

BARKE: Welcome everyone to our March meeting. It is Wednesday, March 5th, and we're opening up at three o'clock and then we'll move into inter-district transfers. But first I would love a motion for the agenda. Oh, sorry. Roll call. I'm sorry. Is that what you needed to do? Roll call. Sorry. Please do roll call.

SISAVATH: Trustee Valdes?

VALDES: Present.

SISAVATH: Trustee Shaw?

SHAW: Here.

SISAVATH: Trustee Barke?

BARKE: Here.

SISAVATH: Trustee Williams? Trustee Sparks?

SPARKS: Here.

BARKE: Dr. Williams should be joining us about four o'clock after the inter-district transfers. Okay. Now that I may officially open the meeting of Wednesday, March 5th, may I have a motion to approve the agenda?

SPARKS: So moved.

VALDES: Second.

BARKE: All in favor?

VALDES, SHAW, BARKE, SPARKS: Aye.

BARKE: All right, that passes four zero.

HENDRICK: Do we need to amend the agenda?

BARKE: Yeah, as soon as we do the minutes, I'll do that. Or well, I don't know if we do we need to amend it or what we want to do is we want to bifurcate number 17. Is that a-

HENDRICK: Do we need to do that before you-

ROLEN: Why don't we just do it right now?

HENDRICK: Okay. Sorry about that.

BARKE: No, that's okay.

ROLEN: Thank you Renee.

BARKE: So just a quick, a motion to approve the minutes from last month.

VALDES: So moved

SPARKS: Second.

BARKE: Okay. All those in favor?

VALDES, SHAW, BARKE, SPARKS: Aye.

BARKE: Okay, and then we are going to take number 17 and we're going to bifurcate it just to allow a time certain at 5:10 for Supervisor Wagner to debrief us because he has another engagement and then we'll keep the rest of 17 at 17. Does that make sense?

ROLEN: That's the motion.

BARKE: Yes, that's the motion.

SHAW: Is it 17 or 19?

BARKE: I'm sorry. 19. Is it 19?

SPARKS: Oh yeah, 19.

SHAW: I think it's 19.

SPARKS: Yes.

BARKE: Yes. My notes from Ken are 17, but it is 19. Okay.

HENDRICK: So that's the motion. Are you the first-

SPARKS: Second.

HENDRICK: Thank you.

BARKE: Okay. All those in favor?

VALDES, SHAW, BARKE, SPARKS: Aye.

BARKE: Okay, passes.

HENDRICK: Thank you.

BARKE: All right, now we're going to-

ROLEN: Very energetic board today.

BARKE: Close the meeting or we're going to go into closed session.

ROLEN: Closed session.

BARKE: Okay. We're going to go into closed session now and we'll be back at 5:00 p.m.

[The Orange County Board of Education goes into closed session and returns.]

WILLIAMS: Good evening and welcome. For the benefit of the record, this is a regular meeting of the Orange County Board of Education and we call it to order. Now historically we have already been going two hours. We started at three o'clock with some inter-district appeals. Those were closed session items. We typically do not report those out. We were just in closed session regarding our existing litigation and I'm happy to say that we are no longer litigants and we're going to have a report out by our counsel, Mr. Jonathan Brenner, if you can come out and report out from closed session for us.

BRENNER: Thank you Mr. President and Mari Barke, other members of the board, Superintendent Bean, pleasure to be with you this evening. This is the report out for closed session items one and two. There is no action taken by the board after discussion with counsel regarding closed session number two with respect to closed session number one, the board after discussion with counsel took an action. It was to approve a settlement of the litigation with Superintendent Bean. The vote was five zero in favor. All trustees present and voting for the settlement and my congratulations to all of you, including you, Superintendent Bean, for helping you bring this resolution together and make it possible. I think there is an announcement that the board has if I'm correct, Mr. President in that regard.

WILLIAMS: That is correct. There is a *News Release* and I'm going to read that into the record, but I'm going to take the privilege to hold off on that because we have quite a jam-packed meeting and I want get people out on a good timely basis.

BRENNER: Very good. Let me then-

VALDES: Can I just interject one thing, Mr. Brenner, because you mentioned it was litigation against Superintendent Bean. I think for the public to understand this was litigation that the board undertook against Dr. Bean's predecessor, Al Mijares and Dr. Bean just stepped into that role as the successor. I just think it's important that everybody understand that.

BRENNER: That's absolutely correct. Trustee Valdes, and thank you for making that clear. I'd also make it clear that efforts were made to resolve the matter prior to Dr. Bean taking the superintendent's chair, which were unsuccessful and those efforts became successful with Dr. Bean there. If I could conclude the closed session report out then to note simply that the board also approved Epstein Becker Green's invoices numbered 1186937, 1186938, 1190322, and 1190323. The vote there was four zero to approve by all trustees present. Trustee Barke was not present in closed session for that vote.

BARKE: I was, wasn't I?

BRENNER: No.

BARKE: Oh.

BRENNER: I wish you were there but you weren't.

BARKE: Oh.

BRENNER: That'll conclude the report out for closed sessions one and two. Thank you.

WILLIAMS: Oh, very good.

ROLEN: Could I just reopen closed session number two for a second? There was far more mundane matter, but I just wanted to amend what Mr. Brenner said about closed session item number two. The board did provide direction to counsel on a matter of potential litigation and also approved some invoices of Nielsen Merksamer. Invoice number 285923, repeating 285923 and invoice number 280689. This was a vote of four zero all trustees present. Trustee Williams arrived at closed session at 4:16 p.m. Thank you.

WILLIAMS: Thank you. We have a great meeting ahead of us here. We have the good Board of Supervisor Don Wagner, where is Supervisor Wagner? There you are, Don. We're going to have you up real quick. I promise you I'd get you out because you have some family obligations here. But before we do that on a personal note, we're going to have a moment of silence for a unique and unfortunate event that happened recently. And this is a moment of silence for the Bibas family. And if we have the picture, this is the Bibas family. On October 7th, 2023, Palestinian militants killed many innocent Israeli citizens and kidnapped the Bibas family from their home at the near Nir Ozkibbutz in Southern Israel. This family had represented the hostage situation and they were hotly and seriously looked at as the epitome of what happened here. The family had multiple citizenship from Argentina, Germany and included the father Yarden, his wife Shiri and their two sons, Ariel and Kfir as we can see them here in this wonderful family photograph. All four family members were held hostage in the Gaza Strip.

Yarden was abducted separately from his wife and children held by Hamas while Shiri and her children were reportedly held by another militant group, the Mujahideen Brigades. In late 2023 and what later was proven to be wrong, Hamas announced that Shiri and her children had been killed by an Israeli bombardment of Gaza. This last two Fridays ago on February 21st was a day

that I will never forget. As I got to work, I was in my computer and I saw what had happened with the bodies of three individuals. What was thought was to be Shiri and of course the two sons, Ariel and Kfir, they were finally released to the Israeli government. What was sad about this in which personally I shared a lot of tears with my dear friend Karen Jaffe was forensic evidence reveal that it was not a bomb, but it was an evil act of the hostage takers killing these two children.

And let's not forget the mother that was, they thought was the mother, which was somebody else was delivered to the Israeli government. But forensic evidence revealed that these two beautiful children were killed by their captors and that their corpses were mutilated. The Bibas family and especially Ariel and Kfir, came to be regarded as symbols of the Gaza war hostage crisis. The Bibas family abduction represented the darkest actions of humanity as well as the evil and darkness of the October 7th massacre by Hamas terrorists. As I shared with you at that moment, I had the visceral effect of great tears from the tragic death of the hands of these terrorists. That evening I was invited by Karen to go to the congregation Shir Ha Maalot, and at that time, Rabbi Richard Steinberg, who is a wonderful human being, provided some words of relief of healing to the worshipers there at the synagogue. So, with that, may we just bow our heads in a moment of silence for this family, the pain that they're feeling, the loss of Shiri and these two beautiful redhead children, 4-year-old Ariel and nine-month-old Kfir. Thank you. And with that, we're going to go onto our meeting. Don, give me be five minutes. We're going to have the invocation and I'm going to have my good vice president introduce our pastor who's going to give us the invocation.

BARKE: So, I'd like to introduce Pastor Joe Pedick. He's the senior pastor of Calvary Chapel of the Harbour. He's here tonight with his beautiful wife, Kathleen. They are both beautiful people inside and out. They're a huge part of our community in Orange County, specifically in Huntington Beach that's in my district. Whenever I'm in my district for anything, for any reason I happen to run into them. But he's an incredible pastor. They also run a homeschool there it is called, let's see, it's a Classical Christian homeschool program, Harbor Cove Prep and it's a homeschool support ministry and it's such an honor to have you here tonight to do the invocation. So, thank you for taking time out of your busy lives to be here. Yes, please.

JOSEPH: Thank you Mari. Thank you, Mr. Bean and all what you guys do. We so appreciate you guys. We know this is a big undertaking what you guys do and it's a lot of time, time away from your families and all, but we constantly, my wife and I in our congregation, we lift you up in our prayers and we just want to just say publicly, thank you guys for all that you do. We really appreciate you guys. Thank you. So, let's pray. Lord, we do lift up the Bibas family to you and Lord, I just, I know Lord, we're heart wrenched, Lord, we're hurting for this family, for these friends Lord. So, Lord, we lift up Lord Israel and we lift up the mourning that's going on throughout that country. And Lord, we know you are the God of all comfort. So, we ask Lord that you would comfort this family, you would comfort the country that you would comfort Lord, all those Lord that are hurting right now, including here in America, so many are hurting.

Oh Lord God, you are the God of all comfort. So, we lift them up to you. So, Lord, also we think of the Psalm, Psalm 1:21 and Lord is the psalmist said, "I lift up my eyes to the hills from whence comes my help". And Lord, the psalmist said, "my help comes from the Lord who made

heaven and earth". So, we look to you, Lord, we lift up our eyes to you, we lift up this meeting to you. We thank you for these men and women here on this board. We thank you God for all that they do, their sacrifice. We thank you for all the time that they take Lord to better education Lord. And we thank you Lord God as they pour in, Lord, may you pour into them as they pour out, may you pour into them. We ask that you would use this time Lord, that you would give wisdom from above.

Lord, according to your word, you said every good and perfect gift comes down from you, the Father of Lights. Lord, we ask that you would give each one of them the gift of wisdom and understanding. Lord, we thank you Lord that you've already given them great wisdom, but Lord, tonight, the decisions that are made, we pray that there would be wisdom from above, Lord God, that you would give them that wonderful wisdom that they need here tonight. Bless this time, bless this meeting Lord God. Lord as King David said that as he talks about the heavens, declare the glory of God. Lord, we thank you Lord that King David was a man after your heart. Oh Lord, we trust that every person here, Lord on this board, there are men and women after your heart. So, we pray that you would bless that Lord God and that wisdom again would come from above.

Lord, you said that you will do if we look to you far more exceedingly abundantly above all we can ask or think of beyond anything we can imagine if we look to you. Because Lord, you're the God of all wisdom. So, we look to you, we ask that you would do here tonight, far more, exceedingly, abundantly above all we can ask or think of. Bless this board, bless this time. Bless each person that comes up here to speak and may you govern over this time. Thank you, Lord, for all that you're doing here. Thank you, Lord God, for each individual that's here, Lord, spending time here taking this time right now, may this room be filled with your presence and may you bless tonight we pray in Jesus' name and all God's people said.

AUDIENCE: Amen.

JOSEPH: Amen. Thank you, guys. God bless you.

BARKE: Thank you so much. Appreciate it.

WILLIAMS: Thank you pastor. And then we're going to have the Pledge of Allegiance, by a very special person.

BARKE: And now it is my honor to invite my son Sam Barke, up to do the Pledge of Allegiance. It is his first meeting because he lives in Indiana so he is not close by, but he is in town tonight.

SAM: Please stand and face the flag.

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.

BARKE: Yes, please go. Yes. Thank you.

WILLIAMS: Thank you Sam. Thank you Pastor. Okay, moving on. So, we're just so the audience knows, we're going to have a bifurcation in our meeting here where we're taking up a part of item number 19, which is a discussion of the Board of Supervisors County investment policy, and we have a very special guest directing information from the county to the County Department of Education as well as our board here. So, we will have public comments after that. So, Don, if you want to come up. Up here sir. Yeah, we give you front row. Front row. Yeah. Thank you for coming. So just as a little bit of background, so all of this came up recently in the last few weeks there has been some changes at the county level and you're going to report out to us, and this is a good discussion as two public entities are talking about public policy and governance and the county investment money. We appreciate you being here.

DON: Agreed. Well thank you Mr. President for the invitation and the opportunity to be here. And so, Mr. President, superintendent and members of the board, I do thank you for the opportunity to explain what we've done and if there are questions, be happy to answer them to the extent I can, to the extent I can't we will obviously have opportunities to put you in touch with the folks that will be able to answer those. But really briefly, let me explain. You've teed it up, but for years the county investment policy has been such that our Treasurer Tax Collector, the elected Treasurer Tax Collector is the one who is making the investment decisions. There is a Treasury Oversight Committee that is responsible for reviewing what is done and she doesn't make the decisions herself. There is a stable of investment professionals who are responsible for the day-to-day management of the funds and it is about \$17 billion of which this agency may be the largest and certainly very close to the largest, which is why it's appropriate for you to ask now, okay, what's going on?

The board recently made a change in who will be directing those investments. The decision was made unanimously by the board to remove that responsibility from the treasurer and devolve it to the board and our designees, our Chief Financial Officer, our CEO, who used to be our Chief Financial Officer and the investment professionals hired by the county. The first thing to assure you is that the investment policy of the county itself has not changed in any significant way. We actually at our last meeting tightened it up a little bit, but the overriding goal of this policy is safety of principle. Your money is protected. The reason though, it was removed from the treasurer to the county chief executive officer and chief financial officer, you've read in the paper there have been some challenges with the treasurer's office. The vast majority of those challenges are in her management of her internal team.

She has trouble retaining staff in the county. The turnover in employees in that department has way outstripped the changeover that we've seen in any of our other departments. The stories we get are of dysfunction and my board is particularly interested that none of those deficiencies which have been outlined in the paper, and I can go into some of them if you'd like, none of those deficiencies be allowed to bleed over into the investment function that she is responsible for. I put it in a little bit of context. Most in this room, remember or certainly know that in the late 90s the Board of Supervisors did not exercise the legal authority it had to oversee the treasurer and the result ended up being enormously risky investments that ultimately did not pan out and the county had to declare bankruptcy. We are not going to let that happen.

This current board seeing challenges in that office decided because ultimately state legislation gives the final authority to the board of supervisors, we determine we are not going to go down that path or even run the risk of going down that path again. We were going to pull back some of that investment authority, some of the authority the treasurer has and take it away from where there have been challenges. Some of those challenges, as I mentioned, are really HR related. Some of them however, do get to the nub of the treasurer's responsibilities. A couple of examples that frankly disturbed me, we would find in the treasurer's desk in her office, property tax checks that were six and eight months old. Think about that. One of our citizens, a constituent of one of yours, certainly writes a check to pay his or her property taxes and it sits in a desk drawer.

There were grant checks out to departments and recipients of grant monies, didn't get distributed. The treasurer in what she thought was her defense said, well that didn't happen very often in the press once is too much. All right. We looked at that and said, we want no questions about who is overseeing that \$17 billion investment pool. We are going to pull it back from the treasurer and we are going to exercise that due diligence in a different way with our budget professionals. We were seeing reports, the ACFR for example, isn't getting timely done by the treasurer and passed on to the auditor controller. Those deficiencies can't be allowed to bleed over into who is managing your money. And so unlike in the 90s when the board let the treasurer go, this board has said, wait a minute, we do have some challenges here and to the extent we can, she's separately elected.

So, there's a lot we can't do, but to the extent we can, we are going to get professional eyes, eyes we trust, eyes that are not being pulled in different directions by various HR issues. Get that oversight into the hands of our budget professionals. But the issue of oversight is an important one and remains and it's why frankly I applaud you for asking these questions. All right, with the change, how do we know that our monies are as secure? And I will tell you there are several answers to that. The first is that the budget professionals we have are extraordinarily experienced in managing investments. The ratings agencies have appropriately asked us questions about this transition. We have satisfied the rating agencies with the answers to those questions. We remain AAA rated. There is in fact oversight, citizen oversight, professional oversight that is being exercised. There used to be what we call the Treasury Oversight Committee.

Its only responsibility was overseeing this investment pool that's been disbanded because that authority no longer exists in the treasurer's office. There is however, what we're calling the Audit Oversight Committee that has the responsibility currently staffed with community members, staffed with professionals that will do the oversight that the Treasury Oversight Committee used to do. The Audit Oversight Committee will now be doing that. There will be oversight and something that I think should resonate with this board is that there will be a subgroup of that Audit Oversight Committee made up of amongst others a member, a designee of this agency. And so, you'll have a seat at the table to oversee what is being done, to be able to ask your questions, have access to the people who are making the decisions. We are making sure that that oversight happens and that you have a seat at the table that you didn't have with the Treasury Oversight Committee.

So that's what's being done. That's why it's being done. And I will tell you I would not be here and I would not have voted for this change if I thought in any way it was a change that would put at risk or even a little bit more at risk. The funds that are invested with the county, we take that

seriously and I want to assure you folks that we will continue and the county will continue to take that as seriously as it's been taken in the past. It's an unfortunate circumstance that's arisen with our treasurer. I have worked with her, I've had meetings with her, I've had meetings with her staff, others of my colleagues have done the same. We weren't able to get there. We felt now we needed to exercise this authority because God forbid we are not going to go down the path we went down in or a prior board went down in the 90s. So, in a nutshell, that's what we've done. That's why we've done it. I'm happy to answer any questions that you might have and I assure you a seat at the table.

WILLIAMS: If I can just start the conversation here. I know my board members have some questions to begin with. We don't want to go into the HR related issues. That's not our bailey wig. We have no oversight of that. We want to get away from that as far as we can. That's too much theater. We are very, very concerned about the stability of the funds, how it's been performing in the past and where it's going in the future. I think you mentioned it's about \$17 billion and about eight of that seven eight is education related. Okay, so 8 billion is a little under half is what the 28, 29 school districts here in Orange County have invested in that. So that's why we're having this conversation. It's been 20 years since we had that conversation. It goes back to the Chris Street. Do you remember those days when he was treasurer? And of course, when John Morlock and this whole Citron debacle in '94. This is a good conversation that we haven't had in a while. I appreciate you being here and I'm going to throw it open to my other colleagues. Do you have any questions?

SPARKS: I have a couple questions. So, hi, nice to see you. So, I want to understand and I want the public to have some understanding of what checks and balances were in place with the treasurer with those funds before you all decided to-

DON: In general terms. Thank you. In general terms, there were two. One is the county has had an investment policy that, as I said, emphasizes first and foremost security. We are not gambling with these. We are not trying to get the maximum return out of every particular dollar. It is security of principle that was in our investment policy and you had this Treasury Oversight Committee staffed with professionals, CPAs, others who were, had the fiduciary duty to watch over the pool and oh, the treasurer had to answer to them in terms of what she or he before her was doing. Those checks and balances remain. The investment policy remains the same. We've tweaked it, we've tightened it up a little bit, but the investment policy with an emphasis on security remains. So that check or balance is still in county code. That's the rule. The Treasury Oversight Committee itself has been disbanded, but the Audit Oversight Committee will essentially perform that function instead of watching over the treasurer and having her report to them and her have to justify her decisions to them, that now becomes the responsibility of the county CEO and CFO to report to them and answer those oversight questions. So, though the name has changed and the entity exercising the authority has changed, the checks and balances really remain unchanged.

SPARKS: Okay. And second question, and I'll let my other board members, so of the approximate 8 billion that are education related, are those connected to our reserves or what is the purpose exactly?

DON: Well, I believe it's a matter of state law excess funds and that depends on the board, the individual school districts and the boards where those monies come from. And I do believe it is reserves and maybe even the lion's share of it would be reserves. That would be a little bit more technical question where it comes from. But as I know it comes from the school districts, it comes from the cities it comes because state law says that's where you got to put your money. And so, in some sense the entities that are depositing in there are captive, but at the end of the day you deserve the answers and that's what we're trying to make sure that you get.

SPARKS: Okay.

WILLIAMS: And Don, just by the way, my board members will be asking questions, but as we bifurcated this agenda item, we're going to have a formal report from Mr. Dean West. We're going to have more questions than that. There'll be public comments that before that item, so just so you know what we're doing.

DON: Okay. All right, I'll make sure I check them out. Thank you.

VALDES: Mr. Chairman. Good evening and thank you for being here. It's always nice to see you. So, these are funds from the school district, so we always kind of say, well, there's 28 school districts. We call ourselves the 29th, so there's 29 school districts with about \$8 billion in the fund more or less. I just kind of did some basic math that's about-if each district had the same amount, that would be 275 million. These are funds that they could theoretically draw if there was some type of an emergency. That's the purpose of the fund?

HENDRICK: Can I maybe clarify for you?

DON: Thank you.

HENDRICK: Thank you. These are funds for all operating funds for all school districts and community colleges. These are not just reserves, these are their operating funds. Because we're required to put the money in the county treasurer so it's not excess funds.

VALDES: Okay.

HENDRICK: And it's not just the 28 school district, it's also the four community colleges.

WILLIAMS: So, the money comes from the state and through the county treasurer and that's where the money goes for all the functions of school?

HENDRICK: Yes.

VALDES: They're not just excess funds?

DON: Okay. That clarifies there. It's not just reserve and I didn't think it was just reserves. It's a lot of money and we dole it out as folks with the legal right to it after. This is a question of if it's being held there before it goes out to wherever it's supposed to go out, what are we doing with it?

It's not just sitting in a bank. It is getting invested to be used productively but safely first and foremost.

VALDES: Okay. That's all I have.

DON: Thank you.

WILLIAMS: And Renee, so that money that's sitting there collecting 3% or 4% interest, whatever it is.

HENDRICK: Yeah. So, the county treasurer pays us-

WILLIAMS: Do we get that money back in OCDE?

HENDRICK: We do. Well, each school district gets their share.

WILLIAMS: Sure.

HENDRICK: Yes, we get interest and the cost of using the funds.

SHAW: Thank you for being here, Supervisor Wagner, it's great to see you.

BARKE: Yes. I appreciate you being here too and I'm just still trying to absorb everything and I know we're going to hear more later, but just one question. I hear a lot of information. It's my understanding that some entities have pulled their dollars out, have they not? They haven't?

DON: No. Actually the 17 billion fund is, as was explained, your captives. The school district state law requires that be invested in the \$17 billion fund. There is a separate pool of about \$20 million. So, pales in comparison, but don't hear me say 20 million is not a lot. That is called the voluntary pool participation. That is a separate pool. A couple of cities have a million plus in it. I've looked this up. The city of Lake Forest has \$6.13.

BARKE: That's a big investment.

DON: I have personally guaranteed that investment for them. That is a completely different pool and that we also took some action at the last board meeting to close that. We are giving the money back by June probably. It'll be a lot before June. So that is not involved in this switch. I don't know why. I don't remember. It wasn't on my watch that that was created, but to be honest, with that amount of money, it's really not worth anyone's time or interest to administer it and we're giving that money back. We're closing that up. So that's a different pool. That's the voluntary one. The big one is the one that is required by state law.

BARKE: Okay. Well thanks for your time tonight. Appreciate it.

DON: My pleasure.

BEAN: Chairman Wagner, thank you for coming and explaining that for the public. I am glad to hear that there will be a seat at the table for the County Office of Education given that we've sat on the treasure oversight all these years and that we are ultimately responsible to support and monitor and help support our 28 school districts 29 including ACCESS. And so, we have a whole division assigned to actually monitoring that investment pool and so I would hope that, did I hear you correctly say it was a subcommittee of the Audit Committee?

DON: So, you heard me say that and as I said, it was on our agenda at our last meeting on Tuesday a week ago, and we've pulled it to tweak it, whether it'll be a subcommittee or a standalone committee, but it will exist.

BEAN: You're going to have the county office on there.

DON: You're going to have the seat at that table. Whether it actually functions as a subcommittee or a separate standalone committee is something to be honest with you, our legal counsel is grappling with at the moment.

BEAN: Okay. But we'll still have a vote or whatever it may be as a part of that oversight.

DON: Yes.

BEAN: Okay. I think that would help this board to feel confident that the County Office of Education has a seated table to monitor the investment pool.

WILLIAMS: Good. One of the big concerns I have is that we don't have the type of fraud and embezzlement like Magnolia School District did where they lost \$16 million because a lot of faith was given one person and he lived a very, very luxurious lifestyle. Do we have that type of audit? Have we had that done where we know that detail?

DON: The short answer is yes, that's the function or was the function in the last go round of the Treasury Oversight Committee, the Audit Oversight Committee that is coming now and that will have one way or the other. You folks on it will have that responsibility. I'll also tell you that I don't know that particular situation, but we have all sorts of eyes on this, not just our county staff, but as I mentioned, the ratings agencies are out there. They are looking at us. They're wanting to know who is responsible, what sort of checks and balances do we have. We have our own auditor controller with the county. We have an internal auditor with the county. So, there are plenty of opportunities to have those extra sets of eyes and make sure that that situation doesn't occur here.

WILLIAMS: Any other questions? Thank you, sir, for coming.

DON: Thank you.

WILLIAMS: And gracing us with your wisdom and insight into the situation.

DON: And we will be talking as we move forward. Thank you all very much.

WILLIAMS: Very good. Appreciate it. Thank you, Don. Okay, so moving on with the meeting.

HENDRICK: Dr. Williams, I'm sorry if I could just, I bypassed the introductions. Can I do-

WILLIAMS: I was going to go to that.

HENDRICK: Thank you.

WILLIAMS: Yes.

HENDRICK: So, we do have one introduction today and so we have Kelly Delaney if she can stand up. She is a student from Loyola Marymount University and she is visiting us today to look at the class. And this is for her U.S. politics course.

BARKE: Welcome.

HENDRICK: Thank you.

WILLIAMS: So, it's for politics, so that means we better be in our best behavior tonight. Huh? Okay. We'll demonstrate lots of decorum. Okay. Is that it for introductions, Renee? Very good. Okay, so moving on with the meeting. We're going on to public comments. Let me kind of break this off. Mari is going to announce who will be up and then on second base and the public comments generally you can say anything you want to us. It doesn't have to be an agendized item. Like for instance, we just kind of bifurcated agenda item 19 if you want to speak right before we get to that, you can do public comments at that time too. Mari, I'll hand it over to you.

BARKE: Okay. Other than ones that we have set aside for specific items, we just have two general comments. The first one is Ariana Mendoza, followed by Karen Jaffe.

ARIANA: Hello, good afternoon. My name is Ariana Mendoza. I'm a student at Learn4Life Anaheim-Innovation High School. As a student council member, I'm honored to share how Learn4Life transformed my life. I came to Innovation High School because I was having struggles in public schooling with bullying, learning difficulties, many absences due to medical appointments and not getting the support I needed from my school or teachers. When I asked the school administration for help to stop the bullying, since they knew it was happening on campus but also online, they only talked to the students and did not take it seriously. The bullying still continued even after telling them that I didn't feel safe on campus or on the school bus. The school still insisted that I had to take the same school bus as my bullies and be in the same classes as them due to the Hard of Hearing program I was in, they said that I wouldn't be able to get the same help if I were to switch classes, threatening my education and the help I needed.

When I learned about Learn4Life, I decided right after junior high school I would switch over to their charter school since my life as I knew it at the time would get harder due to personal issues and home instability. During difficult times, including housing instability and medical challenges Innovation High School support provided flexibility and support. The staff and teachers understood my needs, offering virtual meetings and accommodating my medical schedule. When

I was living with people who were hosting me through a Safe Families, Learn4Life kept constant communication with me and helped me with staying on task with my credits. And for that, I'm forever grateful to my supervising teacher. This school has opened doors to incredible opportunities for me, including college tours and educational trips to Las Vegas and Europe, which provided hands-on experiences like CSI learning and more about history. Teachers encouraged us to explore careers and plan for our future after high school.

What impresses me the most is the staff's genuine commitment to student success. They seek feedback, listen to concerns, and strive to improve learning techniques that best serves every student from student council to parent meetings. They prioritize students' wellbeing. During campus hours security is always walking around making sure students are safe. I'm grateful for Learn4Life-Innovation High School impact on my life. I believe more community members should know about this exceptional school where students receive compassion, guidance, and opportunities to thrive. Upon completing their high school credit, students can look forward to receiving their high school diploma. As for me right after high school, I want to attend Fullerton Community College to further my education. Thank you so much.

BARKE: Thank you so much. We appreciate it.

WILLIAMS: Ariana. Thank you for coming forward and doing that in a very graceful way. You don't look like you bullied. That was wonderful. That was very forceful. You look strong. Thank you for sharing that with us. That takes guts and we appreciate it.

KAREN: So first of all, I don't have any remarks prepared, but I just wanted to give a note of undying thanks and gratitude to this board who has sheltered our community, who has come and been accepted within our places of worship and has really supported us through some continuing very dark times. I wanted to read a little bit from an excerpt from an *Orange County Register* article that appeared I think yesterday, the day before. And it was basically about the Santa Ana School District, the lawsuit that was just recently settled. And this lawsuit basically was surrounding a level of antisemitism and hate directed at the Jewish community and a lot other communities as well that basically said, look, we're going to have these meetings about curriculum development on the Jewish holidays so that we won't have to worry about the Jewish problem, okay, which is horrific.

So, one of the things that, there was a teacher that wrote this article in the *Orange County Register*. "It is unsure whether or not this will send a message to other school districts who attempt to pull something like this. The colleges and universities that have taken action against pro Hamas demonstrations should also pay attention to the radical ideologies brought in their doors by many of their freshmen. And if California was serious about combating hatred against Jewish students on its college campuses, it would first address the problem of the educators. The far-left educators in its K through 12 public schools who promote this hate under the banner of activism and now ethnic studies. The state has gradually lowered standards for decades and has replaced them with radical activist causes among which being pro Hamas and anti-Israel is apparently on the list". Why I wanted to read this is because this board gets this and they're doing something about it, and I just wanted to say thank you for all of us and the Jewish community as

well as the children that are under your care and under your stewardship really, they owe you a debt of gratitude. So, thank you very much.

BARKE: Thank you for your kind words. Appreciate it.

WILLIAMS: Thank you Karen. And-

BARKE: We have one more.

WILLIAMS: Can I say this?

BARKE: Oh yes, go ahead.

WILLIAMS: We do have one more?

BARKE: Yes, we do have one more.

WILLIAMS: Okay.

BARKE: But go ahead.

WILLIAMS: Just real quick, I want to thank you, Karen, for your leadership, your courage to go out and talk about these difficult issues. This board supports the Jewish community, me, I identify as a Christian Zionist and I will always support the state of Israel and your right for freedom, liberty, and to pursue your faith. So, we stand behind you. And thank you again for crying with me the other day. That was just wonderful.

BARKE: Yes, thank you. And our next speaker is Shari Freidenrich. Is that right?

UNIDENTIFIED SPEAKER: Freidenrich.

BARKE: Freidenrich. Sorry I was close.

SHARI: Good evening. Honorable Chair Williams and members of the Orange County Board of Education. I'm Shari Freidenrich and I'm speaking in my official capacity as the treasure tax collector who by law is the banker for OCDE and the school districts. OCDE, the school districts are all required to deposit all public funds with the treasurer in the county treasury. And I thought it would be a good opportunity to provide you some information on how we're carrying out our official duties. First, I do want to thank each one of you for all of your service to the public. From myself, fellow humble, public servant, the significant impact that you have every day for students here at Orange County. I have also been privileged to serve the taxpayers here in Orange County as their trusted treasure tax collector for the past 14 years and ran unopposed in all but my first election.

My background as an ethical CPA has been instrumental to my career and I hold myself and my staff to the highest fiduciary standards to ensure that work product is accurate, timely, and

complete meeting the high standards expected by taxpayers. I am blessed to have a strong assistant treasure tax collector to handle the day-to-day duties in a common sense, efficient and cost-effective manner under my policy direction. My role over the past 14 years has been as your banker and chief investment officer. In 2025, I will continue to be your banker and receive all deposits report to you on the status of your public funds in the county treasury. With the change that the board has retained their authority to invest the public funds that are deposited into the treasurer's bank account as that is their right by law, we will still have a great close working relationship with OCDE and the districts due to the fact that most of the work we do with your team relates to banking, which is my mandated duty by law.

So how did I do for this first ever report to you? Well, on a high level, we've saved taxpayers almost one billion dollars in the last 14 years that I've been here. There have been a lot of changes, streamlining operations, eliminating manual processes, reduced risk, enhanced services, and we still have more work to do. You might say I was probably a mini DOGE before it was popular. As cost efficiency in me go hand in hand. In terms of performance under my policy direction, this last fiscal year, the county pool had the fourth highest yield out of the 58 counties. In addition, as of 12/31, the county of Sacramento did an informal survey and Orange County out of these 14 counties was the only one of two counties that had a nav above 1.0. In addition, we had the highest liquidity at 283 days and the highest yield out of our peer counties, which are our five closest Riverside, San Diego, Los Angeles, and the third highest out of all the 14 counties. Is it okay to have another small little-

WILLIAMS: For you, Shari? Absolutely.

SHARI: Okay, thank you. We have a lot to cover. I haven't been here in 14 years, so I am going to come every year now to make sure I give you a report. So as of the end of the year, we were in excellent shape and well prepared for any volatility in government budgets and the financial markets. In addition, another important oversight is the reporting that I do, the talk annual reports, which Dr. Bean is a member of the Oversight Committee and the audits and reviews were all done and have annually had no compliance findings. I think one year there was two administrative findings. So, for 14 years we've had clean opinions and no compliance finding and we're very proud of my team at the office who has accomplished that. In addition, the checks and balances that were put in place for the bankruptcy have resulted in these performance results to give to you.

Basically, I have fulfilled my additional duties to report and provide the books and accounts for inspection. So, on the property tax side, of course you are funded by property taxes. So very important. We had in last fiscal year the highest collection rate in the state at 99.2%. And when you looked at secured and unsecured, we were number two in the state. In 2009 and '10, the secured collection rates were 97.61% and we've now increased collections over 1.5% to 99.2%. And this is important because when you're late on paying your taxes and hopefully no one will be late for April 10th, you pay a 10% penalty. So, by increasing our collection rate by 1.5%, we have saved taxpayers this last year about \$8 million. And over the last several years, we've saved them probably over \$50 million in not paying penalties that have gone back into the economy. We've also eliminated 40,000 tax bills for small businesses by making a change and not taxing anyone with sending a bill over \$100 or under \$100.

So, in closing, I recognize I really need to come annually to present to the board what we've done in this past year and I commit to doing that. In fact, I realize that we don't even include you on my monthly investment report. So, we're going to be making those changes and we'll work with Dr. Bean's administrative staff to get all your information so we can send that to you. And I would like to end with really thanking the Orange County Department of Ed. All of the superintendents that I have worked with over the years from Bill Habermehl and Wendy, who I remember when I started were so great to work with to Dr. Mijares, bless his soul and Dean and now Dr. Stefan Bean and Assistant Dean West. We've had a great working relationship. I can't tell you, especially in the last years with Mr. West, how much streamlining we have done.

We are now back to operating efficiently like every other 57 counties. And it really couldn't have been done without the work of Dean West because there were changes that I asked that I wanted his input on for the OCDE, combining bank accounts making us that pooled banking and investing that the code says it should be. And after the bankruptcy we parted. So, we've really made a lot of progress and I really do want to thank that we've been innovating, we've reduced risk related to public funds as they're deposited and we will continue to make Orange County the best county. And I welcome my relationship with Dr. Bean. He's come to every Oversight Committee. So, I've been very impressed, you know, are well represented by your team and we will do our part. We are here for anything you need. Thank you for giving me more than three minutes and I really appreciate everything you've done.

BARKE: Shari, we do want to thank you for coming and just for the future when you want to come and not be time constrained to public comment, just let us know like a month out or a few weeks out, we'll get you on the agenda and we can give you 10 or 15 minutes or whatever would work well.

SHARI: Thank you.

BARKE: Of course.

WILLIAMS: Thank you Shari. Okay, moving on with our agenda. Consent calendar might have a motion for such.

BARKE: So moved.

WILLIAMS: Second.

SPARKS: Second.

WILLIAMS: Second by Sparks. This is not a discussion item, therefore all those in favor say aye.

VALDES, SHAW, BARKE, WILLIAMS, SPARKS: Aye.

WILLIAMS: Wonderful items 3, 4, 5, and 6 passed by unanimous vote five to zero. Moving on to item number 7, Renee charter submissions.

HENDRICK: We do have one charter submission today, so you have some binders to take with you right there. This is from the Compass Charter School and is on appeal from Santa Ana School District. They submitted on February 25th. Their public hearing will be on April 2nd and board action on June 4th.

WILLIAMS: Very good, thank you. Okay, moving on to number 8. This is what we've been waiting for. Thank you for being a part of this, the Tustin International Charter School. This is your opportunity. I'm going to ask Aracely to come up and lead us in the discussion. Thank you, Aracely.

CHASTAIN: Good evening, President Williams, Trustees and Superintendent Bean. Today the board will hold a hearing to consider public input regarding the charter petition appeal submitted by Tustin International Charter School on January 8th after denial by the Tustin Unified School District board, governing board. This charter school proposes to operate a classroom-based program serving students in transitional kindergarten through grade five for an initial charter term from 2025 to 2030. Before public comments, Tustin International Charter School representatives are allotted 15 minutes to address the board. Representatives from Tustin Unified School District did not request presentation time. I now call the representatives from Tustin International Charter School to the podium.

WILLIAMS: You may come up here, sir. Okay, very good. So, whoever's going to lead this, please go ahead, step up and begin. We are all ears.

STEVEN: Okay. Dear President Williams, esteemed Board Members of Orange County Board of Education, Superintendent Dr. Bean, community leaders, educators, parents and supporters of innovative education. My name is Steven Chuang and I'm honored to stand before you today to present the vision, mission and educational impact of Tustin International Charter School. I want to start by thanking you for your dedication to academic excellence and your commitment to providing Orange County students with equitable and high-quality educational opportunities. We are here today because we share a common goal ensuring our parents have more choices. All children receive the best education possible to prepare them for a rapidly changing world. Today I want to share with you not just what our school will do, but why it matters. Why a Mandarin English immersion program is crucial educational model for the future and how it aligns with the board commitment to academic excellence, innovation, and preparing global citizens.

As we look towards the future, we must ask, what skills will our children need to succeed in an increasingly interconnected world? How do we ensure our students are not just academically prepared but globally competitive? The answer lies in bilingual education, culturally literacy, and 21st century skills. Today, Mandarin is spoken by over 1.1 billion people all over the world. China is one of the largest global economies and a key partner in trade technology and innovation. And I do believe most people are aware of the innovation of DeepSeek and AI, all this competition between the United States. So, by equipping our students with Mandarin proficiency, we are giving them a competitive advantage in careers ranging from business and international relations to STEAM field. But this is about more than just language. It's about building bridges between cultures, enhancing cognitive development and fostering adaptability in young minds. Research consistently shows that bilingual individuals have stronger problem-

solving skills, enhance memory and greater creativity. At Tustin International Charter School, we are not just teaching a language, we are cultivating future leaders who can think critically, communicate effectively, and navigate diverse environments with confidence. Next slide please.

Oh, here. Thank you. So, our vision and mission at Tustin International Charter School. We are dedicated to cultivating global citizen through bilingual education, offering a rigorous English Mandarin immersion program that strengthen language skills, critical thinking and cultural awareness. Developing future leaders who are equipped to succeed in a global economy. We believe that education should be both rigorous and inclusive given students all background that empower them to succeed in the 21st century. And our vision is fully aligned with the Orange County Board of Education's goals, which are commitment to academic excellence and innovation. Equitable educational, I'm sorry, equitable educational opportunities for all students, strong parental and community engagement and preparation for global citizenship. This is why Tustin International Charter School exists. This is why we're so passionate about what we do. Next slide. Yes. And so, here's our program highlights for our model. You'll be 50-50, which means student will then have day of the instructional time, Mandarin and the other half in English. And then we also incorporate the STEAM-based curriculum. And all of our curriculum will be based on California Common Core Standards, California State Common Core Standards. And for our social emotional learning, we will adopt the PBIS strategies.

So, our whole school will use one curriculum and then students will be learning English language arts, science of PE, and 50% of social study in English. While the other subjects like Mandarin, math and 50% of social study will be taught in Mandarin. So, we are proposing two classes for each grade level starting from TK-Kinder to fourth grade during our first year. And then one class will start with the English teacher and the other class will start with the Mandarin teacher in the morning. And then in the afternoon they will switch. So, for each grade level we'll be hiring one Mandarin teacher and one English teacher. So, we believe that for students to be taught by native speaker, they can pick up the language and they will speak native like. And the study have proved that before 10, if the kids can acquire the language before the age of 10, it's more likely for them to speak like native speaker.

That's why the critical period is so important to start learning a foreign language as early as possible. And based our prior experience in my prior school, it has proven it's very successful. We received many thanks from our parents thanking for offering this opportunity because there were not many public school offer many immersion program in the past. But because of the board support that we are able to open two Mandarin immersion program here in Orange County. And we're hoping that the parents from Tustin Unified and other neighboring school district will also have the same opportunity to enroll their child in this successful Mandarin immersion program.

Here is what our schedule look like. So, student-for kinder students, they will have 1,620 minutes per week. And for our first grade to fifth grade students, they will have 1,620 minutes per week. And I know that board members might have questions, concern regarding if the family don't speak Mandarin or the family who don't speak English, then how are I going to support them? So, this is what we did in our prior school. So, in the morning before the school started, we offer the morning help started from 7:30 to 8:15 every day. And we also offer afterschool help from 2:45 to 3:15. So, let's extra 30 minutes support for all these families who don't speak

the language at home. And also, we will adopt the Mandarin curriculum. The name is called Mandarin Immersion, which offer the access to internet that the students can log in to learn by themselves.

And if they don't know any words, Mandarin words, phrases, or the text, they computer will relay to them. So, the parents, they don't have to worry about not being able to understand Mandarin and help their child at home. That's what we did in the past and was very successful. For our instructional strategies, we'll train our teachers to deliver small group instruction in every classroom, English and Mandarin. And we are partnering with the new teacher centers. They offer great PD to make sure our teacher are well equipped with the instructional strategies, focusing on the small group instruction with five or fewer kids cheering in a group, teachers can focus needed attention on individual students and make sure that each child has opportunity to participate. And small group instruction enable students to have access to high quality interaction with their teachers.

This is what it looked like in our classroom. So, we have different small group and the teacher will rotate the students. The student will learn how to rotate after 15 minutes. They have different small groups with different assignment and each group will take turns to meet with their teachers and the teacher can deliver the needed instruction to help students with different proficiency level to help them to move up to next level. And this is the academic performance I had in my prior school in College Park. So, our students perform above standards in English language art and math. And also, for EL learners, that's the progress they make, like over 60%. So, based on board members recommendation, we have applied all these funds like Silicon Schools Fund, Charter School Growth Fund and NewSchools Venture Fund to make sure that we have outside resources to support us once it got approved. And also, this will be a great opportunity to offer the professional development for our teachers. This is my part. Thank you.

JOSIE: Hi, thank you very much. Good evening esteemed members of the Orange County Board of Education. My name is Josie Chu. I am the co-founder and co-owner of Marco Polo Children's School. It's a Chinese immersion preschool in Irvine near the border of Tustin. I'm here to address the needs and demands of Chinese immersion school in Orange County. So, our school serves a dedicated community of over a hundred families committed to establishing a lifelong pursuit of Chinese language for their children. Each year we see students graduate from our program eager to continue their bilingual education, that their options for Chinese immersion elementary school in Orange County remain very limited. So currently there are only a few private school options and two charter schools in Irvine. Leaving many families struggle to secure a spot. There are no options in Tustin. So, parents are forced to drive across long distance, often not able to enroll their children due to space constraints. So, the demand for high quality Chinese immersion education still far exceeds the current availability. So, approving the establishment for Tustin International Charter School will help bridge this gap and provide a crucial opportunity for families in Tustin, Irvine, and the surrounding communities. It will allow more children to continue their bilingual education without unnecessary barriers and strengthen our region's commitment to multilingual learning. So, I would like to strongly urge you to approve this petition and support the growing need for Chinese immersion education in Orange County. Thank you so much for your time consideration.

STEVEN: Can I please kindly ask parents and teachers who are here to support a petition. Please stand up or raise your hand. So, this is the reason why we're standing here because we are advocating for parents to have more choices to enroll a child. And from my personal story, I grew up as a farmer's family. I didn't have the chance to learn English until junior high school and high school. It's only one course and I believe if I was given the chance to be enrolled in an immersion school, then my English proficiency will be so much better a native like. So that's why my passion is to advocate for more major immersion program for our parents. Thank you.

CHASTAIN: The hearing is now open for 15 minutes of public comments. Trustee Barke please call for the first speaker.

WILLIAMS: Aracely is Tustin Unified going to be here? They're not. Okay.

BARKE: We just have one speaker and that speaker is Jason Reiher. Please come up Jason or to that microphone actually, right? Yes, that microphone, the middle one. Thank you.

JASON: Is this on?

BARKE: It is now.

JASON: Can you hear me?

BARKE: Yes.

JASON: Okay, great. Okay. Thank you so much for giving me an opportunity to speak. Great job with my last name. It's a difficult one so you nailed it. So, kudos to you. I guess I want to start off with two key points. First off, Principle Chuang helped put up, he did touch on it, but he did help put up and manage and lead a blue-ribbon charter school up in Northern California. He knows how to successfully lead school programs, especially immersion school programs. So, any decision or desire to open up an immersion school program in Orange County, you're in fantastic hands with Principal Chuang helping to guide that effort. My son was in an immersion charter school in Irvine under Principal Chuang, and I could tell you that my ex-wife is from Taiwan and so we have a multiracial family and we have tried so many different opportunities and avenues to help give our children an immersive bilingual education.

And our efforts kind of fell short. We went to afterschool programs, we tried teaching Chinese at home and it just didn't quite click. They could speak basic, but they didn't really fully grasp and embrace the concept. So, under Principal Chuang and when he was in the program at IIA in Irvine, I saw tremendous growth and success and progress with his language ability and also with his desire to learn the language and it essentially becoming a part of himself. So, I want to just quickly pivot to a couple of things and really highlight, and I would really also appreciate since there are apparently no other speakers on this topic, if you could extend my time a couple of minutes, I would be really appreciative of that.

WILLIAMS: What happens when you're in public is that there's a consistency in our protocol and as much as I would like to do that, we extended the privilege for an elected individual. But

unless my fellow colleagues feel differently, I would like to be consistent with our three-minute protocol and our board policy.

JASON: Okay. Could I get 30 seconds back on the clock then?

SPARKS: Yeah, you just lost 30 seconds. Yeah, give him a minute. Give him a minute.

JASON: Perfect. Okay. You may be aware of there's a global California 2030 initiative launched by the California Department of Education to triple the number of multi-language speaking students in the state of California by 2030. What that currently means is roughly 400,000 students are bilingual today. By 2030 the goal is for that to reach 1.2 million. Orange County, I like to believe is a leader in California when it comes to education and setting a high bar in standard. And this is a perfect opportunity to help California achieve that goal with Orange County kind of taking the lead in that effort. Tustin is unique in the sense that it has a combination of Latino and Asian speaking communities to create an environment where-

WILLIAMS: You can finish your statement sir.

JASON: Thank you. To create an opportunity for students to in three categories. One, to have students that are trilingual and they will be able to speak to 39% of the world's population. There's also a population that will be able to become bilingual and that will give them an advantage in our global, emerging global marketplace as well as create a greater understanding of inclusiveness in our community, which is so desperately needed. So really appreciate the extra minutes and I hope you move forward with approving the petition. So, thank you.

BARKE: Thank you.

WILLIAMS: Thank you Jason.

CHASTAIN: The public hearing is now concluded the Orange County Board of Education staff recommendations, including recommended findings, will be published by March 18th. At the April 2nd meeting, the board will conduct a hearing and take action to grant or deny the charter petition appeal. President Williams, I now close the public hearing and return the meeting to you.

WILLIAMS: Very good. Thank you, Aracely. Well done. And to Steven Chuang and Josie, thank you for speaking. Bilingual immersion is a very important issue to this board and we do as a board look at ourselves as educational innovators and leaders. So, with that, for those of you who are not familiar with the process now we've been through, excuse me, the Tustin International Charter School they presented. Tustin Unified, chose not to be here, and then we had public comments. So, the next protocol is now we're going to go to board questions. So, what we're going to do is probably ask Mr. Chuang that you come up here because you will be entertaining questions from the board and I will start tomorrow far right.

VALDES: Mr. Board President? I think I should go last. I'm probably going to be a while.

BARKE: Well, why don't you go first and set the stage for us.

VALDES: Okay. All right. Where do I begin? Mr. Chuang, I think my public statements have been very clear, I'm very pro-charter in that I want to give parents a choice. You don't have to sell me on the Mandarin concept. I think there's a market for that unlike maybe some others. I look at this more less from a curriculum standpoint and more of a parent option standpoint. It's the option that's very important to me, less of the curriculum. But I appreciate you coming here with curriculum. Just a point on that, I approved a charter that came down here who presented with a games teacher and that was a little odd to me, but parents wanted that and that's what I'm here is to support parents and kids. But I need to make sure that the options that we give parents and kids, particularly in Tustin, which is my hometown, are good options.

So anytime I look at a charter that's essentially brand new, I look to the person who's going to lead the charter and, in this case, that's going to be you. And I look to see what that person's record looks like. I look to see the level of success that person has had in doing something like this. I think I mentioned this to you before, but I'm going to mention it to you again because you were here last year with a petition. I had personally-two people that I know who went to the Irvine International School when you were leading that school who were very unhappy and they mentioned you in particular. And one of the issues they said was there was this war between you and the principal at the time or the ED at the time who didn't speak Mandarin. And there was this ongoing conflict because that other, the ED there didn't, didn't speak Mandarin and there was a lot of strife and people felt it and it got reported to me.

And these are people that I personally knew personally, my neighbors. So that's an enormous concern to me because the person who leads the school is going to be the leader. About 2,000 people are going to be answering to you. You are the head of the ship and I need to know that the head of the ship knows how to run the ship. So that's concern number one. Concern number two was something that got reported to me by the staff here, which was that we do an annual inspection and the Department of Ed does and that you decided you didn't want to participate in the Department's annual inspection and didn't just told somebody else to handle it. That again is a concern to me if that actually occurred because you are the leader of the ship. This is your school. So, when another charter comes here, we have other charters in this room with enormous, long, ridiculously good track records. It's very easy to say yes, I'm here to say yes, but I need to make sure that the yes I give is a good yes for parents and kids in Orange County. I'm very on the fence on this one. I really am. This is not a yes for me, not an automatic yes for me. I'm very not inclined to vote for a five-year renewal. If I do vote yes, it will be less than that. But what say you about the comments I'm making.

STEVEN: Thank you for giving me the opportunity to clarify your concern. First of all. So, the complaint about me and the executive director, that was not true because at that time as a school principal, my job is to make sure we follow all the guidelines provided by the state and also provided by the OCDE. That's why parents see all this complaint. I mean, I actually try to stop it because you heard a complaint about the different concerns that occurred at the school. As I explained to you last time, it has nothing to do with me. But at the same time, I was really trying to make sure the school would be successful. So, I talked to his board member and told them this was not right and need to be corrected. So that was the conflict you heard from the parents. And for the second part, I believe it's a confusion. I'm actually the one who handled all the addition and I believe OCDE team can prove that I was the one who met all the team members from

OCDE when they audit everything. I was there with my team to deal with that. So, it's reversed. It's not true. That's not a fact.

VALDES: Okay. The last time that you petitioned, as I recall, CCSA took a neutral position on your charter and that is also very important to me. They have decades of experience in running schools. They will support someone who may have an issue before it becomes a big issue. Do you have CCSA approval this time?

STEVEN: Yes. Based on your recommendation we started working with CCSA when we look at the petition again, and I work along with Jennifer Realtor and also based on Javier's recommendation. But because this year I believe they changed the policy that you won't be accepted as a new member until you are approved as a charter. But still we went along to work along with CCSA with our petition.

VALDES: So, does that mean that CCSA is not going to issue a letter of support? Javier, if you want to come up here. I know that wasn't in your plans.

SPARKS: Javier's hot seat.

VALDES: You're on the hot seat.

JAVIER: Okay, so as good, good evening board members and Superintendent Bean. So as Steven mentioned, we've been working with him providing some feedback about the whole process. They're not our members, so officially we were not able to support them. We're kind of providing all the feedback. We've been working with Tustin, all the technical support. At the end of the day, the letter from CCSA, they've been working with us. We are going to be waiting until the staff findings and based on that we'll give our opinion, but again, just want to leave clear and it's clear for them. They're not our members. So, because of that, we're not going to be able to support, but we can provide a letter of our observations and what our opinion on the staff report and what is our legal interpretation of the whole team. But we are not going to be able to support fully because they're not our members. So just want to leave that clear to them and they know about that.

VALDES: Thank you Javier.

STEVEN: Thank you.

VALDES: I guess last question, Mr. Chuang, do you have a facility picked out in Tustin?

STEVEN: We have alternative site, but we prefer to go through Prop 39, which will lower the cost.

VALDES: Okay, so it's going to be a Prop 39 request from the Tustin USD?

STEVEN: Yes.

VALDES: Do they have a facility that's available?

STEVEN: Yes, they do. They have two.

VALDES: Do you know where they are?

STEVEN: One is CC Lambert.

VALDES: Say that again.

STEVEN: CC Lambert School Elementary School. The other one I cannot remember.

VALDES: Would you be sharing a site with another existing school?

STEVEN: I know they closed the school in the past. The school is closed and it's available. But sorry-

VALDES: There's a Tustin council member sitting here shaking. Okay, that's all I have.

STEVEN: Thank you.

SHAW: Oops, sorry. So, I was just, I'm thinking about this Tustin to Irvine, not too far apart, and obviously we have the Irvine International Academy that seems to be along the same line. I am thinking about you guys might be fishing in the same pond, so to speak for students or would you not agree with that?

STEVEN: Even, I mean they are two Mandarin immersion programs and they expand their kinder program. They still have a long wait list over 300 students this year.

SHAW: I was going to ask you if you knew the wait list there. So, it's over 300?

STEVEN: Yeah, I do. I do, yes.

SHAW: Okay.

STEVEN: Yeah, for each school and parents are in pain because how competitive they can be and they have to wait until the last minute.

SHAW: Parents are competitive about their kids' schooling?

STEVEN: No, for the long wait list because the school district will give them the deadline. You have to enroll your child. So that's the competitiveness I was talking about.

SHAW: I see.

STEVEN: Between the public school and charter school because the public school do ask parents to enroll their child by like April 15 or something, I think different school district have different policy, but that's around that time. So that's why parents are stressed. And also, we have parents during the Tustin Unified board meeting, they show up. We didn't even know them ahead and they were saying how painful for them to travel between schools to deliver their younger child in this school and another child in other like a high school. So that's why we're here to offer more opportunities for parents to enroll their child in Mandarin immersion program.

SHAW: I was going to ask about the facilities, but Jorge beat me to it, but it sounds like, I mean there's always such a challenge for our charter schools to get the facility, but it sounds like in this case we may have sounds like a closed down school available for you. Okay. That's all my questions.

BARKE: Well, my colleagues did ask a few of my questions, but I have a couple. First of all, I do appreciate you being here. I appreciate your desire to expand school choice and expand the Mandarin immersion and I appreciate that you're working with CCSA this time. Because that was a big biggie for me and I really do rely, so I'll look forward to their opinion letter once we have our opinions and findings here from our own staff. So, I'll look forward to that. The other thing I would still love to see more, and I think I probably mentioned this a year ago as well, is I'd love to see more public comment. The public comment was great and I appreciate that, but I'd love to see more. I'd love to see the community really wanting this and coming out. I've seen 10, 20, 30, 40, 50, close to a hundred parents come here telling us how important it is. And so, I'm hearing that from you and a few people, but I would love that to hear that from more of the community. But I appreciate your efforts and what you're trying to do and look forward to hearing what our staff has to say as well as CCSA. Thank you.

SPARKS: Yeah, I would echo, I'm looking forward to hearing more in terms of the final reports from the staff and from CCSA in terms of support and I guess Tustin Unified is not here, but maybe Aracely you could answer or someone from the district side. But doesn't TUSD already have a immersion program within the district?

CHASTAIN: I don't have a lot of information on that. I believe they're planning to open one in the fall. If I'm remembering correctly from their board meeting, it would hold about 100 students, so it would not be a large program.

SPARKS: Okay, thank you. So, I wanted to clarify what's going on there. I couldn't remember. And then for Mr. Chuang, what do the numbers look like in terms of parent commitments, community support, and then what did the financials look like?

STEVEN: Financial would be Delano's question for the parents' involvement, we have over 100, but again, as I mentioned last time because the petition was not approved and unfortunately now there have so many scams out there, parents are not really comfortable giving out such confidential information. But regardless, we still have over 40 who live within Tustin Unified.

SPARKS: But you have-

STEVEN: I can provide-

SPARKS: Is it an interest list with their, is it an interest list with parents?

STEVEN: Yes, I can provide the list to the team.

SPARKS: I think that would give us some extra data because-

STEVEN: Absolutely. And for your question earlier, Tustin Unified plan to open their own Mandarin immersion program with TK and K only.

SPARKS: Okay.

STEVEN: So that's still leave parents with older kids, no opportunity to enroll their child.

SPARKS: And I'd like to hear from your financial folks about what's going on there because if you don't have students, you don't have money.

DELANO: Absolutely true. Students are our most valuable resource. And good evening everyone. My name is Delano Jones. I am the business manager that's been working with Tustin International Charter. A little bit about myself. I also support two other charters within Orange County Department of Ed, Irvine International, which you all mentioned, and Sun Coast Prep. I think I see a representative here today as well. In regards to the Tustin International Charter budget, I believe we have come up with a very conservative plan that will take us from year one to year two in slow growth in meticulous growth. We also have an option on the table, which is if we're not able to secure a facility within that first year, that we will not open until the second year. So that will give us time to not only support, secure more capital and as Steven mentioned, we do have currently now three sources on the table that will provide some working capital within that first year if we're not open. So that will help us when we get into that second year when we open to be well prepared and suited to be successful. And I believe staff does have a copy of our budget that they can share with you as well if there are specifics you'd like to know.

SPARKS: Okay. Yeah. Just related to the first comment to both of you, I think we'd all like to see some sort of more solid data on student interest, family interest, community interest.

DELANO: Absolutely. And I think I could say this just from my own personal experience with Irvine International that first year, there is a tremendous amount of interest in the Mandarin programs in Orange County and I think you will see more to come as a result of that.

SPARKS: Thank you.

DELANO: Thank you.

WILLIAMS: Okay. I get to finish off. Last but not least, we have a lot of experience with charter schools and we know those charter schools that do well and those that don't. We approved a school a few years ago, Unity, it's on our agenda today. They failed. The leadership

was there, the intent, the enthusiasm was there. There was just a few things and components that were missing. So, leadership is key and Mr. Chuang, your leadership is in question. It's been brought up. We've had a bad experience at Irvine International. I'm concerned about that also. Having staff that works for you. I'm giving you some insight that I learned from our good superintendent. Leadership requires that you're a servant, that you have a servant heart, that you serve your staff, you serve the teachers, you serve the families, and no one can be dictating to them what they do because you are a servant if you are the executive director and leader. So hopefully I'm not telling you anything new, but if you go to the next month and we approve you, there's going to be some high expectations. I told you about this and it's not just me. It's more than one person on this board who's very concerned about your leadership ability. So, leadership is key.

STEVEN: Yes.

WILLIAMS: Learn from Dr. Bean how to be a great leader. Follow him as your mentor.

STEVEN: Absolutely. When I work in the Bay Area, I'm sorry.

DELANO: Oh no, go ahead. Go ahead.

STEVEN: When I work in the Bay Area, parents are very strict too. There's no space for me to fail, just to let you know.

WILLIAMS: Okay.

STEVEN: Yeah.

WILLIAMS: Life-

STEVEN: And I want to answer Dr. Becky's concern that I want our parents to speak up too, but somehow in our Asian culture, they don't want to talk in the public. They have that kind of chill to speak in front of the audience. Just to let you know, unfortunately that's the Asian culture.

WILLIAMS: My wife is Vietnamese, so I feel like I'm a part of the Asian culture and they're also the time eating some great Vietnamese food.

STEVEN: But I will kindly ask them to email board if they cannot speak in the public, but at least they can email board members to show their support.

WILLIAMS: Sure. The other issue and question that I want to bring up is your relationship to the California Charter School Association. I know that you can't be an official member until you're approved and so on, but having them alongside as your advocate, as you're going through the process, especially the first year holding your hands, they have enough experience that they can give you great advice.

STEVEN: Yes.

WILLIAMS: And you've been there in charter schools before, both of you, Mr. Jones?

DELANO: Yes sir.

WILLIAMS: You're well respected. You've been around, we've seen you before. We love your charming face. You have a wonderful smile. You bring warmth to you, but that relationship with CCSA is so important. And they can get you through the rough times. There are rough times in that first year. In fact, there's no guarantee that you're going to get through the first year. You have to have the families there. You have to have the students there because without them you don't have the funds. Now, which leads to the other issue here is funding. You mentioned on the handout that, well, it's our handout. It's a PowerPoint presentation that you gave. You have the three potential sources, the Silicon Schools Fund, the Charter School Growth Fund, and the NewSchools Venture Fund. Tell me a little bit about your insight, what you have going on, promises, anything like that that'll give us some security about your financial future.

STEVEN: So, the contingencies built on the approval without approval. They cannot give us the fund for Silicon Schools Fund. We've been communicating even before I came here, the director sent the email of encouragement. He said, once you've got approved, and we will have around \$100,000 and \$200,000 for your first year, and then once you open a school, they will offer between 200 to \$400,000 for your operation. Because we do mention that we see it's really the time constraint and limited. If we got approved in April and then have to go through the Prop 39, it's very unlikely to be able to open in June, not June in August, 2025. So, we are very likely to propose our first year as the planning year. That's what I share with the Silicon Schools Fund and the other two we make the second round, and again, the contingency is built up upon the approval and they will offer between \$400,000 to \$600,000.

WILLIAMS: How much?

KEVIN: \$400,000 to \$600,000. Fund.

WILLIAMS: That's a civil schools fund?

KEVIN: No, that's for the second one. Charter School Growth Fund.

WILLIAMS: Charter fund, okay.

KEVIN: And the third one is NewSchools Fund I think. Yeah.

WILLIAM: Okay. So, this funding is absolutely critical for your success and if you don't get these monies, it's going to be very hard to be successful and I'm taking a very critical eye because of what happened with Unity. We thought they were in perfect situation and unfortunately there's a few parts of the puzzle for them that they couldn't connect and make, and that's why tonight we're taking action on them later, but okay, so you're involved in the process, you're talking to these people, the funders and there's no guarantees, obviously until you get an approval. Mr. Jones?

DELANO: Yes sir.

WILLIAMS: You having been in the finance part of the charter schools, what are the odds of these funds coming through if approval is given?

DELANO: They're very high. I think as Steven mentioned, those three entities, they are in the business of supporting new startups. They're in the business of supporting education, alternative educations such as charter schools. I'll digress just a little bit. We also will apply for the public charter schools grant program and that will allow us \$600,000 over five years as well. Again, contingent upon getting an approved charter. The beauty of that is that we'll get an additional \$100,000 upfront after approval after we've received our chartering number from the state if approved by this body. That will serve immediately as seed money for us to be able to secure facilities for us to be able to hire some amount of staff and to get the school off and running in the very early months without the school being actually open. So, we do have that option as well.

WILLIAMS: Okay. And you provided a budget for our staff?

DELANO: Absolutely.

WILLIAMS: For the first year? We haven't seen that yet, but hopefully we'll see it.

DELANO: Yeah, it's all included.

WILLIAMS: Next month we'll be there. So, you're going to go for Prop 39 funds.

DELANO: Yes.

WILLIAMS: Through Lambert Elementary School and I wasn't sure, is it closed or not?

KEVIN: They don't have students there. I think they have so-called testing center running there, like the site that Irvine International Academy. Same situation. They claim they don't have school available, but later we proved that they don't have students there, so they have to make it available.

WILLIAMS: Okay, and you're a TK through five, is that right?

STEVE: Yes.

WILLIAMS: Okay. So, for your first year, how many grades levels will you want to start?

KEVIN: Be from TK to fourth grade-

WILLIAMS: Fourth grade.

KEVIN: And I believe it will be 228 students for our first year. 228 students.

WILLIAMS: Is that for all four?

KEVIN: All four. All four.

WILLIAMS: Okay. You have 250 children that you're anticipating that will sign up and be there. Okay. Now, but is it 40 families that you have on the interest list right now that you mentioned?

KEVIN: Who live in Tustin Unified School District. We identify which elementary school they attend.

WILLIAMS: I see.

KEVIN: And the rest of them are from other districts-

WILLIAMS: Outside of Tustin.

KEVIN: Yeah.

WILLIAMS: Okay. Because 40 is not going to get you through the first year. You have to close to that [inaudible] number.

KEVIN: No, Again, there was before the petition was approved, parents feel comfortable giving out such confidential information, but once it's approved, I believe people know it's legit and we will have parents sign up.

WILLIAMS: It's a snowball effect. You just get bigger and bigger and stronger and the process gets stronger for you.

KEVIN: Yes. Yeah.

WILLIAMS: Okay. So maybe the first year you won't have kids on campus that first year if we approve you, we'll start when? August of '25?

KEVIN: Planning year.

WILLIAMS: The planning year will be starting-

KEVIN: '25 and then the year to open with the site will be August, 2026.

WILLIAMS: August '26?

KEVIN: Yes.

WILLIAMS: Okay, so that'll be a whole year and by then you'll have all the financing through these three different sources all taken care of. A big thing for me. CCP influence.

KEVIN: I'm sorry.

WILLIAMS: So, we passed a resolution talking about the Chinese Communist Party-

KEVIN: Yes.

WILLIAMS: Trying to have an influence in the K through 12 level. This is by our former Congress?

KEVIN: No. Okay. I see I was born in Taiwan.

WILLIAMS: Okay. That's all I wanted-

KEVIN: I was born in Taiwan. No, I was not born in China. Had nothing to do with the Communist party and we are the strong ally with America and see President Trump just approved 1000 billion, I mean investment building the most modern chips factory in Phoenix. That's from Taiwan. That's where I was born.

WILLIAMS: Yeah. Again, I know this could be controversial. I'm not one to shy away from those controversial issues.

KEVIN: Yes. Thank you for clarify that.

WILLIAMS: But any influence by China. We're going to take a really bad outlook on this, but it sounds like you're on the right side of this issue. Okay. That is basically my questions. I am done.

KEVIN: Thank you. Thank you.

WILLIAMS: Any other questions from the board?

VALDES: Is there any reason why you don't have the CCSA membership now?

BARKE: Because they're not approved. They can't.

VALDES: Oh, they can't.

WILLIAMS: They're not approved.

BARKE: Yeah. Yeah, they can't. Yeah. Once we give our letter, our staff does the letter, then CCSA will have a position and then they can become a member if approved.

WILLIAMS: Okay. Barring, no more questions. Aracely, do you want to close this off? You already did. Okay. We are done. So, thank you Mr. Jones. Thank you, Mr. Chuang.

KEVIN: Thank you. Thank you. Board, thank you so much.

WILLIAMS: Thank you, Jason, for your comments earlier.

UNIDENTIFIED SPEAKER: Thank you very much everyone.

WILLIAMS: And we appreciate Josie who gave her comments. Thank you for coming up. We're moving on to item number nine and I'm going to call Aracely back to the podium. This is regarding the Magnolia Science Academy material revision.

BARKE: Thank you.

SPARKS: Bunch of stuff in today.

CHASTAIN: Now the board will hold a hearing to consider public input regarding the request for a material revision by the Magnolia Science Academy, Orange County Charter Petition. On January 31, the charter school submitted material revision requesting to open a school facility within the boundaries of Anaheim Union High School District and Anaheim Elementary School District. Before public comments, Magnolia Science Academy, Orange County representatives are allotted 10 minutes. To address the board. I now call the representatives from Magnolia Science Academy, Orange County to the podium.

MARIA: Okay. Good evening, distinguished board members, President Williams, Mr. Valdes, Mr. Shaw, Ms. Barke, Dr. Sparks, and Dr. Bean. I am Dr. Maria Rowell. Founding MSA OC Principal and our mission and vision have not faltered. We provide a safe and nurturing community, high quality STEAM education, all the while transforming traditional ideas with creative thinking, effective communication, and the rigor of science. Next slide. Since you last approved our countywide petition in April, I wanted to provide an update regarding our facility search. We started the Prop 39 process with the Placentia Yorba Linda School District, and in under six short weeks, we had met and collected over 200 meaningfully interested signatures. We hosted events at the local community centers, attended festivals, libraries, and even walking in neighborhoods with a few special students spreading the good news of all things Magnolia. What we realized was that 20% were from families living in Anaheim. This helped align for us where we need to be.

We learned this area values and craves community. In fact, Anaheim and its community became rather spectacular. As we walked in canvased neighborhoods hosted STEM activities participated in the National School Choice Fair in Orange County. From this outpour of interest, we wanted to focus our energy central to families in the PYL area, and we would be opening two sites this coming fall in PYL and in Anaheim through this outpour of interest. And for this reason, I humbly ask for this material revision. Next slide. On the map. In particular, looking in the circle is our area of interest. These demographics closely resemble our sister school in Santa Ana. For the charter schools in our targeted area, the demographics are 59% Hispanic, 19% Asian, 4% African-American, 16% white, and 2% that identify as two or more races. This community has the largest number of elementary, middle, and high schools throughout and across all of the named sites.

There are over 20 plus elementary schools, including two TK through sixth grade STEAM programs, Palm Lane Global Academy, and Vibrant Minds. Both of these STEAM charter

programs only serve elementary grades, and there is no opportunity in this targeted community for secondary grades at the existing traditional, middle and high schools for a STEAM themed learning. In fact, there is no school with a TK through 12th grade vertical articulation and consistent model throughout, nor programs that offer the same model of support and interventions, family engagement and personalization for students and families in the Anaheim community that will be received with MSA OC. Next slide, Dr. Bean, I wanted to formally introduce myself and I joined Magnolia Science Academy Santa Ana in August of 2016. As a founding elementary teacher, I never imagined how impactful and extraordinary a TK through 12th grade school setting would be. We have mastered to elevate rigor with high quality instruction.

In my time at Santa Ana, we focused on STEAM education and value a community of strong women. In fact, fellow Magnolia Mamas and I were named Woman of the Year by Congressman Lou Carrera in the post pandemic era of 2021. I learned the importance of food distribution and community schools through our partnership with the Power of One Foundation, along with ensuring local and high-quality meals for all of our students via a local food vendor. And I am forever grateful to the administration team and whole school as I earned my doctorate in 2023 from California State University Fullerton. In 2024, I was featured as a top five leader in the *Parenting OC* magazine. And this could not have happened if it not for the commitment of excellence, connection, and innovation that Magnolia fosters and ensures as our educational model, it would be an honor and privilege to open a Magnolia Science Academy campus in Anaheim. Next slide.

So why Anaheim? You may say I have a small connection to this community. My journey in life and education begins in Anaheim. My parents instilled a passion for advocacy and empowering our youth and families. They dedicated over 45 years to the Legal Aid Society of Orange County where my dad had an office in the downtown community center, and when not in the courtroom, I recall he spent many a lunchtime figure skating at the Disney ice rink. I am so proud and grateful to grow up in a city that values community like Anaheim. I had such a vibrant upbringing filled with so many memories of Girl Scout events at Chaparral Park, soccer at Modjeska, dancing at the Pearson Park Amphitheater. My first ever job as a swimming instructor at Pearson Park Pool, Loara High School and Canyon High School, and of course where my love for all things Disney began. My passion for the classroom began in the ROP preschool program at James Madison Elementary. My time at Clara Barton Elementary Ball Junior High and Loara High School built a foundation that ignited my love for learning. I am forever beholden to all of my teachers and my first ever principal at Clara Barton, whom I'm still Facebook friends and keep in contact.

Anaheim is where my why, desire and drive for leadership and education began. This will become a full circle moment for me in particular as I am the founding principal of this Anaheim site. I know Magnolia will bestow an excellent school choice option for any parent raising children in Anaheim. And just like Tinkerbell flies across the night sky and begins the fireworks, Magnolia is just as magical. I hope to spread our Magnolia way dust and spark the love of lifelong learning in Anaheim as they had for me. So, with that, I thank you distinguished board members and community members for your attention. Any questions? Thank you.

CHASTAIN: The hearing is now open for 15 minutes of public comments. Trustee Sparks, please call for the first speaker.

WILLIAMS: Barke, Trustee Barke.

BARKE: Close enough. Earlier I was called Dr. Williams, so being called Dr. Sparks is a little bit closer.

SPARKS: It's an improvement.

BARKE: Yeah, it's an improvement. Definitely. Rylan Buffett, followed by Vanessa Gutierrez.

RYLAN: Good evening board members of Orange County Community. My name is Rylan Buffett. I am a fourth grader at Magnolia Science Academy Santa Ana. I've been able to grow as a leader with Magnolia as the treasurer for the elementary student council, founding drama club member. And I am also the mathematics of the fourth place national competition. I know other students in Anaheim would benefit from Magnolia just like me. Please consider our proposal. Thank you for your time.

BARKE: Thank you. That was amazing. Oh, this may be the youngest speaker we've ever had.

VANESSA: Future Magnolia student. Hopefully. Good evening. I'm Rylan's mom. I wrote my speech down. Hold on. My name is Vanessa and I'm honored to speak today as a proud parent of a student at Magnolia in Santa Ana. As discussions take place about a potential new school, I want to share why our experience has been so impactful and why expanding this kind of educational opportunity, especially in our local community, would benefit even more students. From the moment my daughter started kindergarten five years ago, this school became more than just a place of learning. It became a place of growth, discovery, and inspiration. I'm sorry. She developed a strong academic foundation early on, but what truly set the journey apart was how the school nurtured her passions and helped her build confidence in ways beyond the traditional classroom. One of the most remarkable parts of her journey has been her love for reading. In her early years, she had an IEP to support her learning AKA for speech.

And with the dedication of her teachers and the school commitment to individualized support, she was able to grow and thrive. By second grade, she had made so much progress that she graduated from her IEP. And around that same time, something amazing happened. She discovered a deep love for reading. Most parents are asking their kids to get off of their tablets. I'm asking my daughter to put down her books, and because of that, I'm very grateful for the school. I'm sorry. What once was a challenge became one of her greatest strengths. Books became her world fueling her imagination, critical thinking and confidence in herself as a learner. But beyond reading and core academics, she has thrived because of the school's commitment to STEAM education and the performing arts through hands-on science, technology, engineer, art and math activities. She has learned to problem solve the creativity and collaborate with her peers.

The performing arts in particular have helped her find her voice, giving her the confidence to express herself, take on challenges, and grow as a leader. The school also values student enrichment and leadership. As a parent, as a parent, I saw firsthand the need of opportunity that would empower students beyond the classroom, which is why I started a Girl Scout Troop that now serves TK through fifth grade, which I feel also, I see a closed circle in the sense that Dr. Maria Rowell was a former Girl Scout and has instilled that into our young girls here at the school. I'm almost done. I promise. Throughout this Troop, students have had the chance to build friendships, develop leadership skills, and serve their community all while reinforcing the values and lessons they learned. None of this would have been possible without the dedicated teacher staff and the culture excellence that the school provides.

It's a place where students are not just taught but inspired where they don't just learn but grow into well-rounded individuals. As we consider the development of a new school, I wholeheartedly believe that expanding access to this kind of learning environment will benefit not just the individual students, but the entire community. And as an Anaheim resident, I drive to Santa Ana every day, over an hour and a half going and coming back. I would love to see the school site actually be part of my community and see the school open right down the street. Hopefully one day giving even more children in Anaheim the same incredible opportunity my daughter has, had. Schools like Magnolia create future innovators, artists and leaders, and every child deserves that opportunity. So, thank you for your time. Have a good evening.

BARKE: Thank you.

WILLIAMS: Thank you, Vanessa. I'm quite impressed with you holding your daughter. The fact that you lead a Girl Scout Troop that is awesome. And then Rylan, you are an amazing young lady. You are going to be riding the ladder and going uphill very quickly. I'm impressed by your love for books and your articulation and your speech. What you just said to us was very moving, so thank you. Don't stop reading those books.

BARKE: Yeah, it's quite a journey from having an IEP for speech to coming and speaking before the Board of Education that I think you have fully-

WILLIAMS: Yeah. Okay, so Dr. Rowell, I'm going to call you Tinkerbells. Because of your relationship with Disneyland, you have the magical pixie dust, right?

MARIA: Yeah.

CHASTAIN: That was all, right? That was the last speaker?

WILLIAMS: That was the last speaker.

BARKE: Yes. Yes. I'm sorry.

CHASTAIN: The public hearing is now concluded. The Orange County Board of Education staff recommendations, including recommended findings, will be published by March 18th. At the April 2nd meeting, the board will conduct a public hearing and take action to grant or deny

the material revision. President Williams, I now close the public hearing and return the meeting to you.

WILLIAMS: Very good. I have a few questions. Does my board members have any questions?

BARKE: I do.

WILLIAMS: Okay. Let's go from the left. Now we'll start. No, you want Jorge?

SPARKS: No. I don't have a question.

WILLIAMS: Okay.

BARKE: I'll start. You want me to start?

WILLIAMS: Go ahead, Mari.

BARKE: Actually, I don't know that there's so many questions. You guys don't leave for a lot of questions. Your enthusiasm is absolutely contagious. I just love the enthusiasm I'm very familiar with. You guys are doing a wonderful, wonderful job in Santa Ana. I'm thrilled to see that you want to spread that to Anaheim. I'm thrilled to see Fatima has joined your group. So that's a great addition. And so, I'm just here to thank you for doing what you're doing and expanding. I look forward to seeing our findings and to have somebody like Rylan come out. What a great example for what you're doing. Really. It's a perfect example of what you are giving back to your community. So, thank you.

MARIA: Thank you so much.

BARKE: Thanks for being here.

MARIA: Thank you.

WILLIAMS: Mr. Shaw?

SHAW: I don't have any questions.

WILLIAMS: Okay. Jorge?

VALDES: Dr. Rowell, good to see you again. I'm just so impressed with your leadership and the team here. Little story for the rest of the board. I've walked this campus and Dr. Rowell walks around and she's just like a rock star. I mean, parents come up to her, the kids walk up to her, they're with smiles on their faces. They are really, really into who you are, and you do a great job. You're going to make this for me very easy. And I also, as you know, represent Anaheim, so I am excited to see a school like yours up in Anaheim.

MARIA: Thank you.

SPARKS: Well, I didn't have questions, but I did have comment and yeah, you guys together daughter, mom on the team. I mean, it's like dynamite there. So, you guys are definitely rocking it. I'm really proud of what you've done. And where you'll go is just the places you'll go in a Dr. Seuss way.

MARIA: Thank you.

WILLIAMS: Awesome. Dr. Rowell, your enthusiasm, the love of your spirit is so infectious. And your leadership skills, I'm very impressed.

MARIA: Thank you.

WILLIAMS: You got this being an Anaheim girl and growing up Disneyland?

MARIA: Yeah. Born and raised.

WILLIAMS: Wow. I'm impressed. You got your, or you received your doctorate in education from Cal State Fullerton. What was your thesis on?

MARIA: Food distribution using a full-service community school lens. And it was entitled, you can sit with us.

WILLIAMS: I love it. I love it. Okay. Just real quick, so your material revision, you mentioned here that you went to Placentia Yorba Linda, is that correct?

MARIA: Yes.

WILLIAMS: Okay. But you don't plan to put your school there.

MARIA: So, we will have two sites or plan to have two sites with your permission, with your approval. And so, we are in the Prop 39 process and waiting to hear April 1st of their next steps.

WILLIAMS: Okay. So, you went to Placentia Yorba Linda?

MARIA: Yes.

WILLIAMS: For Prop 39.

MARIA: Yes. November 1st.

WILLIAMS: Do they have an empty school or space there?

MARIA: That is-

WILLIAMS: But I know they're tight.

MARIA: Yes. Oh yes.

WILLIAMS: And now they're very much anti-charter.

MARIA: Yes. Yeah.

WILLIAMS: It's an uphill battle.

MARIA: Yes, right. We do have some sites in mind, but again, we are at the discretion of whatever site or monetary value that they present to us, and we will see what they present come April 1st.

WILLIAMS: Okay. And then in Anaheim, you're going to the Anaheim School District also.

MARIA: So, within Anaheim, because they're elementary and secondary split, we issued notice to Anaheim Elementary and then the Anaheim Union High School District.

WILLIAMS: Okay, so you're doing both. Okay. Are there opportunities and facilities there?

MARIA: Yes, there is. Actually. Thank you for asking. So, we are in escrow at a private facility in Anaheim, and that will close April 7th.

WILLIAMS: You're in Escrow. Where did you get the money for that? That's incredible.

MARIA: I think that would be because of our chief financial officer and the dedication of all of our chief members, Mr. Alfredo Rubalcava, our CEO, as well as our relationships with existing grant set that we have going on as well.

WILLIAMS: Okay. Okay. Very good. That's all questions I have. We look forward to the documentation and the final report from our staff. So great job.

MARIA: Thank you. Thank you. Thank you very much.

WILLIAMS: Okay, moving on with our meeting item number 10. Greg, did you want to give us an update and sort of fill this in? This is a big, big vote here.

ROLEN: Thank you, Dr. Williams. Superintendent Bean. As you referenced earlier, Unity has been a saga. It has been a quest. They had a good idea, they had some obstacles. And after our staff provided them a lot of support, a lot of oversight, they recognized that the obstacles at this point were insurmountable and they made the reason decision to voluntarily close their charter for the good of the students and for the good of the community. So, what you have before you is an MOU, which it is an active document because it not only shows Unity what to do, the i's to dot the t's to cross for the closure process, but it also sets forth a legal relationship between the board and Unity to protect all parties from future litigation. So, the Unity Board signed this document. They've already implemented the, they've started implementing the closure process. Our Charter School unit has been monitoring that and will increase the monitoring very shortly.

And all we're asking is that the board approve this document so that we can move forward with this, the closure of Unity and the students can get placed.

WILLIAMS: Okay. This is one of those very personal type of tragedies everyone has. This is one that I went out in front publicly to all the city officials to get them to get the conditional use permit for the school. Way back many years ago. We put a faith in Aaron who was the leader, and she had this magnificent personality, the energy of the Energizer Rabbit, and just we thought that this would do well. Unfortunately, events happened in her life. There was perhaps some missing links to theater schools to help the school. And they've been struggling and we've been trying to help them out as much as we can. We are very pro-charter. But I think at this time, your involvement, we've talked about this, you dotted your i's and you crossed your t's, and this is the appropriate document and acceptance for us to approve. Is that correct?

ROLEN: That's true. Mr. President, yes.

WILLIAMS: Okay. I think we approved or we came out with another public document on the sequence, right?

ROLEN: We went through the notice of revocation process. We identified the deficiencies, the steps that we had taken to help them remediate the steps that they had taken in response to those. And at the point we issued the notice of revocation, it was just not sufficient to protect the board from, for the board to exercise its oversight appropriately. So, we went through the process, we issued the notice, and then we initiated discussions with Unity to see what the best way to end the charter to the best benefit of the children. There're several families still there, and we're doing our level best to try to transition them to our schools or other charters.

WILLIAMS: So, for the record, we're doing our best to get those families out to other charter schools.

ROLEN: We have been doing our best to get that done for several months, Mr. President.

WILLIAMS: And I believe what, there's 17 kids that are seniors that they'll be able to graduate, and that was important as far as the problem is-

ROLEN: It's either 17 or 14.

WILLIAMS: Around there.

ROLEN: It's in the 17 to 14 range.

WILLIAMS: Okay. Okay. Very good. So today what you're asking us to do is to-

ROLEN: To approve the MOU.

WILLIAMS: I see. Yes. I see. Okay.

SPARKS: If I could, I'd just like to make a statement to the parents of the Unity families, just to understand that this is something we definitely would rather not do, but it's the responsible thing to do. And we've been working on this for many, many months and watching for more than many months. For a few years we've been watching very carefully. And so, we do not make this decision lightly. And we're here to support you. Many of us are working behind the scenes to make sure that you all are supported. So please continue to reach out to us and know that you have our support and all will be well on the other side of this. It will be okay.

BARKE: Yes. I wanted to say the same thing, just that we have been struggling with this decision for years, and Ken has, Dr. Williams has made some valiant efforts. I remember that trip to get it through the, so anyway, yeah, it's a hard decision to make, but it's the right one. It's what we have to do to protect the board, the county, and the students, and it will end well.

WILLIAMS: Trustee Shaw?

SHAW: I have no comment.

WILLIAMS: Okay. Trustee Valdes?

VALDES: We're down to 17 kids or 14 kids on that campus right now. Everyone else has been relocated. No?

ROLEN: I may be off by a few again, but it's about 55 students and 14 to 17 are graduating.

VALDES: Oh, I see.

HENDRICK: With this agreement, they will finish out the year. So, this agreement will allow them to close as of June 30th. So, they'll have a continuity of service through the end of the school year.

WILLIAMS: And it is with great sorrow. I was the one who made the motion to accept this. I will make the motion to accept this Memorandum of Understanding of Closure of Unity.

SPARKS: I'll second that.

WILLIAMS: We have a motion to second. Any further comments, questions? All those in favor of this Memorandum of motion raise your hand and say aye.

VALDES, SHAW, BARKE, WILLIAMS, SPARKS: Aye.

WILLIAMS: Motion passes. Five to zero. Okay. Moving on with our agenda item. It is now 7:15. I'm going to call David Giordano to give us a presentation on the budget.

GIORDANO: All right. Well thank you and good evening. President Williams, members of the board. Tonight, we're going to give you an update on our '24-'25 second interim financial report. And so, this report represents the second official revision to our Department's adopted budget

that the board approved back in June, and also incorporates all the key components of the governor's proposed budget for next fiscal year '25-'26. And the report contains our actual financial transactions through January 31st. And then of course, it includes updated revenue and expenditure forecast for the current year and the two subsequent years as well. And so, here's a look at the agenda for tonight. First, we're going to review with you the governor's proposed budget for '25-'26, followed by the changes that occurred since the first interim report was approved by the board back in early December. Tonight, we're also going to talk about some of the key budget challenges that we face moving forward, and then the next steps in the budgeting process.

And so, here's a glance of the governor's January proposal for next fiscal year. And we know the governor's proposal was released back on a Friday, January 10th, and it represents the start of the budget cycle and for next fiscal year. And so, here's a review of some of the key highlights that are contained in the governor's January proposal. So first, the governor's estimating a state budget surplus of approximately \$17 billion, as well as healthy reserve levels for '25-'26. And this is largely due to an improved economic outlook as well as strong tax collections in the current year. And the Department of Finance is now estimating roughly \$17 billion more in state general fund revenues over the three-year budget window. That's since the approval of the enacted budget for the current year '24-'25. It's important to note that the LAO's office is projecting revenues to come in lower than the DOF by about \$10 billion over that same three-year budget window. However, the LAO states that the Department of Finance's revenue projections are reasonable and find that the state budget is roughly balanced. As you may recall, it was only about a year ago that the state was facing the largest budgets, deficits in history at about \$50 billion. And both the LAO and the Department of Finance are pointing to the value of the \$28 billion in budget solutions that were built into the '24-'25 budget for the upcoming year, '25-'26.

So, here's a chart that highlights the changes in state revenue estimates that impact the Prop 98 guarantee. And so over that three year budget window, this is fiscal year's '23-'24 through '25-'26, estate revenues are up by approximately \$17 billion as of the governor's January proposal when compared to the enacted budget, again, it's important to note the LAO's revenue estimates are roughly \$10 billion lower than the governor over that same three-year budget window, which of course is going to pose risk to the state if those revenues don't materialize. And so, this chart highlights the impact of the governor's revised revenue estimates on the Prop 98 guarantee for schools due to the improved revenue outlook. The Prop 98 guarantee has been revised up since first interim by 3.9 billion for the current fiscal year, and 3.2 billion for fiscal year '25-'26. And that's for a total increase of \$7.1 billion over that three-year budget window and unfortunately the governor's proposing another controversial maneuver. This is regarding the Prop 98 guarantee for the current year, and we're going to highlight that more in this next slide.

And so, this chart highlights the governor's proposed maneuver regarding the Prop 98 guarantee for the current year. And based on those improved tax collections, the guarantee has been revised up by 3.9 billion in '24-'25. However, the governor's proposing to appropriate the guarantee at 117.6 billion instead of the currently calculated level of 119.2 billion or \$1.6 billion below the Prop 98 guarantee. And he's citing inherent risks in state revenue projections. The governor states that if the revenues materialized, the funds will be owed to Prop 98 as one-time money in

the budget year '25-'26. And so here's a look at the Prop 98 minimum guarantee next year. The governor estimates that the guarantee is up only modestly higher or about 2.1 billion above the LAO's estimate for '25-'26. You'll note that both the Department of Finance and the LAO's office estimate that the '25-'26 guarantee will be lower than the current year '24-'25.

Here's a look at some of the risks that are built into the state budget that the LAO has identified in moving forward. Although the economic outlook has improved since the state budget was adopted back in June, the LAO notes some pretty significant risks including capital gains volatility that's tied to the stock market, the stagnant job market outside the government and healthcare sectors, as well as elevated unemployment, particularly in the state of California. We have the delayed tax deadlines and tax receipts that are associated with the recent wildfires in Los Angeles County. And this is not to mention what has been some sluggish consumer spending, some federal policy uncertainty and state operating deficits that are projected in the out years.

Next, we're going to view some of the key changes that occurred since the first interim report was approved by the board back in early December. And so, here's a look at some of those key changes since first interim. So, in this chart you can see the cost of living adjustments and the CalSTRS and CalPERS employer contribution rate estimates for each of the next two years. For '25-'26, the COLA estimate has been revised down from 2.93% at first interim to 2.43% under the governor's proposed budget for next year. On the other hand, this is for '26-'27. The COLA estimate's been revised up from 3.08% at first interim to 3.52% as of the second interim, and that's based on the latest estimates we received from School Services. Regarding the CalPERS employer contribution rates for '25-'26. The estimate's been revised down from 27.6% at first interim to 27.4% under the governor's proposed budget for next year. Additionally, for '26-'27, the estimate's been revised down from 28% at first interim to 27.5% as of the second interim. And you'll note there are no changes currently proposed to the CalSTRS employer contribution rates, their forecast to remain the same at 19.1% over the current end of the two subsequent years.

And so, this slide just highlights the changes in our estimated average daily attendance and this is since we last reported back in December for fiscal year '24-'25, you can see that our projected ADA has been revised down by 76 students. On a similar note and our projected ADA forecasted to decline over the next two years as well. And when you look at our ADA for the current year, the majority of that decline is in our district referred students. Next, we're going to talk about the purpose of the second interim report and then review some of the key budget assumptions that we use to build the report. So, school districts and County Office of Ed in California are required to certify their financial condition twice each fiscal year. We do this once at first interim, which includes our actual financial data through October 31st and then again at second interim, which includes our actual financial data through January 31st. The first interim report is due to the California Department of Ed by December 15th each year. And then the second interim reports due by March 15th each year. And both these reports of course include updated revenue and expenditure forecasts for the current end two subsequent years.

And so, here's a look at some of the assumptions that we use to build our second interim report. And so, if you were to take a look at the salary accounts, the salary line items in the budget book, you'd notice the increased cost reflected for step in column for all of our classified, certificated

and management employees. Those are reflected there. You'd also see the increased cost reflected for the negotiated settlements with both the bargaining groups. And if you drill down and take a look at the statutory line items, you'd see the increased cost reflected for CalSTRS and CalPERS pensions as well. The COLA for the current year set at 1.07% and again in '25-'26 since first interim, the COLA estimate for next year has been revised down to 2.43%. Average daily attendance this year projected at just over 4,300 students. And again, projected decline slightly each of the next two years.

When you look at our LCFF funding projections for the current year projected \$103.6 million, but when you look at the '25-'26 year down to about 102.7 million and the reason for the decline, it's decline of almost one million dollars, when you look at the statutory COLA of 2.43%, that COLA is not enough to offset the funded ADA decline that we experienced over the last three years, and that's the reason for the drop. When you look at '26-'27, you can see a slight rebound to 103.3 million, and so that COLA is more than enough to offset that ADA decline in the '26-'27 year. So as revenues are on the decline slightly, especially in the budget year, of course we're keeping a real close eye on all of our vacant positions. And if there's vacant positions that don't need to be filled, of course we're not going to be filling those positions.

It's just something we'll have to do when we're looking at tighter budget situations. Tuition for ACCESS and special schools programs budget in the current year at 45.1 million and you can see the next couple years projected increase slightly each of the next two years. Next, we're going to review some of the key financial information that's contained in our second interim report. And so, here's the look at our combined multi-year projection, and again, this report's in just summarized format. If you want to see the detail report, we have it in the budget book. It's the combined general fund, so it doesn't include all of our unrestricted and then all of our restricted categorical programs. You can see we've included the current year '24-'25, and then we have the two subsequent years as well. So, for the current year, we're forecasting an operating deficit of \$18.6 million.

And again, as we mentioned at first interim, this isn't a structural deficit. And so, when you look at our ongoing revenues, ongoing expenditures, they remain in alignment. So, this is plan one time spending for some large capital facility projects that I'll touch on later. If you were to look at the first or excuse me the second interim report and just focus in on those unrestricted operating accounts, that deficit and unrestricted accounts is about \$13.1 million. And we have, when you look at the different capital expenditures budgeted, for example for Rancho Sonada in the current year, we've budgeted 2.3 million. We have conference center upgrades for modernization of our conference center at 5.6 million. We have an elevator installation at about 400,000. And then we also have quite a bit of site furniture for our school sites, particularly the classrooms. So, when you back out all those one-time expenditures, you're left with a small structural surplus in the current year. When you go to '25-'26, you can see we are forecasting a small deficit of 155,000, but again, like the current year, we do have significant one-time expenditures built in there as well.

And so as mentioned earlier, County Office of Ed are required to certify their financial condition twice each fiscal year. And we do that at once at first interim and again at second interim reporting. And there are three types of certification. We have the positive certification, which indicates the district will be able to meet its financial obligations in the current and two

subsequent years. We also have that qualified certification, which indicates a district may not be able to meet its financial obligations either in the current or the two subsequent years. And then finally we have the negative certification, which indicates a district will be unable to meet its financial obligations either for the remainder of the current year or the subsequent year. And of course, our staff's recommending the board to sign a positive certification, the second interim report this evening. And now we're talking about some of those key budget challenges that we face moving forward.

As we've talked about many times in the past, if you were to talk to any one of our neighbor districts or any of the other county offices across the state, you're going to hear many of these same issues and concerns. And so first, we know cost for step in column movement, CalSTRS and CalPERS, pensions and health and welfare benefit premiums are going to continue to place additional strains on future operating budgets. We also know that inflationary cost pressures in other areas in the supplies, services and equipment accounts also remain persistent. Other challenges include the expiration of all the one-time state and federal COVID-19 relief funding. Our county offices' minimum state aid excess tax status, as well as the continued to climb we're seeing in enrollment throughout Orange County, which may have an impact on enrollment in our own programs moving forward. And then lastly, for schools, even though Prop 98 funding is expected to increase moderately throughout the forecast period, the state is facing some significant operating shortfalls in those out years that both the governor and the legislature will need to address.

And then finally just wrapping up with a look at the next steps in the budgeting process. So again, the board took action back in December and approved the first interim financial report. And then in mid-February, staff presented the update on our mid-year low control accountability plan. Tonight, we're asking the board for consideration and approval of the department's second interim financial report. And then next month, early next month, we'll have the budget study session on next year's budget, '25-'26, and then in early June, we'll hold the public hearings on both our local control accountability plan and the preliminary budget. And then in late June, we'll present both the LCAP and the preliminary budget for the board's final approval. That budget will be based on the governor's May revise, which should be out by May 10th, and that will include the latest tax collections that are available estimates at that time. We do have the tax extension deadline for the folks in Los Angeles County, so that's something that we'll have to keep a close eye on this year in terms of total revenue estimates that are included in the May revision. And so that's the presentation for this evening. I again, want to just thank our fiscal services team for all their work, all their effort in putting the report together. We have a great team and feel fortunate to be a part of it. So, with that, I'd like to open up any questions.

WILLIAMS: Thank you, David. As usual. Great, great presentation. Questions by the board.

SPARKS: I have a couple questions. Hello? Okay. Yeah, so if we look at some of the-great presentation, by the way, it was very clear, very easy to follow, and I think you're spot on with the challenges. Those are things that I would've brought up. But an additional question that we may not know the answer to, but I'm going to throw it out, is what kind of impact are you anticipating with a lot of the NGOs that we're working with in terms of the federal and state monies that are coming in for community based in our coordination with community-based

organizations and any of those funds, those levers being turned off or turned down, and if that plays out on a federal level, on a state level, what are the different possibilities there? I'm sure you're discussing it behind closed doors.

GIORDANO: Yeah, it's a great question. Something that we've talked a lot about. When you look at the funding that we received from the federal government, when you look at it holistically as part of our general fund, we get about, it's about 4.1% of our total revenues come in federal dollars. And the biggest sources are Title I and IDA special education funds. And so, we'd expect that those monies would continue to flow in. Those entitlements would continue to flow in just as they always have. I believe they're codified in law on how those programs are to operate, and so we'd expect them to continue there. There's other funding sources out there that we receive from the federal government and not as large, again, as part of our total budget, 4.1%. It's about, I think it's a little over \$16 million that we receive in federal dollars. And so, it's not a significant portion as a percent, but still any dollars that we wouldn't receive definitely would have an impact. But I think that if they do move forward with some of the things that they're talking about as far as possibly even disbanding the Department of Ed, I think that the likelihood is a lot of those monies would probably be passed off to other portions of the federal government and passed on to school districts. And so, we don't know for sure how that will play out, but I think that's probably the likely outcome.

SPARKS: And just at first glance, as I'm looking, most of the monies it looks like in terms of those partnerships are state funded sources then federal. So, it looks like it's not going to be anything that's insurmountable in terms of us being able to continue to operate the way we're operating.

GIORDANO: Yes, I would-

SPARKS: Is that correct?

GIORDANO: I would absolutely say that that's accurate.

SPARKS: Just to put the students and families at ease.

GIORDANO: Yes. Yeah, and I would venture to say that if there was some funding reductions at the federal level that the state legislature probably would be looking at ways to try to offset that. But of course, that's completely up to state legislature and the governor to do that.

SPARKS: But I mean, I think the discussions are worth having behind closed doors, just all the possible scenarios looking at any sort of DOGE efforts that come down to the state and county level.

GIORDANO: Yes.

HENDRICK: I think when Dave and I were having the conversation, I think K-12 is a little more insulated. I think our community colleges and as you know from the university level, are

going to have a much harder time. I think we are a little concerned about some of our workforce investment, but ours are still state dollars.

SPARKS: Yeah.

HENDRICK: Now. But could those have some type of risk? We're not sure. We don't really receive a lot of funding from NGOs though, so that's not something we see.

SPARKS: Yeah. That's what I was looking because I was looking through all the different partnerships, but I still wanted to throw out-

HENDRICK: It's a great question.

SPARKS: Have a discussion.

HENDRICK: We keep asking it because I think the Title I and IDA are probably our biggest. I just don't see how they would not be able to fund those. They may not come from the Department of Ed. like Dave said, they could be coming through other agencies, but I think we were kind of surprised that we didn't have a little more vulnerability there.

SPARKS: Yeah, actually I thought I was happy to see it. I wasn't sure, but you verified it, so thank you. That's all I have.

SHAW: I guess the big question is always between the governor's January to May budget is are we expecting the budget in the May revise to look better, stay the same or get worse? And I just remember thinking when the January budget came out, it was literally, I think the day the fire was at its worst in LA County and they're, oh, we're going to have these billion-dollar surpluses, and I'm like, LA County's on fire. I don't know if this is going to happen.

GIORDANO: That's a great question.

SHAW: Do we have it in any indication if receipts and expenses, if we're going to expect a better May revise or about the same or even worse? I'm not sure I gleaned that from your presentation.

GIORDANO: No, it's a great question. I think one of the reasons the governor proposed what he did with that new maneuver for '24-'25 is because of that revenue uncertainty. He's looking at the revenue estimates for this year and how that would play into next year. But I think when you look at the May revision you've got as far as taxes go, I think there could be a concern, obviously with the wildfires in Los Angeles, just the amount of taxes, I think the estimate was 25% of the taxes that flow into the state of California come from Los Angeles County. And so, if those taxes are delayed until the next year, it definitely can have an impact on the state in the coming year. So, I think if there was a risk, it would probably be to the downside. I don't expect that there's going to be so much more money flowing to the state with capital gains because the stock market the last few days haven't been exceptionally great. So, I wouldn't expect capital gains to help

offset that decline in those tax payments. So, if I ever were to think in terms of what direction, I'd probably say probably on the downside, downside risk.

SHAW: I remember I worked for the state legislature for many years and there always seemed to be a discrepancy of course, but as there should be, or probably we could expect between the Department of Finance and the LAO's number, but it seems lately that their numbers, am I incorrect that they seem to be widening and their projections, is that still the, I mean, what was it, 17 to \$10 billion?

GIORDANO: It's \$10 billion. Yeah, \$10 billion difference.

SHAW: I don't remember it being that wide of a gap between the two projections, but that's my recollection.

GIORDANO: I think you're right. Yeah, I think you're right. And I don't recall being that great either, to be honest with you. It's usually within a few billion. So, 10 billion is quite a bit.

VALDES: Dave, as usual, you do a really nice job with these things. Very clear in your presentation. Just out of curiosity, since the issue was raised, how much money from the feds does the Board of Ed receive annually as a raw number and as a percentage?

GIORDANO: Yeah, so if you look at our budget and there, actually it's, let me point to it because it's a good question. So, if you look at the-

HENDRICK: On page B 8.

GIORDANO: B 8, thank you, Renee. Yeah, perfect. Yeah, so B 8 shows you a nice little pie chart of our total federal revenues. And so, you can see total federal revenues is \$16.4 million. If you were to flip to page B 3-

VALDES: So that's around 5%?

GIORDANO: It is.

BARKE: It's like four, isn't it like 4%?

GIORDANO: Yeah. 4.1. 4.1.

BARKE: Yeah, about four. I thought so.

GIORDANO: Yeah. So, if you look at the total general fund revenues, it's on page two of the budget book, I'm sorry, B 3. It's \$384.1 million, so that's 16.4 million. I think it's a little over 4% is what the percentage is. We do receive some funds in fund 12 for childcare as well. Some federal dollars that flow in for childcare, but the bulk of the money's come in under our general fund.

VALDES: That's all for me.

BARKE: I would just say great presentation. Thank you. And great questions by my colleagues. I'm pleased. Thank you.

GIORDANO: Thank you.

WILLIAMS: Just a simple question. So looking at B 20, the county committee, they went from '23-'24 from \$16,838 to about \$12,000 more. How did that get increased?

GIORDANO: So, B 20, and you're looking at the professional, so legal fees chart, I'm assuming.

WILLIAMS: Right, right, right.

GIORDANO: County board.

WILLIAMS: So the '23-'24, the actual was 16,838 and now it's up not quite 12,000, maybe 11,000.

GIORDANO: I'm looking at the wrong lines.

BARKE: Yeah, what line are you on?

WILLIAMS: It says county committee.

GIORDANO: County committee. I'm sorry.

BARKE: Oh, there we go.

GIORDANO: I was looking at the county board.

BARKE: Gotcha. Yeah, I see it there.

WILLIAMS: It's a little less than 12, maybe 11,000.

BARKE: I see.

WILLIAMS: How did that go up?

GIORDANO: So, these are just guesstimate. Thank you for giving me a moment here. Yeah, so for '23-'24, the actuals, that's the amount we actually spent in legal fees for the county committee was \$16,838. And the budget at second interim is \$28,150. And so that's just the estimate on what those expenditures will be for the current year. I can pull additional detail to find out the reason for the increase.

WILLIAMS: So, their expenses went up 11,000? Little than that?

GIORDANO: Just the budgeted expenditures. So, this isn't, so we're looking at '23-'24, is that what we actually spent? But the budget for '24-'25 is at the 28,150. And so, we tend to budget conservatively. You just don't always know what you're going to spend in terms, especially on legal fees. And so that's-

VALDES: As I recall, it was last year, I basically asked Dave and Renee to alter it to about 28,000 because that was the historical average.

WILLIAMS: I see. Okay. That's what I was going to ask you this.

SPARKS: Yeah, if you look at '21 and '22, it was pretty high.

VALDES: Right Dave?

GIORDANO: I think that was accurate. Yes, sir.

WILLIAMS: Yeah.

SPARKS: When they were actively engaging.

WILLIAMS: Actively engaging in litigation. Yeah. Okay. That's all my questions.

SPARKS: Thank you.

GIORDANO: Thank you.

WILLIAMS: So, moving on now to item 12 to approve it. To approve this is just a motion and a second and official vote then. Okay. And then David, you're going to stay up here because you have another presentation on the Rancho Sonada, so I'll make the motion to approve the second interim report.

BARKE: I'll second-oh, go ahead.

VALDES: Second.

WILLIAMS: Second by Trustee Valdes. Barring that there's no further questions. All those in favor say aye.

VALDES, SHAW, BARKE, WILLIAMS, SPARKS: Aye.

WILLIAMS: For the record, the motion passes five zero. Going on to agenda item number 13, presentation on the Rancho Sonado design. This is something that we have a great amount of enthusiasm with. So, David, take it over.

GIORDANO: All right, well thank you. And again, good evening is this thing off. I have a hard time with the mic, so thank you again. Good evening, President Williams, members of the board.

Tonight, I'm happy to share with you it's a preview of the schematic designs and a tentative project timeline for the Rancho Sonado project. As you might recall, we brought on board a new architect. This was back in December just before we broke on the holiday break. The new architectural services firm is TBP architecture and they've already met with our Inside the Outdoors program staff and our project team on four separate occasions. And they've also met at the Rancho Sonado site on numerous occasions as well. In this past month, this was back on February 6th, the architect presented the schematic design to members of our leadership team here at the Department. And so, we're happy to be able to share with you a preview of those schematic designs.

And so, here's a project rendering. This is of the Rancho Sonado site and in the lower left-hand corner of this slide, you can see the site access road that's located right off of Santiago Canyon Road, which leads all the way up to the main base camp area that you see highlighted on this slide in green. And our project team has been working with the Orange County Fire Authority. This is the OCFA on the specific design requirements for that access road leading up to the base camp. The mustard colored lines that you see scattered throughout this diagram represent various walking trails on the property. And you're going to notice that there are teaching stations positioned all along those trails, which are highlighted here on this slide. And as these blue oval shapes and most of these teaching stations that you see here include a covered space for students. And of course, all the teaching spaces were designed around the Inside the Outdoors program instructional requirements. And next we're going to zoom in on that base camp area.

And so, here's an aerial view of the base camp. And you can see here in the lower left-hand corner of the slide, the end of the access road that leads all the way up to the base camp. And in the center of the slide you can see the bus turnaround area and this is where buses will be able to park and then drop off and pick up students. To the far right is the administration building, which will be modernized with new office space for several staff workstations. There'll be a first aid room with a patient bed, a gender-neutral staff restroom, two small zoom booths equipped with a TV and small round table and chairs, a large staff lounge and a meeting space, and then some garage space for utility vehicles and other equipment. A directly adjacent to the administration building is a large covered outdoor dining pavilion with bench seating that'll be able to accommodate up to about 125 students.

And there also is this large communal hand wash station located directly adjacent to that outdoor dining pavilion. A located in the center of the slide. This is just above the bus turnaround area is the new multipurpose building. And this will have two indoor classrooms and outdoor covered learning space, a lunch prep area, four single stalls, student restrooms, and one ADA accessible student restroom as well as some storage facilities. And then at the top center of the slide, this is the location for the new outdoor amphitheater, which will have some incredible views of the surrounding canyon area. And we're going to take a closer look at that space here next. And so, here's a look at some of the potential seating options for that outdoor amphitheater area. And this is an area we'd love to get some feedback from the board on any suggestions you might have in terms of design or seating here. And maybe after the presentation's up you can provide feedback if you like. This slide shows two different views or renderings. This is of the new multi-purpose building. The top left view is from the sidewalk located directly in front of the school. And then the bottom right is the backside view with windows facing out toward the canyon area.

And here we have two different renderings or views. This is of the administration building and then that outdoor dining pavilion and the bottom right rendering, this is directly behind the people that you see here is a view of the outdoor dining pavilion from the front of the school. And then just to the right of the dining pavilion on that same picture of rendering is the administration building. And then the upper left rendering is the backside view of these same facilities from the canyon area. And then of course, all these buildings will be constructed using non-combustible materials and have plenty of defensible ground space around all the different structures on the property. The roofs will be constructed to help mitigate against any potential fire dangers, and they will be using a flat and a moderate pitch design. Additionally, all of the windows will be fire resistant with dual pane design and also tempered glass. Next, we wanted to share with you a video rendering of the Rancho Sonado project, and we hope you enjoy this and I hope it works.

Here we go. And so, this is an aerial view as we come up the access road leading up to the base camp, off to the right will be the administration building and the dining pavilion. And the other building there is our multipurpose building. In the back is the you can see the outdoor amphitheater, as we pan around to the front. Again, off to the right will be the admin building and the outdoor dining pavilion. Directly in front of us is the new multipurpose building. And here we're going to walk through the outdoor learning space. Off to the left is the new outdoor amphitheater. This is the backside of the multipurpose building. Here's the communal hand wash station you see here. And right here is the outdoor dining pavilion. Off to the left is the admin building. Again, as we pan around to the right is the admin building there, the outdoor dining pavilion. And then right in front of us is the multipurpose building.

As we pan out, you'll also see we have some ADA accessible parking spaces down below. And lastly, here's a look at the tentative project timeline. The architect has completed the schematic designs already and then plans to complete the design development and then the construction documents by June 30th. We expect the DSA will need about four months to review and approve the designs. And this is before we can move forward with the actual formal bid phase. And then if all goes according to plan, we should be able to begin construction in January of 2026. And since construction's expected to take between 15 and 18 months to complete, the project should be finished in early 2027. Right now, we're actually working with our project team and our project manager on trying to condense that schedule, but we wanted to share with you this evening more of a conservative schedule.

Before we open up to any questions tonight, we have two items on the agenda for the board's consideration. First is resolution number 05-25, and this authorizes the process for prequalification of all the contractors that are interested in bidding on the Rancho Sonado project. And only those bidders that meet the established criteria will be authorized to bid on the project. A second is resolution number 06-25, and this authorizes approval of the lease-leaseback construction delivery method, including approval of the construction agreement templates and then the proposed template for the request for proposals, otherwise known as an RFP. Additionally, all the required procedures that are used to evaluate the proposals are included in the documents as well. And of course, all these documents have been reviewed by legal counsel. They're actually prepared by legal counsel. And so, after the prequalification and then the RFP process are completed, any lease-leaseback agreements that we enter into will be brought

forward to the board for approval. So, none of those will be entered into without board approval. And so that was a presentation. If there are questions.

WILLIAMS: Good job.

BARKE: Yeah, great presentation. Exciting.

SPARKS: I would move to adopt resolution 05-25.

BARKE: I would second that.

WILLIAMS: Okay, so that's item number 14. We have a motion and a second. Any questions on that? I have some, but-

SHAW: I just want to make sure I understand fully. So, we're asking companies to get themselves pre-qualified as contractors and then they will bid on the work as designed?

GIORDANO: That's exactly right. Yeah. They'll go through the prequalification process and then they will actually bid on the work. The nice thing about a lease-leaseback delivery method, we don't have to award based on just the best price. We can actually look at the best value. And so, there's a benefit to that. The other benefit is that we get the contractor in early, so they're involved in the design development process and that will help in terms of making sure that the project's actually constructible so we don't get halfway down the road. And we have issues in terms of the design itself. So, there's some nice benefits to that delivery method.

BARKE: Are there any qualifications that have to be met by the contractors that were pre-qualifying specific?

GIORDANO: Yes. And it's highlighted in all those backup documents. It's a great question. We want to make sure that they're financially stable, financially viable, so they have to fill out questions about that. They have to fill out information about any claims or liens against their company. All their experience information has to be listed there. So, it's a really extensive document that they have to fill out. And then once all that's filled out, they'll come in and there's actually rating criteria on how we assign the ratings to that information.

BARKE: And do they have to be unionized or anything?

GIORDANO: That's a great question. I don't believe they do. I could find-

BARKE: I think that's a good thing. I mean, I think it's better to have it as a free market and they don't have to be unionized.

HENDRICK: They don't have to be unionized, but they do have to pay per value wage.

GIORDANO: There you go. Yes.

HENDRICK: They do have to pay per value wage.

BARKE: Okay, thank you. Appreciate that.

GIORDANO: Thank you.

HENDRICK: But it doesn't matter if they're unionized.

BARKE: Okay.

WILLIAMS: So, go ahead, Jorge.

VALDES: When I was reading through my packet and I looked at the lease-leaseback delivery construction method, I didn't have time at the time and I said I got to Google what that is, and I didn't get a chance to do that. So, can you explain to me what a lease-leaseback delivery construction method is?

GIORDANO: Yeah, sort of what we talked about it. It's a process where we go in and we pre-qualify all of the contractors in advance. And you could do that with a regular design bid build delivery method as well. But you go in, you pre-qualify the contractors. And the whole point with the lease-leaseback is really to try to get the contractor in early to work with architect, look at the design documents, and actually review the design documents. And so, when they put together the construction documents, those documents are really solid. And the regular design bid build delivery method, you don't have that integration. And so that's one of the nice features with the lease-leaseback delivery methods. You're getting the architect and the contractor, they're working together in the early stages. And so-

VALDES: I'm just curious, and maybe this is a question for Mr. Rolan, but why would you use that terminology?

GIORDANO: Lease-leaseback?

VALDES: Yeah.

GIORDANO: It's a great question.

VALDES: Lease-leaseback in the law has a complete-

HENDRICK: It's actually a state term. What is a little bit different is, so once the contractor bids on it, you actually are leasing the property to them and we make them payments. They own the property during the time of construction. It also insulates you from them having change orders because once they bid on it, that's it. It kind of insulates you from that. But it's also then their property and then they lease it back to us and then we make payments to them. It's about the change of ownership. We have done this with three different schools. It is probably the most cost-effective method of doing it. There were some legal challenges, which is why you are now seeing all this paperwork. You didn't actually have to see it before. Some people felt that not

having a full view of it, A lot of contractors like to be just the lowest price instead of the best value.

VALDES: Can we go back to that other, the lease-leaseback thing? So, this is property that we own, and as part of the process, we're going to lease it to them or sell it to them?

GIORDANO: We'll lease it to them for a dollar and then they're going to sublease it back to us. And what we're going to do is we're going to pay them payments. Those are basically the construction payments for performing the work on the property. And then at the end of the lease it basically the lease ends and we take control of the property again.

VALDES: Okay.

GIORDANO: Yeah.

VALDES: Okay.

GIORDANO: That's basically how we-

SHAW: That is very odd.

GIORDANO: It is.

BEAN: It's very common in school property.

WILLIAMS: Okay. Any other questions? Motion on the floor. Okay. All those in favor of item number 14, resolution 05-25.

VALDES, SHAW, BARKE, WILLIAMS, SPARKS: Aye.

WILLIAMS: Against. Motion passes five zero for the record. Moving on to item number 15, adoption of resolution 06-25.

SPARKS: Move to adopt resolution 06-25.

WILLIAMS: We have a motion and-

BARKE: Second.

WILLIAMS: Second by Trustee Barke, questions?

SPARKS: I think we asked all the questions.

WILLIAMS: Yeah, I think we did. I still think that's odd. I'm not used to it, but nonetheless, it is a loan.

VALDES: Now at least we know what a lease-leaseback means.

WILLIAMS: Yeah, we didn't do this before with our schools. Well, we didn't see it as a board.

HENDRICK: You didn't have to see all the paperwork, but it's just for transparency purposes. So, everybody sees it. If you saw that huge packet, they can see every rubric we're using to rank them and things like that. So, it's just more transparent so you don't have to prove the entire process, which is what you're doing. And then you're also going to see it again as we do the contract for the actual contractor and stuff, which that's you see before, but this is really a lot more of the nuts and bolts for transparency.

WILLIAMS: Yeah, my only comment about the design, great presentation, love the video. I thought it would be more like Frontier Land, Disneyland. I'm kind of like with Dr. Rowell, I am that Tinker Bell, Peter Pan type of guy.

HENDRICK: We did too, but I think it's the combustible materials which are really kind of, it has to be brought-

WILLIAMS: Prohibited.

HENDRICK: Basically, I think is what they said. And so that is part of the issue. It can't be wood. And then also cost constraints obviously.

VALDES: I do have a comment about the amphitheater that you did mention that what type of presentations are going to go on in this amphitheater, which is really just some little flat ground. It's not a very deep stage. It looks like it can only hold maybe a few people standing.

GIORDANO: I think the renderings a little bit, it's probably not to scale. I think that the idea is of get in there at least, I think it was 60 to 75 people, but that's actually one of the areas that Inside the Outdoor staff was asking for some feedback on in terms of how we might want to use it too. It's not a space that they currently have at the site. And so, I think they're trying to envision how this might be utilized.

VALDES: The rendering doesn't look like it can hold 60 people in that area. It looks much smaller than that. The only other comment I have, having just sat for three days on flat benches like that with no back and hurting my back in the process, if you do outdoor seating that is a bench, I would put a back on the bench-

GIORDANO: Okay.

VALDES: As opposed to just a flat bench.

SHAW: I actually thought of the same thing, but we're old Jorge. These are for kids, right?

HENDRICK: Yes.

BARKE: What is the average time period that a child would be sitting there without a break to get up?

HENDRICK: Probably not a lot, but we also, the amphitheater may be something we come back to because if the costs are too high, that may be something we eliminate. We were also trying to look at to Dr. Williams thought about community events and because we don't really have a gathering place for groups except for the lunch shelter. And so that was kind of what kept the amphitheater in there.

SPARKS: I like it a lot. You could do little mini concerts, could you could do fire performances and fundraisers.

HENDRICK: Probably not fire. No fire performers, no fires.

SPARKS: That's a joke in that area.

VALDES: Think it's really cool. I would put backers on the-

BARKE: I mean it might be safer to have backers because kids wouldn't be jumping from you know what kids do.

HENDRICK: Possibly, yeah.

BARKE: So, it might be a safety issue to add backers.

HENDRICK: Dave can take note of that.

BARKE: Just a thought.

SPARKS: I like it. I hope we can keep it.

WILLIAMS: Okay.

BARKE: Thank you.

WILLIAMS: Barring no further. Oh, question. Septic, water, electric. Is it on a septic system there?

HENDRICK: Yes, it's on a septic system.

WILLIAMS: Okay. Is the septic wells already there in place?

HENDRICK: They have to all be replaced.

WILLIAMS: They have to be all replaced. Oh my god, that's expensive. And water, is that city water?

HENDRICK: It's piped up. So, I think they have a well don't they?

GIORDANO: There is, I believe a couple wells. Yes.

WILLIAMS: There is a, well on the property?

GIORDANO: There is a couple.

WILLIAMS: Are they functional? Are they still full in water?

GIORDANO: I don't think they're functional right now, but we will have to get water up to the property. And so that'll be part one of the things we were looking at was trying to start the access road sooner and then the utilities, so water, getting water connected up there as well. So, we do have piped in water, but that is one of the things that we're looking at.

WILLIAMS: So, if we have a water well, we have to know if it's functional, if it's going to be able to feed some of the plants. And that would save a lot of money long-term over 10, 20 years.

HENDRICK: Right. So, they're looking at that. I know our biggest cost right now is we have to pipe the water up for the fire hydrant.

GIORDANO: Yep.

WILLIAMS: Oh boy. Yeah, that's a big expense.

GIORDANO: Yeah.

WILLIAMS: Wow. And an electric is probably what Edison?

GIORDANO: I believe.

WILLIAMS: We have to do whatever the new requirements are for the state to bring electricity up there because-

GIORDANO: That's right.

WILLIAMS: That's part of the fire hazard. Okay. Wow. So, this is a major undertaking to recreate this property. I know it's been there for quite some time and I have fond memories of, we have that old cabin up there with that stone chimney, and do you remember all that? I mean, it was very Disneyland like. Yeah. Okay. So, wow, that's a lot of work. That's a lot of work. Okay, we have a motion a second on item number 15, which is adopting the resolution 06-25. Barring that there's no more questions. All those in favor say aye.

VALDES, SHAW, BARKE, WILLIAMS, SPARKS: Aye.

WILLIAMS: Motion passes five zero for the record. Moving on to board recommendations agenda item 16. I'm going to look to my right to Trustee Valdes to lead us in this discussion since you put it on the agenda.

VALDES: So, I think every one of us is aware of the numerous executive orders signed by President Trump, and I noticed just in my review of the news reports that some of them dealt with education. So, I thought that it would be appropriate to have our legal counsel look at the executive orders and see how they would impact us. We certainly don't want to lose, I see that it's 4% of our budget, but I certainly don't want to lose that if we're doing something that the Federal Department of Education in whatever form it's going to take doesn't like. So, I just thought it was appropriate to have Greg look at what's out there and tell us do we need to do anything.

ROLEN: Thank you for the request Trustee Valdes. Each board member, you've received a confidential attorney-client communication outlining what the executive orders say, a possible conflict with California law and how it fits into our jurisdiction. To your point about federal funding, Trustee Valdes, we had already begun an internal audit about all our federal programs, all 16 federal programs. And if they in any way ran afoul with the either letter or spirit of the executive orders and we have found none. So, thank you to Mr. Giordano and his team. He proactively started that search. Before we even asked about that, I'm willing to entertain questions about the memorandum, but please be advised that any specifics are better left for closed session on these type of things. But we analyzed, I believe seven executive orders what the language actually said and how they impact our jurisdiction. So, if there is a specific instance where there would be a potential to run afoul of the executive orders or California law, we'll discuss that in closed session.

WILLIAMS: Very good. I have no questions.

ROLEN: Okay, good.

BARKE: Thank you.

WILLIAMS: You found nothing that contradicts these EOs?

ROLEN: We actually started looking at some of the orders as soon as they came out, Dave and his staff, and we got together and we found nothing.

WILLIAMS: Okay.

BARKE: Thank you for your time in putting that together. Appreciate it.

ROLEN: Thank you.

WILLIAMS: Okay. Anything else Trustee Valdes?

VALDES: No.

WILLIAMS: Very good. Moving on to item number 17, board discussion on the dissemination of the ethnic studies program.

VALDES: So, I put this on the board agenda because we were told by the staff that looks like they're doing really just an excellent job in creating our new ethnic studies program. And I just wanted to be proactive with it and have just a board discussion about how we're going to disseminate it, how we're going to tell people that we have it. So, I thought, are we going to write letters to all the school districts? Are we going to write letters to every secretary of education in every state countrywide? And if we are going to take that type of an aggressive approach, that's a lot of staff time. That's a lot of effort in putting all those letters together. But I think we should have some effort in telling people, Hey, this is what we have and it's yours for the taking if you want it. And so, it was just how are we going to disseminate our new-

BARKE: I think we would just have Ian do a press release and then we post it to our website and we push it out.

BARKE: And I think word of mouth. I know Greg and I and Tim were talking about it in DC last week. So, I think a lot of word of mouth and I think it'll get out there if we have word of mouth in our own districts and just when we travel, whether it's DC or Sacramento. I think that's one way. And I think a press release. Ian does a great job. I don't know if he's here today, I don't see him, but he does a fantastic job, so I appreciate that.

SHAW: How about the county superintendent's organization statewide?

BEAN: Yeah, we can absolutely present to them at a future meeting. We have quarterly meetings. Sure.

WILLIAMS: I look at this as a pretty important effort and creation of a program that will fit into the entire state. There's a lot of controversy out there regarding the ethnic study and a lot of districts from what I'm seeing are really struggling with it and they're having problems with it. I think if we remain pretty much true to the concept of direct academic instruction and getting away from the politicization, I think that this would be well received and utilized by many other school districts.

VALDES: I was kind of hoping to do a little bit more than just a press release. Because I don't think everyone sees them. I mean.

WILLIAMS: No, I think a letter should go out to each and every single school district, at least in Orange County. And then-

VALDES: That's my thought at a minimum is all the charter schools in all the school districts, at least in Orange County.

BARKE: Well, and I think Dr. Bean could also do that through the local superintendents, through our 28 superintendents as well, asking them to push it through their districts and schools.

WILLIAMS: Dr. Bean, can I ask you to come up with a more formal plan that you could present to the board about going bigger and wider? Could you come-

BEAN: Sure. Yeah. I'll work with our cabinet and we'll discuss the plan and we could present it at the next meeting. I do want to put a plug in that right now we're in review time, so I know that Tim, thank you for coming. I know that Mari's coming tomorrow.

BARKE: I'm coming, yes.

BEAN: I do need-

SPARKS: I want to come.

BEAN: Get your guys' eyes on that before the next April meeting because after April then it's open to the public for their feedback.

BARKE: You can join me tomorrow.

BEAN: If we wanted to get your feedback first.

BARKE: One o'clock.

WILLIAMS: Very good.

BEAN: But yes, we'll come up with a plan add cabinet and discuss it.

BEAN: Awesome. That sound reasonable to you, Jorge?

VALDES: Yeah, sure.

WILLIAMS: Okay. I know you have a great amount of enthusiasm for that, so I like the idea, so I look forward to that. Okay. Moving on. Any further questions or comments about item number 17? Okay, barring none let's go ahead with item 18, member stipend. Trustee Valdes, you put this on the agenda.

VALDES: So, I guess I've been busy with agenda items this month, but I think everyone is aware of our board member stipend. I actually asked Mr. Rolen last year to come up with a board resolution that would adjust the stipend on an annual basis to what the, what's the word?

BARKE: COLA?

VALDES: Yeah. To what the COLA is. And he told me that we simply can't do that. But I can tell you that the stipend is really low, even from what I can gather from what other school districts and what other city councils earn, it's a lot of work even, I mean my suits are- a new suit for myself is the monthly stipend, not to mention a pair of shoes. And there's a lot of meet and greets and things that I have to do in formal attire. So, at the very least, I think we were told we can raise it by 5% at a maximum. So, I just figured start there and maybe in a couple years revisit it. So those are my thoughts, whatever the board wants to do on it.

WILLIAMS: So, this is just a board discussion item at this time.

VALDES: It's just a discussion item.

WILLIAMS: So, who would like to be next to contribute their thoughts?

SHAW: Well, the difference for me, having been on a city council, I was not able to participate in the city's health insurance plan back in my city council days, whereas that's an option here. So, when I first joined the board, I did sign up on the insurance, but I have since canceled that. So, it is just a stipend and yeah, it is pretty meager, there's no doubt about it. But I think if I recall it is capped out at the 5% a year and that's just going to give us just a few dollars. And to me it's just not worth the hassle. So, I appreciate the sentiment, but I would rather just leave it alone.

BARKE: I do this for the community to be a public servant. I don't do it for the money and so I have no comment. I'm fine with what it is. It may be small, but it doesn't bother me. I'm doing it because I want to do it not for the money. And whether we get \$562 month or \$592 a month, it's not going to change what I do. So, I love what I do and I'm happy for the stipend I receive.

WILLIAMS: Lisa.

SPARKS: Oh, this is definitely a labor of love. There is no doubt about that. A lot of sweat hours we put in. But yeah, I mean I do this for the community in my view, it's a form of community service and to help the kids and families of Orange County. I mean, I'll do the will of the board, but I'm just pleased to be able to be here guiding educational decisions for our families.

SHAW: I am trying to remember though, when was it adjusted last? Greg, do you recall? It's been-

ROLEN: During the Carter administration.

SHAW: It's been quite a while, right?

ROLEN: Long time ago.

WILLIAMS: Yeah, that's right. My thoughts are I'm not interested in increasing the stipend as has been iterated. This is community service at its best. Okay. Would you like to receive any more comments, thoughts? Okay, that's good. Good. Any other comments? Barring none. Let's move on to item number 19. And this is a discussion we bifurcated and gave the opportunity for Supervisor Wagner to be here to give us a direct input with what's happening at the county. Now we're going to have an expanded discussion on this because I do think that we have public comments. Is that right?

BARKE: We have two, yes.

WILLIAMS: Okay. We have public comments. So, before we begin this, Dean, you're going to come up, right? So, we're going to do the public comments first. Give us about, you get six minutes. So.

BARKE: I would love to invite former Tustin Board Member Francine Scinto up first and following her would be David Carlson. Yes, please. We feel much safer with our public comment back there and we know you're a big threat Francine.

FRANCINE: Okay, so you guys were in a really nice meeting. I just want to say I thought it was going to be really boring, but actually it's been really interesting. So, kudos for that.

BARKE: Thank you.

FRANCINE: Like you all, I have been honored to serve for 24 years on the Tustin School Board and several of them as board president. And I've been serving on the Treasury Oversight Committee since 2020. And I was an appointee of Don Wagner, who is a longtime acquaintance and friend. So, I'm not sure what Dean's going to say, but I think it's important to step back and look at what's happening in Orange County because it's really an anomaly. The Treasury Oversight Committees and the investment policy statement, which is what tells the public or the board, how the funds are going to be invested and sets up these very strict guardrails. Those were set up by the state legislature after the bankruptcy. The Orange County bankruptcy messed up everything. And what the county is doing now is changing what has been well established and working well across the state for the last, since the 1990s.

So, the question is why are we changing? And all I can say is the changes are dramatic and I believe that they are creating a greater need for your oversight. And because it's something new, it's different. And although some of the pieces of the same, it isn't the same. The first piece was having an investment policy statement. And initially they did not have one, thank the Lord. They adopted one, which is actually a mirror of the one that was in place. The second question is what will the composition of the Oversight Committee, they haven't actually abolished the committee I'm on, but the train has left the station and they're going to form some sort of new one. And the composition of that committee is of great interest to this board. There are questions about making sure that a majority are public members and how much input the schools have.

That becomes very interesting because the Audit Oversight Committee, which is the other group they've talked about, and they oversee all the audits. And if you go to the auditor controller's website, you will see so many audits that your head will spin and that's what they're overseeing. And it's a different function than investments. If you serve on a board, I served on a college board, the investment function and the finance function are different. They require different skills, different expertise. So hopefully they will set the Oversight Committee on investments separate and apart from the Audit Oversight Committee. And then the question comes who's going to be on it and what are their qualifications? Because the requirements for the treasury oversight, were very strict. Do I have one more minute?

BARKE: Just give her a couple extra? I was teasing her and taking her time.

FRANCINE: Okay. The next thing just to close, I was an English major, but I also have an MBA and I spent a lot of time in business and I like numbers and I like numbers not because of the numbers but the story they tell. So, I wanted to make sure you had this chart and I don't know how to get it to you.

BARKE: If you give it to Renee she'll-

FRANCINE: Well, it's the returns across the county for a 12-month period and the orange line is Orange County and it's right up there at the top. It's always in the top four and so the investments in Orange County have been very well managed for many years, but including the last year. That's it. Thank you.

BARKE: Thank you.

WILLIAMS: Thank you. Francine, I might ask you as we go through this and spend time, I ask some other questions if you don't mind hanging around.

BARKE: Next. Dr. David Carlson is next, our next and final speaker.

DAVID: Boy, that's a lot of pressure to put me between you and nap time. My name is Dave Carlson. I hold a bachelor's, Master's and PhD degree from University of Michigan and now teach at the University of California Irvine. I did postdoctoral work at Michigan, Pepperdine and Stanford.

I moved to Orange County soon after the bankruptcy. As you know, two committees were formed, the Treasury Oversight Committee and the Audit Oversight Committee and John Morlock, a close friend, was one of the architects of them. I'm the only person to have served on both committees. I'm the longest serving member of the Audit Oversight Committee having served for more than 20 years and as chairman more than half of that time. In my 20 years on the Audit Oversight Committee, I never recruited nor engaged in recruiting anybody who had a background in managing public funds. As Francine just said, there are two different functions. I'm also sorry to report that Supervisor Wagner made three material mistakes or implications. One, he implied that the embezzlement of funds and the Magnolia School District could be tied to failures by the treasurer or the Treasury Oversight Committee. Absolutely not true.

He also implied that this group now gets a new seat at the table. Also, not true. We have had a member of this organization on the Treasury Oversight Committee forever. He also implied that the delay in the Orange County ACFR was attributable to the treasurer. Again, not true. The audit was complete and the auditor changed the rules to a different accounting practice, so it was not attributable to the treasurer. She very aggressively corrected. In my view, removing fiduciary responsibilities from the treasurer is the worst possible meaning of the word political. Throughout the period of alleged personnel issues, the treasure continued to perform as within the top five counties of California. Supervisor Wagner also alluded to the treasurer's turnover. It's not been a material issue for three years.

It is clear that the Board of Supervisors did not think through what their action implied. There was no investment policy statement at the point that they pulled it from Shari Freidenrich. In fact, it wasn't adopted until late February. Last two points, the individuals that the supervisor put in charge, supervisors put in charge, have no credentials, certainly not the level of credentials that Shari Freidenrich has and in fact, the interim CEO was the CFO when Andrew Do took off with about \$10 million. Finally, the folks that analyzed the root causes of the bankruptcy and decided to implement changes selected the approach of two oversight committees, Audit Committee, Treasury Committee. This structure has served the county well for 30 years and there is no compelling reason that it was changed at the end of December. So, thank you and thanks for taking the time on this issue.

BARKE: Thank you. We appreciate your comments, both you and Francine.

WILLIAMS: Mr. Carlson, if you can stay afterwards too, we might have some questions for you.

DAVID: Absolutely. I'm all in.

WILLIAMS: Okay, thank you. At this time, we're going to have our good Dean West and he's going to give us, do you have a PowerPoint presentation? Okay, so this is just an oral conversation.

WEST: Yes, just verbal.

HENDRICK: Yeah, his talking points are in your red folder though.

WEST: Okay. President Williams. Dr. Bean Superintendent of Schools, I really appreciate the opportunity. I did put together just a summary of how we've dealt with and interacted with county government County of Orange through this process and on December 17th, the Orange County treasurer tax collector notified us that the Orange County Board of Supervisors had removed it from, had removed from the agenda and annual approval of investment policy statement and the delegation of investment authority for the treasure tax collector and she offered to have a meeting to discuss the matter. So, Dr. Bean and I met over Zoom with the Treasurer Tax Collector, Shari Freidenrich and Dana Schultz, the assistant treasurer tax collector. During the meeting, the treasurer tax collector assured us that the school's funds remain secure and that operations would continue as normal even if the county CEO assumed oversight or the Board of Supervisors of the investment management. So, the staff in place remained unchanged despite the shift in oversight. Okay. In January, the treasurer tax collector notified schools through email that she no longer was the fiduciary that that had transferred to the board. Immediately Dr. Bean emailed out to communicate with superintendents that again, that the funds remain safe, that there was no operational disruption.

So, he communicated to the superintendents and the community college chancellors. In January 29th, we had our Treasurer's Oversight Committee meeting as stated, Dr. Bean as superintendent of schools has a statutory role on that committee, so does the auditor controller, so does the CEO of the county that's under code. There's four active public members. The chair and the former

chair from 23 and 24 are one of those active members. As you can see, school board members have been represented on that. Previously a community college member was represented on that public member not part of the statutory. The statutory members have a designee, so when the CEO is not there, the CFO can come and when Dr. Bean's not there, I'm the designee also designated in your investment policy statement for this board related to reviewing investment reports as well, which for the eight years I've been here at the department.

So that's the statutory role. The two items that came up during that time was the change in talk and then a letter that we got that the chair had received from the county, county counsel regarding to address their issues in 2024 and wrap up their work. And that caused for a lot of communication around related to why is it that you've not had the delegation. The second item was the annual report that was at that meeting and that annual report is normally talking about what the committee had done for that year that had been expanded out to be more of a defense of the treasurer and it went from two pages to 128 pages and it was more of a documentation type of thing. The committee couldn't deal with that and there was a subcommittee that was set up to establish, let's take a look at this, at the next meeting that happened in January. In February, there was noted during that time also that the investment policy statement wasn't in place.

In February 11th, the Board of Supervisors approved the IPS investment policy statement that basically referenced the treasurer's pool to the treasury pool and it replaced the Treasurer's Oversight Committee with any applicable oversight body. Obviously, they're struggling with what does that oversight look like. It eliminated the volunteer pool participants and withdrawal policies, which you had heard. Board of Supervisor Wagner kind of stated that that is a small part of the pool, so eliminating that would eliminate some of the smaller participants. And then we got an engagement. The county CEO, interim CEO reached out to us and wanted to give some historical context and went through some items.

At that time, we conveyed that the school oversight role that we have is very important for all of our schools and the importance of the investments that we have there representing half the pool was important. The following week they responded and let us know that the language that they're proposing to take to the Board of Supervisors was a voting member for county superintendent schools as on the new investment oversight committee, which would be part and meet at the same time as the Audit Oversight Committee meeting our Oversight Committee and it would basically be the Audit Oversight Committee plus the county superintendent, and that's kind of how it's set up. Dr. Bean had emailed an update to the district superintendents and vice chancellors February 13th. I provided at my regular meeting with the county chief business officials for all the school districts on February 19th, communicated with them as well as a Zoom meeting with the community college vice chancellors of business the next day on the 20th.

And they were all pretty agreeable to our posture and positioning related to engagement on the issue and understanding the issues. So, while the changes are a significant shift in the investment over our site responsibilities, school funds remain secure and operations are expected to continue without interruption. As you can see, there's a lot of professional engagement that we have with county government and my division does a lot of that work, but we work with many different offices over there and just as like we're always trying to work with schools and work with our agency and other agencies. So, we do a lot of that work. So, trying to navigate all that piece. That's all I have for my five-minute reports.

WILLIAMS: Okay. Okay. You did great. Looking at this, it looks like this has been a process that's been going on for a few months now. So, this is not new unlike what we're seeing in the *Orange County Register* and the *OC Weekly* where everything appears to be all of a sudden without any reason or background. So that's how, if you look at the origins of [inaudible] on our agenda was because of all of the *Orange County Register* and the *OC Weekly*, their articles and a couple of conversations with other county people, and I think this is getting interesting. We heard from Francine and Mr. Carlson, their perspective.

We don't want to go into the weeds of the HR issue. That's not what we're here for. I think originally when Mari and I talked about this and I talked with Dr. Bean and Greg, it was just that show that we had an interest and that this was a sign of transparency that other school districts can look at. Apparently, we've already had that communication. We weren't aware of that until just recently. So that is good. So, I'm not sure where we want to go as a board. I certainly don't want to get into that political theater, but I would love to hear your thoughts on what we should do and where we should go.

BARKE: I mean I love that we just had tonight that we had Dean give us a five-minute presentation. Thank you. And that we had wonderful public comment with experience and so I think just the transparency of sharing this information with the public is very important. I'm not sure that we have a role beyond that. I think that that's above us or that lies with others. I think for you guys to be on the committee and keep us informed I think is what's most important is that our constituents in the County of Orange knows what's going on. So, it's not just what they're reading in the *Register* or in *Voice of OC* or something that might not be portraying. So, I think if we have it maybe on our agenda every month to update the public as to what's going on and if something happens in between to have a press release or something just so that we show complete transparency and don't surprise anyone with what is going on financially in the county since we do have a big stake of education money there.

WILLIAMS: Look to the right left.

VALDES: There was a public comment tonight, and I don't know if it was Mr. Carlson or Francine, but I thought someone said it was that taking that role from Shari, what's her last name?

BARKE: Freidenrich.

VALDES: Away was political. And I guess my immediate reaction to that is it doesn't seem political to me because our Board of Supervisors is clearly very mixed with both political parties represented. I've met Chairman Wagner many times, he seems like a really reasonable guy to me and if all five supervisors were alarmed by what they saw, that strikes me as being something that not political and something that they saw that was seemingly justified. I know Chairman Wagner mentioned that they found uncashed tax property checks sitting in desks. It sounded like more than one that had not been cashed for six to eight months and he mentioned that that was a constituents check. So, I mean any one of us could have sent that check in and it was just sitting there uncashed. I don't know. I mean the implication was some level of malfeasance, I don't want to use that word lightly. He didn't say that, but there was enough there for five supervisors to

vote the same way. So, I don't see anything wrong with the Board of Supervisors taking over that responsibility.

SPARKS: Well, I echo Mari's comments in that I think that we are showing that we are paying attention to what's happening and just I think that we need to just stay in our lane and I like the idea of Dean, you coming in updating us monthly just briefly.

WEST: Of course.

SPARKS: Of the nuts and bolts of what's happening just so we can show the public that things are moving along, we're not being impacted negatively and so forth. And I think that's the lane we stay in on the whole issue.

VALDES: I agree.

SHAW: Hypothetically, I'm not saying we want to do this, but hypothetically is there a plan B of a fund where our money gets invested and put, is this the only game in town?

VALDES: It sounds like it's the only game in town. We have to put our money there is what we were told.

BARKE: I think it goes straight there from the state. I don't even think, I think we take it when we need it, but I think it goes directly. That's my understanding.

WEST: Surplus monies can be invested at certain points in time. You have that flexibility in your policy to send \$75 million to LAIF. LAIF is the local agency investment fund. It's what cities use. So, they don't have the benefit of being a mandatory capture what was called a participant within the treasury pool. So, they use that overnight like a local city would use. That's why they can close down the voluntary participants pool and they have somewhere to go. It's not like there isn't other pools. There's insurance pools. When you're, you have claims, you're self-insured and you want to keep money out to match the set aside for premiums, you can invest that. The policies of local governments are that you can invest it sometimes in different locations depending on of the character of the money or what is being used for, but really, you're investing in all the same things.

It's a really boring investment to just be able to invest in U.S. Securities and it's meant to be very boring and they go over those safety liquidity and yield. Yield is third in those out of three for a purpose because you want to keep the funds safe. Safety of principle. Now every government agency had losses, unrecognized losses related to the change in interest rates that hit all governments because it's very highly unusual activity and you're required to have those monies in U.S. Securities. When you have a 2% security and you now can get a 5%, the 2% does not worth that much more anymore. That happens, but everybody has to invest in the same thing. And so, to get a little couple basis points more with a professional advisor to be outside and have that outside the county treasury, highly unusual because the county treasury is seen as that safe, that safety and yields.

It's holding our money there, but there are investments and that the treasurer is invested separately for Fountain Valley Community College District. I can mention a couple that are on their investment reports. They made separate investments they didn't have to not make maybe depending on when they invested it, if they invested it three years ago, they probably aren't making the same return as a liquid. Now the performance, like the treasurer had stated that she has very short maturity, it's all safe and they're doing good returns and compared to the other counties. I don't think anybody's challenging the results of the treasurer. It's really different issues that we're allowing the Board of Supervisors an opportunity to deal with within their house. And so that's well within their realm.

BARKE: Well, I think also there's probably an economies of scale of keeping our money together as all keeping it in the treasury.

WEST: Yes. And that is-

BARKE: There has to be a benefit to that as well.

WEST: That is and that cost of all that treasury staff that is invested, that money that gets charged against our interest. It's that it's a shared with the county and the educational pool and all that's done together.

BARKE: By the way, when I said I appreciate the transparency, I also want to say that I encourage public comment and I appreciate both of you being here tonight, Francine and David and would encourage you to come back to continue to do that as well as our own information.

SHAW: So, the committee you're on, I mean I assume we have parameters on how it gets invested, whether it's so much can go to bonds and so much can go to other equities mean. So, there's some kind of investment parameter. Is this what your committee is looking at? Is-are they in keeping with those guidelines?

WEST: Yeah, the investment policy statement is very similar to the ones that you approved with exception that it details out there and the very limited numbers of what they want to keep in each category, what the limitations are of the investment professionals that are doing that work. So, they're managing within that strategy and those limitations. And so that's kind of what the committee is approving every year and that also goes to the board of supervisors. The Board of Supervisors always retained authority because after it leaves the committee, the Treasurer's Oversight Committee, then it goes to the board of supervisors. The benefit of a committee is that you're taking that routine time to set aside and look at over all the detail and you're having a chance to discuss that in an open forum. It's not really the decisions necessarily that are being made, but it's the time that you're investing together in the oversight process and that's what's really important.

VALDES: Dean, so earlier tonight I got the impression that this fund was mandatory, but what you said not even five minutes ago was that there's other options that people have.

WEST: What's mandatory is that all money needs to be held in deposited to the treasury. So, for safety and security reasons, the custodian, the treasurer access, the custodian, the banker she calls it, so they're the custodian of those assets, so they're holding onto those assets. The dispersing agent is the county superintendent related to the authority. So as the county superintendent's authority related to that, we're now responsible for looking at the approvals that the districts have and the transactions that're occurring that they have an approval structure in there and we have all this set up and as county superintendent schools we're authorizing the treasurer to make a disbursement. Now, when I said is some agencies will want to have separate investments and so one of the agencies that have a separate investment has said, I want to have a different type of investment. They go to the treasurer and say; can you do this investment?

Now there is code that does say that they can make investment. A school district can make investments and doesn't necessarily state that that needs to be from the county treasury, but then that would have to go to the board. You would have to as a board and every school district as a board would have to work with a financial advisor. You would have to create a board action, be in your investment policy, you have to management now that you have to do an additional investment report. The complexities that you would have to do related those investments sometimes outweigh the benefit of a small basis points change, which is why most of all the money is always held in the treasury even though all money has to go into the treasury and it's dispersed out through authority, the treasurer can say, the treasurer code basically says that the request would be made of the treasury if you want to invest outside the treasury, and that mainly is for liquidity purposes. You don't want to strain our resources by somebody wanting to take money out. We wouldn't want to have to sell at a loss or do something else and strain those resources. And so that's why the authority is in government code for the treasurer that a request needs to be made of the treasurer if you are going to invest the money.

VALDES: So, all the money regardless, Shari is going to remain the banker. It's just-

WEST: What's your question?

VALDES: Well, what you just said is all the money goes to Shari as the banker. She's just not going to be the-

WEST: Wells Fargo is our bank and the treasurer works with Wells Fargo and she acts as our customer survey agent. She provides mandated services to us and what they would call non-mandated services. We call it customer service. If you go to a bank, you expect some customer service, you shouldn't have to pay for everything. But county government is struggling right now with the affordability. So sometimes in some of the performance reports they ask for to be billed us.

VALDES: Now the Board of Supervisors is going to have the investment oversight, but Shari remains the banker. Is that what I'm hearing?

WEST: Yes, that's right. She's still the custodian record, right? The dispersing agent. We have an ongoing relationship with the treasurer. We have ongoing relationship with the auditor controller. When we talked about before the money comes from Sacramento, well, some of it

comes from local taxes as well. So that comes through auditor controller and tax. All that stuff works together through the treasurer tax collector does those investments. We have interactions with those offices at many different levels and not all of those are, the investment group is a smaller group that actually invests the money, but there's also a larger group doing transactional type.

VALDES: So, if you come back and you monitor this for us and for some reason there's concern about what this new group is doing, what I'm hearing is that we could then, if we don't like what they're doing, just tell Shari, please disperse it this way out of their management pool. Can we do that?

WEST: There would be long discussions. You would have a financial advisor. There's all cash management issues related to liquidity. There is a road for an agency that wants to do that. It's just a long road, but it wouldn't be something you'd do immediately. Our posture is patience, understanding, looking at letting County of Orange work through the process that they have. We don't know how long that process might be. They have an annual delegation process and this is the one year they haven't given it.

VALDES: But you'll come back and tell us if you see any red flags?

WEST: Yes, I think we would. Yeah.

WILLIAMS: Okay, so the process with our Department, we still have somebody at the table.

WEST: Yes.

WILLIAMS: We have the superintendent and you represent him there. He can't be there all the time. So, you still write the checks for every single school employee in Orange County. Your signature-

WEST: 100,000 W-2s went out.

WILLIAMS: How many?

WEST: 100,000.

WILLIAMS: 100,000. And that's for the community colleges too, correct?

BEAN: Except for one, right?

WEST: Yeah. Everything still comes through us, right? We have a fiscal accountable where we give them some authority, like community colleges are granted some extra authority on their disbursements and the things, but we still don't have oversight over community colleges. We have oversight over K-12, so we have lots of different services. Sometimes they apply to different organizations, but all money flows through us, whether it be a charter school money

coming through us and dispersed out to them or a school district or a SELPA or an ROP a community college district.

WILLIAMS: Wow, that's a lot. If I can ask Mr. Carlson, Francine, I just have a real quick question. If you can go there to answer my question. So, I'm hearing two different reactions, two different opinions. You've been there quite some time, Mr. Carlson, and you have what appears to be a very credible curriculum, vitae and experience in finances. Francine's been there on the ground. We know Francine very well as a local leader, she gave a very differing opinion. Where do you see this going? Is your committee going to be gone and you're not going to be there anymore?

DAVID: Yeah, the committee is gone.

WILLIAMS: Will you come up to the mic. You have to speak with the mic.

FRANCINE: No, it doesn't really matter. I mean, we may have another meeting to do a final report from 2024, but if they haven't, I don't think they've technically disbanded it. I think they deferred it. Was it in the minutes anyway? It doesn't matter really, but no, we will not be involved in the oversight. I'm not sure I was clear about something. I think the pieces that the schools need to be sure of is that whoever is taking the investment authority, because we don't know who that is yet, that they are well qualified, as qualified as the person that's been doing the investments for the last 14 years because it is a different function than managing budgets or being a public policy wonk. It's a really different function. It's specialized skills. And then so that person has to be qualified and they need to be really careful on who's on this Oversight Committee and who I am very concerned about just blending it with the audit oversight. And you may want to speak to that because first of all, because their plate is already so full and second that you have specialized, it's specialized a look, and that's my point of view.

WILLIAMS: Okay, so you're on the TOC, the Treasury Oversight Committee, that's being, it may or may not be disbanded at this moment. It sounds like it will be.

DAVID: I set the record for the shortest chairmanship of a public committee. One meeting, but I wanted to make just one other point. The management of the pool, especially a \$17 billion pool, requires two different skill sets. One is strategic and one is operational transactional. There's no one in the county who has more skill and demonstrated performance excellence than Shari Freidenrich. She is the strategist. And so, when we look at safety, liquidity, and yield, the liquidity, and we talked about that a little while ago, liquidity means that the school systems pull \$300 million a month out of that pool. If you have mismanaged the liquidity and you have to sell an instrument earlier than the maturity date, you take a discount. So that violates the security issue. As Shari has proven over the last 14 years that she is world-class at doing that. So, to whom have they given the responsibility, the interim CEO and a brand new CFO? That in my view is suboptimal.

WILLIAMS: Got it. Okay. That's very insightful information. So, you're going, you're not going to be involved anymore it sounds like. And Francine, you're not going to be on that committee anymore, so you're not going to have any insight.

DAVID: There is no committee.

WILLIAMS: There is no committee. Right. Okay. Very interesting future.

DAVID: Yeah.

WILLIAMS: Okay.

DAVID: Thank you for listening.

WILLIAMS: Thank you so much for answering my question.

BARKE: Thank you.

WILLIAMS: Okay, any other questions from the board? Okay, Renee, I know you know so much about this.

HENDRICK: As much as Dean, I do know that Dean and Dr. Bean have a letter ready to go, I think this next week, just reinforcing their expectations that we have a seat at the table and all that also.

BEAN: Which actually if I could ask maybe the board to discuss that and potentially either send a letter from the executive committee to support our letter, which says we need to have a seat at the table. That's why I made the comment to Chairman Wagner this evening to make it public that we're representing half of that pool.

WILLIAMS: Exactly.

BEAN: So, we need to be on that. We need to be at the committee.

WILLIAMS: Right.

BEAN: And I am not so sure that this subcommittee idea is a great idea either, but I haven't heard, and we don't have the final details on that yet. And he seemed a little, he was guessing on that as well. So, a letter to reinforce our letter would be appropriate.

WILLIAMS: Even better would be a resolution by the board.

BEAN: What do you think about that Dean?

WEST: I think they're going to act on this next week. So.

WILLIAMS: Yeah, so a letter is a letter. Okay, got it.

WEST: But I will say the CEO's recommendation is the county superintendent have a voting seat on that board. It's not a departure. We're not concerned that that's not where they're having,

we don't know what the Board of Supervisors or the reason to delay it for two weeks just to get more input. And so, there's no reason we can't give them more input. It's just a matter of, I think right now that's what the recommendation from the interim CEO is.

WILLIAMS: Okay. If you need a letter, just create it.

BEAN: Yeah. Well, we have our letter so we can share it with you guys and you guys can create a letter as well.

WILLIAMS: Okay. Yeah, very good. Okay. I think we've beaten this horse to death. It's been a very enlightening conversation. Thank you, Dean, so much for that. Okay, moving on with our agenda item. We're now on information items. Renee?

HENDRICK: Yes, we did want to discuss the Memorial Day Essay Contest and see the boards. We would like to do that again, it's always a great event for all of us, but it does cause contributions from not only the board, but our cabinet also contributes, but we would need to start that process in this next month. So just the will of the board if that's something they'd like to do. And then also if there is any volunteers for rating the essays.

WILLIAMS: We've been doing this for how many years now?

HENDRICK: Quite a while. I can't. I'm getting older. It seems like a couple years. It has probably been five, 10.

BARKE: Been more than five. I've been here, I think 10.

SISAVATH: I think we have nine years.

SPARKS: Yeah, it's seven at least.

WILLIAMS: Is it nine years?

BARKE: Because we've done it every year we've been here.

HENDRICK: Yeah.

WILLIAMS: I still like to see it. I think it's such a great show of the passion of American students, their love for our constitution, the love for the nation, the patriotism. I just love that, the whole entire aspect of those kids coming and dressed in their uniform, that's just very inspirational. So, I'd like to continue with it.

BARKE: I would.

SPARKS: The students seem to get a lot out of it, right?

HENDRICK: They do. And I think because we had additional funds, we expanded the prizes we give, so not everybody gets the top prizes, but people get little gift cards and stuff like that. But I think it's a great civic experience for the students also. And it's great to read the stories, so if any of you would like to volunteer to read the essays, please let me know. I know it takes a lot of time, but maybe we can do the final, give you a group so you could do the finalist or something if you don't have time to do the whole thing.

SPARKS: That's a good idea.

HENDRICK: Okay. All right, we will put that on agenda then. Thank you.

WILLIAMS: Very good. Okay, Dr. Bean.

BEAN: All right, I'm going to throw my staff for a loop here because it's getting late. So, we're going to report this at the next month. But I do want to say that I've been hearing a lot about leadership tonight, and as I reflect on a leader of an organization, the leader is only as good as the leaders that he or she surrounds himself or herself with. And so as you see tonight, you've heard from several leaders on our cabinet, and I just want to actually just recognize how amazing the team that does this work is, I mean from Renee to Dave's amazing presentation, the wealth of knowledge that he has, to Dean to Greg, to our Chief of Staff, Dennis, and then of course Carl, when you say we had how many W-2s over 100,000?

WEST: 100,000, yeah.

BEAN: And that's Carl and his team assures and make sure that paychecks are ran on time. I don't think we've missed a paycheck in quite a long time and that's because of the amazing leaders on the cabinet. So that's my announcement is I just want to say thank you for acknowledging the leadership here, but really, I have to acknowledge the amazing leaders that I'm surrounded with. So, thank you.

WILLIAMS: Thank you so very much. Renee, do you have anything?

HENDRICK: I do have a couple. Wednesday, April 2nd is the next regular board meeting. The submission deadline would be Wednesday, March 19th and the board packet delivery is March 28th. I have the Esplanade quarterly report is in your booklet. If you have any questions, we can bring Dave up with that, but I did have something kind of exciting to share with you. I have an update on your media campaign for the parents' rights and so the parents' choice letter, and so the campaign was designed to inform parents about the diverse education options available in Orange County using targeted social media advertising on Facebook and Instagram. We had contracted with TurnKey marketing to do that and so what they said as of today, they had 349,017 people have seen the ad at least once. That has appeared on screens a total of 4.65 million times. They said that's called impressions.

BARKE: Impressions, yup.

HENDRICK: Right. On average, each person has seen the ad about 13 times. This is called frequency and repeated exposure is key for message to stick, and 6,297 people have clicked on the ad to visit the OCDE website for more information. The official campaign concluded on February 28th. They are suggesting that we extend that into March with the remaining money that we have left in the budget, which is \$8,000. I just want to make sure you were okay with that.

WILLIAMS: So, do you need a formal consent?

HENDRICK: You already approved the full amount, but I think we said we were going to start small and so they feel like they could penetrate a little bit more through March, but I just want you to hear the results and then if you're okay with moving forward on that.

WILLIAMS: So, there's \$8,000 left and what you're basically asking us for is spending that \$8,000.

HENDRICK: They just want to basically extend it and using those dollars.

WILLIAMS: Consensus? Everybody?

VALDES, SHAW, BARKE, SPARKS, WILLIAMS: Yes.

WILLIAMS: Okay, so there you have it consensus.

HENDRICK: Okay. The only other reminder I have is to check your email about the ethnic studies and we have sent you new dates to see if you're available of any of those or if you could maybe suggest some dates to us.

BARKE: I can come tomorrow with Mari, I checked my calendar.

HENDRICK: Awesome. We will see you there.

SPARKS: Okay.

HENDRICK: Great.

WILLIAMS: Awesome.

SPARKS: It's going to be in the boardroom here?

BARKE: It's in here at 1:00 p.m.?

HENDRICK: Yes.

BARKE: Okay. Thank you.

SPARKS: 1:00 p.m. tomorrow.

HENDRICK: And that is all I have. Thank you.

WILLIAMS: The legislative committee?

SHAW: Greg's going to report on it.

WILLIAMS: He is. Okay, so the next up will be the legislative update. We have Mr. Greg Rolen, our great general counsel.

BARKE: Excuse me. Is that workshop about an hour?

HENDRICK: Is about an hour to hour and 15 minutes.

BARKE: Okay, thanks.

ROLEN: Thank you. I too want to be mindful of the late hour, but in your packets, you have a legislative update from David Turch and Associates, which not only has an explanation of several education related bills and the state of play in our nation's capital, but it also had the itinerary that Trustee Shaw, Barke and I had with our legislators up on the 24th and the 25th of February. But I just wanted to add a little color to it because it's a lot more than words on a page. So, I just wanted to give you an itinerary about what we talked to with each legislator. We started our day with Congressman Kevin Kiley, who came straight from the floor to talk to us and we shared our passion for special education funding and he showed a really in-depth understanding of how the money flows in the special education space, how it goes from the federal government to the state to the SELPA, and that was refreshing that one of our Congress people knew it that well.

Then we discussed our pending ethnic studies curriculum and he was energized that we were going to focus on the local ethnic groups and how they grew and flourished in Orange County. He was very supportive of that. We exchanged information with his Executive Assistant, Huntley Campbell, and we were discussing community opportunities for Dr. Bean to testify in Washington because Congressman Kiley is the chairman of the Elementary and Secondary Education Committee. So we are going to continue to communicate about those opportunities and he was also very thankful for the breakdown that we provided about how our federal funds are used here in Orange County, and I want to thank Mr. Giordano and his staff for getting that to us at the 11th hour on Friday before we left for the meeting, I know this sounds like the Dave Giordano mutual admiration society, but that was very helpful and other legislators really appreciated it.

Then we went to the offices of David Min. We met with his Legislative Aide, Austin Raymundo, pleasant young man from Pasadena. Mr. Raymundo shared the congressman's legislative priorities and we invited him to the Inside the Outdoors grand opening. Then we went to the office of Congressman Mike Levin, who the last several years has met with us in person. He makes that a point, but he had a pressing emergency and we met with his Legislative Assistant, Eileen Lee, and we revisited discussions on appropriating electric buses for the schools in

Orange County. That was a priority that the board pursued last legislative cycle, and Ms. Lee suggested that we revisit that and we redouble our efforts in that way because Congressman Levin is now on appropriations and she thinks that's a much more greater opportunity to make that come to fruition. And she also suggested that Congressman Levin would be excited about attending the Inside the Outdoors grand opening, whenever that may be. Then we went to the office of Congressman Lou Correa, who was excited and kind of engaged about what we were doing in Orange County. We had wide ranging discussions about a number of different topics with the congressman's staff. Oh, it was a congressman himself, right?

BARKE: It was. He even tweeted out about us on personal account, on his official account.

ROLEN: He talked about extending capital gains and we discussed how he was mindful about how difficult it was for young families to start and buy a home and flourish in Orange County. And he was expressing his willingness to work across the aisle and said that the Freedom Caucus is concerned about the national debt. And so, all in all, it was a very good meeting. Then we went to the offices of Senator Alex Padilla, and we met with his legislative aid and Education Specialist, Andrew Carillo. And this was unusual because they gave us well over 30 minutes, sat down with us, brought us to a conference room, well over 30 minutes, and we had a wide-ranging conversation about the imminent or pending or possible closure of the Department of Education. And he took the senator's position as that it will take congressional action to close the Department and he thinks it serves several important functions. But again, they were appreciative of the enlightenment that the federal funding breakdown provided in their discussions because only 4% of our funding comes from the federal government and they were surprised by that.

SHAW: Don't forget that he has a master's degree in legislative affairs from George-

ROLEN: From the George Washington-

SHAW: George Washington University Graduate School of Political Management.

ROLEN: I put that down and for some reason, for some reason that didn't make it.

BARKE: And he had the same teacher as Tim believe it or not.

ROLEN: The same teacher as Tim and they were very close in age. We also discussed declining enrollment in Orange County and the causes home affordability, COVID-19 and the recent immigration orders, but the same George Washington graduate applauded our board members for their passion and what they do. So that was the end of the first day, and you should all know that as I was trying to go to sleep, your colleagues, Trustees, Shaw and Barke were writing emails to everybody that we met with thanking them for their professionalism and their time, and that really reflects well on the board. Our lobbyist is going to follow up handwritten notes to each of them, but I was awakened by all the emails going back and forth because the board members were working into the wee hours of the evening.

BARKE: And I did also write personal handwritten notes to any congressional person that actually met with us that took the time to find with us.

ROLEN: Like I said, reflects well on the board. The next morning, we met with Congresswoman Young Kim in person and her Chief of Staff, Alex Keledjian. We had met with him for several years and he has a deep interest in what we do at Orange County, as does the congresswoman. And we discussed several shared interests between the congresswoman, the board, and the superintendent. Among those were wanting to make the Department of Education more efficient, a focus on science and technology education, right out of the 5-3-1 plan, a focus on AI as a tool for our students. Again, out of the 5-3-1 plan, and we discussed that Orange County was a national model for educational options, and she was also excited about our ethnic studies program and attending the Inside the Outdoors grand opening. Then we went to the offices of Senator Schiff. We met with his Legislative Assistant, Jamie Thompson.

We shared the budget breakdown in the Inside the Outdoors program invitation, but most of the discussion was about what Dr. Bean is bringing in the Department of Education and his focus on career technical education with an inclusion focus because that's also something that the senator's office is looking at. So, we have found some commonality there, and he asked us to flag any events that they may want to attend. And we also discussed declining enrollment there. Again, as a side note, you should know that for each scheduled visit, we left information about each board member about the demographics of Orange County Education and Dr. Bean's 5-3-1 plan. And again, in light of Dr. Bean's compliments to the staff, I don't want to leave out Ian Hannigan who prepared all this information, and it really did provide a framework for the discussions.

BARKE: Also, we also left the budget, which they loved that. I mean, most of them went through it with us and they just loved the detail.

ROLEN: Yeah, the same thing. It was really made our job very easy, and that was the end of our scheduled visits and then became the Tim Shaw and Mari Barke show. It was really something you want your elected officials to have energy. They about killed me. We did drop-ins on several Congress people. We just showed up and that day we put in over five miles because Trustee Barke was tracking our steps. So, we put in over five miles. We started with the Chairman of the Education Committee, Tim Walberg, and we met with the Deputy Chief of Staff for policy, Joanna Brown and shared Orange County's vision. And as we were doing that, Congressman Walberg was on the TV behind us, but that was fun. Then we went to see Congressman Tom McClintock and met with his Legislative Correspondent Paxton Wagner is just a very impressive young man, and he also shared his vision about the Department of Education, agreeing that it would take congressional action to close it, but believing that we would not lose any funding if there was a closure funding would come through different sources like Health and Human Services, labor, DOJ as they had done before President Carter created the Department. So that was good to get a different perspective, but it was really comforting nonetheless. And finally, we went to see Congressman Burgess Owens of Utah, and there was a little something for everyone there because we show up and they let us in immediately and they give Tim Shaw a giant bag of BYU wrapped chocolates.

SHAW: They were mint chocolates though.

BARKE: They were truffles, they were fancy.

ROLEN: It was about two pounds of chocolate. And I for some reason think that's a distant memory in the Shaw household at this point. And I remember Congressman Owens from when he played for the Raiders and the Jets played safety and Trustee Barke had a picture of him with his Super Bowl ring. So, we had a little something for everyone. The Chief of Staff Lee Lonsberry and Legislative Assistant Cody Rowe were again welcoming and also excited about having Dr. Bean testify before committees on school choice in special education. So, we're going to follow up on those things. And again, Trustee Shaw and Barke wrote emails into the wee hours of the evening. So that is a quick report. Happy to answer any questions and Trustees, Shaw and Barke can answer questions as well.

BARKE: Do you ever want to go back with us?

ROLEN: Look at the time. Look at the time. But we think it was a productive trip, but it just requires follow up.

SHAW: I thought that some of our drop-in meetings were actually the most productive.

ROLEN: They were really productive. The last one where we got-

BARKE: Yeah, Burgess Owens Chief of Staff was so welcoming. I mean, when he heard us in the lobby, he come running out and said, I've got time come on in. Which was, yeah.

ROLEN: That's why we mentioned his name. Maybe he'll get a recognition of some sort. But yeah, next year.

WILLIAMS: Thank you, Greg. It sounds like a very productive meeting. I have to read out the *News Release* at the very end. So, any other committee report, board member comments?

BARKE: The only thing I'll mention is Trustee Shaw and I didn't have enough fun coming back Thursday afternoon. So, Friday morning we were at Peterson Elementary in Huntington Beach reading to three lovely classrooms of second graders for Dr. Seuss week. I read *Sneetches* to all of the classes which they loved. And you did *Cat in the Hat*? Is that what you did?

SHAW: No. *Hop on Pop*.

BARKE: *Hop on Pop*. So, we had a great morning Friday morning in the community.

SHAW: I want to mention Ken-

BARKE: Oh, I'm sorry. Dennis Cole was there as well, and he was reading *Charlotte's Web*. Yes. So, it was a great morning.

SHAW: I will be in Denver for our April 2nd meeting, so don't let me forget to coordinate the fun Zoom. I'll try to Zoom in. So, is that okay?

HENDRICK: Yes. But I also just wanted to give the boards a heads up that we do have an expulsion hearing for next month, which has been a while since we've had one. And hopefully we can settle some of the inter-district appeals, but right now we have quite a few, so just expect a longer day. Sorry.

WILLIAMS: Okay. It has been a long evening. Any other comments by board members before I adjourn? As I mentioned earlier, we did settle the budget authority dispute between the board and the superintendent. And I'm going to read into the record our *News Release* and it will be on both of our websites, both the Department as well as the boards. So, "For immediate release, March 5th, 2025, Costa Mesa, California.

The Orange County Board of Education and the Orange County Superintendent of Schools have reached a settlement agreement that resolves a longstanding legal dispute over budget approval and submission authority. The agreement provides clarity on the roles and responsibilities of each office while reinforcing a commitment to collaboration in serving Orange County's students, families and school districts.

The case dates back to 2019, when the county board filed a lawsuit seeking judicial clarification of its authority under California law to approve and adopt the Orange County Department of Education's annual budget. The case was initially dismissed in 2022, but in January 2024, the California Courts of Appeal reversed that decision, allowing the suit to proceed.

The lawsuit was initiated during the tenure of former Superintendent Dr. Al Mijares, who retired in June 2024. Dr. Stefan Bean was appointed by the board in June and began his term as county superintendent on July 1, 2024.

Rather than continuing litigation, both parties have agreed to a settlement that affirms their commitment to working collaboratively in developing and preparing the department's budget, including any board-approved revisions that meet all applicable state regulations under California's Education Code. The agreement also reinforces the board's role in approving and adopting the budget while clarifying the superintendent's responsibility to submit board-approved budgets for state review.

Policies and procedures will be updated to reflect the terms and provide a structured process for future budget approvals.

'This resolution provides a framework for collaboration moving forward and ensures that the budget process remains transparent and efficient,' said Dr. Ken Williams, president of the Orange County Board of Education. 'We are committed to working in partnership with the superintendent's office to best serve our students, schools and communities.'

'This agreement allows us to focus on what truly matters — supporting our districts and enhancing educational opportunities for every student in Orange County,' said Dr. Stefan Bean, Orange County superintendent of schools. 'By working together, we can continue to provide the high-quality programs and services that students, families and educators rely on.'

Both the board and the superintendent's office expressed confidence that this agreement will bring long-term clarity and stability to the budget process, ensuring a more streamlined approach that allows them to focus on their shared mission of supporting students, educators and school districts across Orange County." And that's the end. Thank you very much. May I have a motion for getting us out of here.

BARKE: So moved.

WILLIAMS: Great. We're out.