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2024-04-23, Special Meeting

Agenda



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- ▶ [**Aiden Hill**] United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all. Okay, and I apologize. We need to do roll call first. So, Ms. Eugster.
- ▶ [**Kadie Eugster**] Member Thomas. Here. Member Plancarte. Here.
- ▶ [**Kat Jones**] I know.
- ▶ [**Kadie Eugster**] Member Jones. Here. President Aden Hill.
- ▶ [**Aiden Hill**] Here. Okay, so moving on to agenda item 2.2, meeting practices. Greetings, everyone, and thank you for joining. Before we get started, I would like to say that the board appreciates and supports stakeholder input at our meetings. Engagement by members of the public in civic matters is a cornerstone of our democracy. Per the California School Board Association, however, it is important to note that a board meeting is not a meeting of the public, but rather a meeting to conduct the public's business. Everyone should have a chance to express their opinions within the guidelines the board has established for its meetings So that we are able to conduct the meeting effectively and efficiently During the meeting there will be a time for public to comment on matters on the agenda And you may comment on specific agenda items after I as the board president asked for public comment on an item Until it is your turn to speak, or if you are here just to observe the meeting, please refrain from any behavior that prevents others from participating in the meeting. This includes any conduct that prevents members of the board, district staff, or the person making a comment from speaking. We also ask that when you are called upon, you address only the board. While we assume that members of the public intend to participate in the meeting in a civil manner, and while legitimate criticism of the board is protected speech, Per Board Bylaw 9323 and Government Code 54957.95, we will not permit actual disruption of the board meeting. Disrupting means engaging in behavior during a board meeting that actually disrupts, disturbs, impedes, or renders infeasible the orderly conduct of the meeting. Actual disruption by an individual or group or any conduct or statements that threaten the safety of any person at the meeting shall be grounds for the president to terminate the privilege of addressing the board and remove the individual from the meeting. Prior to removal, the individual will be warned that their behavior is disrupting the meeting and that failure to cease the disruptive behavior will result in removal. If after being warned, the individual does not promptly cease the disruptive behavior, the board president will ask that the individual be removed. Thank you for your attention to these protocols and we look forward to your participation in our meeting. Okay, moving on to agenda item 3 and 3.1 approval of the agenda. Can I get a motion to approve the agenda?
- ▶ [**Kat Jones**] I'll approve the agenda.
- ▶ [**Nancy Thomas**] I'll second it.
- ▶ [**Aiden Hill**] Okay, so member Jones moves and member Thomas seconds. Can we do a roll call vote please?
- ▶ [**Kadie Eugster**] Member Thomas? Yes. Member Plancarte? Yes. Member Jones? Yes. Aiden Hill?
- ▶ [**Aiden Hill**] Yes. OK, motion carries. So moving on to agenda item 4.1, public comment on agenda items. And we have one request from Cindy Parks. Ms. Parks, would you like to come up and comment on 6.1? Or do you want to wait until the agenda item itself?

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- ▶ [**Tracey Vackar**] It's not listed on the agenda that way.

- ▶ [**Cindy Parks**] Good evening. I'm pleased to see the board has once again invited FCMAC to provide their perspective on the district's current financial situation. The March 2009 FCMAT report was conducted at the onset of the recession, a time when the district was already facing declining enrollment and deficit spending. All three processes offered recommendation to enhance efficient, I'm sorry, all three reports highlighted similar financial concerns and review various business office processes offering recommendations to enhance efficiency. Based on my observation, there has never been a joint effort from the board, superintendent, and CBO to fully address and implement all concerns and recommendations outlined in these reports. Amidst differing perspectives within our community, it is vital that we find common ground and focus on collaborative solutions. Failing to do so significantly increases risk of state intervention, a scenario we must avoid at all costs. I cannot count how many times I have heard remarks like, I wish the state would just take over Newark Unified. Many people do not understand what triggers state intervention, nor would they want this action to take place. From the information I have gathered, the state steps in when a school district fails to balance its budget due to cash shortages. An administrator would be appointed, taking over all decision-making powers from the school board and the superintendent. To fulfill its obligations, the district would secure a state loan repayable with interest. The administrator would be tasked with making cost-saving measures through cuts and has the authority to alter student programs like Ohlone Connections, Puente, MCA, DLI, and renegotiate union contracts. Recovering control over our schools and their programs could take years. I highly doubt we want to experience any of these scenarios in Newark, nor experience the same fiscal crisis as Oakland Unified. It is critical we closely examine all business practices, implement significant cost-saving measures, and work to increase revenue by boosting enrollment and attendance. By coming together to address these fiscal challenges, we can prevent the inconceivable alternative. Thank you.

- ▶ [**Aiden Hill**] Thank you, Ms. Parks. And Ms. Eugster, are there any additional public comments? There's nobody online. Great, thank you. Okay, moving on to agenda item 5.1, superintendent report. Superintendent.

- ▶ [**Tracey Vackar**] Good evening, board. So good to see you here this evening, and thank you for making time for this special meeting. This evening, I'm really excited about introducing two interim cabinet members that have joined our team to be able to come and help Newark Unified School District, to help the employees, our parents, and our community who are who we serve and so my first person I'd like to introduce this evening is Mr. Chris Williams. Chris comes from Central California and he has served as a vice principal, principal, director of HR, assistant superintendent of HR, superintendent. He's also a professor, an adjunct professor at the university level. So good to have him on board to be able to help us and to be able to work through some of the challenges that we have with trying to find good people to come and join our team, and to help those that are already here on our team. So it's a delight to have him here, to have him join Newark Unified School District. Chris? Thank you guys so much.

- ▶ [**Chris Williams**] I'm super looking forward to it. Besides the button, I'm really good at this, right? Yeah. Thank you so much. I really appreciate the opportunity. I got to go to a few sites today, meet with the principal, meet with a few teachers and a great classified staff at the district office, as well as the ed service team. Really blessed to be a part of a great team and great leadership with Tracy. And I think you guys are doing some magnificent things. And I think we're all here to help so we can align to what your expectations are and expected outcomes as well. So we're here as service agents to make sure that we get to the point that you guys want to be at. And thank you for the opportunity. Greatly appreciate it.

- ▶ [**Tracey Vackar**] Supporting our business team is going to be Bill Olien. Bill brings a great deal of experience both in maintenance and operations, business practices, fiscal services. He's led many initiatives on bond initiatives, and so I think his timing, he coming here to help us do some heavy lifting will be really helpful here. So I just want to be able to introduce you all to him. He comes from, he's a retiree from Urieta, California, and has served there as a CBO.

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- ▶ [**Bill Olien**] Thank you very much. Looking forward to, I just want to be able to help and move things forward however I can and use my experience to be able to help with that. So I'm looking forward to helping you guys.
- ▶ [**Tracey Vackar**] My report is very simple tonight. Honestly, we are here to hear Mr. Fine chat with us about the state of our budget and some things that have a little bit about the past history of FCMAT and their services, and then where we are at today, and some things that we need to do together as a team to be able to move forward. So with that, I was thrilled to be able to introduce our next piece of business.
- ▶ [**Aiden Hill**] Great. Thank you, Superintendent Vackar. So moving on to item 6.1, report fiscal crisis and management assistance team. So Mr. Fine, welcome and thank you so much for coming.
- ▶ [**Tracey Vackar**] We do have a PowerPoint. Before Mr. Fine speaks, just before you also in front of you, there's a letter from Alameda County for our second interim report. I want to make sure you all have a copy of that. I was planning on including it in this week's board update, but I wanted to give it to you for tonight's presentation.
- ▶ [**Mr. Fine**] Thank you, President Hill, members of the board, superintendent and staff. My pleasure to be with you tonight. A little unusual for me to join a school board meeting when we're not in the district or not just been in the district to complete some type of fiscal analysis. So I understand that context and I'll get to my slides in just a second. But I do this really at the request of the president of the board and the superintendent to, I guess, share some perspective. It's not uninformed perspective just because we're not here right now doing any work in the district. As alluded to and as included in your agenda items, we've been here a number of times. As your speaker just mentioned, we've issued several reports since 2009. So have quite a bit of context I think to make the comments that I make tonight, but I think it's you know Unusual step I think for us to be here But at the same time very happy to to help guide you maybe to leave you and your team with some thoughts on Progress that's needed and some direction that's needed And before I get into this, because I'm not sure you'll have questions later, so I'll do it while it's fresh in my mind. Your public speaker alludes to the receivership process in the state. Let me say this. While the district has certainly had a number of years of struggle and has some red flags with respect to all of that, you are currently nowhere close to receivership status. Not remotely close. And my job with whatever board is here and whatever staff is here, my number one job, should you inch closer, is to intervene along with your county superintendent and to help the district turn the corner long before it gets there. While we deal with the districts that are in receivership and we're blamed for a heck of a lot that goes on in those districts while they're in receivership when we don't really have a direct role there, but we deal with them and we monitor them on behalf of the state. It is not good for kids, is the simple. And you have a neighbor not too far away that has experienced that for the last 30 years. It's not good for kids. It's not good for the community. And thus, thus, our number one job is to prevent that from happening. So understand my commitment, my team's commitment, that should things not go as planned and you get closer, to reaching certain milestones then you will see me more frequently because again my number one role at that point is to prevent that from happening for this community and for this district. So as I just in my introductory comments just mentioned here we're not currently performing any work in the district other than a regular conversation with your your superintendent and when she was CBO here and your previous superintendent we were We had started some recent conversations about assistance, about needs in the district. But a lot of credit goes to your interim superintendent and her. I've lost track of how long she's been here, but about 130 days, I'm guessing, maybe, give or two, a few days in there. So not very long. And in that time, she's really been successful at putting her arms around many, many fiscal issues and identifying Solving those problems, those are long-term problems. We're going to talk about them. Solving them doesn't happen overnight. It will take time. Just as it took time to have those deficiencies put in place and not deal with them along the way, it's going to take time now to correct those. But she's done an excellent job of putting her arms around that. And I think you have some data you can have confidence in with respect to your financial status. The district's most recent budget update and multi-year projection, as the board's well aware because you adopted it, has a positive certification, and the county superintendent has concurred with that. And I think the superintendent just provided you the county's concurrence that just came out a couple days ago in that respect. And so you are not qualified. You are not negative. So remember in the scale of things, red flag

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warnings with regard to your fiscal condition. There's positive, there's qualified, and there's negative. And there's a few other things that we add to it when districts aren't responsive by taking action at those very formal certifications. But you are not in that situation. You're positive at this point. I think have an appreciation and understanding, though, that your positive status is fairly fragile. You have a plan of action. You've adopted big components of that plan. You now need to go implement that. And your interim team that just started today will be a big piece of helping you implement that plan. But sticking with that, and I'll repeat this later, sticking with the plan you've adopted, and that your staff recommends to you as a governing board is absolutely essential. This district has a history of adopting plans and not sticking with them. And it will, and I'll say this again later, it will be difficult to stick with it as you go through leadership changes because leadership changes upset the scale and create environments of a lack of continuity in decision making and in follow through. It's just common sense, right? There's nothing special about it. It's just really common sense. And so as you go through those steps in the coming months, one of the things that's absolutely essential is you stick to the plan that staff has laid out for you and that you've adopted big pieces of and still have some details to work through. As the speaker indicated, the previous speaker indicated, we've been here several times. Most recently issued a report in September of 2020, a fiscal health risk analysis. I'll go into it in more detail in just a minute. February of 19, we actually did a follow-up to the July, my slide, I'm doing something that's advancing my slide, that to the July of 17 fiscal review. I have to compliment you. The superintendent that was here at the time in February of 19 that wanted us to come back and look at your progress, credit to them because there aren't that many districts that do that. We do that actually free without additional charge if it's done within a certain window. This was well outside that window. But nonetheless, even without charging additional time to you, A few districts take us up on the opportunity for us to come back and revisit our recommendations and give you a status report. And then all the way back to March of 2009, which as the public speaker mentioned, was a difficult time for everybody. But certainly there are some characteristics in our report for Newark that are concerning and that still exist today. Finally, advancing that slide. So as I begin my comments, and you may not all fully appreciate the context of my comments, but understand by the time I get done with these few slides here, hopefully the context will be fine. I'm not here to slap you on the hand. I'm here to remind you of your role. I'm here to encourage you to fulfill that in the best possible way. But this business, unlike any other business, And it, you know, it's a business. Requires integrity. Integrity in the classroom, between the teacher and students. Integrity among our students, very candidly. Integrity in the leadership at the site, and at the district, and at the governance level. And so, one of my favorite quotes is, the supreme quality of leadership is unquestionable integrity, without no real success as possible. And in this context, Develop a plan that makes sense. It's based on student need. I'll repeat this again for you later. Ultimately driven by what our students need, who our students are and what their needs are. We talk to teachers and principals all the time about knowing name and knowing need of a student. So focus on our students and develop a plan that has integrity and carry it out with integrity. So I'm going to take a moment. In your opening comments, the president cited several things from California School Boards Association. You will find fiduciary duty in some of their material as well. But I want to remind the board of its fiduciary duty. And again, I'm not here to slap your hand. That's not my purpose. But I think in context here to remind you of what your role is is super important as you work through the difficulties that are in the district. I think most of you know what a fiduciary is. I won't go into great detail on the definition. But you hold a fiduciary duty to the district. And by that, we mean to the staff of the district, to the parents in the district, to the community itself, most importantly to our students. There are six components to common law fiduciary duty. The first is duty of care. This is the largest one. It's one you practice all the time. It's due diligence through the collection and reviewing of all evidence and information available. You don't simply accept the information that's given to you, but you ask questions, you come to meetings prepared, you've looked at the agenda, looked at the material, you ask all those great who, what, when, and where questions. It's the duty of loyalty. Act solely in the interest of the beneficiaries, and in this case, the district is the beneficiary of your governance. without personal conflict, self-dealing, or appearance of or transparent of those and with transparency. Duty of disclosure, you act with candor, be open, sincere, honest, and transparent. I'm not sure that's always been the case in the district as I look back over a dozen years, but I saw glimmers of it from other leaders that have been in the district and they're now gone where they had active engagement in the community, there was a lot of good discussion at the board level, but then there was failure to actually implement. So we got part of it, right? We got the transparency, we got a good discussion, but then we

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didn't implement, right? The last three, duty of good faith, advance the interests of the district, obviously, and in a process that doesn't violate the law. Duty of prudence, be trustworthy, exercise good judgment, use wisdom. the degree and care of a prudent trustee, of which you all are, and the duty of confidentiality. What is meant to be confidential is confidential. Many of the thing, and I understand it becomes frustrating to many, many of the things that Mr. Williams will deal with are confidential in nature. Many of the changes you may need to make may start in a confidential conversation and become more public as time goes on. But keeping what is confidential confidential is important to the process. This is an accounting term. I happen to have a degree in accounting, so every once in a while I like to remind myself of what I learned, what was taught to me by great professors many, many moons ago. But tone at the top, you would find, FCMAT referred to tone at the top in many of our reports, especially when we're investigating fraud. One of the unfortunate duties assigned to us by the legislature is to investigate fraud in school districts. The good news it's about 10 percent of our work. The bad news it's 10 percent of our work. Right. And it unfortunately exists in a lots of areas. You will not find a fraud report from us that doesn't speak to tone at the top. And it's unfortunate not all frauds in Associated student bodies or in cash handling in food service, although there are notable cases in both of those areas, but much of the fraud that we unfortunately have to investigate happens at a very high level of the organization, including the governing board and superintendent level, conflicts of interest, how a contract was awarded, for example, and so on. So ethical leadership, as you appreciate, is the first and most important element. This is written really in the context of me talking about financial matters, but strike the word financial success from here. I left it in, but strike that word. Just simply the success of the district requires, back to my opening slide of integrity. Leaders must exhibit the characteristics they hope to engender in staff so you become models in your work, in your discussion, in how you act on the dais, how you act when you're visiting the district and school sites, how you act in the community. I think you all know that and understand that. Integrity and ethics, I've already said, shape the entire district. Leadership can be good and bad. We want it to be good, right, because that's what staff's going to emulate. We really don't want them emulating bad. But it's not their fault that they emulate bad, if bad is the example that's given to them. So I just remind you that we want to focus on good, positive leadership here. That includes how we treat each other, how we treat our staff, how we treat our parents, how we treat our kids, very candidly. Competent leaders also don't shoot from the hip. They know how things should be done, and they get them done. This has been one of the difficulties in this district when we look at history. You've identified needs. You've identified a plan to address those needs or those deficiencies. But then you don't carry the plan out. The plans are not bad plans that you've had in the past. So there's really not a reason not to have carried them out. Effective communication results in shared vision. And I think This district has examples in the past of very open, transparent, I mentioned this a few minutes ago, communication, discussions in the community, discussions here at the board level, and so on. That, as you all appreciate, is absolutely essential because that's what brings everybody ultimately together. Doesn't mean everybody's going to agree, but at least they're all informed, at least they've all had their say, and you can move forward. So FCMAT for years has had a list of indicators of risk or potential insolvency. These are informed based on the 32 years since the legislature created our agency. I didn't do an introduction of FCMAT at the beginning. I apologize for that. I think, number one, we've been here enough. And I think your staff's probably certainly well aware. But if the board has a question about who we are, what our structure, please ask that, stop me here, or at the end, and I'll go into that. But the legislature created this agency in 1991. And through our history of work, we have refined these 20 items a little bit, but for the most part, the core pieces of these indicators are the same as they've always been. We wordsmith them every few years to modernize the language or to use newer language that may be more common in the field. I'm going to take a moment to walk through the 20 and that may seem like an overkill I'm not gonna spend a lot of time on it But I am going to take a moment these 10 and the next 10 on the next slide I've given you the link to a full description of them to our website And certainly can provide that to the superintendent if if you don't want to use the link but some of these are There's evidence of some of these concerns in the district, which is why I want to kind of walk through them In attention to annual independent audit, you have a current audit. Obviously, that's important. You have a history of a lot of audit findings, and then no audit findings, a lot of audit findings, and so on. Some of our previous reports speak to that. You've dealt with a great deal of that. One year, I think you had quite a few audit findings in the area of associate student bodies. And you had us come in. And actually, that was one of the focus of our areas. We made a number of recommendations. in that regard. Inadequate budget development and

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adoption. This in part is part of this implementing your plan. Things are not nearly like they were in 2009 in the state, but things aren't the best right now in 2009. They certainly are not this year or next year or probably for the next three years going to be like they've been for the last five or six years, where there's been a lot of resources for school districts passed out by the state and the feds. That's not the case right now. We're seeing a shrinking of resources which makes some of your fiscal challenges more of a challenge. OK. You cannot say this as many times as I need to. You cannot rely on the state to think they're going to bail you out with anything because they're not. Your funding from the state's actually going to go down or stay even over the next couple of years. It's actually What you receive is going to go down because you continue to drop in enrollment. And caseload is everything, right? Caseload or enrollment generates revenue. It also generates your expenditures or justifies an expenditure. So you've got to solve this problem yourself. So paying attention. Again, your superintendent, when she was the CBO, did a great job in getting her arms around some of this. And your plan begins to address some of these issues. Insufficient budget monitoring and updates. These are critical. You just did one at second interim. Certified positive. Your next big course adventure is adopted budget. You only have a few, literally what will seem like a few hours to do it. You do obviously have weeks to do it. But it will get crunch time here real quick for your staff. And they will rely on a lot of the work that was already done this year that's reflected in your second interim. Inadequate cash management, currently not a concern that I've noticed. However, paying attention to cash is critically important. It is cash, not budget, that is the trigger for receivership. So when you run out of cash and you can't meet payroll is the trigger for receivership. Not an upside down budget. Multiple years of upside down budgets and deficit spending result in fewer cash resources, and therefore move you closer to the line of concern about cash. But make sure that you are getting regular, to the board here and to staff, make sure you're getting regular updates on your cash position, just as well as on your budget position. That's very important. I should have double checked today, but when I looked at some previous data, you don't have any charter schools that you've authorized, correct? So we can skip over that. That's what I thought. I should have double checked this morning, though, before I headed to the airport. Mismanaged collective bargaining agreements. You have commitments in your collective bargaining agreements that you've made. You made a judgment call about what should be there, what should not, along with your partners. You all know this. This isn't a single person's task to educate our kids. This takes a team. And some of our team members, many, most of our team members, critical team members, teachers and others, are represented by their collective bargaining units, and you enter into agreements with them. When we talk about mismanagement of that, that could be from errors in estimating what a collective bargaining negotiation and settlement may cost to actually not following the collective bargaining agreement, either to the detriment or to the benefit of the district. And neither of those are OK. You have an agreement, needs to be followed. If you want to change the agreement, you sit down and you work through the process to change the terms of the agreement. Increasing or uncontrolled contributions and transfers, special ed is an area of concern in the district. I think you've already had this conversation. You have a very sizable contribution to the restricted side of special ed. Doesn't mean it's wrong, but it is out of whack based on initial look of data. So you're going to have to dig deeper into that and have that conversation. Special Ed has some different components to it than any other program, including maintenance of effort and some other things that make it difficult to make adjustments to. But they can be done. And so you may need to seek some outside assistance in that, whether that's from us school services of California or somebody like that that does this work every day. But it's an area of concern for your district. You have a long history of transfers from other funds into the general fund to support the general fund. Don't know that that's as much something you rely on today as you have in history, but certainly over the last dozen years, you have transferred many millions of dollars from other funds to the general fund instead of implementing the reductions that needed to be made in the general fund. That's not a good way to operate, simply put. Continuing deficit spending is related to that. You met that deficit spending with these transfers in history, and not all those opportunities exist today. Mismanaged employee benefits, again, not meant to be an intentional mismanagement, but where are you with your benefits, qualifying employees in benefits, This district has, this county has a history with respect to health benefits that is a little inconsistent with the marketplace, and that is I think you make a lot of it voluntary. Your staff can talk about the pros and cons of that, but certainly adverse selection is one of the problems that comes about when you make benefits, when you make the employee pay for 100% of their benefits, you make it voluntary. Then what you end up in your pool, just folks that need to be there. They're the unhealthy folks and that makes your costs for

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benefits extraordinarily high. You need to look at some some more modern ways of approaching total employee compensation that includes benefits probably. And and I don't know that that's an interest of your bargaining unit so I say that just as an outside observer looking in. You you're just not in sync with the with other areas of the state, right? I realize that's the history, is a longtime history in this county. But you need to look at that and what that's ultimately costing you through the adverse selection and what it costs you in recruitment and getting the best people. Here's the bottom line. I would say this no matter what community I'm in. Your kids deserve the absolute cream of the crop. So you've got to figure out how to recruit the cream of the crop. And total compensation is a component of that. Benefits are part of that along with salary. Don't misquote me that I'm here telling you to give a 20% raise and pay for everybody's benefits. That's not what I said. So, yeah.

▶ [Tracey Vackar] Thank you for clarifying that.

▶ [Tracey Vackar] I was trying to like look around you there to see their faces.

▶ [Mr. Fine] OK, that's not what I said. I decided on the airplane ride up here today that I should probably put what I'm going to say in writing, which is why you didn't get these slides ahead of time, because I had them all written down in my notes. And then I thought, no, I better leave you with them in writing so that I'm not misquoted. Thank you to the audience. In attention to enrollment and tenants, you are declining enrollment and declining ADA. Much of the state is. But you have a long history of this in fairly fairly, what do I want to say, more robust numbers than some other areas of the state. So something you have to pay close attention to. You know this, you lose a student, you lose their attendance, your revenue goes away. You have to make a corresponding adjustment in your expenditures. And it is almost impossible to do that on a dollar for dollar basis. You lose Five kids in second grade at John Adams Elementary School does not necessarily result in the ability to lose a teacher. It's just not the way the numbers work, right? But you lose the revenue for those five kids no matter what. So you've got to look at those changes by grade, by school, and so on. And you have skilled folks here that understand that very well. Inattention to facilities, this is a theme in the district you have. some pretty significant facility needs here. Inadequate fund balance and reserve. This is something you've struggled with from time to time. In one of our reports, and we'll get to it in a minute, we actually said without corrective action, you would have negative fund balance and no reserves. So mismanaged general fund in the current year. This is pertinent right now because this is things like one-time using one-time resources in the current year for recurring needs. We have a lot of that going on in the state because we have staff assigned to some of the federal one-time pandemic-related monies. Those monies finally all expire this coming September, which means you need to have already made decisions about the staff that were assigned, contracts that were assigned to those funding sources, and either drop them off or find another way to fund them. But simply moving them all from, say, ESSER III, which was the last grant that's ending, over into the Unrestricted General Fund is not the answer. Your Unrestricted General Fund does not have the ability to absorb that. So you've got to make some thoughtful decisions about that. Non-integrated infosystems. I had the pleasure of meeting your Director of Technology this evening. Obviously, this is important both on student data and on financial data. You do have some history with respect to your student data not being adequately reported with respect to certain categories. So you obviously spend some efforts there. Ineffective internal controls and fraud prevention. We've talked about internal controls in each of the reports we've issued to you. These are critical. These get also to the capacity issue of your business office and your HR. staff and so on. Weakness in leadership and stability, and if I were to pick any one of these 20 off right now, it's the most critical for you, it is this. And it's not a statement that says the leadership you have right now is weak. That's not my point here. This is really around stability. It's really around continuity. You're two superintendents in two years, a new CBO just 130 days ago. You've had a lot of change in the last dozen years. You've had, you know this better than I do, you've had a number of leaders here. You are without a current CBO. You're without a current assistant super HR. That's why these two gentlemen have joined you today as interims, right? That all interferes with your success. I say this frequently around the state. The greatest risk to our public school system in California is the short tenure of superintendents. There's a whole variety of reasons for the short tenure. Some of them get the job and they're not qualified. Some school boards aren't easy to work for. That's a fairly frequent indicator. But that short tenure means you start, stop, start, stop, change

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every two and a half years because that's the average tenure of superintendents in the state. You don't want to be the average. you want to be far above the average. You're right now your recent history is contributing to the average and you don't want to be there. So as you work through the process whatever process you're going to follow to find your next superintendent think in terms of the long term. And so because that becomes critical to your district we focus at FICMAT on the superintendent the CBO but in fairness We should be looking at your leadership in instructional services, in HR, student services, special ed. All those are absolutely critical functions in the district, and they need continuity in their leadership. Inadequate multi-year projections. I think you have a decent handle around that. That's what's driving the plan, the fiscal stabilization plan that you have now. Again, you need to follow through with that. Inattention to voter-approved debt and risk management. I didn't look at these details for your district, but I don't think they're currently a concern. Lack of position control is something we see frequently. The superintendent and I haven't actually discussed the status of your position control, but what we do know is you have a lot of vacancies. The good news is that saves you some money. The bad news is you've got services you need to deliver that aren't being delivered, right? And you have continuity issues there as well, whether that's a teacher, a counselor, a manager of some kind, a director, or what have you, or an aide, or a bus driver. And then finally, unmonitored special ed. I've already spoken to special ed. It's one of your areas of concern that you need to focus some attention on. So our historic, I've already touched on many of these, so this will be fairly quick. We were here, I didn't go all the way back in time, but I did go back to 2009. We were here and did a fairly extensive fiscal review. 98 pages, 61 recommendations. They looked at a whole variety of things, including your fiscal health, your multi-year projections, all the functions in your business office, associate student bodies, booster clubs at that time, and internal controls. The themes that I pulled out from that report, and I intentionally did not look at the individual function reviews. I actually read them all, but I didn't take notes on them all. in follow-up reviews, you've made progress on those. And so I choose not to highlight those here. But will not meet the minimum reserve requirements in the current plus two subsequent years, which is the standard. Potential negative general fund balance, which I mentioned a minute ago. Needs immediate fiscal intervention. Threat of receivership. All staff require internal control training. Those were themes in the 2009 report. In the 2017 report, which scope of work was almost identical, not exactly the same as 2009, but almost identical, was 120 pages, but only 39 recommendations. So clearly progress noted, right? The themes though, again, declining enrollment, use of one-time sale of property proceeds to mitigate deficit spending, for eight plus years. I understand, actually talking to a member of the public earlier tonight, it's a mix of sell of proceeds and your leftover 1970s, 1980s tax override dollars. That was not completely clear to me in the notes that I read earlier, but I'm grateful for the historian in the room. I didn't mean to imply, you've been around forever, sorry. But certainly very knowledgeable. And as we were just casually talking, she had the answer to everything. \$4 to \$5 million in budget mitigation was needed over two years at that point. Temporary loans from other funds that were not repaid. And you can borrow from other funds in many cases. But if you do them as a loan, they're intended to be repaid. That's what the statute says. but you can transfer them, but that doesn't appear to be what the board's direction was. So that's a concern. In 2019, again, we were invited back to do a follow-up. We noted that 35 of the 39 recommendations, so great progress, were either implemented, which was about 50% of the 35, or progress had been made towards implementation, the other 50%. The greatest problem was to eliminate the structural deficit. That should be a theme that you're very familiar with because you've had recent conversations about that. Plans are made but not implemented. I've mentioned that a couple of times already, despite the robust discussions and engagement over the creation of those plans and what was in those plans. Most recently in 2020, we were not invited by the district, but we were sent here by the state. That's what we mean by a triggered fiscal health risk analysis. We do two types of them. The work is identical, but one is you meet certain conditions that the state sends us to go look at, and they pay for us to do that. They fund us to do that. And the other way we approach it is where you ask us to do that. In the 2009 and the 2017, you asked us to take a look at that. 2020, you had met, you had triggered that review. The result of the review was an assignment of moderate risk rating. There's a low, moderate, and high. So the good news is you weren't high. Bad news is you weren't low. Those 20 areas that I just reviewed with you are the content that gets reviewed in this analysis. So the fact that you were at moderate is why I chose to take a few minutes and review those 20 areas with you because you have recent deficiencies, I think is probably the best word to use, among those 20 areas. The trigger was three consecutive qualified interim reports. You actually had four by the time we got here, but the

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trigger was made at three. Those four reports were both of your interim reports in 18-19 and both of them in 19-20 were qualified. Your 19-20 budget was also conditionally approved. It was ultimately fully approved by the statutory deadline, but the initial action by the county superintendent was to conditionally approve. Let me put that in perspective. There are about anywhere from two to eight of those across the state each year. You were one of those in that year. There are, you know, roughly a thousand school districts and 58 county offices and some joint powers authorities. I'm not counting charter schools because they don't follow this exact same process. So just put that in perspective. While the condition was removed and it was approved, the fact that it was even initially conditionally approved is an indicator of a problem. The themes noted in that FHRA was a new board, a new superintendent, a new CBO at that time. There was a lack of continuity in the decision-making process. Declining enrollment, again, was noted. There was a lack of implementation of decisions made, back to you had a plan, you adopted a plan, but it wasn't implemented. There was concern about the business office's capacity, capacity of staff, not just number, but the actual capacity of the staff that was there to do the job. And there were significant audit findings, had been significant audit findings prior to that. So your current concerns I've touched on all these for the most part you have these actually in writing because what I chose to do was Reach out to the county knowing that last Monday was the deadline for them to send the letter that the superintendent's giving you and make sure that While they had consulted with me on the letter before they sent it to you I didn't I did reach out to get a final copy of it And our concerns at this point, based on what we know, what we've observed as a third party outside looking in, not actually in the district doing work, is absolutely consistent with the county superintendent's expression. There are probably additional items that belong on this list, including your facilities. Correct me if I'm wrong, I doubt you've had your Williams inspections yet this spring. That would be my guess. When those come up, I would, I would expect that some of your facility conditions will be noted there. Now I put some pressure on you because as you know Williams is a court ordered process and there are very strict standards with respect to making improvements for deficiencies noted in those inspections. But let's talk about each of these. The district has experienced significant staff turnover in its central office and in its site leadership. roles, including the second superintendent in two years and a new chief business official. You know this better than anybody knows this, right? I'm citing history that you're intimately familiar with here. Again, I've already mentioned, this is the greatest risk your district faces when you don't have continuity of leadership in these roles. Okay, specifically the superintendent, CBO, And because you're missing HR and some other areas, I certainly would add them to that list. Vacancies in leadership, in business, and in HR, and in other critical areas impact the continuity, the efficiency, and the effectiveness of daily operations. This is probably pretty common sense if you stop and think about it. Nothing scientific, nothing special from FCMAT here. other than just to point out that those vacancies are really problems. You need to, in my opinion, now that you have your arms around your fiscal and you have a situation, you have a plan to address it, this is where you need to spend your time. With your interim assistance, you'll get through the school year, but you need to be prepared to start the new fiscal year and school year with key leadership roles filled. in my judgment. Both the number and capacity of your business office staff is a grave concern. Actually, we've been talking about it for many months, and it is not improved. It's, if anything, gotten worse. And I think having an interim assistant sup in business here that can observe that, that can, as a third party from outside, make some observations will be a great assistance to you. You have some consultant assistance, and I'm not saying anything Bill doesn't fully appreciate and understand. But you have some outside assistance. That's critical. I should have said this, but I'll say it now. I should have said it before. Solving all this is going to cost you money. So don't be cheap. Despite fiscal challenges, don't be cheap about solving your problems. Do it with good integrity. Do it with good quality. make good decisions about it, and that will be expensive. When you ultimately are seeking a CBO, a permanent CBO, hire somebody like school services to recruit to get the very best that is willing to come here. That's important, okay? Those kinds of things are important unless Mr. Williams, of course, believes he can successfully do that. I'm not questioning that he can do that, sorry. That didn't come out quite like I intended it, But go to the people that see the aspiring folks, that see the candidates that are out there all the time, that interact with them. They can help you with good fit, good capacity, and all of that. So spend some money here. Spend some quality time on solving this issue. I think I've already covered the business office. The district has an extended history of declining enrollment in ADA. You've got to pay attention to that. As I've mentioned earlier, caseload is everything. And we are in a weird period of time in the state with respect to the relationship of enrollment in ADA. They normally are one for, not


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one for one, but there is a direct relationship and they move together. We've been over the last 18 months in a period of time where they're not moving together. And you're slowly, like everybody else, coming out of that disconnect, and they'll start moving together again, starting the new fiscal year. Part of this is because of the, well, all of it is because of the pandemic and some mitigation measures we put in place as a state to assist you during the pandemic. And now, while those measures are still on the books, they were permanent changes, your district won't benefit from them the same way they have been benefiting from them, because they were They were meant to be short-term benefits to you. As been the case in the past, lower revenue has not been matched with reductions in expenditures, which result in deficit spending. Multiple years of deficit spending will lead to a cash problem. And a cash problem is going to lead to a discussion about receivership. And again, my commitment to you is not to let you get to that point. You will see a lot of me if you are inching towards that. So I'm going to conclude with the last couple of slides here. And again, as I started kind of talking to you about your fiduciary duty, this again is messaging really the board, really messaging the whole district. And I don't intend for it to be, again, a slap on the hand. I intend for this to be a reminder of what I think you already know. I intend for this to be an encouragement as you move forward. Again, this slide speaks to the allocation of resources. You could strike that leading sentence and say, guiding principles with respect to how the district needs to operate, because that's really what my message is here. You need to make decisions about what's right for students. It's based on student need, which means you need to identify who your students are and what their needs are. Back to my comment about name and need. The district's demographics have changed over time. There are different elements of the community that acknowledge that and others that may battle that. The bottom line is who you have been given, who has been blessed to be in your district, is who you are obligated to serve. And their needs are who you are obligated to meet the needs of. So it needs to be what's right for students. Does it promote student achievement? Does it promote equity? Does it promote not only their academic achievement, and I specifically left academic out of this, And just talked about achievement, but I mean both academic and personal achievement for kids It is Well, let me cover the next one what's right for the district based on the community Aligned with the adopted plan and priorities. You do not have to recreate the wheel here if you are doing your local control and accountability plan, right and You're adopting and you're have an authentic engagement with your community over the needs, you're looking at student data, having that student data drive your goals and your actions, then you will meet both of these first two bullets. A solid LCAP, don't just go through the tasks that the state's asked you to, filling out that horrendous form that is off track in my opinion, from what both Dr. Curtis and Mr. Brown intended for it to be. Use it as the gym that the creators of it intended. And that is to bring a focus on our kids and their achievement and where there are deficiencies in their achievement. That should guide you to what your priorities are. It's actually pretty straightforward. And once you've adopted that, then your budget just comes along as secondary supportive. See, in the old days, the budget was probably your number one policy item each year when you adopted that, because that was what was important to you, right? What you spend your money on is what's important to you. We hear pastors on Sunday morning say that all the time. Show me your checkbook, and I'll show you what's important to you as a family, right? Or at least as mom and dad. And so it's the same thing here. So invest in the LCAP. When I came onto the campus this afternoon, I asked where the boardroom was. And somebody says, well, the meeting's canceled. I said, I hope not. I just got off an airplane. But they were talking about your LCAP meeting that was this afternoon. It was canceled because of a lack of attendance. So whatever that reason is, that's a task for you as a district governance team. to light a fire because that is your most important decision to be made with regard to your entire district and your kids in the next few weeks. That's adopting a thoughtful LCAP. Because it's going to tell you how to spend your money. It's going to tell you who you need to hire, what services you need to offer. The fourth bullet, obviously, is do what's legal. Otherwise, I'll be here with a different hat on, investigating something else. So do what's legal. And the last thing is just to remind you, every dollar you touch is the public's dollar. You know this. So spend it in a way, manage it in a way that fosters the public trust. And at the same time, align to that meets the expectations around integrity and credibility and certainly stewardship. I threw this in at the last second in the rented car parking lot at the airport. As I was just thinking about a place to kind of leave you, just as a board who's going through a lot of change, has had a lot of vacancies, what do you focus your time on? And I want to remind you, you are the governing board. And while the decisions are ultimately yours to make, I want to remind you You're not here to deal with the day-to-day decisions, the day-to-day operations of the district. You're here to deal with

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those higher level kinds of things and ensure that you have a team in place, a qualified team with the capacity to do the rest. And so I want to remind you of your roles a little bit. The board is the left side of this chart. It's the what. And this is back to the LCAP. What do we want to accomplish for kids? That's your decision. And it's based on values. You are here as representatives of the committee, of the community, and thus you bring values, your own personal values and the community's values that you represent to the table. So based on beliefs and vision and priorities and policies, it's about the what. That's the governance team's responsibility. The how it gets done is your superintendent and her team's responsibilities. Administration, our teachers, our staff, They focus on strategies and tactics and techniques. Where these come together in this Venn diagram, then, is pretty clear. And these are intentionally terms used in the LCAP. They're around the strategic goals, then, that you adopt in the LCAP. They're around the success indicators. Those things that we're going to, at the end of the day, where are we going to point the flashlight to say, did we make progress? What needle and where is it supposed to move to is a success indicator. Suspension expulsions. We want it to go one way academic, you know ELA scores. We want to go a different way, right and Then that drives how we allocate our resources Who we hire what we pay? What contracts we enter into and all that good stuff? Okay. Hope that's helpful My last item then is just to remind you and again, we can take off the response to fiscal here and money, and just talk about the district in crisis. Districts that make successful turnaround, those characteristics are on the left. Districts that struggle with successful turnaround characteristics are on the right. While each of these are really focused, again, on money, they are applicable, whether it's an HR matter, whether it's a money matter, whether it's an academic achievement matter. I kid people all the time by saying, you know, every 12-step process starts out the same. It could be faith-based or not faith-based. It could be, you know, step 8 and 9 could be reversed. But step 1 is always the same. And that's admit you've got a problem. So step 1 is recognize you have a problem. And I think you've done that. You've clearly done that. I wouldn't be standing here tonight, I don't think, if you hadn't already done that, to be honest with you. I can tell you, I've been doing this for almost 10 years after spending 30 years in school districts, including many years as deputy sup and interim sup in a variety of times. Districts that don't recognize they have a problem struggle for a long time. I think that's been part of your issue in history. You have a chance now to change that. Districts that recognize the problem, literally overnight, the healing starts. I think that's probably one of the principles involved in 12-step as well, right? I've been in districts where they spent a year battling the county superintendent's intervention and oversight, just battled every step of the way, fought. And they just continued to struggle and struggle. The board finally dealt with that by changing leaders in the district and literally overnight the district moved from this direction to this direction and has soared since. So this isn't, don't take this lightly, don't take my joking about 12-step lightly here. Recognizing the problem is critical and you've got good folks in place to help you do that. Don't mask the problem. Take advantage of the expertise that's available, whether that's us, whether it's the interim staff you've brought on, it's the county superintendent, the county office, or it's others out there. And if you, I think everybody here knows this, if you need guidance to some of those others, you don't know them, please call. I will introduce you, give you two or three folks you can talk to, and then you can figure out who's the right fit for you to seek assistance with. Work collaboratively. with your oversight agencies. It's predominantly the county, but could be the state, could be any number of agencies out there. And that you're part of the solution. This team, the governance team, is part of the solution. With that, President Hill and members, I'm happy to answer any questions you may have.

 [**Aiden Hill**] Thank you, Mr. Fine, for the very informative presentation. Questions from the board?

 [**Carina Plancarte**] Hello there. I just wanted to thank you for the very well-rounded presentation. Definitely, we recognize that there is a problem and that we do need to work, figure out ways to work together. And I really appreciate the fact that, Tracy, you've come here and you've really addressed all of the different financial woes that we've been experiencing. And I think that really is, you know, to your comments about really addressing that fact first. The reality, though, is that there is a lot of work to be done. And I think that one of the concerns that I have is just ensuring that we can be as transparent as possible. I know that there are certain things that we can't be transparent initially, but eventually. And so I think really just making sure that we understand that we have everything, all the information at hand and that we do continue to or that we create some sort of a communication plan. Again, what we talked about at that last meeting, because it is essential that we do make

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sure that we are letting the community know what is happening and what are the steps we need to take, because there is a lot of, I think, just people, our community feels that we're not being transparent with hiring the right people at the cost that they come with, and while also ensuring that we are addressing other issues such as, you know, ensuring that our teachers and our staff are paid. So I think it really just, I don't know if I really have a question, but it's just more of addressing the fact that we do recognize there's a problem. We need to make sure that we communicate as best as we can. And it's in that it's timely and also that we find a way to collaborate with our community. And I really appreciate that you're here, Mr. Fine, and that we can continue to call on you to make sure that if we cannot figure out ways here to work out certain things, that we can work with you so you can help us until we can come ahead and so that we can see better days. Because our kids really do deserve to make sure that we have programs that are equitable across the board. And then our kids also deserve safe schools, whether it's from a personal safety perspective or from facilities. And so there's there's a lot more as well. And I agree, too, about our special ed. It is underfunded, but we are in many ways it can be underfunded. And but we also need to figure out ways of ensuring that we are working together so that we can figure out better ways to also embrace that as well. So thank you so much.

▶ [**Aiden Hill**] Additional questions from the board?

▶ [**Nancy Thomas**] Well, I would like to thank you for your presentation. I think it's spot on in terms of where we've been and what we need to do going forward. The one item that resonated with me the integrity at the top. And I'm convinced we have that with Ms. Becker. And that, thankfully, we have seats that are filled at the dais today. So that brings hope that Mr. Olien and Mr. Williams will hit the ground running based on their past experience. And we can start moving out of this crisis mode, because we've been in a terrible crisis for the last month, and Ms. Bekar, I can't thank you enough for making movement. You still got a lot to get done. We need to fill. We have a lot to deal with. We need to fill positions. We need to bring minutes, mundane things, you know, that for a typical district that's running well, I call the business fundamentals. You bring minutes of your meetings to the board for approval. You inform the board if you have a, The board has not been informed about costly MOUs. I believe the integrity that staff brings to make sure the board has the right information and they are not making decisions without our input and It's going to be the driver based on the goals that we set last fall with the new three-year LCAP coming up. We've got to address the needs that the LCAP committee has identified and make sure that our budget is accordingly. And I'm really worried about how we're going to get rid of or make cuts up to the tune of about \$6 million this year, is it? and \$8 million the following year, that's going to be tough. And I think the board needs to be knowledgeable and involved in the process as you go through identifying what those cuts are. Because right now, I don't think we have good visibility of those, right?

▶ [**Tracey Vackar**] I know there's been concerns on that, but I think part of it is as you get into the plan, You have to actually let the plan for the LCAP be part of that process. Within the design of the second interim, we've identified some areas that we know that we need to use as being part of our strategies. So there's strategies inside the second interim, right? And I think the LCAP will really kind of paint that bigger picture. You're asking me for an interim report. We're going to provide you with an interim report of some of the things that we kind of recognize and strategies that we use. A big one is our vacancies. We have a lot of vacancies. Not all vacancies are going to get filled. We know that, right? So that's a huge chunk of our money that would sit out there. And part of it has to do with the position control. The vacancies is what was discussed earlier. Those will be a combination of things that we look at. Also, there's a lot of contracts that we're providing services for that happened during the pandemic that we need to scale back now. And we need to stop doing those services and live within our means. because they weren't there before, they were used with special money, and now we're kind of using our current general fund to be able to fund some of those things. Those are concerning, right? Those will be things that we'll share with you on the 7th so that you can see some of those things. We also did some things, and you guys took some brave actions with the layoffs. It's hard to do that, and it's hard to say goodbye to positions and staff, but it also makes us go back and look. And something that I love that was said in one of the slides is that We need to make sure that we train all staff to be good fiscal stewards and look at strategies. So every time that they're looking at a position that gets funded, or a program that they're bringing

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forward, or a contract that comes forward, that we've done a good job of trying to be able to mitigate those contracts and make sure that we're getting the best bang for our dollar. And then most importantly, the best services for our students. and that that focus really has to do with students and achievement, which are tied to your metrics that are inside your LCAP. And so a lot more time will be spent on our LCAP, I think, as we move forward in looking at the metrics. This is a new design year, right, as we start to look at those things. And so the LCAP has huge implications to all of you.

- ▶ [**Nancy Thomas**] Yeah, and I think the other area of resonance for me and probably the rest of the board is this notion of implementation. We can make the decision on cuts to balance a budget, but they have to be implemented. And in the past, that hasn't happened.
- ▶ [**Mr. Fine**] I encourage you, as you make the decision with respect to a plan and the elements of the plan, you, as part of that, figure out what authority you need to give to staff to implement. And you make the same, you grant that authority at the time of the decision. Don't bifurcate the the approvals or the votes. We adopt this plan and whatever needs to happen to implement that plan you adopt at the same time. That can be a little more difficult when we're talking about personnel. But just because they're and I'm looking ahead to a future right just because there's a future March 15th deadline doesn't mean that you can't adopt the resolutions for that. next month or the month after. You just have to do it by March 15. And your legal counsel can guide you on the best way to go about that. But I think that's one of the struggles. History, not necessarily each of you, but history in the district has been to adopt a plan, but then either not to adopt the implementing actions that need to happen with it, or intentionally staff hasn't implemented it. I don't know what the circumstance is.
- ▶ [**Tracey Vackar**] And that's a great point. I mean, I can tell you one of the areas I think about has to do with making sure that we staff to our CBA agreements, right? And that we're fully staffing to make sure our classes are full. We've talked about FTEs and making sure that we maximize classrooms. That's hard to do. And it's easy to want to say, hey, but this program does this kind of thing. It's so good for our kids. And it probably is really great for our kids. But if it's not being staffed fully and we don't have a way to be able to counter that, those could be some hard decisions that can be made sitting out there. So just thinking about those things as we move forward.
- ▶ [**Nancy Thomas**] Yeah, well, Ms. Blancardi said about communicating. If we look at next March 15th and the tough decisions we'll have to make then for that second year, then we'll be communicating with the public. And we won't have people surprised. And it's when they're surprised, I think, and rumors about what we're going to do to manage the budget. That causes a lot of angst in the community.
- ▶ [**Carina Plancarte**] And then just another comment as well, too, that something else that resonated is the data collection and also the systems we have in place, and they're not integrated as well. I know that that's been a big problem. And that's also huge undue stress on our staff. who their roles are to ensure that the programs that they're running are running successfully and they're collaborating. But then if they're not able to put the data together or a plan and have the data and then to show and provide this to the board as well so we can also talk about it and our community understands. And there's a big problem that arises too because we might understand We don't have all the data or we have partial data and that's also key and critical and I think that's something that we cannot lose sight of and we can need to continue to forge forward on is ensuring that everything is tied to data because that's truly how we're able to make sure that we are providing the results and if something is working or not, then we can make those tough decisions while communicating that along the way so that our community and our staff understand they're behind it and they might not always agree but at least they'll understand and we've been transparent.
- ▶ [**Nancy Thomas**] It's been tough to get data sometimes in the past and so I think you know having good data management and good ability to extract data and analyze data and present it so that we the board feel comfortable you know that the data is backing up the decisions we've made.

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- ▶ [**Mr. Fine**] And that's important and you recognize that.
- ▶ [**Kat Jones**] Good first step. I'd like to piggyback on what you guys were saying in terms of data and being able to pull reports. And I know that Tracy you've shared that some of our systems aren't up to date and don't allow us to be able to pull reports easily and gather the information that is needed in order to put those reports together. And if we are in this process of not filling all positions because that's not the way that we can go. It's a way of helping us to save money. We are going to have to invest in those systems. If we're going to have less people that we're asking them to do more work, they need to have the systems that are going to allow them to be able to do that. And that's a cost that we have to think about. It's a trade-off and it's more right now, but ultimately down the line it will help us considerably to be able to show where those cuts are. And another thing that Mr. Fine that you mentioned was hiring good people and that that costs money. And that is a really, that's a very difficult decision for a board to make when we're faced with the deficit that we're faced with. And it doesn't look transparent to the community or to staff when you're spending more money on district level people in order to run things appropriately when staff is working so hard and they deserve, you know, raises and to have increases in their salary as well or benefits in whatever way that we can, you know, provide for everyone. And so we do. We have to let the community, we have to help them to understand that we're spending more money here, but ultimately it is going to help. We are going to be able to turn it around. Unfortunately, it's not going to be as fast as anyone, community, or staff, or any of us wants. But we're digging ourselves out of a situation that we have been going downstairs on, so to speak, for a couple decades, or at least 15 years. So 15 to 20 years, we've been going downhill. We are now starting to begin that climb back up. We can't reverse 15 to 20 years worth of what's happened overnight. We can't do that in two or three years. It may take us five to 10 years to get ourselves back to what we really want. But if we don't start building that now and creating that now, we're never going to get there. We'll never see the top of that staircase.
- ▶ [**Mr. Fine**] That's correct. So my experience is spending money on the right folks is a return that you can, that you should be able to measure. And generally speaking, you'll see the results from that. It is, I understand it's difficult to do. But you need to be, you need to put in place the mechanisms that are needed with respect to accountability and with respect to helping you measure the return you're getting from that expenditure. And those can easily be done in employment contracts and in other ways. But good people cost money because you are competing with not just folks here in your immediate area, you're competing for the kinds of leaders you need, you're competing across the state.
- ▶ [**Kat Jones**] Well, and not only that, we live in an expensive area and we're a small district, so that compounds the situation.
- ▶ [**Mr. Fine**] It absolutely does. Completely compounds it. I get it. But you've got, so you look for other ways, you know, again, it's not always salary, total compensation in this case, so you want to look at what you can add to it that makes sense. Benefits all those things and you need to be willing to stand up And say to the rest of your employees. This is what we're doing and why these are the accountability provisions We've put in place to be able to monitor it and measure it and and that's why it differs from Maybe what some other employees in the district would You know would would want to see Other questions comments
- ▶ [**Tracey Vackar**] Just a shared comment back to board member Jones. I think all of you feel this pressure. I feel it too when we listen to our community and our employees that are concerned that they're also not up to pay. It's an area that we need to make sure as we continue to right size the district that we put key people in the right places. It starts also with the classroom. We know we've got to have the right number to serve the right kids in the classroom. They have the right support systems that come from our staff. It's doing all those things. And with that, that means we might be still shrinking down, but then investing in those to be able to shift it. And that'll be part of the whole bargaining process that we work through as we do that. But I think we can get there. I really do believe that. I've had great conversations in listening to what our employee groups have told us. I'm listening to what the community is saying to us each and every meeting. And so to your point, I know it's difficult, but we've got to be able to make sure that we right size the district to be able to live in a healthier way to provide those

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services, most importantly, to our children.

- ▶ [**Aiden Hill**] That's OK. So, Mr. Fine, I wanted to just play back. Number one, thank you. It's a great presentation. I just wanted to play back some of the key things that I heard and then ask sort of a question just to confirm next steps. So what I heard was that we do have a positive certification at this point, right? So we're not in immediate danger of receivership. However, our situation is fragile. And I think what you've said is that you've looked at our plans. It seems like we have a plan to work our way out of our situation. but that we really have to stay the course. And one of the things that you didn't mention, but I think that probably was discussed with Superintendent Vacar and others, is we had had a financial consultant come in late last year, Mike Berg, very experienced guy, and he took a look at our budget and he worked with Superintendent Vacar as well as with our former superintendent. And really, you talked about the fact that the 12-step program and the first step is acknowledging you have a problem. So we finally acknowledged that not only do we have a structural deficit, but we put a number next to it. And we said it was \$14 million. And that basically, we needed to figure out, based on our cash reserves, and I need to confirm with Superintendent Picard that I'm not getting over my skis here, but that roughly, We have two years to work to right size, right, to close that deficit. But if we don't do it within two years, we're going to potentially run out of cash and then you're going to be coming and spending a lot more time with us. And is that a correct statement, Superintendent Ficarra?
- ▶ [**Tracey Vackar**] That's correct. And of course, if there's ways that we can find other ways to continue to right size and correct, we may not have to use those one time monies. in that direction so we're still going to continue to look at strategies to continue doing both things.
- ▶ [**Aiden Hill**] And so and to that point and again this is something that I don't think maybe the public maybe fully understands it was talked about but at a high level is initially I think that Mr. Berg had suggested that we just do sort of a straight line seven million dollar reduction this year seven million next year but I think that this that Superintendent Ficarra and former Superintendent DeLeon said let's see if we can do some creative things. And so we didn't cut as deep this year. We looked at roughly about five to six million with the hopes that maybe we can, so number one, that we can try to minimize the immediate impact to the classroom. And so we, as Superintendent Vacar was saying, the reductions that we're doing primarily are in unfilled positions, vacancies, that kind of thing. We're trying to stay as far away from the classroom as possible. If we're able to get some, a little bit of a, the wind at our backs, and maybe a little luck, and we maybe get some improved enrollment, or maybe some other sources of funds, that we might be able to, again, not cut as deeply. But if we don't see that in year two, the cuts are going to have to be even deeper. And so, and I think what you're indicating, Mr. Fine, is that at the end of the day, right, we have to close the gap and we have to stay the course. And the way that that's going to happen is both constancy at the board level, and then also that we need to bring in the A team in terms of our superintendent and our executive cabinet, because they're the ones that are going to get the job done. And if we don't follow that path, we're going to spend a lot more time with you. So is that a fair summary?
- ▶ [**Mr. Fine**] So let me go back to the top and work through those and make a few comments. So first off, it's not my opinion you're positive. I haven't looked at the data. I haven't done the analysis to do that. Your staff recommend positive certification to you. You adopted, so that was your decision. The county has concurred. I have no reason to question that whatsoever. That's your certification. The county's job is either to agree or disagree with it, but it's 100% your certification. I will say this, and I don't want this at all extrapolated to necessarily apply here. I don't worry about the qualified districts, and I don't worry about the negative districts. I worry about those that are positive that aren't really positive. that aren't being, that didn't deal with step one, that aren't being honest with themselves. I don't believe that's your case. I think your superintendent, when she was CBO, did a pretty thorough job to the point that she's comfortable and that says a lot. I've known your superintendent in various roles for a lot of years. She was in your seats as a board member in the district I was the deputy sup at. She was a college trustee in a college that I went to school at, but also served as the president of their foundation many years. And she's an instructional leader in the region I happen to live in many years. And so we've crossed paths for a long time. We talked when she considered coming here, leaving her previous district and coming here. I talked to your former superintendent about that, and so on. So I have a lot of

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confidence in the work that she would have done. At the same time, and this is from me, not from her, I'm going to acknowledge you have shortfalls in your business staff with data, capacity, and some other things that obviously cause, always are going to be in the back of my mind, right? But I think she truly put her arms around things and dug deep on her own. And that's why I think she made the recommendation she made to you, not trying to put words in her mouth. So I have no reason to question that at all. Plan and stay the course. You have a plan, a conceptual plan in some cases, a detailed plan in other cases. You're going to have to flush out the additional details. You may need to come back and revisit that as those details are flushed out. back to my earlier comment, probably need to act on the implementing steps to carry those out so you don't leave staff hanging in any way, or they don't come up against a deadline where they need to act and where they need to do something, but they don't have the authority to do it. You need to work through all that ahead of time. Acknowledge the problem. I know Mike Burke. He works with my team on occasion, and we cross paths. So I think his advice was good to you. How you break the \$14 million up between year one and year two is driven by data. And it sounds like Mike's approach was it's about even, so split it half and half. Don't know what that thinking was. I would like that to be a little bit more precise. Your staff came back to you with a recommendation to five to six in the first year and the remainder. I assume that's based on data, including cash flow. So you have to not only look at the budget issues, but you have to look at the implication on cash. Generally speaking, the earlier you make a reduction, the greater the savings, generally speaking, right? And the more flexibility you have, should something change, and it changed for the worse, you've already got it. But that's not where you're at, and you've acted on that. So I don't know that you should be revisiting that at this point unless data doesn't come out. President Hill, I heard you say luck and enrollment. And I want to remind you that those terms, if you go back to our 2009 report and 2017 report, those terms were used by your predecessors. And there was no luck. And your enrollments continue to decline. Take those out of your vocabulary. You need to figure out, based on the data that you have, and you all have acknowledged the importance of data, based on the data you have, You don't have to, from a multi-year projection standpoint, you don't have to take the data you have today and guess what's going to happen in the future. You simply extrapolate that data applying today's rules. You don't have to guess at what the legislature and the governor are going to decide two years from now or any of that. You take what you know today. What you know today is a trend on enrollment and ADA. With respect to enrollment, if you have actual new development, then certainly that's appropriate to be counting in your forecast. After you've worked very closely with those developers, you know who they're marketing to, who they're selling to, and you're monitoring it literally weekly on closures, on escrow closings. What I would encourage you to do is look, and I have not done this. I should have taken a look at this, and I apologize for not doing it. I don't know what your current ADA enrollment is. Are you recovered from the pandemic? 94%. So you've recovered from the pandemic? or were you running above 94? 94 is the state average.

 [**Nancy Thomas**] I'm sorry. It was 92. Is it up now? No, it's 92.

 [**Mr. Fine**] So look at your history. Here's the easiest enrollment ADA to control. Not enrollment, but ADA to control. Those kids that are enrolled, getting them to school every day and helping them be accountable and helping their parents be accountable. And it's not just about the money. I think as professionals in this work, The only way we impact kids is when they're there with us. So it's about instructional continuity. It's about the quality of instruction, the opportunity to provide interventions when needed, and counseling and other services just to make sure they're OK. It's important they get there. Well, people will disagree. Some people will disagree with me. I believe you have a lot of control over the kids that are enrolled in the district getting them to school. The kids that are not enrolled, you have darn little impact or ability unless you know that you've got a whole group from this neighborhood going that you've granted transfers to. Then, you know, why are they leaving you and going next door? Correct? Whatever that issue is, you have control over that that may bring them back. That's an opportunity. But you're going to have to look at data to really understand that. Where you do have the ability to control is kids that are already enrolled. So I encourage you to do that. I just had this conversation with the superintendent early this morning over the governor's proposal on attendance recovery. I said you're going to have to have every kid enroll in Saturday school to cover your costs. Right. And that just isn't going to happen, right, to take advantage of that under that particular district's plan. I said, it seems to me the energy you're putting

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into that recovery would be better put into getting them to school to start with. Then you don't have any recovery to deal with. They were already there. And you get the double whammy of you got to instruct them, you got to care for them, you got to do what we do, what our teachers do best. And so Take increased enrollment, unless you have some facts around it, out of your vocabulary. I don't think that should be your plan unless it, but increased ADA, if you historically are running higher than you are now, there's an opportunity. It's a lot of attitude change since the pandemic. I get that completely.

▶ [**Tracey Vackar**] We're using conservative numbers.

▶ [**Mr. Fine**] So you're very clear. OK, that's fine. And in your circumstances and in the And in the fragile nature of your circumstances, I wouldn't encourage you to do anything but that.

▶ [**Tracey Vackar**] And we're using data to help drive that based on what's in there.

▶ [**Mr. Fine**] But your teachers know this. Your principals know this. There's different attitudes out there. My wife just retired after teaching for 38 years. The last couple of years were some of the most difficult years of those 38. Our son is a high school teacher. He feels like every day like he's dealing with junior hires. And the attitudes are different, right? So I get it. There's new dynamics and new hurdle there. But your first goal should be at least get back to your pre-pandemic ADA to enrollment ratio, your yield.

▶ [**Nancy Thomas**] Our ADA was 96%.

▶ [**Mr. Fine**] So get back there first. That would be an ideal goal.

▶ [**Aiden Hill**] Work on something that gets you there. Thank you for that clarification. And I agree that Luck is a poor word choice. But I like how you teased it out, where we have much greater control around ADA. Where the luck comes in more is getting people that are not currently students. Agreed. And we have a plan, right? And our plan is, it's really, we need to improve academic outcomes. But that's not something that's going to happen in the next six months.

▶ [**Mr. Fine**] We all know that that takes years. Look at the research. Look at districts that have made great progress. It's taken them years and years and years. Yeah, so you're 100% right. You understand it.

▶ [**Nancy Thomas**] Member Thomas. Well, I wanted to digress a little bit with the superintendent's permission.

▶ [**Tracey Vackar**] I don't know what's going to happen, but OK. What's that? I said, I don't know what's going to happen, but OK. You're going to digress. Those are like, those are scary words.

▶ [**Nancy Thomas**] Yeah. Mr. Olien, how do you pronounce your last name? It's pronounced O-lean, but. O-lean, OK. Mr. Olien and Mr. Williams. The way I'd like to digress a little bit is, based kind of on what you've been hearing, I'd like to hear from each of you individually, a little bit more about your background. We're so happy to see you occupying the chairs. And then maybe, after telling us about yourself, maybe talk about what you've heard tonight and what it's going to help inform what you do in the next three months when you're here.

▶ [**Aiden Hill**] One second, Member Thomas. I think that maybe we can thank Mr. Fine

▶ [**Nancy Thomas**] Oh, he's not going yet. He's got to come back and answer more questions.

▶ [**Aiden Hill**] All right. So you're wanting them to respond to Mr. Fine's presentation? Yeah. OK.

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 [**Chris Williams**] I mean, we're kind of a team over here. So we were actually just talking about several of these items beforehand and meeting. So my background is I spent almost 11 years in human resources as a director and as an assistant superintendent. I actually worked with Mike Berg and hired him for one of his positions back in Central Unified, and then he became superintendent, and we worked hand in hand together. So we've done processing of RIFs, reduction in force, of over 300 people in 2006-7. Me personally going through that, I've had several years of negotiating for the district within Central Unified as well as Paso Robles as superintendent for several years, about 18 years at the negotiation table. Our relationship with the unions is very important as we have communication and taking time because there's a lot of language. I think I was talking a little about the historical value of language and what got us to that point of why we have the language that we do. But also how we work together and look at different options. Example, we were looking at class size today where we're at with the collective bargaining agreement allows us to do. Is there any flexibility? We have some various job shares looking together. And then one of the big pieces for me as well, as we've gone through negotiations many years, I've never had legal counsel with me. And that's a huge reduction in cost. Many labor negotiation teams from a district standpoint has legal counsel there, and that can get very costly. But also looking at how to resolve and mitigate issues internally before we go to legal counsel as well. Whether it's an employee matter, employee discipline matter, whatever that might be. And I think cost factors of where we're at spending, including special ed, human resources, facilities, maintenance. There's a lot of money that we put into legal that I think when you bring in a higher capacity, or bring in the highest capacity you can in these roles and functions, you can offset several dollars in cost. Programs do bring kids in. So we were just talking. Believe it or not, I really love visual and performing arts. Just don't ask me to sing, because it's not one of my skills and talents. But when you have programs that can attract kids coming in in elementary, we were talking about universal preschool this morning, transitional K. Obviously, we have great teachers and staff to work with, and they can give great ideas as well. But being able to incentivize kids that do come to school and recognizing that is a huge component. But having programs that kids wanna come to school and get some of our kids that we have lost to other districts. Whether it's an athletic program, whether it's a visual and performing art program, academia, test scores we all look at. I have two kids myself and that's important. Safety that we talked about, school safety, having secure campuses. Having adults that love and care for kids, which I know you guys have a tremendous amount of those, but increasing those as we go along to work alongside of our great teachers and classified. Kids love adults when the adults love the kids too, right? And we all know in a classroom, it doesn't happen every day, right? I mean, kids are challenging just as we are as adults. But when you come to a kid's level and understand that level, they're gonna come back to you. But when it becomes a policy and a system, it doesn't always work effectively for kids, especially with what we've done with dynamics of what kids are faced with now. And it's super, I say three words you'll hear me say all the time. I'm super passionate, I always have a purpose for student learning and achievement, and I always live with conviction. And if you wanna know me in a nutshell, I try to do everything with a passion, purpose, and conviction, knowing that it could be me sitting on the other side of the table as a parent. with a kid that's going to a distressed situation or has had a traumatic situation at home that sometimes we don't always remember. Or as a teacher, that could be me sitting on the other side of the table on an awkward moment with a parent that may be angry at you. So I think investing in people and program together and having a great team. You know, Tracy, This wasn't something that I would have loved to jump into, but because of Tracy and Mike and his feedback about the board, about the community, about the teachers, he says, Chris, you will absolutely love it. There's work to be done, which we're not afraid of. But bringing all that together, I mean, we looked at the LCAP plan today, some great initiatives in the LCAP plan. But I think one thing Mike was talking about as well is when we can bring everything together and after the board's approved it to get work done. It's a huge step and stride where I don't have to come back every time on an HR issue and say, hey, can I have approval for this? When you look at an LCAP plan, we've already talked about position control. Some districts use it in HR, some districts use it in finance. We wanna do it together. It's one of our NACs together. We were talking a very similar philosophy on how to look at position control, open positions, and then also the recruiting. So we had some great people that were coming in. We have a great dual immersion program here. We have a fantastic candidate for coming in. Those candidates are hard to find. So moving fast and efficiently, great background checks, reference checks, and bring in highly qualified people that you would want your children in their class is what we have to reflect on, right? It's not about me, it's not about him, it's not

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about any of us, it's about what we can do for the kids and get the greatest people in. And 99% of the time we can make that work, right? And sometimes you may have a temporary setback as I call and how do we work with that, keeping our focus and our passion in alignment. So again, I get super excited about it cuz I really believe in kids and I believe in organizations that can impact student learning. And also, I love the adults, believe it or not, right? Because I think the adults can give you the leverage and the knowledge you need about what's going on well and what's not. I think we had a service meeting today. So my first question was, coming in, I'm a servant to what your needs are. So what are your three greatest needs immediately? What do you think it was? Open positions and moving fast and efficiently. Because when we don't have someone in place, I know I have one teacher out, maybe two, but when we don't have people in place and that other teacher's next to them, guess where the workflow goes or the classified? It goes to them and it adds that stress element. So we've got to be efficient where I don't need everyone approving. seven times on an RFP, which means request for personnel, right? So if we all agree and get to those terms, and then we say, hey, you have the autonomy to move forward alongside of principals and teachers, whatever it may be, then we can move efficiently and we don't delay hires and opportunities for people to come in. We have a nurse on standby right now, bilingual, ready to go. So I called her twice today trying to get her on board for a position that we need based on our student and safety areas that has already been approved. We have different varieties of that that we want to be able to move. And then we've got to figure out a way. I'll tell you the first day, even the two people I spoke to, what do you think their first concern was? What do you mean you don't have health care, right? So there is an element out there where they're good, bad or indifferent. But we have to look at the context of what people are providing us and why they want to come here. And I understand it's a lot more expensive to live here. So there was probably some rationale at one time to increase salary for living expense, which I understand. But what's happening now when you're competing against equal salary and \$14,000 health care plan, and they're having to come in, it's a challenge. I'm not saying we have to fix it overnight, but for me, it's a huge priority. If we want to recruit, retain, and train, right? That's how you keep people with a great culture. So hopefully, that gives you enough. And if you want to know about me more personally, I'm always willing to do that later. But yeah, hopefully, that gives you a nutshell.

- ▶ [**Tracey Vackar**] But thank you. I think you're going to hear a lot from the three of us. We were all very much still in sync today, so it was really great.
- ▶ [**Bill Olien**] Absolutely. Yeah, so I actually started out of college, I was in the Air Force for several years, as an Air Force veteran. And then I started as a director of technology at the San Diego School District, a district in San Diego. Wow. San Diego School District? San Diego, which is North County. It's north of San Diego County. And then director of technology at Marietta, and then assistant superfacility and operations, and then CBO and deputy superintendent. So it's pretty much all in the business area. Regarding Mr. Fine, first I would 100% occurred was his first most biggest priority he mentioned was about having the right people in the right place. Because you have to operate the district. And there's certain things that have to happen to make it operate. That's just the way it is. It's no matter what you cut, you have to still operate the district. I would also add on the facilities piece. He mentioned facilities as an issue. And I know that's one of the things we're looking at is trying to go out for a bond and exploring that. But if you don't address those facilities issues, it's going to get worse and worse to the point that you will be impacting the kids. Well, they're impacted right now, probably, because of poor conditions. But you can end up having a situation where I can't go in his classroom because the air conditioning's not working. I'm just making things up or whatever. No, you're not. But I'm just trying to say that you have to focus. You can't just sit there and go general fund, general fund. You also look at what's our plan for facilities, because that will impact the general fund. If you don't have the resources, and it's a million dollars to fix a roof, the general fund's paying for that, because you have to have that to make the building operate. So I totally concur with what he said. As far as facilities, I've done probably half a billion dollars of projects that it's possible for, building schools, renovations, you name it, I've done projects.
- ▶ [**Nancy Thomas**] So pretty much fiscal facilities and technology One of the things I heard you will say that I just really appreciate is that you're working together HR and the business office and I think mr. Fine can tell you that in the past that's been an area of concern where regarding position control that that there wasn't strong communication between HR and- I've already talked about that.

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- ▶ [**Bill Olien**] She and I have already had several conversations already. I love hearing that. About things that I think we just need to start looking into. We'll need a little grace because this is day one for us. I gave them a prep list and they just like went at it.
- ▶ [**Tracey Vackar**] So it's been great and they've been really working closely with staff to be able to ask questions.
- ▶ [**Nancy Thomas**] Did you know each other before this?
- ▶ [**Chris Williams**] No, actually not. first time, so. We're going to get really close though. We actually got along for the first day. Day one, we're done. I think the same thing, we come from the same fabric of like what's great for kids.
- ▶ [**Bill Olien**] Yeah, and you know, the business side, the whole goal of everything is we want to make it an environment for kids. That's what it's about, right? We want to, that's why things like facilities are important. Those things distract the kids, distracts from the learning environment. So it's not just you're doing the roof just for the heck of it. You're doing this thing to make the environment distraction-free so kids and teachers are only focused on teaching and learning. That's what we're all focused on. What can we do to make teaching and learning the maximum experience that we can? And unfortunately, you know, some of those things you have to spend money on. And so I think it's going to be a really challenge between where do you invest and where do you own it. An example is programs, right? He mentioned I totally concur with that, the programs. I mean, I had experience with that where we, During the Great Recession, we doubled down on VAPA and invested more money in VAPA, even though we were struggling. That resulted in literally hundreds of new students coming into the district. But where you get to find that one, that was based upon data, because we had data that determined where are students' families going? Why are they not coming here? Why are they going there? And VAPA would be one of the, in our area, this was one of the ones that was here. So I 100%, I know you really hit on that, and some of the board members hit on that about the data piece. That has to drive that, I understand.
- ▶ [**Chris Williams**] Yeah. I think one thing that I'd remiss that I didn't talk about is our ed service team working together with teachers in classrooms and whatnot, too, because the ed service really does drive what we do for impact of kids in classroom, too, and making sure that we're significant in the roles and functions with those services as well.
- ▶ [**Aiden Hill**] And I'd like to just thank Mr. Fine for making the observation or sharing an independent data point regarding Superintendent Ficar because she came recommended to us by our former superintendent, but we didn't have personal experience with her. And I think that since she was in the CBO role, that a lot of people in the community weren't having a day-to-day interaction with her. And so whenever you don't know something, sometimes you can be fearful. But the fact that you've worked with her before and have stated really that you have a lot of confidence that you feel like we've got the right person, that means a lot. And what I would say is I think the interaction that we've seen right here, great coaches know how to pick great players. And it looks like we've already got a couple good players on the team. That's right.
- ▶ [**Mr. Fine**] And don't forget, Tracy's back, don't forget the superintendent's background. She's been one of the leading CTE folks in the state of California. So when you talk about enrollment opportunities, although I do want you to be really careful when you talk about that, When you talk about that, there are CTE opportunities. Right here is one of the state's leaders in that arena. The examples you got here about VAPA. I hate to remind Tracy of this. I was in the district next door. I closed the elementary school right on the boundary, right at UCR, which is the boundary between Riverside and Moreno Valley Unified. I closed that elementary school and turned it into a STEM program. And it was very intentional. In two ways. Number one, it was right next to UCR and the marvelous research facilities at AUC. But number two, it was also right next to the neighboring district. And we made that investment in the midst of the Great Recession. Why? Because it stabilized enrollment. We did the same thing with VAPA, except it was in a different area. We did the same thing with DLI. We did the same thing

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with several other programs. So using program to attract kids is absolutely a tool that's in your tool chest. Just be conservative about it and make it part of the actual plan that you then are monitoring and looking. It means you will cut something else to make that happen, though, because you've got to get research. Start up. Well, start up a CTE is unbelievably expensive. But startup of those other programs, all startup costs money.

- ▶ [**Nancy Thomas**] You know, I just came from an ROP meeting and the superintendent there is just really jazzed. He thinks that this Golden State Pathway grant is extremely well written and even though the state says we'll call you, you know, It's because of the workload, but that money, I think we're going to get that money for our computer science pathway.
- ▶ [**Tracey Vackar**] We talked about it today. We actually had a meeting with the ROP about this and about some other future investments that we could possibly do. So I was super excited to have that conversation with Superintendent Hanson and his team and with our team here. We did talk about the Golden State program. There were a lot of applications, almost 700 applications. I think the state wasn't ready to read that many applications. That's what he said. But, you know, that's not unusual. I mean, we've seen it happen before with the state where they put something out and it was a really popular response from districts, quite frankly. And so I do think there's lots of opportunities. I think the idea of having a bond and how that bond would help our facilities to be able to help bring those kinds of programs. And you have to have enough power to be able to run some of those things. And thank you for sharing about my CT background. I do know that that actually does change lives. It actually gets kids engaged. It keeps them in school. It keeps them connected with core academics. It has core academics working in conjunction with the CTE programs to be able to do project-based learning. All those things are really great strengths and are part of our strategies and our goals that we want to make sure that we continue to monitor and be able to help support. So definitely that can be a real plus. And I am excited to have the two gentlemen to my right here joining me on the team here. I know we've got a lot of work to do. They are committed. They have been doing some deep digging since our initial conversation. They hit the ground running here this morning. I'm really grateful for their time and their leadership, and I look forward to being able to work with them here on behalf of the district. Mr. Fine, I just need to say to you, I am very grateful that you came here and that you spoke tonight. We have a lot of work to do over the next couple of years. One of the questions that kind of got asked out here, and I just want to be able to clarify, When we talked about the fact that we have a \$14 million gap right now that we need to address, we're looking at a two-year plan. One of the things I mentioned to you during the second interim that came as a surprise to us, we had a couple of things that we did not get funded for revenues on. One of them was a \$2 million hit that we learned about in the second interim. So I've talked with Vic Matt about this. I've also talked with Kevin Gordon. We were looking to figure out why we were being penalized so that we can try to self-correct this for the future. I don't want it to be something for multiple years that somehow is embedded in how we did, you know, where we get to use funding from this year and we go back two years. If we have some kind of data piece in there, we wouldn't be able to self-correct that. Overall, we had close to a \$3 million hit to our revenues this year. that came from the state telling us that we didn't report some kind of data correctly. So we probably would have been on track if we had had that additional \$2 million to be able to do a \$7 million cut this coming year and then \$7 million for next year. But because of that, it was just really difficult to be able to get there with that complete even.
- ▶ [**Nancy Thomas**] Did they ever explain why?
- ▶ [**Tracey Vackar**] We're still working on waiting to hear explanations. The \$1 million Revenue that we knew, revenue loss that we knew about, we found out in November as to what caused that. So it might be a few months before we actually hear what it is. I'm hoping that we'll do a dig. We're not the only school district that got hit with that revenue change when we pulled up that report for a second interim. So we were not the only district that saw that, those kind of numbers. We saw it up and down here through Alameda County. We saw it throughout the state. So it's not just our issue. It's something bigger than that, that we need to make sure that we understand and that we figure out how to correct it.

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- ▶ [**Aiden Hill**] So I'd also just like to thank you, Mr. Fine. So I know that you flew up here from Southern California. And so I know that that's time and expense, but really appreciate your being a partner with us and helping us get back on track. And we're going to bug you a lot.
- ▶ [**Mr. Fine**] That's what I'm here for, and happy to be supportive.
- ▶ [**Nancy Thomas**] I've spent many, many, many, many hours on the FCMAT website. It's a treasure trove of information. Thank you. You're very welcome.
- ▶ [**Tracey Vackar**] One of the great things, I think, about having resources like FCMAT and school services, our county office, I've had conversations this past 10 days with the new leadership that's there as well. They have a new deputy superintendent, Alan Gard. I've had conversations with him. I've had conversations with superintendent of the county office. They've been very supportive. They've offered some offers of system support, which I really appreciate. They wanna know how they can help. We attended their job fair. It was very successful. We actually came back with applicants. I wanna thank board member Jones and We had a principal there, and so we were able to identify some really great candidates, both for both special education and for our DLI program, which was really exciting. So we came back. We're working on those. Chris hit the ground running today to make sure that there was follow-ups and that those applications were done, and that we're making sure that we get all the references done with it. But I will tell you, it's got to be done in partnership, working and listening to what's happening at the state level, what the governor's going to do in May, listen to May revise. Those will be important elements that come about. I'm hearing what the experts kind of weigh in on what we should be looking at, looking at what the COLAs will look like, hearing what the STRS and PERS implications might be for the future. Those will be things that we need to make sure to stay on our radar and that we use good information and informed decisions when we create our revenue streams. And again, I just want to just thank you and your staff who have continued to help monitor and talk with me, check in to make sure that things are okay. Is there anything they can do? great resources and guidances that they've helped us with for support. So besides tonight, they've been here, they've been a partner to help us. And I think that's because they've had a long time in looking at the district and knowing that the district has had issues that we need to make sure that we continue to stay addressed with. And so I think the first step is that we know that we've got a problem. I think we're all there with that. Now how we conquer the problem is really going to be up to us and our partners are out there on our education teams and the leadership that we bring forward and then really the goals that you give us to make sure that we're measurable and they make sense and if not maybe we have to let some things go. Those will be hard decisions that sometimes you'll have to make. But I want to thank you very much for being here this evening. It's really good to have you here.
- ▶ [**Mr. Fine**] Last comment just to follow up with that. As you set a plan know that some things will have to change. As much as I believe in budgets, budgets are the bit of the make-believe world, right? They are what we anticipate to happen. So the superintendent just identified several variables that were in your second interim report that your plan is built upon. I can stand right here today and tell you that I think three of the things she just mentioned, two of them have already changed. COLA will be a little bit better when it's released here in a couple days. PERS, though, rates just went up last week for July 1, that I'm sure you did not, you may have anticipated. We knew they were gonna go up by how much was the question, right? So, and it's not just next year, but they've set the rates, well, we have preliminary indication of the rates for the next couple years, all of which approach the 29%, over 29% range. So, and then, Liability insurance probably since your second interim you've you've received your preliminary quotes and it's it's pretty much out of sight at this point given Childhood sexual abuse claims that are out there. It's it's driving that market pretty pretty significantly So I just want to remind you of that as much as we talked about plan tonight and much as we talked about nailing things down We are talking about forecasts and there will be elements to change Thus, you need to build some contingencies in those plans, right, for those changes. There will be some good changes. And there will be some adverse changes. Thank you guys very much.

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- ▶ [] Thank you. Thank you.
- ▶ [**Aiden Hill**] OK. So moving on to item 7, consent agenda, personnel items. We only have one. So it's 7.1, employment ratification of interim assistant superintendent of human resources. Who is here this evening, but I'm wondering whether we should pull this just so we explain kind of your two-part Step in introducing this from a ratification perspective and then it would go formally on the Powell in the next meeting So if it's okay with the board, I'd like to pull 7.1 just so that miss Ficar can explain What we're doing here
- ▶ [**Tracey Vackar**] Thank you for that opportunity. So before you this evening in full transparency, I really wanted to put on here that we are bringing on a substitute interim assistant superintendent of human resources with that. He is an employee of our district, a little different than some of the contracts that we have in the contract that we have currently with Mr. Olin. He's a third party contract. However, assistant superintendent, interim assistant superintendent, before you here this evening, Mr. Williams would act as an actual employee of our district and would be here to help support us in that nature. I want to be very clear that the funding is coming from an already previously budgeted dollar amount for that position and is divided by the 225 days. So I want to be very clear about where the funding is coming from. It's not new funding, it's currently budgeted funding. The other piece I want to be very transparent about is that there is some travel expenses and there's going to be a per diem involved with him coming up here and being up here a couple of days. A week for us and so he'll be spending a couple nights up here every week to be able to help us and be here Three or four days initially here in our district and then you know might be able to do some stuff from from home But we're gonna be very cognizant of expenses. We've talked about that And we're mindful of that and we know that it's expensive to travel But we also know that it's really important to make sure that we've got good leadership here And we weren't able to find the local leadership that we needed to be able to support us here and we want to make sure that the district has a the people that they need to be here on deck to be able to help us navigate through this. This is a critical time. We are closing out our school year. We're getting ready to open the school year. And we've got a lot of positions that we need to fill in our district. And we need to get a move on it. So it's imperative that we be here. It is my recommendation that the board ratify this. Because normally it would be on a PAL, and we'd be coming back to you retro. I actually need to have somebody here now. I couldn't wait two more weeks. And so I took this opportunity to be able to put it here. It could have said PAL report, I suppose, and it could have been a ratification, and this would have been the only thing on the PAL report. But I wanted to call it out because I know our community's been concerned about the people that we're bringing on board. And I want to make sure that we are being transparent in every single way possible as to what we're doing.
- ▶ [**Aiden Hill**] And this will be on the PAL two weeks from now. So we're ratifying this decision, but it will also show up on the PAL two weeks from now? Yes.
- ▶ [**Tracey Vackar**] Okay. The reason I went there, we had this conversation. I think it's important that for our record, a lot of us just go right to the PAL report and they might miss that this was actually on an agenda item. So I'm going to put it back on the PAL report because that tends to be where people go to go look at data over time. I know I use the power report to go back and go see what was done in history so that I know exactly what I'm doing as we move forward. So I've used your power reports to help me navigate. And I think it's important to make sure that if that's really our place or record that we actually put on there, even though you're taking the ratification tonight.
- ▶ [**Nancy Thomas**] So you're going to ask us to ratify it this evening? I am. OK. I thought you said pull it, but.
- ▶ [**Aiden Hill**] No, I meant pull the item, because it's on consent.
- ▶ [**Nancy Thomas**] Oh, we have a consent agenda tonight?

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- ▶ [**Tracey Vackar**] Just the one item. Just the one item. OK.

- ▶ [**Aiden Hill**] Are there any other questions or clarifications? OK, so can we get a motion to ratify the employment agreement for interim assistant superintendent of human resources?

- ▶ [**Kat Jones**] I'll make a motion to approve.

- ▶ [**Carina Plancarte**] I'll second.

- ▶ [**Aiden Hill**] Roll call, Ms. Hoekstra, please.

- ▶ [**Kadie Eugster**] Member Thomas? Yes. Member Plancarte? Yes. Member Jones? Yes. President Hill? Yes.

- ▶ [**Aiden Hill**] OK, motion carries. OK, so moving on to the last item, 8.1, superintendent, concluding comments, updates, and future agenda items.

- ▶ [**Tracey Vackar**] Well, the future agenda item I was going to discuss this evening would have been to put this back on the PALS report. But since we pulled that agenda item, I won't be discussing that. I do want to share with the community, though, That going on right now is our survey for our bond information to find out how the community feels about it. It is a random survey. We've had a lot of questions as to how people were selected. It is done randomly. We do not select who gets called here. And really the reason is that we really want to get a cross section of who votes and who is going to be making decisions. So we're excited about that. If you could spare an extra 20 minutes of your time to share your thoughts about our district and the programs that we offer and where we're going to, where we're at now, where we're going at in the future and what you want to see for our school district, this is a great opportunity for the board to be able to have insight when they go to have to make the important decision of whether or not they actually ask the community to consider a bond. In November, they will use this information as part of their decision making process. And so I just want to let you know that that survey is out there right now this week. And just to give that information. So we're excited about that.

- ▶ [**Aiden Hill**] Great. Thank you. Any questions for the superintendent?

- ▶ [**Kat Jones**] Thank you for bringing these gentlemen to us. I know. I'm so excited.

- ▶ [] We're going to be a great team. We're going to make this happen.

- ▶ [**Aiden Hill**] OK.

- ▶ [**Aiden Hill**] Thank you. So moving on to 9.1, I'm sorry, well, we're not gonna do 9.1. We don't need that, I think. Let's go on to 9.2, adjournment. So can I get a motion to adjourn the meeting?

- ▶ [**Nancy Thomas**] I move that we adjourn the meeting. I'll second.

- ▶ [**Aiden Hill**] Okay, so roll call, Ms. Huston.

- ▶ [**Kadie Eugster**] Member Thomas? Yes. Member Plancarte? Yes. Member Jones? Yes. President Hill?

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 [**Aiden Hill**] Yes. All right. Motion carries adjourning at 8 10 or 8 11 in the evening. Thank you.