep focus on the fact that we are dealing with the same students. Hopefully we can come up with a plan that will meet the needs of students and the districts. We need to enter into these negotiations working from a place of trust and we need a process to strengthen the trust.

Member Chang asked if Superintendent Hay would send attachments 1 and 2 to her. Hay said that he would send the attachments to all Board members with the board item.

Superintendent Hay said that this will require that we have regular updates because of a complex issue. The Superintendents are now receiving the Friday Update and will be kept up to speed through that document and other communications.

Motion that the Governing Board authorize the Superintendent to seek to reopen negotiations with the six JPA participating districts on the CCOC Equalization Funding Model. M/Chang S/Dossa V/5 aye, 1 abstention (Herrera)

Herrera requested that his vote be changed from abstention to "no"; the vote was changed.

BUSINESS AND FINANCIAL FUNCTIONS

15. Action Item: 2006-07 Unaudited Actual Financial Reports (Wendy Zhang)
Fiscal Director, Wendy Zhang gave a Powerpoint presentation on the Unaudited Actual Financial reports. She said that the books for 2005-06 are closed and the financial reports are being audited as of today.

Discussion:

Members Dossa and Chang thanked Director Zhang for a job well-done.

Motion that the Governing Board approve all 2006-07 interfund transfers; approve all fund balance designations, and; authorize the Superintendent to file the 2006-07 Unaudited Actual Financial Report with the Santa Clara County Superintendent of Schools. M/Dossa S/Chang V/6 aye.

PERSONNEL FUNCTIONS

16. Action Item: Approve Memorandum of Understanding with MetroED Administrators (Paul Hay)

Discussion:

Superintendent Hay said that this MOU with the administrators was requested for the purpose of memorializing an agreement with the administration and the superintendent. Hay said that he has had experience in districts where there was an agreement and where there was not an agreement. He believes that where an agreement existed, the relationship between the parties was better, helped maintain clarity of process and avoided misunderstandings.

Member Chang asked if this was a formalization of what already existed. Hay said that is correct.

Motion that the Governing Board approve the Memorandum of Understanding for Administrative and Confidential Employees for the fiscal year 2007-08. M/Garcia S/Gordon V/6 ayes

INSTRUCTIONAL AND STUDENT FUNCTIONS

--None--

XII. EXECUTIVE REPORT/ADMINISTRATIVE REPORTS

Superintendent Paul Hay and the MAEP and CCOC Program Directors had recent significant information to present to the Governing Board on topics not on the agenda.

Oral Report: CCOC Director John Fox

- CCOC had a good start. Students were sent schedules over the summer and reported directly to their classrooms. Fox has been told that this was the smoothest beginning of school ever. Teachers reported on the stress-free process.
- An in-service for teachers was given on 8/28 for CCOC teachers by the County Office of Education with assistance from Pam Watson. Many positive comments were made.
- Enrollment as of today is at 1820. We offer 70 sections of classes with an average enrollment of 26 students per section.
- Adult enrollment is down 3% from last year; a direction we are trying to go.
- All of our classrooms are occupied as planned, students and teachers are where they are supposed to be.
- A back-to-school night will be held on Friday, September 14 from 5:30-7:30. Food will be served in the cafeteria from 5:30-6:30, with classroom visits from 6:30-7:30.
- CCOC will host a breakfast meeting for the Santa Clara County Construction Careers Association on Friday, September 21.
- Jan Joseph, our baking and catering instructor is September's teacher of the month.
- As of Friday, we will have held 14 orientations for students. The meetings have been very upbeat and positive. We have presented our expectations and students have been challenged to also raise the bar.
- Special thanks to Wendy Yegge and Ken Schirle for their work on the six district logos that are now in the auditorium.

Member Garcia asked if there was a plan to share a message with parents and to make a few comments before they go off to their student's classes. Fox said

that this sounds like a good idea and this is something that we will be talking about

Member Chang said that at least a welcome would be appropriate. She said that she would try to be there.

Oral Report: MAEP Director Sylvia Karp

- MAEP is off to an amazing start with 3500 students. Other classes are yet to begin such as some of the Older Adult classes and Community Interest.
- We have started with 200 concurrent students and this number will continue to grow.
- We had 150 teachers at the back-to-school workshops
- All students have had orientation
- The Board is invited to attend any of our classes at any time; call Sylvia and she will make the arrangements
- A special thanks to Bob Beaulieu and the IT department for installing new servers and software. Train-the-trainer sessions have been completed and teacher training will begin within the next few weeks.
- We are preparing our students for CAHSEE in October

Oral Report: MetroED Superintendent Paul Hay

- WestED Report on CTE, " Paul's quote "
- We are now at 74 days without our advance apportionment, and will likely have another 10-14 days before we receive it. Hay has asked our lobbyist in Sacramento to draft a letter to the Governor, Department of Education, Superintendent of Public Education to ask why the money has not been appropriated and ask that the Department of Finance release the money immediately. We need to be a part of the appropriation system that funds K12. We are working on direct funding legislation; the Department of Finance has fought this in the past.
- Thanks to Ken Schirle and Wendy Yegge for the logos of the six school districts; this adds an ambiance to the room.
- The Culinary Arts and Catering/Baking programs have sent a gift for the Board Members to take home with them.

XIII. BOARD COMMENTS

- Manuel Herrera:
Member Herrera presented a letter to the Board which he read for the public record. He noted that he had met earlier this evening with President Grilli and Superintendent Hay to inform them of his letter. He had also learned that day that Superintendent Nunez had also written a letter to be presented to the Board; however, the letters were done independently and not coordinated. His letter addressed action that was taken at the August 22 Governing Board meeting where he voted affirmatively on items 9, 10 and 11, all dealing with litigation. Item 9 regarded the appointment of an ad hoc committee to deal with potential litigation regarding East Side; item 10 was to approve an agreement for legal services with Lozano Smith, and item 11 was to approve the engagement letter for legal services with Manatt, Phelps & Phillips, LLP. He now feels that his support of these items might misconstrue his intentions and be interpreted as taking a position of aligning himself with litigation to be taken against East Side. He has asked the board if they will consider bringing items 9, 10, and 11 back to the board for a vote so that he can cast a vote of "no" on all three items so that his vote will not be misconstrued.

President Grilli discussed with Superintendent Hay the procedure regarding Member Herrera's request to bring items 9, 10, and 11 from the August 22 Board meeting back to another Board meeting. Hay said that the Board can make the decision on what to do, and that he had no objection. Grilli said that on finding no objections from the Board that the items will be brought back to a subsequent meeting.

- Member Garcia:
I believe that we need to discuss the Nunez letter in either open or closed session. This Board had no intentions of violating the Brown Act. If this becomes a litigation issue then it needs to be discussed in closed session. Superintendent Hay said that he will be calling Superintendent Nunez. Hay noted that the intent came out of a closed session.

Garcia said that he is looking forward to attending the CAROCP Conference.

Garcia mentioned the article in the San Jose Mercury News written by the Superintendent of Franklin-McKinley, Porter, referring to the value of applied learning. He suggested that a letter be written to the Mercury News to tell them about the CCOC program.

Garcia's son, who completed the Culinary Arts program at CCOC, has now been given the sous chef position at Jack Falstaff's in San Francisco. He will give anyone from CCOC special treatment.

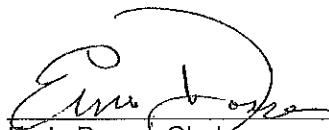
- Member Chang:
When I voted at the August 22 meeting there was no intent to start any litigation. We took action that is best for the students. I would also like to thank Paul for providing the information to us.
- Member Dossa:
We have a Board Member at Santa Clara whose son is attending CCOC and he is extremely excited – he says we've saved his son.

XIV. OTHER MEETINGS

Special Meeting with JPA Superintendents Executive Council			
Date to be determined	Open Session		12:00 pm
Regular Meeting,	October 10, 2007	Closed Session	6:00 pm
		Open Session	7:00 pm

XV. ADJOURNMENT

Meeting was adjourned at 9:05 pm.


Ernie Dossa, Clerk