

METROPOLITAN EDUCATION DISTRICT

Governing Board Meeting Minutes
January 23, 2013

I. CALL TO ORDER/ROLL CALL CLOSED SESSION

The meeting of the Governing Board of the Metropolitan Education District was called to order by President Chang at 7:05 p.m., in CCOC Room 201, auditorium, San Jose, California.

All Members present, except when noted "absent:

Daniel Bobay	Milpitas Unified School District
Jim Canova	Santa Clara Unified School District
Cynthia Chang	Los Gatos-Saratoga Union High School District
Matthew Dean	Campbell Union High School District
Richard Garcia	San Jose Unified School District
J. Manuel Herrera	East Side Union High School District

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Vice President Bobay.

President Chang: She asked the Governing Board to move the Organizational Meeting until after Recognitions to ensure all members were present for the item and thanked the MAEP English-as-a-Second Language (ESL) students for being present with their teachers.

III. ADOPT AGENDA

MOTION: It was moved to amend the agenda and place Recognitions before the Organizational Meeting. M/Bobay, S/Dean; Vote: 5 Ayes, 0 No, 1 Absent (Herrera)

IV. RECOGNITIONS/VISITORS

A. Acknowledgement of Visitors - None

B. Acknowledgement of Honors and Awards

- Recognition of Individuals who have "Raised the Bar!"

Superintendent Hay: He recognized Peggy Nutz, Small Business Management teacher, and Jeff Schmidt, Video Production teacher for being selected as the CCOC January Teachers of the Month and for providing their friends and colleagues with an excellent example of the power and benefits of working collaboratively to provide real world experiences for students. Mr. Schmidt was also recognized for being selected CCOC Teacher of the Month for September for his enthusiastic work and creative ideas that secured the Ohlone SB70 Grant that provided CCOC with forty iPads, training opportunities for teachers and a mobile computer lab. Mr. Schmidt was unable to attend an earlier meeting as he was completing his Master's Degree in Educational Leadership.

Superintendent Hay: He recognized MAEP ESL teachers Kathy Gullo and Kitty Stenson for masterful teaching and continual, diligent efforts to assess students and record student progress via pre and post-testing for the Comprehensive Adult Student Assessment System (CASAS). The paired scores are an essential part of the English-as-a-Second (ESL) program for the Metropolitan Adult Education Program (MAEP) to meet the needs of the students.

Superintendent Hay: He recognized MAEP ESL teachers Barbara Abbott, Frieda Caldwell, Gracey Janke, Kerry Le Cussan, Pedro (Cesar) Romero, and Manju Batra (unable to attend) for

their masterful teaching and continual, diligent efforts to assess students and record student progress via pre and post-testing. In order to record gains (for which funds are received from the Workforce Investment Act II), each student must show a pair of scores on matching exams. The fall semester's statistics for Active Students for these six teachers showed a paired score for every single student in a class—100% paired scores; up from a norm of 85%!

Superintendent Hay: He recognized Danh Nguyen, Caltrans Landscape Supervisor, who visited the MetroED campus in November 2012 to discuss approval for a dumpster enclosure on the Caltrans right-of-way on the eastern boundary of the campus. After observing the landscaping that had been done by MetroED, Danh offered to help out our beautification project. Thanks to Mr. Nguyen's initiative and persistence, Caltrans provided the equipment and manpower to fully cover the hillside with 720 cubic yards of tanbark. The result has been that last finishing touch that we needed to complete the hillside landscaping project, at a value exceeding \$21,000.

President Chang: She congratulated all of the teachers and Mr. Nguyen for the awards and commitment to the students of MetroED. She turned the meeting over to Superintendent Hay to preside over the organizational meeting and election of officers.

V. ORGANIZATIONAL MEETING

1A. Election of Officers: President, Vice President, and Clerk

Superintendent Hay: He said in accordance with the Education Code and Board Bylaws, the Board is to elect and appoint officers at its organizational meeting in January and elects from its regular membership a president, vice-president and clerk and nominations do not require a second. He opened nominations for president.

Member Chang: She nominated Member Garcia for the office of president and respectfully asked Member Bobay to stay on as vice president for another year due. She said this year is a critical time for MetroED with the hiring of a new superintendent and CBO as well as dealing with other challenging issues. She said Member Garcia is the most senior board member, first appointed in 1996, and he has been through two superintendent searches. She said she thinks with Member Garcia's experience and commitment it is in the best interest of MetroED.

Member Canova: He said he would second the nomination even though he knew it was not necessary and he asked if at some point Member Garcia could speak to the experience Member Chang mentioned. He said his home district is going through their third superintendent in six years and it is difficult to keep a superintendent during these difficult times and he does respect Member Garcia's long history with MetroED.

Member Garcia: He said he certainly appreciates the consideration and the offer to preside over this Governing Board for the next year. He said he has been through two superintendent searches here at MetroED and one recently at San Jose Unified. He said he didn't think it is just his experience in going through superintendent searches, but his history with MetroED which he thinks will be beneficial as we move forward. He said he would accept the nomination and do his best and make sure the process is collaborative so we can find the best superintendent for this District.

Superintendent Hay: He asked if there were any other nominations and hearing none, called for the vote and Member Garcia was elected president by unanimous vote.

Member Chang: She nominated Vice President Bobay for the office of vice president for the coming year. She also wanted to thank him for his assistance during the past year in helping her as president.

Superintendent Hay: He asked if there were any other nominations and hearing none, called for the vote and Member Bobay was re-elected as vice president by unanimous vote.

Vice President Bobay: He nominated Member Dean for clerk of the board.

Member Dean: He asked for details of the responsibilities of the clerk in this capacity at MetroED.

Althea Polanski: She explained the clerk of the board signed the board minutes and was the official time keeper for those who spoke under public comments or on an agenda item.

Member Dean: He said he would be willing to serve as clerk as it is very similar to his home district.

Superintendent Hay: He asked if there were any other nominations for clerk and hearing none, called for the vote and Member Dean was elected clerk by unanimous vote.

1B. Choose a representative for the County School Boards Association

Superintendent Hay: He asked if any member of the board would like to serve as the representative to the County School Boards Association.

Member Chang: She said she serves as a delegate to the County School Boards Association and regularly attends the meetings and she would be willing to continue to represent MetroED.

MOTION: It was moved to appoint Member Chang as the representative to the County School Boards Association. M/Canova, S/Herrera; Vote: 6 Ayes, 0 No

1C. Appoint Superintendent as Secretary of the Board

MOTION: It was moved to appoint the Superintendent as Secretary of the Board. M/Herrera, S/Dean; Vote: 6 Ayes, 0 No

1D. Approval of Calendar of Regular Board Meetings for February 2013 through January 2014

President Garcia: He said the other item under the organizational meeting is approval of the calendar for regular board meetings from February 2013 to January 2014.

Member Chang: She asked if the March 13, 2013 meeting could be held on March 20, 2013 due to commitments she had that week out of state.

Member Herrera: He said he sees as there was already a special board meeting scheduled for March 20, 2013 regarding the superintendent search.

Althea Polanski: She shared that the Governing Board had previously selected March 20, 2013 for a special closed session meeting with Leadership Associates to review the applications for superintendent and the actual interviews are scheduled for March 29 and 30.

Member Chang: She said she would ask her alternate to attend the March 13, 2013 meeting in her absence.

Member Canova: He said he would like to keep the date the same for the search here as he has similar commitments for the search that is being conducted at Santa Clara Unified.

MOTION: It was moved to approve the calendar of regular board meetings for February 2013 through January 2014 as recommended by the superintendent. M/Chang, S/Herrera; Vote: 6 Ayes, 0 No

VI. STUDENT REPORTS

- A. CCOC - None
- B. MAEP – None

VII. SPECIAL ORDER OF BUSINESS

None

VIII. PUBLIC COMMENTS

President Garcia: He noted there were no requests to speak at this time.

IX. APPROVAL OF MINUTES

2. Action Item: Approval of Minutes from the Regular Board Meetings of December 12, 2012.

MOTION: It was moved to approve the Minutes of the Regular Board Meeting of December 12, 2012. M/Chang, S/Dean; Vote: 6 Ayes, 0 No

X. CONSENT CALENDAR

MOTION: It was moved to approve consent items # 3 through #14. M/Dean, S/Bobay; Vote: 6 Ayes, 0 No

BUSINESS AND FINANCIAL FUNCTIONS

***3. Action Item: Approve the December Monthly Warrant Approval List**

The Governing Board approved the December Warrants.

***4. Action Item: Accept Donations Offered to the District**

The Governing Board accepted the donations of a Nissan Automatic Transmission from Stevens Creek Nissan and 34 self-contained breathing apparatus sets from the City of San Jose.

***5. Action Item: Approve Agreement for DSA Inspector for Fire Tower Prop-All Aspect Inspections-\$14,100**

The Governing Board approved the agreement with All Aspect Inspections in the amount of \$14,100.

***6. Action Item: Approve Agreement for Professional Inspection and Testing Services, Proposition 1D Building 100, Arts & Media Center-HP Inspections, Inc.-\$18,523.75**

The Governing Board approved the agreement for professional services including the change order dated 11/15/12.

***7. Action Item: Approve 2nd Amendment to sublease: Capitol Auto Mall Plaza LLC (sublandlord) and Tony Diep dba Auto Sound & Security (subtenant)**

The Governing Board approved the terms and conditions of this Second Amendment to Sublease between Capitol Auto Mall Plaza LLC and Tony Diep, doing business as Auto Sound and Security.

***8. Action Item: Approve Sublease: Capitol Auto Mall Plaza LLC (sublandlord) and California Gold Buyers, Inc. (subtenant)**

The Governing Board approved the terms and conditions of this Sublease between Capitol Auto Mall Plaza LLC and California God Buyers, Inc.

***9. Action Item: Master Agreement for Training Services with City of Sunnyvale (NOVA)**

The Governing Board approved the Master Agreement for Training Services between MetroED and the City of Sunnyvale for the period 1/1/13 to 12/31/14.

***10. Action Item: Revise MAEP 2012-13 Schedule of Fees**

The Governing Board approved the revised MAEP Schedule of Fees for 2012-13.

PERSONNEL FUNCTIONS

***11. Action Item: Certificated Personnel**

The Governing Board approved the four CCOC stipends to support various CCOC educational programs for the 2012-13 school year.

***12. Action Item: Classified Personnel**

The Governing Board approved two re-hires, one new hire, and one termination.

INSTRUCTIONAL AND STUDENT FUNCTIONS

***13. Action Item: Williams Uniform Complaint Procedures Report**

The Governing Board approved the quarterly report on the Williams Uniform Complaint Procedures for the quarter ending December 31, 2012.

***14. Action Item: Community Classroom Agreement**

The Governing Board approved the agreements to provide on-the-job clinical training to CCOC medical students with Canyon Creek Pet Hospital.

XI. INFORMATION ITEMS

15. Information Item: Governor's Proposed Budget for 2012-13

President Garcia: He asked the superintendent if he wanted to provide additional information as the report presented was very comprehensive and he thanked the superintendent for sending the information to the Governing Board so quickly after the governor's proposal was announced.

Superintendent Hay: He said he would like to show a brief PowerPoint and a copy of slides were at the dais as well as an extract from the governor's budget proposal highlighting all of MetroED's funding sources, and a joint newsletter from CCAE, CAEAA, and ACSA recommending approval of the Legislative Analyst's Office (LAO) recommendations on adult education. He shared information on the governor's proposal for a new Local Control Funding Formula (LCFF) which is a reiteration of the Weighted Student Formula (WSF) that he proposed last year. He said there are five categorical programs that fund MetroED and the governor's proposal eliminates funding for these categorical programs as of July 1, 2013. He said the Governor's proposal includes holding districts harmless for categorical funding, meaning they will get what categorical funding they received in 2012-13, but it will be unrestricted. His proposal would move responsibility for Adult Education to the community colleges, which he will fund with \$300 million of new money. He said it also includes a recommendation to work with the existing adult education structure and he anticipates that the many of the community colleges will choose to contract with existing Adult Ed programs that want to continue providing the service.

He said the funds for apprenticeships are also being shifted to the community colleges. He noted that deferred maintenance funding will continue to go to the districts, but collapsed into the regular funding, not match required, and 100% flexible. He said if the governor's proposal is implemented, it will make null and void sections 15.1 and 15.2 (funding of MetroED programs) of the MetroED Joint Powers Agreement because there would no longer be any designations of apportionments for adult education or ROP. He said the money would no longer be required to be passed through to MetroED by the participating districts. He had this reviewed by the District's attorney today and he concurred that there would no longer be any funding requirement. He said the three basic aid districts, Campbell, Los Gatos, and Santa Clara, may not receive any additional funding, depending on the details of the Governor's proposal. He said Los Gatos has already had to take a fair share cut and all their 2012-13 categorical funds were kept by the state. He said the three revenue limit districts will receive increased funding based on the categorical funds being combined with their revenue limits. He said this could affect how MetroED is funded for next year. He said he believes these proposals should be heard in the legislature's policy committees and not part of the budget process. He said there was reason categorical funds were established, and those reasons should be reviewed. He believes there will be a lot of pressure at the local level from teachers and other employees to receive these funds as unrestricted so that they are available in collective bargaining. He said San Jose Unified has a formula where a percentage of any new unrestricted money received goes to teacher salaries. He said MetroED will need to decide if they wish to pursue contracting with the community colleges to provide adult education services. He noted that the adult education facilities on campus were paid for by San Jose Unified money as well as the equipment and they may want to use the facilities for an alternative program and he believes they would have the right to do that. He said the District has an MOU with SCC Office of Education to receive the professional development block grant funds that are passed through from the state and we should continue to receive those dollars.

He said the District will need to develop a new agreement with the participating districts to confirm funding for the CCOC programs going into 2013-14. He said the District's budget is based on the governor's proposed budget and School Services dashboard and the proposal is for no categorical funding. He said there is no commitment by the JPA districts to continue funding at this time into 2013-14. He said the District is faced with issuing layoff notices to certificated employees by March 15, 2013 if the governor's proposal is approved and there is no agreement with the member districts to fund MetroED.

Member Dean: He said when reviewing the budget at the last Campbell UHSD board meeting, there was not increase reflected except for a possible \$200 ADA incremental amount that might be received; however, this has not always occurred in the past and he doesn't trust the state in this area. He said based on the governor's budget the participating districts may not receive the funds to continue the programs.

Vice President Bobay: He said a footnote to Member Dean's statement, the distribution will happen over seven years.

Superintendent Hay: He said except the categorical funding which is eliminated immediately based on the governor's proposal (but the Districts are held harmless).

Vice President Bobay: He said this would require the JPA member superintendents come together and come up with a number of recommendations for their boards and the MetroED Board as a course of action to take. He asked what the recommendation would be this evening.

Superintendent Hay: He said we have an agreement in place with School Services to guide the organization through a new funding model. He said at the time the agreement was brought to the Board and approved, the governor's proposal had not come out and we did not know it would include the elimination of categorical programs immediately. He said Maureen Evans with School Services has done a lot of work and she has some proposals. He said the next step was for her to meet with the member district CBOs. He said this process should continue and it should include a funding option for next year if the governor's proposal goes through as

proposed. He said this would allow the continuation of addressing the funding model in the contract and it is not so restrictive that an alternative option could be recommended. He said School Services is independent and unbiased and he would like to see it continued and it is part of another agenda item this evening.

Member Chang: She said the problem being faced now is the uncertainty of what will happen next.

Superintendent Hay: He said that is correct and Nancy LaCasse from School Services will be providing us information on how to convince the governor and legislature that this may not be the best way to proceed.

Member Canova: He said what is interesting to him is it is the governor's local control funding formula and he must be obviously well aware that if these categorical dollars go away to the individual districts as proposed will put funds on the table for negotiations at our local districts. He said the historical reason for the categorical programs to be established was to ensure that certain needs would be addressed state-wide for education and not become part of the negotiation process for funds.

Vice President Bobay: He asked what would be the District's legal recourse with the districts in the state to prevent, what sounds like it is somewhat inevitable, regarding funding.

Superintendent Hay: He said there may be some legal recourse and he has not explored that with our attorney; however, the more immediate strategy would be political and that is where we need to put our efforts and time. He said he is willing to continue doing that with Nancy LaCasse in Sacramento.

President Garcia: He asked if we would be getting a report from Nancy LaCasse on what the possibilities are in the state.

Superintendent Hay: He said she would be providing a report under item # 17 and he wanted to provide information on the impacts on MetroED. He said he believes the governor is viewing this from 40,000 feet and he is getting advice from someone else who is viewing this from 40,000 feet. He said as the process has evolved since the governor first proposed the WSF, which sounded like a great idea until you get down to the implementation process, there are problems to overcome. He has taken action to overcome many of the problems, the biggest one MetroED had was taking the ROCP funds and spreading it out throughout the state. Money currently dedicated for juniors and seniors in high schools would be cut in half. He said you cannot run programs like we have here at the center with a 50% cut on top of the 20% cut already taken. The governor's new proposal now provides the funds to districts with high school students.

Member Canova: He said if you look at what is derived from classes offered here at MetroED and the resources already and then look at the impact of charter schools on budgets, the conversations are not being done and he has heard no conversations from the state on trimming the budgets at the county level. He said we have had these conversations before and when you ask a local school board member to name the value their district derives from the county; there is no answer. He said it doesn't mean they do not provide value but it is another level of bureaucracy that is not being looked at for additional funds available to districts for educational purposes. He said here is a program that provides so much value to the community is taking a hit. He said Sacramento has their priorities in the wrong place.

Member Chang: She asked if there was any way to invite the governor to visit MetroED so he understands the value of these programs.

Superintendent Hay: He said that Nancy LaCasse will be addressing this in her report.

President Garcia: He invited Kathy Jasper, representing AFT and CTA, to speak on this agenda item.

Kathy Jasper: She said adult education has been at the mercy of local districts with flexibility and even before that. She said the funding has gone from \$900 million to \$600 million and \$300 million going to the community colleges. She said there will still be that money for local districts to decide if they will continue to provide adult education services; however, the track record has not been very good across the state or here locally. She said their union applauds the governor for allocating \$300 million for adult education; however, it is the details that they are as concerned about as the Board. She said community colleges will be encouraged to leverage the resources currently in K-12 districts for adult education and she said the most value resource is the teachers in the classrooms. She passed out the draft resolution from the Adult Education Commission to encourage the governor to slow down and look at all the different variables and for all relevant parties to collaboratively work together for a resolution.

President Garcia: He said it is important that we all work together on this issue as we move forward.

Member Dean: He said based on what we know today, the March 15 notifications should be placed on a future agenda for discussion.

Superintendent Hay: He said it will be brought back to closed session at the February meeting for further discussion.

XII. ACTION ITEMS AND REPORTS

BOARD AND ADMINISTRATIVE FUNCTIONS

16. Action Item: Appoint Standing Audit Committee Members

President Garcia: He said previously Member Chang and former Member Gordon were on the audit committee. Member Gordon is no longer in office and we need to appoint a new committee.

Member Chang: She said she would like to continue on the committee and she would like to nominate Member Dean who was able to attend the December 12, 2012 committee meeting and asked good questions and contributed to the discussions with the auditor.

Member Dean: He said he had enjoyed the meeting and he would be happy to serve on the committee.

MOTION: It was moved to appoint Members Chang and Dean to the standing audit committee. M/Herrera, S/Bobay; Vote: 6 Ayes, 0 No

17. Action Item: MetroED Legislative Priorities for 2013-14

Superintendent Hay: He said Nancy LaCasse, our lobbyist, is here this evening to share how we may want to move forward. He said the District has had for several years adopted legislative priorities, hired a lobbyist and had the superintendent to meet with legislators on a regular basis. He said included in the agenda item are the legislative priorities for the 2013-14 two year legislative session. He said the priorities are essentially the same and are worded to provide flexibility for MetroED to take positions on bills and guidance to our local legislators. He mentioned one specific item that has been controversial, which is to correct the Ed Code to allow JPA ROCPs to issue general obligation bonds. This has been a MetroED legislative priority for the last 2-3 years. During recent Executive Council meetings, all six of the participating district superintendents have recommended that we not move forward with this item. The question is, how do we provide for capital outlay needs for this district if there is a major need; i.e. a roof replacement. He said the position by the participating district superintendents and CBOs has

been that MetroED is on its own to provide this funding. He said he doesn't know if all six districts would approve going out for a bond if the technical language in the Ed Code is corrected. He said it would take all six districts to approve it. It's possible the future leadership in the JPA districts would have a different attitude toward doing bonds at MetroED. This would at least provide them the option for consideration.

Member Canova: He said the opposition in the past had been from various districts in the JPA that they were concerned that this District would be going out at the same time as their district with competing measures. He said it seems if that is the only issue, there should be a way to ensure there would not be competing bonds on the ballot.

Superintendent Hay: He said that is the only issue.

Member Chang: She asked if there was an issue regarding the bonding capacity.

Superintendent Hay: He said that JPA bonding capacity does not encroach on the bonding capacity of the individual school districts. He said this would be a separate district with its own capacity and it has been reviewed by legal counsel.

Member Chang: She said originally she was not in favor of including the technical language change as part of the legislative priorities; however, after giving it more thought and taking into account the gatekeepers, needing the six school districts approval to go out for a bond, this would provide a foundation for MetroED in the next 10 to 30 years when none of us might be here. She said she has changed her position.

Member Dean: He said the way he looks at it is the entities that formed this institution got together and if we continue to value the results we achieve and the impacts we have on the student's lives, the six districts will be able to get together in the future to make that same kind of commitment to get a bond approved. He said he has confidence as Benjamin Franklin said, I suggest we all hang together or we will surely hang separately. He said he thinks the districts will find a way to come together when the need arises for them to go do that. He said they will find a way and the people that follow him will find a way and it is because of the teachers, the students, and the success of the program.

Member Chang: She said if we are going to stand together, we need to provide the foundation to do that with the legal language.

Superintendent Hay: He said when the JPA was formed, the Education Code had language to allow ROC/PS to go out and do bonds if the JPA districts decided to do that. He said at the time the JPA document was written, it was included in the document and it says if all six districts agree, the JPA could go out for a bond. He said Pat Gaffney from Campbell UHSD had asked us to research moving forward with a bond because he had concerns that MetroED was paying for the capital needs out of the general fund and he felt that was inappropriate and capital outlay funds should come from a bond. He said we went to bond counsel and received a ruling that MetroED could do that and then the effort stalled, and was not discussed for about three years. He said when the issue came up again we went back to the same bond counsel and they came back with a different opinion that MetroED did not have authority to go out for a bond. The Ed Code does not specifically say that JPA ROC/PS are considered school districts for purposes of bonding, which is a legal requirement. He said we are an LEA and as we did for deferred maintenance, we worked legislatively to be specifically included for purposes of deferred maintenance as a school district. That has been the direction we've taken on the bonding language. The Legislative Counsel has drafted bill language that is ready to go. Our strategy was to include this in the next state facilities bond, hopefully for November 2014.

Member Canova: He said in terms of the six districts all having to agree, he asked if the superintendent was looking at changing the current JPA agreement for the future.

Superintendent Hay: He said he did not think the language in the current JPA agreement should change regarding all six districts agreeing and he is not recommending any changes to the joint powers agreement.

Member Dean: He said what he thought he just heard the superintendent say was that even if the six districts agreed to go out for a bond, MetroED cannot go out for a government obligation bond due to the Education Code language.

Superintendent Hay: He said it is a quirk in the Education Code relative to the definition of school districts versus local education agencies.

Member Dean: He said the Education Code has not changed; however, the interpretation changed over a period of years and he would like to see the opinion from the bond counsel so he can have the rest of the story.

Superintendent Hay: He said he would be happy to share this information with Member Dean. He said MetroED went to the legislative counsel to review it as well.

Nancy LaCasse: She said the political landscape is quite different than it was when she was here last year prior to the November election. She said we are facing a complete overhaul of how the governor plans to finance public education; there have been changes in the state economy, and the passage of Proposition 30. The governor is listening to his close friend, Michael Kirst, the president of the State Board of Education, on how to fund education. She said he is taking it to the next level and liked how Superintendent Hay described it as at the 40,000 foot level. She said the funds for education were flexible without looking at the details so this is happening at the same time there is a huge turnover in the legislature. She said there are 28 new members to the legislature and there is now a super majority of Democrats and Republicans have little or no say in shaping policy or otherwise. She said during their fifth briefing on the governor's budget proposal, she said we are in a brave new world. She said people are asking questions that are no longer relevant such as will the deficits be restored and in the governor's proposal there are no deficits. She said it has only been a few weeks and people are trying to understand the governor's budget. She said she was very impressed with Superintendent Hay's presentation and how he laid out the budget impact information for MetroED. She said her goal for MetroED is to make sure everyone in Sacramento understands they are potentially wiping out an effective educational delivery system under the governor's proposal. She said the important thing she wanted to point out is that this is a starting point of what she hopes will be a very thoughtful analysis of what this proposal is about. We do not even have the language yet. She said there are a lot of stakeholders who have opinions on the proposal and we have received some important signals from the legislature that they will not let this be just a budget discussion and they want to see it go through the legislative policy process like any other bill. She said there will be ample opportunity for us to provide our input and advocacy on how we would like to see it play out. She said, as our advocate, she works closely with all of the statewide educational organizations. She said it will be a long process and the deadline for the budget is June 15 and the policy committee hearings can go into the fall. She said the only thing we can do is understand the impacts and communicate this to the legislators who have to approve the governor's budget. Our advocacy will include writing letters, giving testimony at hearings, getting stakeholders involved, and meeting with local legislators. She said the number one platform will be to ensure that career technical funding stay out of the local control funding formula as well as adult education. She said there are other bills that we have worked on such as deferred maintenance to hold onto the funding for MetroED. She said School Services has always been very conservative and is recommending that districts throughout the state prepare their budgets based on the governor's proposal.

Superintendent Hay: He asked Nancy LaCasse to provide some information on the strategies we are working on now to get legislators informed.

Nancy LaCasse: She said Superintendent Hay has been an incredible leader in Sacramento for MetroED, regional occupational programs, and adult education and he is known by legislators and their staff members. She said that Superintendent Hay has already sent a strong letter to State Board of Education President Michael Kirst that outlines the points that have been made this evening. She said it is important to bring the legislators, their staff, and others to visit which makes a big difference as it has in previous years. She said they are currently working to bring Michael Kirst and the governor's education staff member to visit and tour. She said we have worked with the legislative counsel office to write up the bill language to move the bonding priority through the legislative process as soon as MetroED is ready to go. She said there are two bills that have been proposed to place a bond on the ballot in November 2014; however, the governor's office is not interested in placing a bond on the ballot. She said there is an opportunity on Proposition 39 for clean energy dollars for education and she will be working to secure funds for MetroED. She said it is a competitive grant process.

Member Chang: She said recently there have been many bills introduced specifically promoting career tech and she said the governor has to understand his proposal has unintended consequences and she doesn't think it is the governor's goal to end ROP. She said the Governor's proposal will end regional occupational programs throughout the state.

Nancy LaCasse: She said a local education district can still offer regional occupational programs; however, it is their choice how they spend the dollars. She said his proposal is based on flexibility and local control to decide the priority to provide services. She said an JPA ROCPs are different from other programs; there is a legally binding agreement. We need to find out how this fits into the Governor's proposal.

Member Herrera: He said this public policy and political environment is quite unique and his recollection of the convergent of activities, he would never have imagined that redevelopment agencies would be eliminated. He said the infrastructure was so well anchored and he never would have thought violent offenders would be moved to the local counties from state prisons. He said these were both big moves and there are similar initiatives moving forward and that is the environment in which that this proposal is being viewed. It is not unreasonable for local control. He said he thinks we would be making a strategic error to focus all of our attention on the political options but simultaneously ensure that our base support locally is strong enough, if and when it does come to pass, we have the relationships and the understanding among various stakeholders and constituencies in public education that would truly know that this agency is not something that can be easily deconstructed without harm.

Member Chang: She said the challenge we are facing is other board members do not have the privilege of serving on this Board and understand the value as well as we do and the first-hand knowledge and experience. She said the governor's proposal is basically putting the local school boards in a very difficult position because of all of the different competing interests fighting for the money.

Member Herrera: He said he understands; however, he said there is a stronger possibility of the proposal passing compared to two or three years ago. He said all of us and the administration need to be parallel in engaging in strong educational conversations and processes for people to really understand the jewel and the necessity of MetroED and that it is not something that can just be dismantled without causing harm.

Member Canova: He said Nancy LaCasse has outlined how we are going to be in contact with our legislators and representatives at various levels of government. He said going back to what was said that the governor is looking at this from 40,000 feet; how can we bring the governor down to 12,000 feet.

Nancy LaCasse: She said the job is going to be how to show the impacts and clearly communicate to him why these programs are essential, critical, base programs for many children in California. She said one of the things she and Superintendent Hay have discussed for years is

that with career technical education, the standards need to be clear, the assessments need to be clear, and are very clearly part of your API, so that the local districts understand that and these programs are not considered anything but core educational programs. She said students are in for half of their day to get their education and it is part of their educational program. She said this message needs to be made to the governor and the new legislators as well and there are many strong supporters of career technical education in Sacramento.

Vice President Bobay: He said Member Chang brings up a good point as we were all appointed to this board by our local boards to make decisions in the best interest of this organization and these legislative initiatives we are being asked to approve look to be in the best interest of MetroED and he agrees with Member Herrera that we need to attack this from all sides. He said we have made commitments as a JPA to fund this organization whether those funds go through the county or come through our local districts, is something we need to pursue as well and how is that going to work. He said this would include bonds as well and whether we can tack on a CCOC component to a local bond or have a separate bond to run concurrently. He said it is a separate question that can't be answer tonight. He said we need to move forward and act in the best interest of this organization.

President Garcia: He said if this Board can't support these legislative priorities then who else will.

Superintendent Hay: He said the timing faced is critical with the May revise and the June 15 deadline. He said due to contractual obligations, we will need to make some decisions by the March board meeting about layoffs. He said that is a story that has to be taken to Sacramento very soon. March 15 notices are not easy for any of us; they are very disruptive to organization morale and the lives of the employees who receive the letters. He said even though you may say the letters may be rescinded in May or June; however, in May the final letters would have to be done prior to the governor's May revise and many employees will start making arrangements for other employment. He said it is not a good situation to be in and we need to address it from several different directions; the process that we have started for developing a funding model needs to continue with some urgency. He said if we have an agreement locally with all of the participating districts to fund MetroED next year, regardless of what the governor does, that will take much pressure off so we do not have to disrupt the employee's lives. He is very supportive of a multipronged approach.

MOTION: It was moved to approve the Legislative Priorities for 2013-2014 as presented. M/Chang, S/Dean; Vote: 6 Ayes, 0 No

Jeff Schmidt: He said he was representing CTA and he heard some very positive comments from the Board Members and he appreciated it. He said Member Herrera called this place a jewel and that is exactly what it is. He shared some recent statistics on the value of career technical education and the students who take the classes in conjunction with their other classes. He also urged the Board Members to be advocates for the programs and if we know we are going to be around for another few years it will benefit everyone. He said he has received March 15 notices previously; however, this year it will feel differently knowing the uncertainty of the governor's budget proposal for the organization. He also invited the board members and their superintendents to visit the classrooms and see the value of the programs. He said this will be a big fight and we need to work together to keep this from being a bad ending.

President Garcia: He thanked Mr. Schmidt for his comments and asked if he could send the statistics that he had via email so the Board Members could use as they speak to people in the community and he said he would do that.

BUSINESS AND FINANCIAL FUNCTIONS

18. **Action Item: Change Order #001, CCOC Building 100 Modernization (Swenson & Associates - \$59,392)**

MOTION: The Governing Board approved change order #001 for CCOC building 100 in the amount of \$59,392 between MetroED and Swenson & Associates. M/Chang, S/Dean; Vote: 6 Ayes, 0 No

19. **Action Item: Adopt Resolution #07-01-23-13 Authorizing Designated Management Personnel to Sign Orders Drawn Upon the Funds of the District for the FY 2012-13**

MOTION: The Governing Board adopted Resolution #07-01-23-13 authorizing the designated district employees to sign orders drawn upon the funds of the District effective January 24, 2013. M/Dean, S/Bobay; Roll Call Vote: 6 Ayes, 0 No

20. **Action Item: Adopt Resolution #08-01-23-13 Authorizing Designated Management Personnel to Sign Official Electronic Funds Transfer Forms of the District for FY 2012/13**

MOTION: The Governing Board adopted Resolution #08-01-23-13 authorizing the designated management personnel to sign orders drawn upon the funds of the District effective January 24, 2013. M/Bobay, S/Herrera; Roll Call Vote: 6 Ayes, 0 No

21. **Action Item: Monthly Budget Updates**

MOTION: The Governing Board approved the budget changes included in the Monthly Budget Update for the period ended 12/31/12. M/Chang, S/Herrera; Vote: 6 Ayes, 0 No

22. **Action Item: Los Gatos-Saratoga Joint Union High School District Withdrawal from JPA; Continue Development of an Equalized JPA Funding Model**

Superintendent Hay: He provided some history that was included in the background information of the agenda item that would provide a new equalized JPA funding model that would keep Los Gatos-Saratoga JUHSD from withdrawing from the JPA. He said the six district superintendents had given a letter to the Board President at the December 12, 2012 which included recommendations to consider using reserves to keep Los Gatos-Saratoga JUHSD in the JPA for 2013-14 and maintain the status quo on the financial protocol until a new superintendent is in place. He said this is a change from previous protocols to allow the JPA to consider a different funding mechanism for one district for a specific circumstance. He said he agrees with the recommendation and he appreciates the fact that the superintendents were willing to go in this direction. He spoke with the CBO from Los Gatos-Saratoga, who had assisted in the interview process for a MetroED CBO, and discussed a funding formula that could keep his district from withdrawing. He also had discussions with Superintendent Mistele and tentatively agreed on a plan for this year and next year that would keep LGSJUHSD in the JPA through next year. He said he is very pleased where we stand. He said the organization needed to consider the possible breakup of the JPA and coming up with a funding model and this item resolves the first issue. He said if this Board approves it, Superintendent Mistele will take it to his board for approval.

Member Chang: She said she appreciates the value of this organization and she wants her home district to stay as part of this JPA. She said in reviewing this information, it will be a win-win for both entities and this funding proposal will be spread out over two years while we are waiting for School Services to help MetroED develop a new funding model.

Superintendent Hay: He said there is a clause in the agreement that if a new funding model is developed, this agreement would be replaced with the new model, with the approval of both parties.

Member Chang: She said in her opinion this is a fair agreement and it will keep the JPA whole and she will be able to continue on this Board.

Superintendent Hay: He said there are two recommendations on this item to approve the agreement as well as to continue with the funding model process with School Services. He said he is biased when it comes to this organization and Maureen Evans, School Services, is unbiased and is working independently. He said due to the governor's proposal, we need to move this process forward quickly and MetroED will have a CBO starting next month who will be able to participate in the process as well.

Member Chang: She said is a CPA and she has done similar work before and a firm as reputable as School Services which are independent contractors for the District will have to perform services up to the highest standards. She said she has every confidence in their work and encourages the Board to move forward with the process. She said she is hopeful School Services will get the collaboration from the other JPA member district superintendents and CBOs.

Member Canova: He asked the superintendent how soon the new CBO would be on board at MetroED.

Superintendent Hay: He said her appointment will be approved on February 13 and tentatively it would be the day following the approval.

MOTION: The Governing Board approved the 2-year Master Business Relationship Agreement with the Los Gatos-Saratoga Joint Union High School District and directed the Superintendent to continue with the efforts to develop an equalized funding model to be effective for 2013-14. M/Dean, S/Canova; Vote: 6 Ayes, 0 No

PERSONNEL FUNCTIONS

23. Action Item: Management's Initial Proposal to San Jose Federation of Teachers (AFT) Sunshine Proposals for 2012-13

Member Herrera: He said he did not believe this item needed to be an action item or require a vote at this meeting.

Superintendent Hay: He said that was correct and the item should have been informational only.

XIII. EXECUTIVE REPORT/ADMINISTRATIVE REPORTS

MAEP Principal Suzi Glass

- On January 11, one of MAEP's ESL students became a citizen of the United States and it is the second student to accomplish it this year.
- In the Independent Study Program (ISP) high school diploma program, there was a new graduate and it is the sixth one to date.
- As was shared earlier this evening on the CASAS reporting with the 100% paired scores and one of the reasons this is so important is because this is what determines the Workforce Investment Act (WIA) grant funds which includes the paired scores and the gains. She said the average gain has been 7.79.
- Capitol High has reported a 90% attendance rate for the second month in a row and there have been seven graduates this year. She said two of the graduates were from Campbell UHSD and the other five were from San Jose USD.

CCOC Director John Fox

- The Video Production class has just received the Cinema 4D software which has been installed, and will begin to learn this feature-film quality 3D computer animated design and

effects. This opens-up a whole new world of possibilities for the students to tell their visual stories.

- The Video Production class is collaborating with the Small Business class again for their annual "Whack-a-pack" Valentine's Day products. We will be producing about 7-8 commercials to be shown in the Hub.
- Mr. Schmidt was interviewed by the Adobe Corporation about some of the exciting projects we are working on. The interview will be published on the Adobe website soon as a part of the Adobe Lead Educator forum.
- This week, 7 adults were placed with Wheel Works bringing the current placement total to 12 for the school year and there are 12 High School students set up for job shadowing for the spring
- Chantu Nguyen, Coordinator of Counseling Services, had 63 students and 6 parents attend the first FAFSA/Cash for College workshops on January 17. Students and parents filled out the Free Application for Federal Student Aid online with the help of Ms. Nguyen and several financial aid specialists from local community colleges. A majority of the CCOC students who successful submitted the form received the maximum amount of \$5,550 of federal grants. These grants will help students pay for their college education and related expenses. Students attending the Cash for College workshop could qualify for an extra \$1,000 scholarship on top of the regular grants. There will be six more workshops scheduled for the month of January and February
- The Auto Careers program will have 23 students taking the AAA Auto Skills written test on January 29. We are hoping to once again qualify for the hands-on competition.
- Also, four of our students will be participating in the SkillsUSA contest February 2nd in Salinas.
- The Auto Careers program has been offered a 2012 Volkswagen Passat to use for instructional purposes as well. That is due to our excellent standing with AYES.

Superintendent Hay:

- He noted at the dais for the board members was a copy of his budget PowerPoint presentation; an extract from the Governor's Budget proposal highlighting all of MetroED's funding sources; a newsletter from CCAE, ACEAA, and ACSA recommending approval of the LAO's recommendations on education.
- He thanked the IT staff for setting up the college and career center as a computer lab for 30 students in time for the FASFA workshops and a copy of the CCOC College & Career Fair brochure and Counseling FAFSA workshops were at the dais as well as copies of the Raising the Bar certificates presented this evening.
- He noted the Board President had received a letter from Santa Clara County Office of Education concurring with the Governing Board's positive certification of the First Interim Report.
- He said, in coordination with Nancy LaCasse, we are working to bring a bus load of legislators and their staff members as well as from the legislative analysts office (approximately 40) to visit and tour the facility when the Proposition 1D projects are done in April. He said this will showcase what MetroED has been able to do with the funds received and Jeff Schmidt is producing promotional videos for the event. He said this will be a separate trip from the governor's office and state board of education.

XIV. BOARD COMMENTS

Member Herrera:

- He welcomed everyone to the New Year. He noted that due to a family event, he will not be available for the superintendent interviews scheduled for March 29 and 30; however, his newly appointed alternate, Lan Nguyen, will participate in the interviews. He said Mr. Nguyen has served as the East Side UHSD President and is confident he will do an excellent job in his absence.

Member Canova:

- He said his is officially back as the representative from Santa Clara USD and the newly appointed alternate is Andrew Ratermann. He said his home district is going through their third superintendent search since 2006 and he is going to recommend their former superintendent, Paul Perotti, as interim superintendent. He also shared that his home district does not have a new chief business officer since the retirement of Jim Luyau and expressed that Mr. Luyau had done an excellent job for his district.

Member Chang

- She said she enjoyed her term as president and thanked Althea Polanski for her support, and it has been great working with the superintendent and all the board members.
- She has arranged to have the newest board member from Los Gatos-Saratoga, Katherine Tseng to meet with Superintendent Hay and tour the campus with her and she will ask her alternate Doug Ramezane to attend the March 13 board meeting.

President Garcia:

- He said given what is happening in Sacramento with the governor's budget proposal, we will be very over the next several months and it will be very important. He said this will be a priority of his to make sure this Board is informed of what we all can do to further this agency so we will be in close contact with Ms. LaCasse and make sure we maximize this Board's ability to make a difference to keep the doors open and keep doing what we have been doing. He said we certainly have our work cut out for us based on the reports we received this evening.

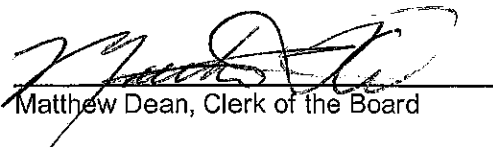
XV. OTHER MEETINGS

President Garcia: He noted the next meeting will be on February 13, 2013 at 7:00 PM with closed session at 6:00 PM if needed.

XVI. ADJOURNMENT

President Garcia asked for a motion to adjourn the meeting at 9:15 PM.

MOTION: It was moved to adjourn the meeting. M/Herrera, S/Dean; Vote: 6 Ayes, 0 No


Matthew Dean, Clerk of the Board