

Board Meeting 6-26-19 Transcription

[PRESIDENT WILLIAMS BEGINS THE MEETING BY STRIKING THE GAVEL THREE TIMES]

Williams: Good morning. Our regular meetings for the County Board of Education are held typically, monthly, at 10 a.m. unless otherwise noted. The board agendas are posted online and are reviewed at our website. They are available also at the back table. Anyone wishing to address the board or express their free speech rights is requested to complete a card at the back, and then we ask that you give it to our good board's Recording Secretary, Darou. You are allowed three minutes per meeting and you cannot give your minutes to others, per our board policy.

This is a public meeting and we're obligated to be respectful of, and demonstrate civility towards the board, our good superintendent and staff, and other guests attending this public meeting. Anyone deemed to be disruptive according to Penal Code 403 that is posted on the entry to our on board room here will be asked to leave. If you, according to the Penal Code definition, without authority, willfully disturb or break up our meeting, that is a violation and you will be escorted out.

With that being said, the time is now about 10:04 a.m., and I call this meeting to order. Our typical agenda order is an invocation, which will be led by Pastor Chip Crosby from the Foursquare Church here in Costa Mesa, and a Pledge of Allegiance, which will be led by our good trustee, Jack Bedell. If you would like to stand for these things, now is the time.

Crosby: Thank you for this opportunity to continue a tradition that begun hundreds of years ago in our nation, and that is to begin meetings in prayer. My name is Chip Crosby. I am pastor of the Costa Mesa Foursquare Church, which is a 90-year-old church that was started by a founder of a great women's movement, named Aimee Semple McPherson. Many of you may know that name. She came to Costa Mesa and had a crusade, and a bunch of people came together and wanted to start a church. She left three of her students to begin that church, all of whom were women. Another interesting fact about my church is that one of its famous pastors later started the Calvary Chapel. His name was Chuck Smith.

With that in mind, I want to tell you just one brief thing about me. Someone came up to me a while back and told me, "Wow, you really believe what you pray." With that in mind, let's bow our hearts before the Lord. Heavenly Father, I want to pray for three things: First of all your word says, "That when we do pray, the peace of God that transcends all understanding will guard our hearts and minds." Therefore, I pray right now that that peace of God would settle in all of our hearts right now. Whatever we were thinking about, whatever was bothering us, we would now have the clarity of peace dwelling in our hearts. Next, I pray for the truth of God.

It is written that your word is truth, and without it, we can do nothing. I pray that even in the discussions today that your word would come forth, and we would recognize the truth for what it is. Third, I pray for the love of God, which we all need, which is signified where it is written, "Do unto others as you would have them do unto you." I pray that everything we do and everything we say would have that in mind, that we will truly be loving and respectful of one another. Finally, I pray for the healing of God to come upon all of us, but most of all, for the children we oversee. You love children, God.

You love children and told them they were welcome to come unto you. You love them because you said that we are to approach you as little children in innocence, and longing to learn. Help us, Lord, to give that kind of innocence, and peace, and love, and trust to all of our children that we oversee. I thank you, Lord, that this prayer is answered. Amen.

Audience: Amen.

Williams: Very good, and we will be led in the Pledge of Allegiance by Trustee Bedell.

Bedell: Please join me in pledging our flag and for what it represents.

Bedell & Audience: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

Bedell: Thank you.

Williams: Thank you, Pastor Crosby, and thank you, Jack. We appreciate the wisdom, pastor that you shared with us. Roll call, Darou.

Sisavath: Trustee Sparks?

Sparks: Here.

Sisavath: Trustee Barke?

Barke: Present.

Sisavath: Trustee Williams?

Williams: Here.

Sisavath: Trustee Gomez?

Gomez: Present.

Sisavath: Trustee Bedell?

Bedell: Here.

Williams: Very good. We are all here for this meeting. Introductions, our good Associate Superintendent, Nina Boyd.

Boyd: We have one introduction this morning. We have a student attending from National University in the School Counseling program. She's doing an observation, and her name is Lauren Nguyen.

Bedell: Welcome.

Williams: Where is Lauren? Oh, there you are. Good morning, how are you? Moving on to the agenda. May I have a motion?

Bedell: I'll so move.

Williams: So moved.

Barke: I'll second.

Williams: Motion and a second.

Bedell: Mr. Chairman? Yes, if you would go to the consent calendar item 7. If you would delete the words, "executive committee," and change the agenda to read, "Board of Directors." See that #7 -

Williams: Correct.

Bedell: - consent? Delete "executive committee," and change that to "Board of Directors." Then, coming to the first page, #3, delete "as presented," and I have language that's more accurate.

Williams: Okay.

Bedell: Number 3 would be, "Adopt the ACCESS and special schools Local Control Accountability Plan (LCAP), including the federal addendum and parent overview provided at the June 12th board meeting for 2019-2020, and approve services for 2019-2020."

Williams: Mouthful.

Bedell: Yes.

Boyd: The plan was 2017-2020 -

Bedell: 2017, I'm sorry.

Boyd: - with services 2019-2020.

Gomez: I'll second that.

Williams: Okay. The subsidiary motion is to add to the agenda these items?

Bedell: Well, it's a correction on the consent and to revise the language to be more accurate with #3.

Williams: Okay, very good.

Williams: Darou, you got all that? We got it in the record? Very good. Any further discussion on the adoption of the agenda? Barring none, all those in favor say, "aye".

Board Members: Aye.

Williams: Oppose? Abstain? Motion passes 5-0. May I have a motion for adoption of the minutes?

Bedell: So moved.

Barke: I'll second.

Williams: Second.

Bedell: There are no minutes.

Boyd: Because of the closeness of the meeting, and we're still working on the transcript, this month you have two board meetings, so you will have minutes at the July -

Williams: July 19th.

Boyd: - for both the June 12th, and the June 26th.

Williams: Got it.

Bedell: I'll move them then.

Williams: We have -

Bedell: You should pay attention when you're looking at the agenda, right?

Williams: Because of the two close meetings in June, we have nothing really to

adopt.

Boyd: You have no minutes.

Williams: Very good. Moving on to presentations. Our good, Renee Hendrick, will you please come to the podium and help us out to recognize our wonderful employees in our department?

Hendrick: Good morning, members of the board. As it's customary at this meeting each year, we'd like to recognize employee accomplishments, longevity of service, and retirees. Not everyone was able to join us this morning. For your reference, a program has been provided identifying all the honorees by category. You should have that in your folder.

For those of you in attendance, as I call your name, would you please stand and remain standing until all have been called, and I'd like to ask the audience to hold your applause until they've all been introduced? The first one we have is for 25 years of service. We actually have 17 employees, but we only have a few here today. Joining us today are Christine Laehle and Wendy Rogan, and that's it for 25 years.

Audience: [Applause]

Bedell: Mr. Chairman, there's one missing from that list and she's at the podium.

Barke: Yes, Renee.

Audience: [Applause]

Hendrick: Actually, Christine and I started just a couple months apart. We started when we were 15, by the way.

Audience: [Applause]

Hendrick: For 30 years of service, we have 11 employees to reach this milestone. This morning, we have Virginia Gonzalez with us.

Audience: [Applause]

Hendric: Believe it or not, we have four employees who've reached 35 years, and we and we have one with us today. Mr. Paul Gibson.

Audience: [Applause]

Hendrick: Then we also have employees of the month, and these are recognized by their colleagues and supervisors. We have an outstanding group of employees to introduce you to today. Our first one is Cherry Angeles.

Audience: [Applause]

Hendrick: Lorena Gonzalez.

Audience: [Applause]

Hendrick: Julie Gundling.

Audience: [Applause]

Hendrick: Christine Lange.

Audience: [Applause]

Hendrick: I'm sorry, it's Kristin Lange. I should know that of all people, Kristin. I'm sorry. Sonja Morrissey.

Audience: [Applause]

Hendrick: Gail Nivette.

Audience: [Applause]

Hendrick: Louis Orosco.

Audience: [Applause]

Hendrick: Then you may recognize this gentleman. Dennis Roberson, our retiree.

Audience: [Applause]

Hendrick: I thank you for recognizing these outstanding employees. Thank you.

Audience: [Applause]

Hendrick: We have 24 employees that have either retired or are getting ready to retire. Joining us today are – and if I can have you hold your applause again until we've completed it; Sharon Baxter, Tom Froehlich, Dennis Roberson, who we know retired, and Aline Truong. Thank you.

Audience: [Applause]

Hendrick: Again, thank you, members of the board, for allowing our department time during your meeting to recognize these individuals. Before we begin the reception to honor these outstanding individuals, I'll turn the meeting back to you.

Williams: Thank you, Renee, and on behalf of the board, a special note to all you that we have been watching, at least for my last 24 years. Thank you for all that you have done for the kids, for the department, supporting the staff. You are truly remarkable. Your hearts and your actions are genuinely appreciated. Again, thank you. The board will be in a 10-minute recess to allow the reception. We all invite everybody here to go next door. There will be fruit, and of course, there will be the excess carbohydrates and cakes -

Audience: [Laughter]

Williams: - and all those good, yummy items, also. We will come back here as a board at 10:25 a.m., and we will have public comments at that time. We'll be in recess.

[DR. WILLIAMS STRIKES THE GAVEL ONCE TO SIGNAL THE BEGINNING OF THE 10-MINUTE RECESS. AFTER RECESS CONCLUDES, DR. WILLIAMS STRIKES THE GAVEL THREE TIMES TO SIGNAL THE CONTINUATION OF THE BOARD MEETING]

Williams: The County Board of Education is back in order at 10:31 a.m. Public comments. Do we have any public comments?

Boyd: We do not have any public comments.

Williams: Very good. Moving on with staff recommendations, item #2. May I have a motion to approve Resolution #11-19?

Bedell: So moved.

Williams: So moved, and I ask for a second.

Barke: Second.

Williams: Motion and a second. Any discussion? No additions, deletions, amendments? Very good. Barring no further discussion, all those in favor, we'll go

ahead and just do a hand count. We don't need to do the row count. Is that okay?

Sisavath: Yes.

Williams: All those in favor say, "aye."

Board Members: Aye.

Williams: Oppose? Abstain? Motion passes 5-0. Moving on to item #3, the adoption of the ACCESS and Special School LCAP, as amended earlier by our good Trustee Bedell. May I have a motion for that?

Bedell: Moved.

Williams: Motion and a -

Barke: Second.

Williams: - second by Ms. Barke here. Any discussion? Barring no discussion, all those in favor say, "aye."

Board Members: Aye.

Williams: Oppose? Abstain? Motion passes 5-0. Moving on to item #4, the College and Career Prep Academy LCAP. May I have a motion?

Barke: I'll make the motion.

Williams: Make a motion.

Sparks: Second.

Williams: You're going to second it, Trustee?

Sparks: Sure.

Williams: Okay, very good. Any discussion on the LCAP? Very good. Barring no further discussion, all those in favor say, "aye."

Board Members: Aye.

Williams: Oppose? Abstain? Motion passes 5-0. Moving on with item #5. I move the board approves the 2019-2020 OCDE budget as proposed and reviewed at our previous meeting on June 12th, and reviewed in May, with the following two reductions and changes: Objective Code 5851 – reducing the Lobbying Contracts by \$60,000, Objective Codes 5520 and 5230 – reducing Travel and Conference Fees by a total \$112,442, for a total of \$172,442 reduction in our total budget from \$256 million. It comes to about 1/100 of 1%. I move that. May I have a second?

Barke: I'll make a second.

Williams: Motion and a second. Okay, we're up to discussion.

Gomez: Could you explain the thought process behind your proposed reductions?

Williams: Yes...

Gomez: First of all, who produced this, and who was -

Williams: These are my documents.

Gomez: Okay.

Williams: The reduction is not very much. It's been well established in the department's history, especially when you go and you review what the Board of Supervisors did prior to February of 1997. They would often reduce budgets. It's not very much, Beckie, it's 1/100 of 1%, but it does reduce some fees because, as you

know, we have increased costs associated with our OCERS account, and I think it's proportional.

I think it's small and I trust that we have a good leader who can live within those budget reductions. Otherwise, the suggested amendments do not change any of the programs that we have. It does not affect the employees' salaries. These are things that the public would like to see reductions in some of these items here. It's with that spirit that I make that motion.

Barke: One thing that I might mention is none of the associations were touched because, Jack, I think you made a good argument that that was important and that we keep those. That was not touched.

Bedell: Mr. Chairman?

Williams: Yes, sir?

Bedell: I've only been on this board half as long as you have, but I don't ever remember our amending a document that was proposed. I don't remember doing that. There is precedent around the state that our colleagues amend the budget that's proposed before it's proposed, or like we're doing today? In other words, my understanding of Ventura – I think I have Ventura right – I think Ventura has a very active budget committee, and something like this would surface before it got to the floor.

That's my understanding. I may be wrong, but that's my understanding of Ventura. Assuming it's right, for the sake of the argument, Ken, I don't ever remember us having this done this way. This, to me, is a new precedent or I've missed something, and I don't think I've ever missed a budget adoption session. I would like to ask your thought on that?

Williams: Sure. In the May meeting, obviously, we had our budget study session, and then June 12th, we had another opportunity to ask questions, and an excellent presentation by Renee. We had an opportunity to review and ask questions. Based upon those two meetings, it was my impression that, learning a few new things, we could reduce the budget little bit more. Yes, in my 24 years, we never have done that, but certainly, we are adopting a budget. That's why we have a public meeting to talk about the budget, to have the public input to give input to changes. Talking to a few people, it was recommended that we reduce some of these items. Again, let me emphasize that this is 1/100 of 1% of the budget; it's really insignificant.

Boyd: If I could ask Renee if she can make a couple of comments because, I think, Trustee Bedell brought up a significant point with regards to not just past practice, but what the board has the ability to do? All across the state, the budgets are adopted similarly, but there are some differences. From the standpoint of what this board has the ability to do is based on what was handed down and how it was written when we separated from the Board of Supervisors. I think that's important for the board as a whole to understand.

Williams: Absolutely. In fact, that was part of the handout that I gave to the board, if you want to pull that out. It's a resolution that was passed February 22nd, 1977, by the Board of Supervisors. In that, they're transferring educational duties and functions to the County Board of Education, not to the superintendent, but to the County Board of Education. As you are well aware of, we've had opinions and thoughts on what we can and cannot do, and they're both contrary to one another. I think there's precedent, legally, and when we look at the original documents, what the Board of Supervisors did in making the Orange County Department Education an independent entity, it said that they're transferring those duties and functions to the County Board.

Boyd: You're accurate with regards to that document, but there was another document from the Board of Supervisors, that was after that date with what the transfer entailed. Renee?

Williams: Do you have that document? I haven't seen that one.

Hendrick: I believe it's been given to the board at a different time -

Williams: It hasn't been given -

Hendrick: - but I don't have it. Under Education Codes 1040 and 6022A it says, "A County Board is required to either approve or disapprove the budget submitted by the County Superintendent." If there was amendments that were wanted, the time to do that would have been last meeting, prior to it coming. My interpretation of all of our colleagues across the state is that you have the right to approve it or disapprove it, but you can't really make amendments to the budget.

Williams: Sure. That's a political comment and interpretation on the law. It actually says, "Adopt a budget." We're adopting a budget. There's nowhere in the Education Codes that says we have to make the proposal before. That's what we're doing now.

Hendrick: I'm sorry, sir, but 1048A specifically says, "The County Board is required to either approve or disapprove the budget submitted by the County Superintendent." That is in Education Code. That's directly from the code.

Williams: I don't believe so. That is not what we had in the previous legal arguments and in the previous legal opinions. It is not a situation where we'll approve or disapprove. We are the board that adopts a budget, and that's what we're doing here.

Mijares: Can I ask a question, Dr. Williams?

Williams: Yes, sir?

Mijares: Can you repeat the motion again? I just want to make sure I'm clear -

Williams: Sure. The motion -

Mijares: - whether the two Object Codes are 5520 and 4042, correct?

Williams: The Travel and Conference Funds that were proposed to be reduced were 5220 and 5230.

Mijares: Right.

Williams: The other one was the Lobbying Contracts that we have that was Code 5851 -

Mijares: Okay.

Williams: - for \$60,000. A total of \$172,442.

Mijares: What you're basically asking is that we determine how to make that adjustment?

Williams: That is correct.

Mijares: I want to make sure I'm hearing, because, we obviously are going to have a disagreement in terms of process. The next step would be that we submit the budget to the state superintendent of public instruction, and find out what he does with this.

Williams: Very good.

Mijares: I'm theorizing that you're going to take a motion now, and probably you'll have the votes to approve it as you suggested, but we don't agree with that. I don't want to be acrimonious but just so we understand. We diametrically oppose the action you're taking, because we don't believe it's consistent with law, and you believe it is. We're going to have to find out who's going to be the arbiter of that, and it will go to the state superintendent.

Williams: Very good. I believe the next step is it goes to the superintendent. You present it to him.

Mijares: We submit it to him.

Williams: Right, and then he does whatever he does afterwards.

Mijares: He will either approve it, based on his discretion, and he may make amendments to it.

Barke: I move that the board request that the superintendent and his staff prepare the final budget document that reflects the 2019-2020 OCDE budget as approved by the board at today's meeting, and that can be filed with, and examined by, the superintendent and maintained for public review.

Williams: That's as a subsidiary motion? May I have a second for that?

Sparks: Second.

Williams: A motion and a second. Is there any discussion on this subsidiary motion, basically, to put this into a final black and white print?

Gomez: Can I make a comment? Getting things on the dais, this has been one of the things that I have expressed my frustration on the entire time I've been on this board. Getting things on the dais that we've had no opportunity to look at or compare, does not allow us to do our due diligence on things. I don't understand why these two documents, that they were so important, weren't included in our agenda packet. For us to try to vet these things and look at these things, it doesn't allow us to do our job. Secondly, if this is so insignificant, as you said yourself, why are we even voting on it? Why does it have to be changed?

I think the staff has gotten the message from our previous deliberations that we want them to take a look at this and be mindful of these costs. It just almost seems as though we're just trying to drop a marble into the ocean on this thing. It's extremely frustrating to me to get things on the dais that I've had no opportunity to look at.

Bedell: Mr. Chairman?

Williams: On that part, Beckie, this was given in our red folders at the last meeting. I don't know if you gave it -

Gomez: This was not in our -

Williams: - email.

Gomez: - no, this was not in our folder.

Williams: Not the resolution, here, February 1977. That was given out at the last meeting.

Gomez: Why isn't it in our agenda packet?

Williams: Because that's a FYI information, and it's -

Gomez: Information is the key word, and information should be put in our agenda packet, so we can consider every piece of information when we assess our documents, when we look at our agenda. That has been my issue with getting things at the last minute so we don't have time to vet them. We get our agenda packet on Friday before the meetings and then, sometimes, we get this flurry of emails. I don't check my email throughout the day. I work. I don't check my personal stuff during the day, and sometimes, I don't have time to check it at night until the following day. When you challenge us to be looking at email constantly, and I'm not saying this happened in this case. I'm just saying that when we get things on the dais, this is not helpful.

Williams: Again, this was not given today. This was given out at the last meeting. Regarding to the primary issue, this is just supportive of my motion, and my sentiments, and my words that the supervisors in February of 1977 gave their duties to the board, and we're taking that obligation and duty right at this moment. You're right, the reductions are small, but I think they're meaningful, and I think they're symbolic. You don't have to vote for it.

Gomez: Well, thank you.

Williams: I sense you don't want to vote for it, and that's perfectly fine. I respect your opinion. You're a good person. Yes, Jack?

Bedell: As I said, we've never done this before. If it's so important, I wonder why we haven't done it before. That said, if I knew we were going to do something like this, I would have looked at the budget in a different way and say, "Jack, come up with your \$175,000." Just out of curiosity, how much money in your model needs to be saved to save CHEP, the sites? Is it about \$174,000?

Williams: I don't understand your question. This has nothing to do with CHEP.

Bedell: I'm just saying, in the closing of CHEP -

Williams: It was \$100 million that was reduced by closing.

Bedell: - there was a plan for the fall. What was the savings in CHEP? Do we know that? Again, off the top of my bald spot.

Williams: I think it was \$11 million.

Bedell: Just to close one site?

Williams: No, two sites for the savings that was proposed and discussed.

Bedell: I need somebody to help me here.

Hendrick: The cost of closing the two sites, just facility and without staffing was \$499,000.

Bedell: Half a million.

Williams: Is that the cost for closing or the savings?

Hendrick: That would be the savings if you close those.

Williams: Per year.

Hendrick: Just for your note, those leases are included in the budget because we have not terminated them. They haven't taken them out of the budget. They are included in this budget.

Williams: We still have leases even though we're not going to have any CHEP sites there?

Hendrick: We are still in those buildings and we've given notice, but because I haven't terminated them, I have included them in the budget. When we do terminate them, you will see the savings in the First-Interim budget.

Williams: Right.

Bedell: Ken, help me with this. Since we've never done this before, I would have approached my budget review differently, knowing that this was coming. I don't understand why, when you have your first item, Existing Contracts, Capital Advisors is underlined, and that's the only thing underlined. What does that underlining mean? That means all the \$54,000 is coming out of the \$60,000, so we're killing our Washington Capital Advisors piece?

Williams: No.

Gomez: I think that's just to show the total.

Barke: Yes, I think so.

Williams: The Ball-Frost was \$108,000.

Bedell: Okay.

Williams: For Real Estate and Management, that was \$37,000. The Capital Advisors was \$54 (thousand) for a total of \$199,300 was our lobbying budget. That's what I circled as a 30% decrease.

Boyd: Could I just propose something to the board for consideration? Before you take the vote, maybe postpone your vote until later in the meeting. We can get you a copy of the document I'm referring to. I think it's important that you at least understand the action that you're taking, and context of the fact that there is another document that was later that same year.

Because the year that you're talking about when they transferred, there were several months that the Board of Supervisors took action to do things. I'm not sure that you have the latest document. That's my only concern is that the February document – I believe there's either a June or a July document of the same year that detailed exactly

what was happening there. We can get that from our legal department and make that available to each of you if that would be helpful in this conversation.

Bedell: We have a 10:45 a.m. time certain.

Williams: Good point, thank you for that. Because of the parliamentary procedure, we have a subsidiary motion basically to memorialize whatever we adopt. That's what we have to make a decision on right now.

Bedell: We can move to postpone further consideration until we get to our time certain.

Barke: Postpone it until we receive the document.

Bedell: That would be, parliamentary-wise, kosher.

Williams: To lay it on until later on today when we receive these documents. You're going to withdraw?

Barke: Yes.

Williams: Your motion? Okay.

Barke: Or, postpone it.

Williams: Postpone it. I'll make the motion that we lay this on the table until later on to the reception of these documents. Let's make sure that our attorney gets these documents.

Bedell: Sure.

Mijares: The other thing, Dr. Williams, I'd like to mention. You mentioned Capital Advisors and they do a lot of training across the county out of that agreement. I did not realize you were going to bring this to the table today. Otherwise, we would have given you more information that would have scoped out the role of these associations that you're telling us to reduce, so that you understand the impact of your decision, if nothing else. They may do lobbying, but they also do a host of other things. I'm not saying I agree. I just wanted you to understand that the breadth of this is far bigger than you might realize.

Williams: Sure.

Mijares: Because we didn't know you were going to do this this morning.

Williams: We have a motion to lay it on the table, and a second by also second by?

Bedell: I'll second.

Williams: Dr. Bedell. All those in favor say, "aye."

Board Members: Aye.

Williams: We'll come back to item #5 five later after the reception of the motion. At this time, the board will be going into closed session, and I imagine that's going to be about 30-34 minutes approximately, so the board will be adjourned.

[DR. WILLIAMS STRIKES THE GAVEL ONCE TO BEGIN THE CLOSED SESSION FOR THE BOARD. UPON RETURN FROM CLOSED SESSION, DR. WILLIAMS STRIKES THE GAVEL TWICE TO INDICATE THE CONTINUATION OF THE BOARD MEETING]

Williams: The board of education is back from recess. Let's move on to the consent calendar. May I have a motion for consent calendar? I'll so move. I need a second.

Bedell: Second.

Williams: A motion and second. Any discussion? Barring no discussion, all those in favor say, "aye."

Board Members: Aye.

Williams: Oppose? Abstain? Motion passes 5-0. Moving on to item #10, board recommendation. I so move to approve the amount from our special legal counsel.

Barke: I'll second it.

Williams: We have a motion and a second. Any discussion of the motion?

Boyd: Who made the motion?

Williams: The motion is for intent to approve.

Boyd: You made the motion?

Williams: I made the motion, yes.

Boyd: Okay, thank you. That's all we're trying to clarify. Mari seconded it?

Barke: Yes.

Williams: Mari seconded. Any further discussion? Barring none, all those in favor say, "aye."

Trustee Williams, Barke, and Sparks: Aye.

Bedell: Abstain.

Gomez: Oppose.

Williams: Opposed by Trustee Gomez, abstained by Dr. Bedell. Those in favor include Williams, Barke, and Sparks. Motion 3-1-1. Moving on to Resolution #12-19, item #11. Since I'm the author of this, I so move it. Can I have a second?

Barke: I'll second it.

Williams: We have a motion and a second. Discussion?

Gomez: I just want to be clear about something on this resolution. There's references to assess. Do we mean, ACCESS?

Williams: ACCESS.

Gomez: I'm looking at paragraph 4 and 5, at the bottom.

Williams: That's a typo. It's ACCESS. It's a typo.

Bedell: I would change "it's" constitution, to "its".

Williams: The language is ACCESS, A-C-C-E-S-S, for any of those that inadvertently came out as assess.

Gomez: The paragraph fourth from the bottom where it says, "A follow-up memo from the OCSE." Is that also a typo? Fourth from the bottom in reference to the Chief Academic Officer.

Williams: Orange County Superintendent of Education.

Gomez: Is that defined anywhere else?

Williams: First paragraph.

Gomez: Up at the top? Okay. I could not find that earlier. Okay, thank you.

Bedell: I have a question, Mr. Chairman if you go to the last "therefore."

Boyd: Page 2.

Bedell: On page 2, I guess it is. "Therefore, the Orange County Board of Education

regards its extraordinary and lawfully prohibited any unilateral decision to close CHEP sites or other community schools without board input, public discussion, and public decision.” Just what is a public decision?

Williams: The board making a decision.

Bedell: You have, “public discussion and public decision.”

Williams: We’re in public discussion.

Bedell: Wouldn’t that read better to say, “board decision?”

Williams: I don't have any problems with that. Is that a subsidiary motion?

Bedell: I think it's just editorial.

Sparks: Take out the two publics. Board input, discussion, and decision.

Gomez: Yes, you could do that.

Williams: Okay.

Sparks: Did you fix that possessive it’s?

Bedell: Down at the bottom. Its, i-t-s.

Sparks: Those are friendly amendments to remove the last “therefore,” public discussion, public decision.

Bedell: Now, my substantive question.

Williams: Yes?

Bedell: Just what does this do? How is tomorrow going to be different because of this resolution? I'm not being cheeky because I can see a lot of time went into its crafting. I just want to know what's going to be different tomorrow, because we pass this resolution today?

Williams: That's a very good question. Public confidence and trust in elected officials requires openness and transparency. I don't think that was provided in this particular instance. We knew about declining enrollments, but we participated with no input and no decision. I think that, in that precedence, the purpose of this board, we do everything in public. We do everything according to the Brown Act. We publish several days before meetings, our agenda. We do things as a board in a public fashion. The superintendent role and that's not our superintendent, that's every superintendent in the state doesn't have quite the requirements that we do.

I would wish there would be more transparency and public notice, but there's not. What we're doing as a board is we're providing that openness, that transparency. This resolution, as we found out in the last meeting, we had parents coming and asking us not to close this, and they're actually blaming us for the two CHEP closures. That struck a chord with me, thinking that they think that the board made that decision for the two site closures, and we didn't. We didn't anticipate at all. In fact, the only time that was explained to us what happened was at the last meeting, June 12th, during the budget discussion.

I think there could have been other options done if the board fully participated in the last year or two. I think we could have had a greater input to keep those two sites open. Otherwise, we weren't afforded that opportunity. What this resolution does is put things into the record that this board didn't participate in that decision, and that the

State Education Codes are clear. For instance, Education Code 1984, for the purpose of establishing and maintaining a community school, a County Board of Education shall be deemed a school district.

The Education Code says that we, as a board, are a school district. There's other supportive Education Codes in here, 1983 E and G. I just think that, being under three superintendents, there's been more disclosure, more transparency, and more board input into our ACCESS program schools. That's what precipitated that.

Bedell: I appreciate that. Tomorrow, will CHEP parents think, because of this resolution, those sites are maintained open?

Williams: I don't know what individual parents will think. I would hope so.

Bedell: We've had a lot of CHEP parents here, and they were very enthusiastic and very committed, and I respect that. When they get this resolution, can they sleep at night knowing those sites will be kept open?

Williams: If that's how you feel, then I can't answer it.

Bedell: In other words, this resolution does not guarantee that those CHEP schools are open next fall. Is that right?

Williams: That's not the purpose of the resolution.

Bedell: Even though it's not the purpose, it doesn't do that. It does not say this board is demanding that those CHEP sites be kept open. This resolution does not do that. See where I'm going with that?

Williams: Not really. The last paragraph may be able to help you answer your question. If this passes, it says that we review this as extraordinary and lawfully prohibited, a unilateral decision to close ACCESS schools without board input, discussion and decision. Again, I think there's a dual governance for our ACCESS schools. The superintendent is the leader in implementing the education codes and the laws, and to fully implement it, but the board provides an oversight function. That's what the essence of this states here. It's not forcing. We can't tell the superintendent to do anything. His office is separately elected.

I'm disappointed in the process of how we got here. I think it could have been better. In the previous Habermehl and John Dean, when Lynn April Hartline was here, Lynn April Hartline would talk with every single board member and we would in the executive committee talk about these things before any decisions were made.

Bedell: This is future-oriented, a clarion call, to be sure that the process is inclusive of the board at these points?

Williams: I always leave it to you to give more clarity to purpose. Thank you, yes. Does it have a future role? Yes, I'm hoping that it will bring more of the staff's appreciation of the board's desires to have a role in this, as well as the education codes and what is provided. I'm not in favor of this, but do we want to get a legal opinion? We have enough legal opinions here. I'd just like to see the governance of the OCDE be one of a united front and that the board's included in these major decisions. The

CHEP program I was fond of, and to see it go down. I have relationships and talked to a lot of the parents there. The pain of it was difficult for them.

Mijares: May I comment, Dr. Williams?

Williams: Absolutely.

Mijares: They have been closed. They've been closed. CHEP is open. CHEP serves the county. Those particular sites were deemed as deficit spending sites. One responsibility that the county superintendent has is to assure the fiscal solvency and that all of our programs are functioning in the black with a reserve. We were not functioning in those sites that way. Some people have said that we don't advertise for CHEP. That's the homeschool program, and we don't do it because we're not in competition with the other 27 districts. They have their programs. Some of these CHEP parents went into the charter schools that we've approved.

The enrollment has dropped, its no longer sustainable. You mentioned earlier you've been on the board 24 years. We open and close classes for special needs kids, kids who are in alternative education. We created a charter school to help ACCESS. We do that all the time, and you've been on the board all this time, and you've seen it happen all the time. I don't understand why this is a surprise. We did mention to you many times that ACCESS was in a severe deficit spending pattern. For alternative ed. to shrink is not necessarily a bad thing, because the districts are stepping up and serving those students. That's where they belong. They belong in their home schools.

They don't belong in a county program unless the homeschool cannot meet their needs like we can, and that's a small number of people. LCFF has created more demand from local boards. That's why all that they do in creating these instructional plans must be done transparently with ample parental engagement, public engagement on how they develop these plans. The notion here is that they have now born greater accountability to every student that lives within their jurisdiction, within their district. Those boundaries, as you know, because you deal with inter-district transfers all the time, those boundaries are legally established lines and are protected.

We often have districts suing each other over boundaries and over encroachment of students. We had to do what we had to do to maintain the solvency of the organization in the larger picture. Every year, the county superintendent certifies the fiscal health of every district within our jurisdiction. This board does not do that. AB 1200 gives the county superintendent abundant latitude to assure that our districts are solvent; that their expenditures do not strip the revenues. We do that all the time. Again, CHEP is not closing. We had to close two of the sites to make accommodations so that the program is solvent. That is, again, not a bad thing.

Obviously, if a parent has to drive a few more miles that's what's going to happen. Let it be. This happens all the time in the big world when districts do home-to-school transportation routes. They make people travel all the time. Some districts don't even offer school busing. It's the parents' responsibility to take their kid to that location.

The CHEP program is sustained. It's just that we had to reduce two of those sites for financial reasons. It's one of the functions that we have taken upon ourselves, under law, that we must do. We do it with, hopefully, the greatest degree of respect and dignity of our parents and our families. At some point, these hard decisions have to be made.

Bedell: Ken?

Williams: Trustee Sparks or Barke?

Sparks: I have no comment.

Williams: No comment?

Barke: No comment.

Williams: No comment?

Bedell: Ken?

Williams: If I can respond, unless you have something more?

Bedell: It's not going to be anywhere near eloquent as your comments, but I would like to comment. I think I may have an idea here. This is a question for you. This merges macro philosophy and micro-specific programming. CHEP, we don't like what happened to CHEP, but with macro we have this authority. To me, it's a stronger document if you take out CHEP and go with a generic policy that says we reaffirm our role in the existence and the future of our programs.

If I were going to pull this up and I wanted to say, "What is the board's policy on involvement in a programs discontinuation?" I wouldn't get it. I would get CHEP. I think it's a stronger document if it reaffirms that in the budget process and conversations, we are going to be talked to about-

Gomez: Closures or -

Bedell: - closures, modifications. We added the California Conservation Corps. My preference would be that you would pull this back and edit it to be generic rather than specific. I appreciate the work that you put into it.

Williams: Sure. The only problem with that is it doesn't provide for the public the specific events that went down. Again, as you mentioned, one of the purposes of this, it's not stated, but it's to increase the collegiality between the good superintendent and this board with future program. Again, receiving board input, having a public discussion, having decisions that are made with the two governing entities, i.e., the superintendent and the board with our ACCESS program.

I want to respectfully decline your offer or request to remove it. What this is doing, I think, in the first therefore, part of it is we're reaffirming the constitutional law and authorizes authority in the education codes. This is very broad. I spent a lot of time creating this because it has, again, a purpose for transparency and sunshine for the public, as well as the hope and exhortation that has a dual government, shared decision-making process.

Bedell: Do you feel the same way about the board, about the superintendent and our staff opening sites as you do about closing sites?

Williams: Absolutely.

Bedell: Because that's not here.

Williams: No, it's not here.

Bedell: If you could resolve, "Therefore, be it further resolved, that the Orange County Board of Education reaffirms its role" because that picks up all the legal stuff that you nicely quoted before "reaffirms its role in opening and closing".

Williams: Is that a subsidiary motion?

Bedell: It's your document and I'm not trying to be difficult.

Williams: I like that. I like that subsidiary motion. Are you going to make it a subsidiary motion?

Bedell: No, I don't have pride of authorship. You may take it.

Williams: My deep respect for you. Why don't you make that as a subsidiary motion, so I can get you to vote for this?

Bedell: Oh, don't hold your breath. That's why I've got to think about this.

Williams: It says it in the first "therefore". "The Orange County Board of Education", it says "affirms", but if it's better to use "reaffirm", we can do that, "in its constitutional law or authority in opening and closing ACCESS programs". How about that?

Bedell: To me, you could get rid of this whole document except that "therefore". That "therefore" does it. That's a reaffirmation of our code.

Gomez: Yes, I would agree.

Williams: What it's missing is the sun shining of the process.

Bedell: Yes, but that could be an addendum if there's a footnote, and that's not the policy.

Williams: I suppose it could. Are you making a subsidiary motion?

Bedell: I just want to sure the board is comfortable.

Williams: Let's make it formally, then. Does anyone want to make that subsidiary motion, because I'm the maker of the motion and it's been seconded, to really add that language? We need to have a subsidiary motion.

Bedell: I'm just trying to think where does it best go? The last "therefore" has no role in us opening anything.

Williams: No, because that's speaking specifically to what happened.

Bedell: Ken, you've nailed it on the head. That's the problem I have. This is an apple and oranges document, and I get the reason for the background, but if this is going to be policy.

Williams: This is a resolution. There's no board policy being created by this. I see what you're saying. In the last "therefore", if we add the two words, the Orange County Board of Education regards CHEP site closures would that help you out?

Bedell: Again, I want to stop talking, because I don't know what lawfully prohibited means, and I don't know if that's accurate.

Sparks: How about, “Any unilateral decision to open or close sites” there instead of, “to close CHEP sites”?

Williams: That’s a simple addition.

Gomez: I think the unilateral is troubling for me, because in budget discussions and other things that have been brought before us we have been told that enrollment is declining. We've had to close some and combine some sites; not just CHEP, but other sites, too. I share Jack's pain when he's talking about just the CHEP. I think what we really want to get to is the fact that we want to have more feedback and more input, and I agree with that. I think when we narrow it to the CHEP situation, I agree with Jack. I think that people are going to get the impression that these are going to open back up, and that's not true.

Barke: What if the language says something about that this will not happen, using the recent consolidation of CHEP as an example, just showing that that's an example of what we're trying to avoid in the future? If you want to memorialize what happened with CHEP, as an example, people can look and sayoh, okay, this is what we're trying to avoid. How about if we do that, if we memorialize it that way?

Bedell: Ken, just what would happen, with all due respect, if you took this back and serve us with this in July? With a version, taking into account – whether you agree with it or not – the thoughts on what’s here? I didn't see the urgency on this today. What's going to happen that's going to be harmful to our children if this is not reviewed by your good thoughts in terms of what you heard here today? What is hurt? I guess that's my question. The school sites are not going to be opened; that’s moot. I like the idea that we're going to say, “We're going to be consulted.” I like that.

Williams: Just to make a couple comments. Beckie, you said that CHEP parents will think that this resolution is going to open any sites. I don't know if I agree with that. I don't see any language to that point. Is this resolution harmful to the children? Is that what you were saying?

Bedell: I don't see how it helps. That’s my problem.

Williams: I think it helps children in the future and all our programs, in that, if we participate equally as the governing entities of the OCDE, we would have been heard, and we could have potentially listened and changed things.

Bedell: I agree with that, but I don't think there's a sense of urgency to have a document that’s not as perfect as we could have it before July. That's where I'm coming from.

Sparks: I'm comfortable with that.

Williams: You're comfortable with the language?

Sparks: I'm comfortable with you having a chance to incorporate the edits that are agreeable to you of the things that makes sense in terms of feedback you got today, and bring it back in July.

Barke: And bringing it back in July.

Sparks: I don't think there's urgency to do it today. I think maybe let it swirl around

with a little more fine editing.

Williams: Okay.

Sparks: Incorporating the thoughts.

Williams: Just so I'm clear, the language in the last "therefore" is to open and close CHEP sites? Jack, you would be fine with that?

Bedell: Open and close sites.

Barke: Using CHEP as an example, and then you can still memorialize it that this is the situation you're reflecting rather than having it in the overall language.

Williams: Should we have ACCESS school sites?

Bedell: We have lots of sites.

Williams: That expands it and it goes beyond CHEP.

Bedell: That's my point.

Williams: Now I want a guarantee that you're going to vote for this then.

Bedell: I will if your prose is elegant.

Mijares: What input is the board requesting though? I think that's a good question. Renee Hendrick has talked many times, and perhaps the newer board members have only been connected for a year, but we've been talking a long time about a decline in enrollment in this county, and especially alternative education. What more do you want in terms of information from us? Because if you're trying to get into the details of the classroom, the instructional program, curriculum, how its administered, how its evaluated, that is totally outside of your responsibility. That's a credentialed function, for people who have credentials in those areas.

Bedell: Mr. Superintendent? Since you're making eye contact with me, I'll take that question as personally to me, which is fine.

Mijares: It's for the board, because I want to know, where did it get derailed?

Bedell: Each one of us represents 500,000 people, right? If something is happening and I have a lot of ACCESS students. If something is happening to ACCESS I don't want to be surprised.

Mijares: Correct.

Bedell: I think it's totally acceptable for Renee or Nina to come up and say, guess what the Harvard site by Euclid and La Palma, we have 30% decline in enrollment, and we need to think about, what we can do about that? How can we market it? It's a heads up. I'm not the least bit interested in micromanaging. I'm not interested in picking a textbook. I'm not interested in how many cases of oil we used in transportation. I don't want to be surprised for my constituents, and that's what this is for me.

Mijares: That's fair, and I take that as an exhortation, and I'll work on that. We all will work on that. I just want you to understand that we are the governing body with two separate duties and responsibilities. Now, in terms of your inputs, so you're advised if we didn't do a good job, I stand corrected and we will do a better job as we move forward.

Williams: Help me out here, Nina, parliamentary wise.

Bedell: You can move to table everything we're doing right now until the July meeting.

Gomez: Before he starts choking again, I think we just want to table it and come back with perhaps another revision?

Williams: Does that require the originator of the motion to lay it on the table, or, that's a motion by you, second by Dr. Bedell, and we vote on it?

Bedell: Table it to a time certain, not just table it to table it.

Gomez: Table it to the July meeting.

Williams: You make, formally, the recommendation.

Gomez: Certainly.

Williams: Trustee Gomez?

Gomez: I will move that we table this resolution until further consideration and edits can be made, and bring it back in the July meeting.

Barke: I'll second that.

Williams: Second by Trustee Barke? Very good. I think that's reasonable.

Bedell: I'm just overwhelmed by this collegiality.

Sparks: It's about time.

Bedell: And I'm hungry.

Gomez: We don't want you hangry.

Williams: I appreciate the board and their input, and the thoughts and wisdom, as well as the wisdom of our good superintendent. I will take that language and work on it, and bring it back to July. All those in favor of laying on the table say, "aye."

Board Members: Aye.

Williams: Oppose? Abstain? Motion passes 5-0. This resolution will come back to our July meeting. Okay, moving on with our meeting, we have item #12, charter submissions.

Boyd: There are no charter submissions at this meeting. If I could just point of record, you had a closed session there was no report out from closed session. Is there a report out from the closed session?

Boyd: Thank you for bringing that up. At this time, if we can have a report out of the closed session by Mr. Brenner and Mr. Rolen.

Boyd: Would you reference which closed session you're referring to for your report out, please? I believe you're closed session number one? Maybe not.

Rolen: Members of the board, closed session number one, we discussed a matter of potential litigation. The board received information -

Boyd: That's closed item session #2.

Rolen: Did I say two?

Boyd: You said one.

Rolen: I'm two.

Boyd: That's a different item. Yes, you're two.

Rolen: He made me go first.

Audience and Board: [Laughter]

Rolen: How does that make sense?

Barke: You went out of order.

Boyd: Potential litigation is number two.

Rolen: Let me start over. Members of the board, closed session item #2 is a matter of potential litigation. The board received information and no action was taken.

Boyd: Thank you.

Rolen: You're welcome.

Audience and Board: [Laughter]

Brenner: Thank you. Reporting out on closed session number one. Just for the record, it all makes perfect sense to me.

Audience and Board: [Laughter]

Brenner: On closed session number one, the board received an update and we had a discussion regarding the existing litigation between the board and the superintendent. No action was taken.

Boyd: Invoices?

Brenner: That was at the last meeting, and the next month will be at next month's meeting. There are two meetings this month.

Boyd: We just received the May. They weren't included until just a week ago. Just a point of reference so that you're aware.

Brenner: Thank you. We'll address that at the next meeting, and I appreciate you raising that.

Williams: Very good. Everything else okay?

Gomez: Yes.

Boyd: We're ready for item #13?

Gomez: Are you okay?

Williams: I think the water went down the wrong pipe. We're going to be moving on now to item #13, which is the update on Unity Middle College High School. We have Erin Craig and Dr. Dennis Eastman.

Boyd: If I can lay the foundation for that?

Williams: Yes, please.

Boyd: For background. During the 2018-2019 fiscal year, staff has provided oversight and accountability for Unity Middle College High School, and we've raised some concerns with their financial condition. Staff has reported during our updates to the board concerns related to cash flow, outstanding debt liability, unpaid invoices and vendor contacts to our office. On June 11th, we became aware of a lawsuit filed in January by the contractor for construction costs that have not been paid. Most recently, staff has provided the board with information related to our conversations, emails and notices of concern that have been issued to Dr. Craig during this time period.

Dr. Craig has provided updates through public comments to the board, but because there hasn't been an agenda item, the board has not had the ability to dialogue with Dr. Craig or staff on this matter. As a result of the most recent date from Dr. Craig at the June 12th board meeting, it was recommended that an update and a conversation

with Dr. Craig and staff occur. It's important to note that staff and the board want to ensure that we have met our due diligence to ensure fiscal solvency of all charter schools authorized by this board. At this time, Dr. Craig and staff, as applicable, are available to answer any questions the board may have. Dr. Williams will facilitate the conversation with the board and Dr. Craig.

Williams: Very good. Welcome, it's good to see you. Thank you for being here. Our good associate superintendent kind of set the mood and there's been a lot that's happened over the last year. This is something that is painful to all of us here because we want you to succeed. You are our partner in education. We don't want this to be punitive, but sometimes tough language, tough love is necessary.

This is an opportunity as you well know the issues. You received all the documents from the staff. We'd like to have it formally presented to the board; your perspective. There is most likely going to be no motion for Notice of Violation, although that is an option that maybe the board entertains at the subsequent board meeting. With that, I'll give you an opportunity to talk and express yourselves.

Eastman: Thank you very much, members of the board and Superintendent Mijares, and members of staff. We are, in fact, very grateful for your partnership and your oversight of our school. My name is Dr. Dennis Eastman. I'm the chairman of the board at Unity Middle College High School. We've been working assiduously to resolve our construction cash flow and debt issues as were provided in semblance in public comment by Dr. Craig in a previous meeting. However, we're looking forward to an opportunity to shine further light on the progress that's been made since that meeting.

We also appreciate the deadlines placed by staff as they have done much to help move all parties concerned regarding adherence to deadlines. As you all know, there's certain parties and certain functions that do not take place unless somebody has a drop-dead date, and that has really served significant assistance. We thank you for that. We are in fact feeling the gravity and concern of our fiscal responsibility, and do want this board to hear formally from me as the board president, that in fact we do take it very seriously, and are doing everything we can to bring concerned parties to the table to talk through this. Dr. Craig will be able to provide detailed information regarding progress updates, regarding construction, cash flow, and debt.

Craig: Thank you. I would like to reiterate our appreciation for the deadline to submit information of June 30th, because that has really helped accelerate movement where there's been a lot of verbal communication and a lot of verbal promises, but now with putting everything in writing, we're very grateful for it. I'm going to give some updates on construction, debt, and as far as cash flow. The last time I spoke in front of you, I explained the situation of the family foundation that had come forward originally, willing to pay off 100% of the construction debt. And, unfortunately, due

to a medical situation that was very serious, and a prolonged amount of time with no action, they came back saying that they would be willing to pay half.

Since that, and in front of me right now, I currently have \$50,000 in writing from a different Orange County Community Foundation donor. I also have \$50,000 in writing from the landlord of the facility. Orange County Community Foundation has worked tirelessly with me ever since this new sort of direction has taken. We now are in the last steps of two donors to bridge that gap and to get it in writing by June 30th. I do want to make one statement, though. One of the donors that has verbally committed that he's willing to help, my meeting with him is first thing on July 1st. I'm hoping, potentially, we could have until at close of day on July 1st to produce that final in writing to bridge this gap so we can move forward.

I also would like to address the fact of not submitting the construction claim earlier. I, as the executive director, I take full responsibility for not submitting it earlier. I don't want to shy away from that. Our intention was because we have so much traction with this large donor, was to submit the claim with the claim resolved, and a statement from the contractor that was paid completely in full. I will not make excuses. I will not look to anyone else. When things go wrong, I will take 100% of the responsibility. I stand in front of you stating that, exactly. As far as our debt, I would like to make a few statements.

There's been some movement that's happened within the last seven weeks as well that, as far as listening to board meetings, the staff would not be aware of. To date, our accurate number of raising money, not including the money I talked to you about for construction, just general operating funds for 2018-19, is \$197,838. In the last seven weeks, we've raised an additional \$55,000 of unrestricted money to support us with operations ensuring that we can make payroll and also, rent. Currently, right now in the bank, we have \$44,000 and we anticipate approximately \$130,000 coming in for the rest of the 2018-2019 school year.

We owe Charter Asset Management approximately \$150,000, leaving a gap of approximately 20 (thousand). Having conversation with them that can be paid out early in 2019-2020. One more statement. I also understand that having such tight cash flow this year, we have not been able to pay all of our vendors on time, and to be in that position is very challenging. Currently, the sum of what we owe all vendors outstanding, and I'm going to be very transparent about this is \$120,000 approximately. To address this, with the construction situation resolved, we're working with private investors.

We've got commitments from them, as long as we can resolve the construction, to give us a one-time cash flow influx of \$350,000 not at a 19% interest rate, but either as low as six, highest of nine, simple interest rate to support us as a one-time cash flow to get us through. That will be paid back at the end of 2019-2020, through the beginning of 2021. All of these details, because I know I'm outlining a lot of numbers

and things, are in our budget provided by Icon School Management who unfortunately, could not be here today, and is up for board approval tonight at our board meeting.

I stated this before, but I definitely would like to reiterate it, the overpayment for LCFF is null and void. The overpayment for in lieu property tax is null and void. I really would like to highlight that it's not like this year we've just been sort of stagnant. We have not only just taken care of that, we've raised money to keep our doors open so we can keep educating our students. No one wants this construction settlement resolved more than me, I think. I think that I could say that very firmly. We're here to answer any specific questions that you have. If for some reason I can't answer a specific financial question, I will get to my back office and definitely produce something in writing as soon as possible. Thank you.

Williams: Are you through with your presentation?

Craig: I am.

Williams: Very good. I'll look to my right to the wise Trustee Bedell.

Bedell: I'll pass right now.

Gomez: I just have a few questions, and I may have a few more in a few minutes. What is your current enrollment?

Craig: Right now we have 84 students. Next year, 121 fully enrolled students, and our budget is based off 125 students. The budget is also based off zero fundraising as well. It is an extremely conservative, bare-bones budget. I know firmly that I'm capable of fundraising a lot more than that, but we wanted to have a very, very, very conservative budget.

Gomez: I'm concerned about the statement that you made that there was a lot of verbal promises, but it didn't seem as though the ball got rolling until you had a deadline. That concerns me a little bit because if we're trying to keep this thing afloat, and we're trying to meet some deadlines and things, we should be able to do that without having a deadline imposed upon us. I know you were here a few weeks ago and shared some information with us. You got a lot of moving parts here and you were talking very fast, and I was trying to keep my notes going.

Craig: I'm sorry.

Gomez: That's okay. You've gotten two \$50,000 donor letters, but you don't have that 50k in hand in either way, right? From either donor?

Craig: Correct.

Gomez: That's still projected out there. Hopefully they're going to come through.

Craig: Yes.

Gomez: We don't have it. At what point are we going to have those two \$50,000 donations? You mentioned something about July 1st, close a business, but what about the other?

Craig: Sure. Our first step is to meet the deadline of June 30th, or hopefully July 1st, to get those letters of commitment in to Orange County Department of Ed. staff. At the same time, what's happening is the settlement and the negotiation of minimizing the construction costs is still in full swing. Once that is decided, the money will then be released directly to pay that.

Gomez: Released to the -

Craig: Contractor.

Gomez: - construction company?

Craig: Contractor.

Gomez: The contractor?

Craig: Yes.

Gomez: When do we expect that we'll have those funds?

Craig: My goal is by July 31st to have everything wrapped up, signed, sealed and delivered. We know that we're educating kids and the academic school year is extremely important. We take that very seriously, and I'm sure that you could probably imagine this going on for multiple months. This sort of taxing that it takes is that as soon as we have the numbers in writing, that's the first step. I do not want this dragging on past July 31st, and definitely not into the school year at all. The challenges that we've been faced, we overcame them, and this construction settlement is the last major hump we have. All we want to do is have it resolved.

Gomez: Want to get on to business of educating children.

Craig: That's correct.

Gomez: Okay.

Eastman: If I may? Thank you very much for mentioning the deadline. These are deadlines that we aren't cognizant of, and that you aren't cognizant of. It's outside players like construction companies who care less about litigating deadlines and whatnot. That's when we come to them and say we really do have an oversight committee that we're responsible to.

We really do, and we really do need to make this happen in the kindest possible way in which you can say that, and have them not walk away from the table. That's what brings them to the table. Usually you say that through very expensively paid humans that don't look like us, that's really what's going on with the deadlines. We have never been not recognizing fiscal responsibility before this body. I want to say that for the record. Thank you.

Gomez: I appreciate that and you have acknowledged the fact that you didn't let us know that this litigation was going on.

Craig: I take full responsibility.

Gomez: I think that that's another critical piece for this board. If you were in the room, you heard how much discussion we've had about being in the loop on things.

Craig: Correct.

Gomez: We pretty much all agree that we want to have more information. I don't want to say it should be a lesson, but it should be sort of a cornerstone for you to make sure that you do communicate with our charter unit so they can assist you in whatever way they can. They can't assist you if they don't know. Please, please, please, do your best to communicate with them.

Craig: Thank you.

Williams: Very good. Trustee Barke?

Barke: I don't have a lot to say. I would agree. The transparency is so important. I really have empathy for all you've been through, and I'm sorry it's been such a tough road. I hope it's all resolved very quickly, and I do agree that transparency is important. Thank you for your time and explaining.

Williams: Trustee Sparks?

Sparks: I would just echo the comments of everyone else. The only other additional thing would be how do you do your enrollment projections? How do you reconcile when they're not what you thought they were going to be? I just want sort of an explanation around that.

Craig: Our enrollment projections the first year have been over-projections. With situations with construction or situations that prior board members are familiar with, conditional use permits not clearing that's what's impacted our enrollment. It is not believing in the educational program; they've been facility-based. The reason we chose 125 is for a couple of reasons. One is because after year 1, we had 44 students. Now, we've got 84 students.

We feel like adding another 40, and we have their packets, is an accurate move, not over-projecting. The other reason is if we overenroll up to 175 or 250 students, financially we would not have enough cash on hand to implement the educational program, and we do not want to be in any worse of a financial situation as we are trimming down the debt and trimming down the sort of negative funding. We don't want to overenroll and then end up being in another serious financial situation as well.

Sparks: Okay, very helpful. Thank you.

Williams: Just for the documentation record, take us back. I think it was about three years ago, that we formally approved Unity?

Craig: Yes 2015.

Williams: Three or four years. Give us a synopsis about your journey. When you had the approval by this board, what happened? Why did it take so long to get to where we are today?

Craig: Sure. All of our challenges have not been with implementing the instructional program. They have been based on facility. Every single challenge or why we're even here today relates to facility. The first year we were going to open was 2016-2017, and the day that both our board and the potential landlord's board were approving the lease, they didn't act. They denied the lease. We decided we're going to circle the

wagons and we're going to defer for one year. That's what we did the first year. Then we went through 47 different failed attempts on buildings, LOI's and conditional use permits not clearing.

We thought that we had a positive staff recommendation for a conditional use permit. We did all the studies, met all the neighbors, all of those things only to show up to the Planning Commission to have them not take action for multiple months in a row. Unfortunately, to delay the conditional use permit to make it so we couldn't open. Every single valley that we have been in has been facility related which is not just Unity Middle College that has charter school facility challenges. It's across the state of California, but every single valley that we've been in, we continually fight, battle, and work our way out, even when it's really, really challenging and hard.

We believe, and we know, that this is our long-term home at 1937 West Chapman. To get out of this last valley is all we desire to do. That's all we want to do is to get out of this last construction cost valley, and really it's not about convincing someone. It's just about money, and we are so close. We understand the timeliness and the deadlines, and the deadlines that are aligned to do the best things for students. From now until the deadline to submit the documents to the Orange County Department of Education, we will continue to work tirelessly hand-in-hand with Orange County Community Foundation to meet that, so we can move forward out of this last valley and focus on school, strictly school.

Williams: In the bank you have 44,000?

Craig: Correct.

Williams: You owe how much to your business management partner?

Craig: Are you talking about CAM?

Williams: Yes.

Craig: Charter Asset Management, where we borrowed against receivables?

Approximately \$150,000.

Williams: 150.

Craig: We have 130 that's coming in remaining from this academic year.

Williams: You have budgeted for your outstanding debt of \$120,000. Is that correct?

Craig: Correct.

Williams: Is that all construction, that outstanding debt?

Craig: No.

Williams: That does not include construction?

Craig: Correct. The construction is what I'm talking about separate. When I talk about donations and money that I've raised, I'm not talking about construction settlement money. I'm just talking about money that we've raised through donors or for general operations.

Williams: You have an attorney for this lawsuit, I assume?

Craig: We have insurance through Charter Safe, and Charter Safe picked up the claim. There is no additional cost as far as legal fees that are associated with the construction claim for this at all, which we're grateful for.

Williams: To take you out to the woodshed, you should have told us.

Craig: Correct.

Williams: I appreciate your taking responsibility -

Craig: I will always.

Williams: - for that. Tell us about this construction. What happened during the construction? Why did they put this as a lien, and then now it turned into litigation and lawsuit? Dr. Eastman, if you can tell us about why did it go up so much?

Eastman: I appreciate the opportunity to respond. We've got numbers right here.

Craig: The construction company was agreeable to working with us with a payment plan, and they generated the payment plan with us, and verbally said yes, we understand. We were open-handed with our finances saying the additional costs that came in were based on a voice-activated fire alarm system that we did not get direction on until October 4, 2018. If you look on paper like oh, how could they not budget for this? The reason why we had that dramatic moment the first week of October is because we did not get direction from the City of Orange, and they would not allow us to move forward with a fire alarm system.

After the situation the first week of October, they finally gave us that direction. The majority of the outstanding costs, that's where they came from. If we would have been given that direction for June, July, August, September, which I can show five months of begging and pleading, and demanding, and saying, "Please, can you please give us this direction so we can move forward?" We absolutely would have included that information in the budget.

It would have been presented to the board, and that would have been looked at proactively instead of like, oh, okay the project is 85% done and now we get transparency and direction on the fire alarm that we have to put in, and it comes with an additional cost. That's why the situation is in that way, because it was added on after a very dramatic first week of October, I should say, for lack of a better term.

Williams: The fire alarm was not anticipated to be required in your build out?

Craig: Not the one that they ended up demanding that we had to put in, which was extremely-hundreds of thousands of dollars more expensive than what was originally agreed upon back in June and July with our work with them.

Williams: That was the City of Orange?

Craig: City.

Williams: Everything you talked about regarding opposition difficulties, the IEP's, and your travels, is all from the City of Orange?

Craig: Conditional use permits are through the planning commission or the city council, and the City of Orange. A lot of challenges that we have for example, the landlord issue the year before, that was not the City of Orange. That was a congregation that, unfortunately, the day after six months of negotiating that lease,

decided that they did not want to move forward. I'm not here to say the City of Orange has done us wrong or anything in that nature.

Before Unity came about in the City of Orange, there were only two charter schools that existed in that city. One of them is a dependent charter school, and the other one has functioned in one of the facilities of operating connected with the school district for 25 years or 30 years. I'm not sure how ever long. When Unity came forward, this was something that was extremely new. Not like unheard of, but very sort of I don't know what the right word is.

Eastman: It was innovative. It was not only innovative. You all know that early and middle college high schools are not new concepts. It was kind of seen as not only new but also unorthodox. How are you going to get this done? What about your college partner? Things like that. Questions that we had responded to, and we think appropriately, and the majority of their board also thought we responded to it appropriately, but then, ultimately, wasn't willing to move forward.

Craig: Orange is a wonderful community. They're very traditional. There's great events, there's the Orange Circle; all of those amazing things. Anytime there's a traditional community, and I dealt with a traditional community in Watts as well. It was different, but anytime there's a traditional community, there's a level of resistance that anytime that there's something new, and we met that level for a bit. I don't believe that is the state that it's in right now.

Williams: There are deadlines that -

Craig: Correct.

Williams: - you mentioned. The first one is just a few days from now on June 30th. What are you going to be providing for our staff?

Craig: The staff has asked for a list, forgive me I don't have them off the top of my head. I would need to look at the document; inancial contributions if there's any loans involved to pay back, and a reschedule plan. Some of the conversation I had with staff is when this donor changed the direction, I asked staff, "Would you want me to submit our debt as of right this moment, or would you prefer for me to wait until the construction is resolved?" And the response was, "Erin, I want an accurate picture of what's happening when the construction is resolved." We will be submitting all of our debt with payment schedules aligned to the budget that will be approved by our board, and there's a variety of other documents as well. They're reasonable requests, though.

Williams: They are reasonable?

Craig: Yes.

Williams: Okay. The process that you've been through, has it been reasonable and fair?

Craig: Yes.

Williams: The staff has been good and treated you well and respectfully?

Craig: Yes.

Williams: Good. For this board, this is a new process too, because we've never really had this depth of issues and concerns. This is new for us and it's kind of precedent setting, and we want to know, and I speak on behalf of my good board members. We want to have the good faith and understanding that you're going to get these things done. July 1st was a date that you said that you're going to be meeting with your donors. That's past the June 30th date. We have a next board meeting July 17. I throw this out to my board members. I would like to see all this met and receive it by that meeting, so we can discuss this.

Craig: Of course.

Gomez: I would appreciate some sort of written update before the next board meeting so that we have something.

Barke: Something in our packets by the tenth or whatever the date is.

Williams: Do we need this agenda'd as an item, like here?

Gomez: I think we should.

Bedell: I think we have to.

Williams: Okay.

Gomez: So, we can have a discussion if needed.

Williams: Okay.

Gomez: If we don't need it after looking at the report, then we can just have a brief discussion.

Williams: Okay.

Barke: I agree.

Williams: You agree? Okay. Nina, that means we'll have this as another item at our next meeting, July 17th. My questions, I feel comfortable with. Before I finish, I want to throw it out one more time to my colleagues just to make sure they feel comfortable about it. Yes, sir?

Bedell: I deferred, because I wanted to hear the wisdom of my colleagues. I appreciate your question Lisa about that how to do a head count. It's huge. Do you have to borrow money to open in August?

Craig: We would have a one-time cash flow, and it would not come from Charter Asset Management. It would come from a private investor. We actually have two that have already stepped up and volunteered. One at 6% simple interest, not compounded. One at 9% simple interest, not compounded, with a payment schedule to pay it back starting January 2020 to the beginning of the 2021, before the end of 2020, and that would be it.

Bedell: When you open this coming August, you will be borrowing how much?

Craig: Right now in the budget, it's 350.

Bedell: 350, in which you will then be paying two pieces of interest? Do I have that right, basically?

Craig: It all depends on which person we go with. We'll either go with the 6% person or the 9%.

Gomez: You have two options?

Craig: We have two options, and both of them are much better than 19% with CAM.

Bedell: I have a question for Superintendent Boyd. Do we have?

Boyd: I got elected.

Audience and Board: [Laughter]

Bedell: I just moved you out of the district. Do we have other charter schools that are opening like that?

Boyd: Have the same financial setup?

Bedell: They have to open up with about half-a-million dollar, whatever. Do we have other charters have to open that way?

Boyd: Not that I'm aware of. Current status? No.

Bedell: My understanding is we have sent to you a variety of concerns over the three years, right?

Craig: The only letters of concern that I have gotten have been this last academic year that are outlined in the oversight report. I did not get any one last year. I never got one before related to construction / finance.

Bedell: How many did you get from us?

Craig: Were there four?

Boyd: I believe there's seven.

Bedell: Construction costs increased by 222%, right?

Craig: From the original budget from my previous back office service provider, yes.

Bedell: That was not from when you do your own house stuff, you do change orders and you want 10 more light plugs, none of that was you. All of that was externally driven from the City of Orange, et all. Is that accurate?

Craig: That is true. When comprehensive plans were submitted, it was in that one massive review came back, and they gave us all of the change orders. It was layer upon layer upon layer. Any time there was a new one, update the budget, move forward. My preference and my hope would have been when we submitted the full set of comprehensive plans from the get-go, them knowing the timeliness, them knowing that there were kids' educations at stake.

We could have gotten all of that feedback right away, then taken it up for bid. Then it would have gone to the board to determine right then, is this a good financial decision to make in June 2018, as compared to partially in June 2018, partially in August, partially in September. Then the last voice-activated fire alarm in October.

Unfortunately, those are the facts and how it was rolled out. The board was faced with the decision of are we going to move forward and try to figure this out and work, or are we going to not exist?

Bedell: If I'm hearing you right, we have over \$800,000 owed in construction?

Craig: No.

Bedell: No?

Craig: I'm not going to give the exact number, but it's around 5.

Bedell: That's subject to negotiation?

Craig: Correct.

Bedell: By the way, I've always been supportive of your program. You know that, right? Is it your viewpoint that you have as an organization been responsive to the board's representatives, which is our staff, that you have been responsive to all and any requests?

Craig: I've struggled this year with submitting things on time. Again, I'm someone that I'm going to directly take ownership. A lot of the reasons that I've struggled is because the documents have not been available. That's not 100% for every single item. For example, a fire marshal inspection that was supposed to be obviously due the day before school opened, I wasn't able to get that until after we had all the temporary things going on. Then the fire watch, then the fire marshal decided to include the entire building in all of his inspections. Does that make sense? Some of the things were the documents weren't available. Some of the things I struggled getting in based on a very challenging year that I will own.

Bedell: Is it accurate to say that you have submitted to the county nine different budgets in one year? I'm not trying to be difficult.

Craig: No, that's fine.

Bedell: This to me is huge in terms of we have had nothing like this in my experience; Dr. Williams can help me here. When you put all our charters together, Erin, we've had nothing like this in the summative package.

Craig: Sure.

Bedell: You're truly unique to use bad grammar. This is very significant, because you've had strong supporters on this board including myself.

Craig: I agree.

Bedell: Ken has made me nervous, because I think he's raised some significant points here that I'm just really concerned about opening up with a debt. Nobody else is doing that if I hear that correctly. We've had nine different budgets, or something like that, over the course of the year. When you brought in a new back office person, I felt a sense of relief because I see you as a curricular person.

Craig: I am.

Bedell: Now I'm hearing nine different budgets, untimely, not responsive, etc. That really gives me the willies, because I don't want this board and I'm being really crass here. I don't want this board and this department, which I love, to enjoy a single cent of legal liability because of this charter. That's one of my bottom lines. This nine untimely budgets, oversight, nobody's going to scorn you for the curriculum, but I thought all this was gone with the new back office provider.

Craig: What I will say is, nine budgets were not submitted by my new back office service provider. There were multiple budgets that were submitted during the summer, based on my previous and low-performing back office service provider. I'm not sure, exactly, the end for each one, but we changed back office service providers November 1st. My previous back office service provider did not immediately give us over all the information we needed.

I'm sure, Nina, you can remember, they lacked for a while to the point that Nina offered, saying, "Would it help you, Erin, if we sent them a letter?" And I said, "Yes, it would." The staff assisted me with that to send them a letter to say to release the information, which came in at the end of, I want to say January, and then it took from January until the very beginning of March for Icon to get all of those things in order.

Bedell: I'm on my final question. Mr. Chairman, you've been very patient with me. Donors make me nervous.

Eastman: Me too.

Bedell: Because you can look at a donor cross-eyed and inadvertently, the next thing you know, you've lost half-a-million dollars. I'm familiar with a case where that just happened. Somebody got in a huff, poof, and it was going to be a naming opportunity for seed chair in an endowment. Donors make me nervous. There's not a guarantee there, and then the recourse is what? You show them around, they love kids, and the next thing you know somebody gets a brain aneurysm or something, and it's cut in half. I don't think that's the way to run a railroad. I'm a very conservative fiscal person, very. I need reassurance here.

Craig: We agree with you. I wholeheartedly agree with you. Being reliant on someone else and their fluctuating something, I agree is not the best situation to be in, but in order for us to bridge this construction gap, it has to be fundraising. That's the way to do it, is to get donations. We understand the timeline. We understand what needs to happen. We also understand the outcome if we're not able to pull this off, the existence of our school will probably be no more. We're very clear on that. I'm with you, Jack, wholeheartedly. Something I do feel good about, though, is I have had the support of Orange County Community Foundation since day one, but since the situation with the donor and the surgery, they have not just stepped up.

The vice president, Mr. Todd Hanson, I'm not sure if anyone knows who he is. He has made it his personal mission, day in and day out, and when I'm not here, I'm with him. I agree with you and that's why moving forward, even though I know I'm capable of raising money and donations, and I've proven that before the school was open, our budget next year is based on none of those. I don't want to rely on that, and not having control 100% over a situation like that is not a place that we are interested persisting in, and this is the last component right here.

Bedell: I appreciate that because to me, donation should be icing. They should not be the oven and the cake.

Craig: Agreed.

Bedell: Thank you, Mr. Chairman.

Boyd: Dr. Williams? If I can make a couple of comments?

Williams: Yes.

Boyd: Thank you, Erin. I appreciate the comments that you've made today, and I just want to affirm that some of her comments with regards to the relationship with staff.

Erin has provided documentation when she has had the documentation. When we've reached out to contact her, she follows up and she gets back in touch with us. With the exception of a few occasions where she's been out of town or something, and she hasn't had access to the communication. I think as she's identified, the hardship has been that they're relying on a lot of donated money. A lot of promises have been made.

That's what we've shared with this board. She shared with this board, and, unfortunately, over the last seven months of trying to make some of those things happen, they have not happened. The situation is, Unity is where they are. We've never had an issue with the academic program in terms of our staff going out to dialogue, and do their observations, and meet with her and so forth. The program that is being delivered is a credible program, and she's delivering on what she had in her petition. Again, the financial situation, and our role is to ensure fiscal solvency, not only for the charter, but also for the families and the students that are engaged in that program.

With this dialogue, I just wanted to point out again that we've had a good working relationship with Erin.. That is not at issue. I don't want the board to walk away thinking we have a communication problem, because we don't have a communication problem. All the things that she's affirmed to the board today, with the exception of the fact that we are struggling with knowing how much debt is there. I think she's also having some of that challenge. She knows what, in terms of the vendor agreements that they have entered into and so forth. That's a piece that has been a puzzle for us in terms of what exactly is owed.

We know that in terms of some of the staff, and just based on the board dialogue that we hear that they're having, that there have been some furlough in terms of salaries and so forth. In terms of whether or not the debt that is being discussed today, is also including what's owed to employees and so forth is a part of that. I don't know, but we're trying to really get a better understanding of where Unity is, where they hope to be, not just in terms of letters, but actual cash flow. The solvency is the biggest question. If we pull out some of what we would say shouldn't be in parts of the budget, then we would say it's borderline insolvency.

Again, that's dialogue that we will continue to have with the back office provider and with Erin. Hopefully over the course of the next couple of weeks, we'll have a clearer picture based on the documents that will be provided to us. We'll be able to give the board an update at the next board meeting. We would carry the same item over in terms of a Unity update, and then anything else that the board would want to include, but we'll have a staff report prepared based on the information that we receive.

Williams: Is that clear to you guys, what Nina said? I share that. In my notes, you have some money that people have said they're going to give you. Can you get that money by the next meeting, put it into the bank and show us documentation that it's in

the bank?

Craig: Yes.

Williams: Wonderful. Thank you for this entire process. This is extraordinary, as the good Trustee Bedell expressed, and hopefully it went well for you. Hopefully, you felt that you're not being put on judgment or a trial, but these are really important information that the board needs. The staff really needs it, because we depend upon staff, wonderful staff, and I'm so glad to hear that everything is working out in a nice fashion with the staff. We look forward to talking with you, July 17th. I have an update, and any other comments before we move on?

Bedell: Thank you.

Craig: Thank you.

Eastman: Thank you.

Williams: Thank you. Just as I look to our good associate superintendent, the time certifies for the inter-district hearings is now.

Boyd: If you take a recess for about 15 minutes, so that we can set the room. I believe that the first appeal is here, and we'd be ready for you.

Williams: The board will be in recess, not adjournment, for 15 minutes and we'll go and fill ourselves up with a little bit of food and energy.

[DR. WILLIAMS STRIKES THE GAVEL ONCE TO SIGNAL THE BEGINNING OF THE 15-MINUTE RECESS AND THE INTER-DISTRICT APPEAL HEARINGS]

Boyd: The inner-districts will be a closed, so we will be clearing the room, and there are three of those. With three hearings, I would say probably 1:45 p.m. would be a good time to be back.

[AFTER RECESS AND THE INTER-DISTRICT APPEAL HEARINGS CONCLUDE, DR. WILLIAMS STRIKES THE GAVEL THREE TIMES TO SIGNAL THE RETURN OF THE BOARD MEETING]

Williams: The board of education is back into open session to take up number five. It was laid on the table earlier. I'm going to be taking it off the table, and I will be rereading it for the sake of our good board. The motion, in essence, the motion to approve the 2019-2020 OCDE budget as proposed and reviewed in our June 12th, as well as the May meeting, with the following two changes; reductions -those were to Object Code 5851, which is Legislation, Advocacy, and Lobbying in the amount of a \$60,000 reduction; number two, Travel and Conference the expenditures, Object Codes 5520 and 5230, for a total of \$112,442. The total reduction was \$172,442 That was my motion and that was seconded by Trustee Barke. Is that correct?

Boyd: That is correct.

Williams: Okay, very good. Prior to laying it on the table, we have a document that the staff asked us to review, and that document is a resolution by the Board of Supervisors, dated June 7th, 1977. Because it's a contract and it has legal significance if we can have our special legal counsel help us out with the interpretation of this, and the essence of this document?

Rolen: Thank you, Mr. President. As you know, this issue's been subject to multiple legal analyses, and I offered one of myself where I attempted to harmonize all the statutes involved; and drew the conclusion that the board has the authority to make some revisions to the budget. I made that publicly and since then, there have also been other legal analyses that have done the same thing. Since then there are two resolutions that have come to light. There was a resolution in February of 1977, which unequivocally said that the Board of Supervisors transferred their authority to the Board of Education. It made no mention of any other entity.

Today we were provided with another resolution subsequently dated June 7, 1977, that the Board of Supervisors also made reference to transferring powers to the Board of Education. It says, the first whereas is, "Whereas the County Superintendent of Schools and the County Board of Education have proposed all duties and functions of an educational nature be performed, that were performed by the Board of Supervisors, be transferred to the County Board of Education." Later it says, "The proposal includes the establishment of a single county service fund for the County Board of Education."

Then later it references the approval of the County Superintendents of Schools estimated revenues and expenditures pursuant to Section 1042 of the Education Code, which vests the power in the board to make revisions, reductions, and additions. On a cursory analysis of the new resolution, it doesn't change the language of the prior resolution, nor does it change the analysis of the board's duties.

Here we are on June 26th, and Education Code 1622C says, "On or before July 1 of each fiscal year, the County Board of Education shall adopt an annual budget for the budget year and shall file that budget with the Superintendent, open square part of public instruction, the County Board of Supervisors, and the County Auditor. I urge the board to exercise its duty and adopt a budget here on June 26th. Otherwise, we're going to be forced to call a special meeting.

Williams: Very good, thank you. Okay, I'll look to my left. Trustee Sparks, any comment on the motion, as well as the second, and the information just given to us?

Sparks: I have no comment.

Williams: Trustee Barke?

Barke: No, I would just stand by my original motion that I would move that the board request the superintendent and his staff to prepare a final budget document that reflects the 2019-2020 OCDE budget as approved by the board at today's meeting;

and that can be filed with and examined by the superintendent and maintained for public review.

Williams: I'll second that subsidiary motion. We have the primary motion. We have the subsidiary motion, which is basically to memorialize these changes in the official budget. Is that correct?

Barke: Yes.

Williams: Very good. Okay, we have the subsidiary motion. Any discussion? I'll look to my right.

Bedell: I pass.

Gomez: The motion that was read did not indicate that you were incorporating the changes. You added that as you were trying to clarify. Is that correct?

Williams: Repeat that.

Gomez: Okay. When Trustee Barke just read her motion, she did not say anything. She said to submit it as it was written. You then clarified that you wanted those changes that were given to us on the dais today to be included. Is that accurate?

Williams: As I understand the subsidiary motion, please verify, Trustee Barke. You're just asking for my primary motion and the reduction in the budget to be memorialized by the superintendent in a document.

Barke: Yes.

Gomez: You're asking for a budget revision in your motion?

Barke: Yes.

Gomez: Okay. That's what I wanted to get at.

Williams: I have no further questions. Any further questions on the subsidiary? All those in favor say, "aye".

Trustee Williams, Barke and Sparks: Aye.

Williams: Oppose?

Gomez: Oppose.

Bedell: Oppose.

Williams: The motion passes 3-2. Going back to the main motion, do I have any further questions?

Bedell: Can you read the main motion now?

Williams: This is the third time, I think, I'm going to read it.

Bedell: I appreciate it.

Williams: The main motion, I'll read it. I move that the board approve the 2019-2020 OCDE budget as proposed and reviewed in the May and June meetings with the following two changes or reductions: The first one is Object Code 5851, which is Lobbying, Legislative and Advocacy Contracts that reduction would be \$60,000; The next reduction would be Object Code 5520 and 5230, which are Travel and Conference Funds for a reduction of \$112,442. The total reduction in this motion is \$172,442. We have a motion and a second. Any further discussion? Yes, sir?

Bedell: I wonder if I could ask the superintendent what his intent is to do with this motion?

Mijares: We've never done it this way, to my knowledge, and it certainly isn't in the time I've been here; I believe the staff told me in any of the length of the time they've been here, which is quite a bit of time. I believe it to be inconsistent with past practice. I also personally believe it to be inconsistent with current law. You either vote the budget up or down. You voted a budget, but it has amendments in it. I don't believe that's lawful for a county office. My next steps will be to talk to the State Superintendent of Public Instruction and see what he wants to do.

Williams: Any other questions?

Bedell: If I vote "Yes" for this, there's a guarantee that the state superintendent is going to be contacted about its kosherness?

Mijares: I think if the superintendent agrees with you, then he will have the authority to make whatever adjustments he wants. If he does not, then he will overrule this board. In effect, your authority would be truncated by him. We'll just have to wait and see.

Williams: Very good. Our good special counsel, will you tell us your legal analysis? I think you previously gave it to us a few months ago, but if you can help -

Bedell: I need a refresh.

Williams: - Dr. Bedell would like that.

Rolen: I thought you were asking me what your understanding was of the next step in the process. It would go to the State Superintendent of Public Instruction. The State Superintendent of Public Instruction has a set of criteria and code which does not immediately come to mind how they analyze the budget, whether it's revenues and expenditures, that sort of thing; whether it meets the LCAP. That would be the next step in the process.

Bedell: Thank you, Ken, for your patience again. This means that if we approve this budget as amended, that budget gets transmitted by the superintendent with a declaration likely that the superintendent is not in line with that budget? Is that what I'm hearing?

Mijares: Basically.

Rolen: It's uncharted territory.

Bedell: There's a part of me that's intrigued by having the state superintendent make a ruling on that. It's a bigger issue to me than the \$175,000.

Williams: This is how the executive committee, in discussion with Mr. Rolen, discussed this budget as adopted, and it is a budget that is adopted. Our good superintendent is required to submit it to the state superintendent, who then would make the decision one way or the other. If our good superintendent wants to convey other information that's up to him. He will have his budget adopted, and we will have done our duty and responsibility.

Rolen: Well put.

Williams: Any more questions? All those in favor of the motion say, "aye".

Trustee Williams, Sparks and Barke: Aye.

Williams: Oppose?

Gomez: Oppose.

Williams: Abstain?

Bedell: Abstain.

Williams: Motion passes. We have our budget, Mr. Superintendent, by a motion of 3-1-1. Moving on to the next part of our agenda, is communications and discussions. We do have one public comment on the ISAAC update. Nina?

Boyd: Michelle Anderson?

Anderson: Good afternoon, President Williams, Superintendent Mijares, honorable board members and staff. My name is Michelle Anderson. I'm with the California Charter Schools Association. First thing I'd like to do is give a little bit of information, because we talked this morning about debt that charter schools take on when they start up. I would like to say that in Southern California, we're not aware of any school that hasn't started out in debt. It might be that they have a charter school revolving loan, but that is still debt. To answer your question, Dr. Bedell, it's very difficult to start up a charter school, unless somebody is independently wealthy and willing to write into their petition that they are going to fund the school.

Where are those billionaires that everybody keeps talking about that are out there funding charter schools? We'd love to find them. You need to rent a building and typically put a deposit down. You need to get furniture. You need to buy curriculum. You do not get funding from the state until your school has been established in typically October of the year. You've had teachers that you've had to train, so where does that money come from? Most people go take out a loan in order to make that happen, or they have the Startup Grant, or a combination of both. Just letting you all be aware of that. It's not atypical for a charter school to take on debt.

I'm here today to give what I will consider to be some good news on a change that is happening at ISAAC Charter School. It's located in Newport-Mesa. You all went ahead and approved this school back in the spring. There is going to be a personnel change. There will be a new principal. The principal that had come here before you all has for personal reasons, had to leave. You all have a letter in your packets, I believe, from the board president of ISAAC. We are aware of three candidates, all of which are very strong candidates to take over as principal. The board is meeting this evening.

There probably will be an offer made, and I would suggest, probably, at the next meeting that you invite them to come and give a presentation. I know the people in Newport should be very proud of what they will get in the way of the strong leader that will take this place. I also think it will be nothing but good things. We're happy that this all happened before school started, so we're not having to change of personnel midstream.

I think this is all going to bode very well. I would just like to make you aware of that. You do have a letter. There's also currently a listing of who you should be communicating with. I think that makes it easier for Nina and Teresa, I believe, is the person. I'd just like to give you all that information, say that we at CCSA are always happy when we think a charter can be made stronger. Thank you.

Williams: Nina? From the staff, what's coming up next?

Boyd: I had put this item on to give you an update on the leadership changes, and what we were dialoguing with ISAAC. If I could just read what we were going to do? Last Monday, June 17th our office received a call from Patricia Gould that she was no longer going to be with ISAAC. When we questioned on who the primary contact would, she said she didn't know, but she would let us know as soon as she heard. Later that same day, an email was received by Teresa Johnson, the coordinator handling the oversight of ISAAC, from Ms. Gould saying that it was now official.

She thanked Teresa for her professionalism and her kindness in working with her, but in her communication she identified Padmini Hands as the point of contact for us to dialogue with. That's who were communicating with last week when we were trying to make determinations on the change in leadership. On the afternoon of June 18th, Ms. Padmini, and she actually has two names. Some of our correspondence says "Padmini Hands," some says, "Padmini Srinivasan," and some says "Padmini Srinivasan-Hands." On June 18th, she sent us an email identifying herself as the new executive director, and telling us that that was going to be finalized at the end of this week.

We also received last week, a letter from LACO related to the SELPA and addressed to Ms. Srinivasan, titled "Executive Director of ISAAC," letting them know that they had been accepted into the Los Angeles County SELPA. In trying to establish who our point of contact should be, we reached out to Ms. Vanessa Besack, who is the board president for ISAAC. She initially represented, as you all may remember, ISAAC during the charter petition process. Monday, June 24th, in a phone call with Ms. Besack, our office was informed that she was not available to attend the board meeting today.

We had extended an invitation last week to try to make sure that there were questions, and also in terms of how the school is proceeding, but she was going to try to have a representative available today. Later that same morning, we got another communication from Ms. Srinivasan saying that the appointment of the executive director was not going to occur this week, but instead that they would be recruiting for a principal replacement only, which is I believe what Michelle Anderson has just relayed to the board.

As a result of that communication, we reached out to Newport-Mesa Unified because we were still trying to determine point of contact so that we could get some information, and we knew that they were working with them on a facility for housing.

They informed us that they were not aware of a change in leadership, but they had just concluded a site visit on what they believed would be a final site option to house the school within the Newport-Mesa Unified District. This morning, we received the letter that's in your red folder from the board president of ISAAC identifying two individuals who are on the board, who they've identified as the primary points of contact.

Because of the initial communication that we receive from Ms. Gould and our inability to determine who our point of contact was, we wanted to ensure the board was one, aware of the changes that are occurring because of the discussion that has been held with the board previously on this authorization.

Williams: Thank you.

Boyd: You're welcome.

Williams: Questions?

Barke: I don't know if Michelle can tell us, or we can find out, who the new leader is tonight? Can we invite and add them for our next agenda?

Boyd: We would extend that as staff to the board invitation as we did last week when we were trying to identify. Now that there are individuals mentioned, then we will ask them to be here, and we can put an item on the agenda, so that the board can have some dialogue to understand where they are in the process and what the changes may mean to the school.

Barke: Sure.

Williams: Which brings up an interesting conversation because this is all so new and yet we're being hit with it two times today. It's becoming something that maybe a policy, maybe a value, I'm not saying and creating a committee, but I'd like to start us thinking about that. In our oversight, as these schools are getting more mature, we maybe getting more of these type of situations. I'm concerned about this. I thought Patty was an excellent education leader.

She's a poor presenter in public about her ideas and goals, but I trust her because of her namesake and what she did at the charter school in Los Angeles. I'm concerned about this leadership change. Leadership is critical to the success of any charter school. I'd like to definitely invite them back, and we're going to have Unity back. We'll put this on our agenda, and I'm just brainstorming here. This is a very extemporaneous thought, some committee to create a policy like this.

Boyd: What would the policy entail? You're saying you need a policy. This is just transparency of information. What kind of policy?

Williams: For me it's always about process. The process has to be reasonable and outlined. Even today with the Unity school discussion, which I thought went very well, there was no process as a precedent. It is really new and novel. Again, I'm not saying we have to have this committee. I'm just sort of throwing this out here. I know

Mari and I have talked about this along with Mr. Rolen, trying to establish good processes; the process of appeals, fairness, those type of qualities. Again, that's just my thoughts. If anyone wants to contribute to that, they may, but definitely for the next meeting we'll have the ISAAC leadership invited as well as Unity.

Gomez: If we get the update from ISAAC and we can get the update from Unity, maybe we can go on that information. We can determine, do we really need something or not?

Williams: Exactly. I would just say let's wait, but let's hear that information. I want to know what's happening here with ISAAC.

Williams: You and I very rarely agree, but on this one we do.

Audience and Board: [Laughter]

Gomez: Wow.

Bedell: Rethink it, quick.

Williams: It's a kumbaya moment.

Bedell: Mr. Chairman? I have gotten more phone calls about ISAAC out of any other district, other than my own, from the communities involved. I think this is a special moment, and this has to be handled very carefully. That community is still riled. I don't think that's a gross statement. For whatever reason, and I'm not making a judgment, the community is really riled, and this is not helpful, or maybe, depending upon who's appointed, right? I'm really sensitive to your point, and I'm appreciative of your point.

Williams: We have to be on top of it.

Bedell: Yes.

Williams: I so totally agree. Barring no further discussion, moving on to announcements. Our good superintendent?

Mijares: It's a special meeting, so I'm going to defer to you.

Williams: Okay. Our good Associate Superintendent, Nina Boyd. Do you have any announcements?

Boyd: Just a reminder that the next board meeting is Wednesday, July 17th. The submission deadline is next week, July 2nd, due to the holiday. I encourage you all to get information in to Darou and myself as soon as possible. I just wanted to remind the board that the department is on summer office hours. Each summer, we got so summer office hours aligned with our districts. We are open 8 a.m. to 4 p.m. through August 30th. If you are sending information or wanting responses and you send something after 4 p.m. and wonder why we haven't responded, or if you show up and you're looking for someone, we will be gone. The office is closed on July 4th, and that's all I have for you.

Bedell: Our meeting on the 17th is at the regular time? 10 a.m.?

Boyd: Yes, it is.

Williams: Very good. There's nothing else from the executive committee. Any other

thoughts or statements before we close this meeting?

Gomez: I would like to just make one quick comment.

Williams: Yes?

Gomez: This was graduation season, and it was just so much fun to go to all the different graduations, our own at Cypress College. As well as the ones in Garden Grove and ACCESS graduations. I think everybody, every community member, if you go to any graduation and listen to the student speakers, I think that's worth your time and effort to know what a difference an education makes for these children. Graduation season is over, I think. I don't think I have any more graduations on my calendar, but think about that next year when we get our calendar about the graduations. Please try to attend because you won't be disappointed.

Barke: I agree. I went to three and each one was better than the other, so I agree.

Gomez: Thank you.

Williams: Very good. May I have a motion for adjournment?

Bedell: So moved.

Williams: So moved and second.

**[DR. WILLIAMS STRIKES THE GAVEL ONCE TO SIGNAL THE
ADJOURNMENT OF THE BOARD MEETING]**

Williams: We are adjourned.

Barke: Note to record, I think this is a record.