

SEQUOIA UNION HIGH SCHOOL DISTRICT
BACKGROUND INFORMATION FOR
AGENDA ITEMS FOR 3/9/16, BOARD MEETING

1. CALL TO ORDER

Anyone wishing to address the Board on closed session matters may do so at this time.

2. CLOSED SESSION

- a. CONSIDERATION OF STUDENT DISCIPLINES/EXPULSIONS
- b. CONFERENCE WITH LABOR NEGOTIATORS, Agency Designated Representative: James Lianides; Employee Organizations: Sequoia Union High School District Teachers' Association (SDTA)
- c. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE (two matters)
- d. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION: Initiation of litigation pursuant to paragraph (2) to (5), inclusive, of subdivision (e) of Government Code Section 54956.9 (one case)

3. ROLL CALL

4. WELCOME AND EXPLANATION TO AUDIENCE

5. PLEDGE OF ALLEGIANCE

6. APPROVAL OF AGENDA

7. REPORT OUT ON CLOSED SESSION

8. APPROVAL OF CONSENT CALENDAR

Board action to approve the following items is taken simultaneously with one motion which is not debatable and requires an unanimous roll call vote for passage. The action indicated on each item is deemed to have been considered in full and action taken as worded therein. If a member of this Board, the Superintendent, or the Public so requests, any item shall be removed from this section and placed on the regular order of business.

MOTION: *wave reading of the Consent Calendar, accept the reports, adopt the resolutions, and approve other items.*

- a. APPROVAL OF MINUTES FOR FEBRUARY 17, AND MARCH 2, 2016, BOARD MEETINGS (consent)

SITUATION

Enclosed with the background materials are the minutes for February 17, and March 2, 2016, Board meetings.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the minutes for the February 17, and March 2, 2016, Board meetings.

- b. APPROVAL OF PERSONNEL RECOMMENDATIONS (consent)

SITUATION

Enclosed with the background materials are the Personnel Recommendations for certificated and classified employees.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the Personnel Recommendations as indicated.

c. APPROVAL OF FIELD TRIPS (consent)

SITUATION

Carlmont, Menlo-Atherton & Sequoia high schools

14 Black Student Union (BSU) students will travel to Fresno on March 11-13, 2016, to attend the 42nd Annual United Black Student Unions of California (UBSUC) convention.

Menlo-Atherton High School

60 Band/Orchestra members will travel to Anaheim on March 18-20, 2016, to perform at the Heritage Music Festival.

26 Science students will travel to Palo Alto on March 16 and 17, 2016, to assess the health of the ecosystem of the San Francisquito Creek. Another 25 Science students will make the same trip on March 22 and 23, 2016.

20 Girls' Varsity Lacrosse Team members will travel to Los Angeles on April 6-9, 2016, to compete in games and participate in a college tour.

25 Boys' Varsity Lacrosse Team members will travel to Los Angeles on April 6-9, 2016, to compete in games and participate in two college tours.

FISCAL IMPACT

No fiscal impact of General Fund. No student will be denied the opportunity to participate in these field trips due to finances.

RECOMMENDATION

That the Board of Trustees approves the field trip requests for the BSU students from Carlmont, Menlo-Atherton, and Sequoia high schools to travel Fresno on March 11-13, 2016; Menlo-Atherton Band/Orchestra members to Anaheim on March 18-20, 2016; Science students to Palo Alto on March 16 & 17, and 22 & 23, 2016; Girls' Varsity Lacrosse Team to Los Angeles on April 6-9, 2016; and Boys' Varsity Lacrosse Team to Los Angeles on April 6-9, 2016.

d. AUTHORIZATION TO DECLARE TEXTBOOKS OBSOLETE/NON-ACCOUNTABLE (consent)

SITUATION

Attached with the background materials is an itemized list of obsolete/non-accountable textbooks from Woodside High School. These items are either obsolete and/or will be transferred to another school. Therefore, staff recommends that the Board authorizes the Superintendent to declare these items as obsolete/non-accountable textbooks per Education Code Sections 60500 - 60510. (See attached list.)

FISCAL IMPACT

No impact to the General Fund.

RECOMMENDATION

That the Board of Trustees authorizes the Superintendent to declare the listed items as obsolete and unsuitable for use.

e. APPROVAL OF NEW COURSE PROPOSALS (consent)

SITUATION

Sports Leadership—Menlo-Atherton High School

Students enrolled in this class will help manage the Athletics program, including management of game day events and athletic facilities. Students will also develop skills in organizing game schedules, website maintenance, and they will also learn from community professionals in the field, become certified in Cardio Pulmonary Resuscitation (CPR)/First Aid with Automated Emergency Defibrillator (AED) training, and learn the basics of injury prevention, including how to tape ankles. Students will be expected to work closely with Menlo-Atherton coaches, the athletic trainer, Video Production, Journalism, and Yearbook teachers. Finally, while completing the requirements of this course, students will work each semester for 40 hours in community service.

International Baccalaureate (IB) Business and Management Standard Level (SL)—Sequoia High School

IB Business and Management offers students an opportunity to learn business skills that will serve them well in the future. The course is divided into six topics: Business Organization and Environment, Human Resource Management, Accounts and Finance, Marketing, Operations Management, and Business Strategy. This course provides a bridge for BUILD students who are interested in pursuing fields in business; it is considered through IB to be a course that is more accessible to traditionally underrepresented students in the IB Program. As part of Sequoia's work through the IB Equity Grant, IB Business and Management provides students greater access to diverse and rigorous curriculum that is also suitable in teaching students skills that will be applicable to many career goals.

Design Thinking/Entrepreneurship—Woodside High School

"In this course, students learn by doing as they are given real problems from real entrepreneurs. Students start the first semester working with carefully selected Silicon Valley entrepreneurs who present real and urgent business problems with hard deliverables and deadlines. In the final portion of the course, students use everything they've learned about entrepreneurship and group work to launch their own startups. By the end of the school year, groups need to have designed and constructed their idea, and present it in a *Shark Tank* style presentation to a group of local investors."

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the new course proposals: Sports Leadership; IB Business and Management SL, and Design Thinking/Entrepreneurship as presented.

- f. ADOPTION OF RESOLUTION NO. 1569, DIRECTING PREPARATION OF 2016-17 ANNUAL REPORT FOR SUHSD MAINTENANCE ASSESSMENT DISTRICT (by roll call vote)

SITUATION

The Board of Trustees first approved the formation of a Maintenance Assessment District in fiscal year 1990-91, pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, to offset costs resulting from community use of school recreational facilities.

Proposition 218, passed in November of 1996 required a one-time balloting of property owners to continue the Maintenance Assessment District. The successful balloting in 1997 permits the District to levy an annual assessment utilizing the same steps that were used prior to 1997-98. The first step to levy an assessment for Fiscal Year 2016-17 is that the Board adopts Resolution 1569, Directing SCI Consulting Group to prepare and file an Engineer's Report with the District.

Appropriate expenditures to charge to the Maintenance Assessment District, which fit community and school facility usage, include:

- Salaries of Grounds Dept. personnel
- Upkeep of fields and grounds
- General landscaping
- Water and irrigation systems
- Removal of graffiti
- Repairs to tennis/basketball courts
- Lighting
- Upkeep of parking lots used by the community
- Upkeep of walkways & pathways

A tentative budget will be prepared to show what type of projects will be accomplished through the Maintenance Assessment District; items listed are for upkeep and improvements which benefit community usage of school recreational facilities.

The current benefit rates are \$11.70 for Zone A and \$8.78 for Zone B per single family equivalent within the District.

The procedure to set up the Maintenance Assessment District is detailed in the attachments. The major steps are as follows:

- (1) Direct the Engineer to prepare the Engineer's Report
- (2) Develop a preliminary budget
- (3) Receive the Engineer's Report
- (4) Preliminarily accept the Engineer's Report and set the date and time of the public hearing
- (5) Hold public hearing, accept Engineer's Report and order levying of assessments for upcoming fiscal year
- (6) Assessment Engineer will file the levies with the County prior to the August 10 deadline

The Board is requested to authorize the Superintendent to proceed with preparing the resolutions, legal documents, and the Engineer's Report to determine whether the assessment should be levied. The current schedule is that on May 11, 2016, the Board will consider the resolution to preliminarily accept the Engineer's Report and schedule the public hearing for June 15, 2016, at which time the Board will be requested to approve the Engineer's Report and determine whether to proceed with levying the assessment.

The background materials include a copy of Resolution No. 1569 and Exhibit A, and an agreement for services for the 2016-17 Maintenance Assessment District.

FISCAL IMPACT

The passage of a Maintenance Assessment District will allow continuation of the District's present program; failure to adopt a resolution ordering the continuation of the Maintenance District levies would require a reduction in the General Fund budget of approximately \$935,000 for 2016-17. The cost of the Engineer's Report would be paid for out of the General Fund if the Maintenance Assessment District levies were not approved by the Board for the coming fiscal year.

RECOMMENDATION

That the Board of Trustees adopts Resolution No. 1569, Directing Preparation of the 2016-17 Engineer's Report for the SUHSD Maintenance Assessment District, and authorizes the Superintendent to enter into agreements as outlined and attached to the resolution.

- g. AUTHORIZATION TO DECLARE PROPERTY SURPLUS (consent)

SITUATION

Enclosed with the background materials is a list of district surplus equipment, which has been declared either obsolete or beyond repair. Staff recommends that the Board declares these items as surplus/obsolete property per Education Code Sections 17545 - 17555.

FISCAL IMPACT

No impact on the General Fund

RECOMMENDATION

That the Board of Trustees declares the listed items as surplus property, obsolete and unsuitable for use, and authorizes the Superintendent to dispose of these surplus items in accordance with Education Code provisions.

h. DENIAL OF CLAIM (consent)

SITUATION

A claim for damages was received on January 26, 2016, from Stebner and Associates on behalf of Mr. and Mrs. Blum. The matter was referred to the District's claims administrator at San Mateo County Schools Insurance Group (SMCSIG), and it was recommended that the Board denies the claim.

FISCAL IMPACT

No impact to the General Fund.

RECOMMENDATION

That the Board of Trustees denies the claim received on January 26, 2016, from Stebner and Associates on behalf of Mr. and Mrs. Blum.

i. APPROVAL OF CONTRACT WITH STARVISTA (consent)

SITUATION

StarVista transforms the lives of children, younger people, families and community by offering counseling resources and services for people throughout San Mateo County. StarVista staff will be working with students at Menlo-Atherton High School. Enclosed with the background materials is the contract with StarVista.

FISCAL IMPACT

Cost: \$79,150 from site's categorical allocation funds

RECOMMENDATION

That the Board of Trustees approves the contract with StarVista to provide counseling services at Menlo-Atherton High School.

j. APPROVAL TO EXTEND CONTRACT TERM FOR INFINITE CAMPUS LICENSING FEES (consent)

SITUATION

On October 14, 2009, the Board approved the selection of Infinite Campus as the District's Student Information System. Infinite Campus requires annual licensing fees that are based on student enrollment. The licensing fees are payable by March 1, 2015, for the upcoming 2016-2017 school year. Enclosed with the background materials is the contract along with the end user license agreement with Infinite Campus.

FISCAL IMPACT

The license fee renewal is \$78,945.20, and it is funded by the unrestricted General Fund.

RECOMMENDATION

That the Board of Trustees approves the amendment to extend the term of contract for Infinite Campus annual licensing fees in the amount of \$78,945.20.

- k. APPROVAL OF CHANGE ORDER FOR GEOTECHNICAL SERVICES AT THE CARLMONT NEW CLASSROOM BUILDING INCREMENT I (consent)

SITUATION

On February 19, 2016, Cornerstone Earth Group submitted a \$51,700 change order proposal to complete geotechnical oversight for increment one of the new S-Wing Classroom Building Project at Carlmont High School. The S-Wing project was broken into two increments, with a goal of having critical infrastructure improvements (including a new medium voltage electrical distribution system and Americans with Disabilities Act [ADA] pathways) completed in the first increment prior to the opening of the school in August 2015. It was therefore anticipated that geotechnical services would no longer be needed after July 2015. However, the contractor on the Increment 1 project (Cal-Pacific Construction, Inc.) completed site grading later than anticipated.

The additional geotechnical costs are due to the following:

- The initial “summer” schedule proposed by the architect was unreasonable.
- There were over \$200,000 in unforeseen underground change orders due to as-built discrepancies, decayed and damaged existing utilities, and multiple artesian springs.
- Additional supervision from Cornerstone was required during extended periods of wet weather.
- Additional meetings with Cornerstone were needed to review and prepare recommendations for added scope for lime treatment and placing fill in wet weather.

FISCAL IMPACT

No impact to the General Fund; all costs will be paid for by Measure “A” monies.

RECOMMENDATION

That the Board of Trustees approves the Cornerstone Earth Group change order proposal for geotechnical services for the Carlmont S-Wing Increment I project, and authorizes the Superintendent to execute a change order to this vendor in an amount not to exceed \$51,700.

- l. ADOPTION OF RESOLUTION NO. 1570, APPROVING SCHNEIDER ELECTRIC TAC XENTRA LON SERIES (SMARTSTRUXURE) AS THE SOLE SOURCE PROVIDEER OF HEATING, VENTILATION AND AIR CONDITIONING SYSTEM CONTROLLERS (by roll call vote)

SITUATION

District staff had determined that it would improve the consistency of facilities operations and maintenance if the District selects a standard direct digital control system device for heating, ventilation, and air conditioning (HVAC) systems in facilities throughout the District. The District has installed in some of its facilities direct digital control system devices manufactured by Schneider Electric TAC XENTRA LON Series (SmartStruxure), and staff has determined that these system devices provide the specifications and features needed by the district, and that Schneider Electrical is the sole source for these devices.

Section 3400 of the California Public Contract Code allows a public agency to designate a specific product in its specifications for bids in connection with the construction, alteration, or repair of public works where the public agency finds that the product should be designated to match other products in use on particular public improvements or in order to obtain a necessary item that is only available from one source.

The District anticipates installing multiple HVAC digital control systems in the near future and designating Schneider Electric as the sole source for such systems will ensure improved consistency in District maintenance and operations.

FISCAL IMPACT

No impact to the General Fund; all cost for HVAC controls and systems will be paid by bond, deferred maintenance, and impact fees.

RECOMMENDATION

That the Board of Trustees adopts Resolution No. 1570, approving Schneider Electric TAC XENTRA LON Series (SmartStruxure) as the sole source of HVAC direct digital control system devices for the District.

- m. APPROVAL TO HIRE INSPECTOR OF RECORD FOR CARLMONT HIGH SCHOOL CONSTRUCTION PROJECTS (consent)

SITUATION

On October 8, 2014, the Board approved the master agreement with HMC Architects to design the Carlmont S-Wing classrooms. On February 17, 2015, the Board approved the bid. As required by Division of the State Architect (DSA), the district is required to hire an Inspector of Record. Staff recommends hiring Michael Henley & Co. for an amount not to exceed \$231,000.

On November 4, 2015, the Board approved hiring Weston-Miles Architects for the Locker Room, Kitchen, and Multi-Use Room modernization. Staff will also be relocating a portable classroom from Redwood High School to the lower campus at Carlmont High School. As required by DSA, we are required to hire an Inspector of Record. Staff recommends hiring Michael Henley & Co. in an amount not to exceed \$78,000.

The proposed Class I Inspector is Thad Glass, and the proposed Class II Inspector is Brad Williamson, as required by the State Architect.

FISCAL IMPACT

No impact to the General Fund; all costs to be paid for by Measure "A" bond funds.

RECOMMENDATION

That the Board of Trustees approves the Michael Henley and Co. proposal in an amount not to exceed \$309,000 for the Carlmont High School construction projects.

- n. APPROVAL OF BASIC SERVICE FEES FOR SPENCER ASSOCIATES FOR THE NEW A-WING CLASSROOM BUILDING AND CULINARY ARTS/ROOM 128 RENOVATION AT SEQUOIA HIGH SCHOOL (consent)

SITUATION

A-Wing Classroom Building

On October 9, 2014, the Board of Trustees approved the master agreement and contract for basic services for Spencer Associates in the amount of \$248,898 based on a construction cost estimate of \$2,481,181 for Increment I; and \$475,703 based on a construction cost estimate of \$6,470,045 for Increment II of the new A-Wing classroom building project.

On May 20, 2015, the bid was approved by the Board of Trustees for Sausal Corporation in the amount of \$2,931,800 for relocation of modular buildings and site improvement in preparation for the new A-wing classroom building.

On October 21, 2015, the bid was approved by the Board of Trustees for Sausal Corporation in the amount of \$8,939,700 which combined the new A-Wing classroom building (\$7,321,316) and Culinary Arts/Room 128 renovation (\$1,618,384) for Sequoia High School.

Since the bids came in above estimates, it is necessary to approve an additional basic services fee of \$42,864 for Increment I, and \$51,076 for Increment II.

Culinary Arts and Room 128 Renovation

On April 1, 2015, the Board of Trustees approved the contract for basic services for Spencer Associates in the amount of \$174,300 for the Culinary Arts/Room 128 renovations. This was based on a construction cost estimate of \$1,300,000. Since the bid day construction cost is \$1,618,384, it is necessary to approve an additional basic services fee of \$50,835.

All fees are based on the Office of Public School Construction sliding scale.

FISCAL IMPACT

No impact to the General Fund; all costs to be paid by Measure “A” bond funds.

RECOMMENDATION

That the Board of Trustees approves increasing the basic service fee for Spencer Associates in the amount of \$50,835 for the Culinary Arts/Room 128 renovations, \$42,864 for Increment I, and \$51,076 for Increment II of the new A-wing classroom building at Sequoia High School.

- o. APPROVAL OF FIVE-YEAR IMPACT FEE PLAN (consent)

SITUATION

At the last Board meeting (February 17, 2016) the Board was presented with the Impact Fee Report from 2014-2015 and the Five-Year Impact Fee Plan. The plan has also been posted on the District website

It’s time to now adopt the plan as presented.

FISCAL IMPACT

No impact on the General Fund; all project expenses will be paid by Impact Fees.

RECOMMENDATION

That the Board of Trustees approves the Five-Year Impact Fee Plan.

9. SPECIAL RECOGNITIONS

- a. Superintendent’s Commendations

10. PUBLIC COMMENT

- a. This period is for speakers whose items are not on the agenda. Speakers are customarily limited to two minutes. Speaker slips are available at the agenda table.
- b. Correspondence

11. INFORMATION ITEM

- a. None

12. PUBLIC HEARING

- a. None

13. DISCUSSION ITEMS

a. DISCUSSION OF FORMATION OF BOARD TASK FORCE TO UPDATE BYLAWS

SITUATION

The Board policies 9000 series, Bylaws of the Board, have not been reviewed and updated for some time. This item is being brought forward for Board discussion to form a task force of two board members and at least one staff member to review these policies and bring them back to the Board with recommendations for edits and changes to make them conform to current practices and regulations.

b. DISCUSSION OF ONLINE BOARD AGENDA

SITUATION

Based on the Board members' interest to explore using an online agenda platform to replace printed copies of Board agendas and accompanying materials, staff has listened to three presentations from different vendors that provide the agenda template, storage, and technical support. There are currently many school districts that utilize an online platform for their agendas throughout California and other states. While the platforms are similar in many ways, there are distinct differences in features that are offered by each vendor along with ease of uploading material to the online agenda.

This item is being brought forward for discussion to determine if the Board wishes to move ahead in this direction. A large portion of the decision will be to determine Board members' level of comfort going completely paperless. If the Board wishes to move forward, staff recommends at least one Board member volunteer to work with staff on the recommendation of the best platform to meet district needs. A recommendation will be brought to the Board in April and implementation would occur in August.

14. ACTION ITEMS

a. PRESENTATION AND APPROVAL OF MENLO-ATHERTON HIGH SCHOOL WASC/SPSA SITE PLAN

SITUATION

This item is on the agenda to provide an opportunity for Menlo-Atherton High School staff and students to report on programs and activities at the school that are aligned to the District's Vision and Long-term Goals. Principal Simone Kennel will lead the presentation.

The Western Association of Schools and Colleges/Single Plan for Student Achievement (WASC/SPSA) is posted on the District's website (www.seq.org), and it will be cross-referenced in other sections to help ensure visitors can find it easily. There is a hard copy at 480 James Avenue, Redwood City, in the Educational Services office for those who are unable to access the electronic version.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the Menlo-Atherton High School WASC/SPSA Plan.

b. ADOPTION OF RESOLUTION NO. 1571, SUPPORTING FINAL PLAN OF FOUR CORNERS GROUP FOR IMPROVEMENTS ALONG ALAMEDA DE LAS PULGAS IN THE VICINITY OF CARLMONT HIGH SCHOOL AND TIERRA LINDA MIDDLE SCHOOL (by roll call vote)

SITUATION

The geographically named Four Corners Working Group was convened as a multi-jurisdictional committee to recommend solutions to various traffic concerns involving pedestrian, bicycle and vehicular circulation issues through the Alameda de las Pulgas/San Carlos Avenue corridor in the vicinity of Carlmont High School and Tierra Linda Middle School.

The working group includes staff and elected members of the cities of Belmont and San Carlos, the Sequoia Union High School District, and the San Carlos School District. In the corridor area, Alameda de las Pulgas and San Carlos Avenue serve as the main thoroughfares for residents heading to retail destinations in San Carlos and Belmont, as well as regional destinations on Highway 101 and Interstate 280. The corridor is also heavily used by commuters from Belmont and San Carlos heading to their employment destinations or the Caltrain stations in each city.

During the school year, the corridor is heavily congested in the area due to traffic accessing Carlmont High School, Immaculate Heart of Mary School, Charles Armstrong School, and Tierra Linda Middle School. In the morning peak hour, southbound queues on Alameda de las Pulgas extend from Carlmont Drive to 500 feet east of Dartmouth Avenue, while northbound queues extend from Dartmouth Avenue to nearly Carlmont Drive.

The four agencies entered into a memorandum of understanding and worked with a qualified traffic engineering consultant to conduct a study of this area. The consultant's scope of work consisted of data collection, review and analysis, alternatives/options development and public outreach. The options/alternatives studied included: options for traffic (bicycles and cars) circulation; pedestrian circulation; and parking within the public right of way and on both school campuses. Alternatives also evaluated: consideration of alternative school entrances/exits, traffic control measures for the corridor and side streets, and alternatives for improving transit through the corridor.

The consultant began work in early March 2014 by collecting relevant data in the corridor, and has met with the City representatives, the Carlmont High School staff and San Carlos school district officials to evaluate pedestrian, bicycle and vehicular circulation issues through the Alameda de las Pulgas/San Carlos Avenue corridor and especially in the vicinity of these schools. The same group conducted a walking audit to identify barriers, challenges and opportunities to improve the safe operation within the corridor.

The working group in conjunction with staff and the consultant held eight publicly noticed meetings, school walking audits, and two public workshops to receive input from the residents, business owners, schools, community members and various stake holders.

The consultant has completed the technical analysis of the alternatives for the Four Corners Traffic Study, and the report on the traffic issues is included with the background materials. It includes a number of possible options and the preferred alternative to Alameda de las Pulgas corridor that includes new access points to enter the south side of the Carlmont High School campus as well as the Tierra Linda Middle School campus (Alternative 3).

The Corridor Plan serves as the conclusion to the study and provides a summary of the planning initiative as well as recommendations for conceptual context sensitive design alternatives. A summary of each alternative has been weighed based upon its impact to key transportation issues and the benefits and consequences of implementation. The results are discussed in the report. The next steps in advancing this Corridor Plan forward is to prioritize the improvements, prepare pre-design plans, specifications and estimates, and identify/secure funding sources to construct the improvements.

There have not yet been any discussions regarding financing and the timeline for construction, but there is a commitment from all four agencies to continue to work cooperatively together to find a solution that will result in improved traffic flow along Alameda de las Pulgas. The funding goal can be achieved by either securing a grant that will cover all improvements or by prioritizing the improvements based on various criteria and obtain funding for each of them. Adoption of the resolution does not have a direct fiscal impact and does not obligate the SUHSD to expend funds.

While the various alternatives all show internal work to be done at Carlmont and Tierra Linda, the improvements on the Alameda de las Pulgas are not dependent on either school district initiating the proposed

improvements within their properties. This includes, in the case of Carlmont, the proposal to construct a parking structure on the site.

FISCAL IMPACT

None at this time.

RECOMMENDATION

That the Board of Trustees adopts Resolution No. 1571, supporting the final plan of the Four Corners Working Group for improvements along Alameda de las Pulgas in the vicinity of Carlmont High School and Tierra Linda Middle School.

c. APPROVAL OF SECOND INTERIM FINANCIAL REPORT

SITUATION

Pursuant to the provisions of Assembly Bill 1366 (Hughes), Chapter 741, Statutes of 1985 (the *going concern* law), the State Controller and the State Department of Education published *Fiscal Management Advisory 86-02*, which contained the instructions for compliance in the preparation of budget reports. Assembly Bill 2861 (O'Connell), Chapter 1150, Statutes of 1986, made several procedural changes to the original *going concern* law and published *Fiscal Management Advisory 87-01*, which implements the changes. The Second Interim report presented to the Board for approval has been prepared in accordance to these State regulations.

The Second Interim Report provides an updated projection of revenues and expenditures based on actual figures through January 31, 2016. It also provides an updated multiyear projection based on the Governor's Budget Proposal for FY 2016-17 and it also includes the latest relevant available information on the State Budget.

In accordance with the law, the District's Second Interim Financial Report is for the period ending January 31, 2016. The recommendation to the Board is to certify as to the District's ability to meet its obligations for the remainder of the fiscal year. The Second Interim Financial Statement clearly indicates that the Board will be able to make a positive certification that the District will be able to meet its financial obligations for the remainder of the fiscal year with unrestricted reserves far in excess of minimal required amounts set by the State. These reserves will support the District to meet its financial obligations moving forward into two difficult budget years in which reserves are projected to decline significantly.

Multi-year Projection Assumptions

Projected Revenue

Community Funded District (Basic Aid)

The determination of a basic aid district such as Sequoia UHSD is made exclusive of funds received through the Education Protection Account and further excludes revenues received through the LCFF hold harmless calculation, including previously received categorical funds. A basic aid district is defined as a district that does not receive state aid to fund the floor entitlement for transition to the LCFF or any portion of the LCFF at full implementation. Basic aid districts will receive minimum state aid (MSA) funding of no less than the amount received in 2012-13. Basic aid districts are subject to the LCAP and the spending regulations under LCFF. The MSA amount is calculated net of the 8.92% fair share reduction.

Local Property Tax

The latest information available indicated that assessed valuations in the district are outpacing the county as a whole. Staff has accordingly updated the multi-year projection to reflect the projected increase of 7.66% for FY 15-16. The multi-year projection assumes a 5.5% increase of property tax revenue in FY 16-17 and a 5.0% in FY 17-18. These projections, however, do not include the anticipated settlement with Genentech, deductions for delinquencies, and it is subject to adjustments for all increases, decreases and refunds processed throughout the year.

Property tax from passthrough agreements with the former Redevelopment agencies and the residual property tax from their Successor Agencies are projected to generate \$4.3 million per year. Per statute the individual Successor Agencies are to be consolidated to one county-wide agency in 2016. It is anticipated it would take at many years until the Successor Agencies pay out their long-term debt and are fully dissolved. It would be at least 20 years until Sequoia UHSD will receive its full share of property tax from the former RDAs.

Charter Schools

LCFF for charters is largely identical to district funding, except in certain circumstances charter funding will be constrained by factors related to the district in which the charter is physically located.

The multi-year projection includes in FY 16-17 a \$0.7 million increase in the property tax in lieu transfer to the charter schools. This increase reflects changes in enrollment and the projected increase in funding under the LCFF. It is projected that the adjusted base grant for grades 9-12 for FY 15-16 \$8,578, including the adjustment for CTE. In addition to the adjusted base grant amount, and depending on the student population being served, charter schools would also receive supplemental and concentration grants.

It is anticipated that there will be a modest increase in charter school enrollment as the East Palo Alto Academy continues to grow to its capacity. The enrollment for Everest and Summit are somewhat flat.

The table below shows that the per-ADA LCFF funding comparison for the current and next fiscal year. It should be noted that in addition to the property tax in lieu transfer from the district charter schools, if applicable, receive supplemental grant funding. The East Palo Alto Academy is the only charter school currently receiving concentration grant funding.

Fiscal Year	Base Grant	Grade Span Adjustment	Adjusted Base Grant	Supplemental Grant	Concentration Grant
2015-2016	\$ 8,578	\$ 223	\$ 8,801	\$ 884	\$ 1,624
2016-2017*	\$ 8,625	\$ 224	\$ 8,849	\$ 887	\$ 1,561

**Projected*

State Fair Share Reduction and Categorical Programs

Through the, minimum state aid language of the LCFF, each basic aid district will be guaranteed to receive state aid equal to its 2012-13 categorical funding, after fair share reductions calculated at 8.92%. For Sequoia Union High School District the permanent funding revenue loss of the fair share represents \$5.8 million and the “hold harmless” amount expected to be received for categorical funding is \$3.4 million.

Proposition 30 - Education Protection Act

This founding source generates approximately \$1.6 million dollars at \$200 per ADA.

State Lottery

Revenue from this source is projected to be flat for the duration of the multi-year projection at \$140 and \$41 per ADA of unrestricted and restricted revenue respectively.

One Time Mandated Cost

At this time the multi-year projection includes the projected unrestricted one-time funding in the January State Budget Proposal of \$214 per A.D.A. or \$1.7 million. This amount is down from the \$4.2 million received in One Time Mandate Cost funds in 15-16.

Projected Expenditures

Employee Compensation

The multi-year projection includes adjustments for step and column increases for certificated and classified staff. In addition, the projection includes a projected 5.0% increase in health and welfare cost. The district has settled negotiations for the current fiscal year. However, negotiations for fiscal year 2016-17 are currently underway. Any salary increases, or any other financial items that might result from this collective bargaining process, will have a corresponding impact on the district’s multi-year projection.

Employer costs for retirement benefits for both the California State Teachers’ Retirement System (CalSTRS) and California Public Employees’ Retirement System (CalPERS) are projected to nearly double over the next several years. The 2015-16 State Budget Proposal does not address these cost increases for school districts. The multi-year projection includes the Sequoia UHSD contribution to the two retirement systems as follows:

Fiscal Year	CalSTRS	CalPERS
2014-15	8.88%	11.771%
2015-16	10.73%	11.847%
2016-17	12.58%	13.05%
2017-18	14.43%	16.6%
2018-19	16.28%	18.2%
2019-20	18.13%	19.9%
2021-21	19.10%	20.4%

Post-employment Benefits

The multi-year projection includes \$2.3 million for the “pay-as-you-go” contribution for the current cost of retiree benefits. It does not include a set aside for the unfunded portion of post-employment benefits. As of March 2, 2014, the actuarial evaluation of post-employment benefits shows an annual unfunded additional amount of \$2.5 million.

Staffing

The multi-year projection includes additional staffing to address the projected enrollment growth.

	FY 2016-17	FY 2017-18
Classroom Teachers	3.2 FTE	2.5 FTE
Vice Principal (M.A.)	1.0 FTE	
Psychologist	1.0 FTE	
M&O position	1.0 FTE	

Summary of assumption for Second Interim Report and multi-year projection:

Budget Projections	2015-16	2016-17	2017-18
REVENUES			
Local property tax	+ 7.66%	+5.5%	+ 5.0%
Revenue from RDAs (*)			
Ongoing			
Passthrough payments	\$1.2 M	\$1.2 M	\$1.2 M
RPTTF - residual	\$3.1 M	\$3.1 M	\$3.1 M
Federal Categorical Program Funding	\$3.6 M	\$3.6 M	\$3.6 M
Charter school in lieu property tax	\$7.0 M	\$8.1 M	\$8.7 M
“Fair Share” State funding reduction	(\$5.8 M)	(\$5.8 M)	(\$5.8 M)
State Categorical Program Funding <i>Assumes that SUHSD will be held harmless, if LCFF is implemented (including adult education)</i>	\$ 3.2 M	\$3.2 M	\$3.2 M
AB 30 Revenue from state sales & income tax increase. <i>Estimated to be \$200 per ADA. Used to fund additional PI. Sections</i>	\$1.6 M	\$1.6 M	\$1.6 M
EXPENDITURES			
Additional staffing for enrollment growth	\$0.6 M	\$0.3 M	\$0.2 M
Increase in health costs	\$0.8 M	\$0.8 M	\$0.8 M

General Fund Multi-year Projection Summary

Staff is projecting an operating increase for the current fiscal year of \$0.4 million. As a result the projected ending fund balance is estimated to be \$13.8 million. For the two out years there is an operating increase \$.1 million in 16-17 and a deficit of \$.4 million in 17-18. These projections are subject to change depending on the outcome to the legislative process and it will be updated when the Governor releases the May Revision of the State budget. At this time the multi-year projection does not include the projected unrestricted one-time funding in his January State Budget Proposal.

**SEQUOIA UNION HIGH SCHOOL DISTRICT
 PROJECTED GENERAL FUND BUDGET
 2ND INTERIM REPORT - MULTI-YEAR PROJECTION
 FY 2015-2016 Through FY 2017-18**

ns:

REVENUES
+ Property tax revenue is projected to increase by 7.7% in FY 15-16, 5.5% for FY 16-17 and 5.0% in FY 17-18
+ Former RDA revenue is projected at \$4.3 million per year
- Assumes property tax in lieu for charter schools would increase incrementally until full implementation of the LCFF
- \$0.7 million in FY 16-17 and \$0.4 million in FY 17-18
EXPENDITURES
- Additional certificated staffing for projected enrollment growth
- Various sites - 3.2 FTE teachers
- MAHS - 1.0 FTE Administrative Vice Principal
- District-wide - 1.0 FTE Psychologist
- Additional clasified staffing
- M&O - 1.0 FTE Supervisor
- Health insurance premiums are projected to increase by 5% - \$0.8 million per year
- PROPOSED additional CalSTRS employer contribution:
- FY 15-16 from 8.88% to 10.73%
- FY 16-17 from 10.73% to 12.58%
- FY 17-18 from 12.58% to 14.43%
- PROPOSED additional CalPERS employer contribution:
- FY 15-16 from 11.771% to 11.847%
- FY 16-17 from 11.847% to 13.05%
- FY 17-18 from 13.05% to 16.6%

	2015-16 Budget (Projected)	2016-17 Budget (Projected)	2017-18 Budget (Projected)
GENERAL FUND (Fund 01)			
REVENUES	135,286,986	136,543,902	140,210,493
EXPENDITURES	134,859,784	136,455,193	140,542,456
NET INCREASE (DECREASE) IN FUND BALANCE	427,202	88,709	(331,963)
BEGINNING FUND BALANCE - Jul. 1	13,413,107	13,840,309	13,929,018
PROJECTED AVAILABLE ENDING BALANCE - Jun. 30	13,840,309	13,929,018	13,597,056
	10.3%	10.2%	9.7%

The Governor’s Budget Proposal for 2016-17

The Governor released his 2016-17 budget proposal on January 7, 2016. Under the Governor’s proposal, K-14 education spending levels are increased by \$2.4 billion over 2014-15.

The Governor continues his commitment to fiscal discipline and to the Local Control Funding Formula (LCFF). Approximately \$2.8 billion of his proposal is an ongoing commitment to provide LCFF gap funding. The additional aspects of his proposal are:

- Provides nearly \$1.2 billion in one-time funding to eliminate all remaining outstanding cash deferral debt for K-12
- An increase of \$61 million to support charter school ADA growth
- Provides \$14.0 million to cover projected increases in Special Education ADA and growth
- Provides \$22.9 million for cost of living adjustment (.47%) for 2016-17 to categorical programs that remain outside the LCFF
- \$365.4 million is proposed Clean Energy Jobs

RECOMMENDATION

That the Board of Trustees approves the Second Interim Financial Report, the positive certification and supporting reports, and authorizes the Superintendent to file the positive certification with the County Superintendent of Schools.

15. BOARD OF TRUSTEES'/SUPERINTENDENT'S COMMENTS, COMMITTEE REPORTS, AND AGENDA SETTING

16. ADJOURNMENT

POSSIBLE AGENDA ITEMS FOR THE MARCH 30, 2016, BOARD MEETING, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE NEXT AGENDA

- a. Sabbatical Leave Report
- b. Presentation and Approval of Woodside High School Site Plan
- c. Report on Student Behavioral Interventions at Sites

POSSIBLE AGENDA ITEMS FOR THE APRIL 20, 2016, BOARD MEETING, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE NEXT AGENDA

POSSIBLE AGENDA ITEMS FOR THE PROPOSED MAY 4, 2016, AT 6:30 P.M., JOINT BOARD MEETING WITH REDWOOD CITY ELEMENTARY DISTRICT, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE AGENDA

POSSIBLE AGENDA ITEMS FOR THE MAY 11, 2016, BOARD MEETING, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE NEXT AGENDA

POSSIBLE AGENDA ITEMS FOR THE MAY 25, 2016, BOARD MEETING, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE NEXT AGENDA