

SEQUOIA UNION HIGH SCHOOL DISTRICT  
BACKGROUND INFORMATION FOR  
AGENDA ITEMS FOR 12/9/15, 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 DISCIPLINE/EXPULSION
- b. SUPERINTENDENT'S EVALUATION—GOVERNMENT CODE SECTION 54957

3. ROLL CALL

4. WELCOME AND EXPLANATION TO AUDIENCE

5. PLEDGE OF ALLEGIANCE

6. ANNUAL ORGANIZATION MEETING

- a. Administering Oath of Office to Recently-elected Board Member
- b. Election of Officers
  - (1) President
  - (2) Vice President
  - (3) Clerk
  - (4) Representative to the San Mateo County Committee on School District Organization

7. APPROVAL OF AGENDA

8. REPORT OUT ON CLOSED SESSION

9. 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 NOVEMBER 18, 2015, BOARD MEETING (consent)

SITUATION

Enclosed with the background materials are the minutes for the November 18, 2015, Board meeting.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the minutes for November 18, 2015, Board meeting.

- 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 High School**

160 Performing Arts students in Advanced Choral and Choral II will travel to Seattle, Washington on March 31 – April 4, 2016, to participate in the Choir Program College and Performance Tour.

18 students will travel to Arkansas, Tennessee, Mississippi, and Alabama on February 12-18, 2016, to trace the Civil Rights Movement by meeting the people who were involved in the places where they happened.

**Menlo-Atherton High School**

20 Choir members will travel to Folsom on January 23, 2016, to perform at the Folsom High School Jazz Festival.

**Woodside High School**

12 Cheer Team members will travel to University of California (UC), Davis on February 7, 2016, to participate in the California Open Cheerleading Competition.

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 Carlmont High School's Performing Arts students to Seattle, Washington on March 31 – April 4, 2016, and students to Arkansas, Tennessee, Mississippi, and Alabama on February 12-18, 2016; Menlo-Atherton Choir to Folsom on January 23, 2016; and Woodside High School's Cheer Team to Davis on February 7, 2016.

- d. APPROVAL OF RECLASSIFIED FLUENT ENGLISH PROFICIENT CRITERIA (consent)

SITUATION

Due to the suspension of the California High School Exit Exam (CAHSEE) Senate Bill (SB) 172 school districts find themselves revising their current criteria for reclassification of English Learners to Fluent English Proficiency. Per our English Learner Master Plan (2007), it is required that any new/revised criteria be approved by the SUHSD Board of Trustees.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves reclassification of English Learners to Fluent English Proficiency for 2015-16.

- e. APPROVAL OF CONTRACT WITH INVO HEALTHCARE ASSOCIATES (consent)

SITUATION

The District has been unable to find a fulltime School Psychologist for Sequoia High School. Michael Sato with Invo Healthcare Associates will provide assessment services three days a week starting December 1 and then start fulltime on January 4, 2016, through June 17, 2016. Invo Healthcare has a master contract with the San Mateo County Special Education Local Plan Area (SELPA). The assessments will involve triennial or initial assessments for students suspected of a disability. Additional information concerning the service provided is available upon request.

FISCAL IMPACT

Rate is \$85 per hour; the contract will not exceed \$75,225 for the 2015-2016 school year.

RECOMMENDATION

That the Board of Trustees approves the contract with Invo Healthcare Associates for assessment services for the 2015-16 fiscal year.

f. APPROVAL OF NEW TEXTBOOK FOR EAST PALO ALTO ACADEMY (consent)

SITUATION

Staff at East Palo Alto Academy recommends the adoption of two new books for their 12<sup>th</sup> grade Expository Reading and Writing Curriculum class.

The first book is the satirical play, *Lysistrata* by Aristophanes. The comedy is set in ancient Greece, and addresses issues of war and peace. Teaching the play will address the Common Core Reading Standard for Literature which reads: "Analyze a case in which grasping point of view requires distinguishing what is directly stated in a text from what is really meant (e.g., satire, sarcasm, irony, or understatement)."

The second book is *I am Malala* by Malala Youfazai. The book is set in Pakistan and England, and addresses issues of war, peace, feminism, and education. The book is a memoir about Malala's experiences growing up in Pakistan and then moving to England after she was shot in the head by the Taliban for attending school. Malala later received the Nobel Peace Prize, and is now an advocate for children's educational rights. Teaching the book will address the Common Core Reading Standard for Informational text which reads: "Analyze and evaluate the effectiveness of the structure an author uses in his or her exposition or argument, including whether the structure makes points clear, convincing, and engaging."

FISCAL IMPACT

Number of books: 160  
Costs: \$1,738.40  
Budget: English Department

RECOMMENDATION

That the Board of Trustees approves the titles and use of textbooks, *Lysistrata* and *I am Malala*, for East Palo Alto Academy.

g. APPROVAL OF BID FOR SITE WORK FOR THE NEW GYMNASIUM AT EAST PALO ALTO ACADEMY (consent)

SITUATION

This fall the Board adopted resolutions to enter into a sole source contract with Construction Specialties Ltd. for the new gymnasium at East Palo Alto Academy. Staff advertised for bids on November 18 and 25, 2015, for the site work component of this project.

Site work bids for the new gymnasium at East Palo Alto Academy are due on December 8, 2015, at 2:00 p.m. Staff will immediately review the bids and identify the apparent lowest responsible and responsive bidder and bring a recommendation to the Board of Trustees at its meeting on December 9, 2015.

Because District staff will have identified the apparent lowest qualified bidder at the bid opening the day before the Board meeting, the deadline for submission of bid protests will not yet have passed. Therefore, staff recommends that the Board of Trustees approves the bid protest resolution process that vests the Superintendent with the authority to resolve bid protests. In particular, staff recommends a bid protest process along the following lines:

- Bid protest must be filed with the District within three working days of bid opening.
- Timely submitted bid protests will be reviewed and evaluated by the District’s Chief Facilities Officer, who shall submit to the Superintendent a recommendation regarding resolution of the protest.
- The District’s Superintendent will render a final determination and disposition of the bid protest.
- If disposition of the bid protest requires the District to forego contracting with the lowest qualified bidder, the Superintendent shall so inform the Board.

**The following timely bids were received on December 8, 2015.**

CONTRACTOR	BID AMOUNT
<i>(to be determined)</i>	<i>(to be determined)</i>

FISCAL IMPACT

No impact to the General Fund; all construction costs to be paid for by Measure A bond funds and state matching funds.

RECOMMENDATION

That the Board of Trustees approves the lowest qualified bidder (*insert name of contractor*) in the amount of (*insert bid amount*), for the East Palo Alto Academy new gymnasium site work; and authorizes the Superintendent to enter into contract for the project, pending resolution of any bid protests timely submitted to the District; and that the Board through this action, also authorizes the Superintendent to resolve any bid protests that may arise.

- h. APPROVAL TO HIRE QUATTROCCHI KWOK ARCHITECTS FOR INTERIM HOUSING AT REDWOOD HIGH SCHOOL (consent)

SITUATION

On September 30, 2015, Quattrocchi Kwok Architects (QKA) presented to the Board the design for the new Redwood High School. The project includes new, two-story classroom and administration offices, as well as a new multi-purpose building, which includes a culinary arts classroom, food services warming kitchen, and student union space. In preparation for this project, which will begin the summer of 2016, staff will need to make interim housing provisions for the students, faculty, and staff during the construction. Staff recommends hiring QKA to prepare the lay-out and construction drawings, so the interim housing work can commence in April 2016. The cost for these architectural services is \$58,200.

FISCAL IMPACT

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

RECOMMENDATION

That the Board of Trustees approves hiring Quattrocchi Kwok Architects in the amount of \$58,200 for interim housing at Redwood High School.

- i. ADOPTION OF RESOLUTION NO. 1562, ACKNOWLEDGING REQUIREMENTS OF ADMINISTRATIVE LAW REGULATION SECTION 1859.95.1 (by roll call vote)

SITUATION

The Office of Administrative Law approved emergency regulations on November 1, 2012, that impact how the Office of Public School Construction (OPSC) will process applications received after existing bond authority is no longer available for New Construction or Modernization applications. These regulations establish a State Allocation Board (SAB) acknowledged list for projects that are received by OPSC after bond authority is exhausted. The new list is called the "Applications Received Beyond Bond Authority List." This list will be presented to the SAB for acknowledgement, but not approval. Because the applications will not be fully processed for final grant determination, the project funding amounts on the list will be estimates only, and would likely be different if finalized.

A new construction or modernization application package received on or after November 1, 2012, must include a school board resolution that includes several acknowledgements, as specified in new regulation section 1859.95.1. In order to submit an SAB 50-04 funding application, the attached school board resolution is required.

This resolution will allow the District to submit modernization funding applications to OPSC for projects throughout the District and potentially receive State bonds funds when they become available.

#### FISCAL IMPACT

No impact to the General Fund; all future project costs would be paid by bond funds and state-matching funds, if available.

#### RECOMMENDATION

That the Board of Trustees adopts Resolution 1562, acknowledging the requirements of Administrative Law Regulation Section 1859.95.1.

- j. ADOPTION OF RESOLUTION NO. 1563, ADOPTING THE BIDDER PREQUALIFICATION PROCESS FOR SUHSD (by roll call vote)

#### SITUATION

Section 20111.6 of the California Public Contract Code was amended, effective as of January 1, 2014, to require the governing board of California school district to pre-qualify contractors for construction projects that use funds received pursuant to the Leroy F. Greene School Facilities Act of 1998, or any funds from future state school bonds, for all public projects that involve a projected expenditure of at least one million dollars (\$1,000,000). Pursuant to section 20111.6, all General Contractors, and mechanical, electrical, and plumbing subcontractors bidding or providing services for District projects described above must be pre-qualified prior to submitting bids.

The District has an existing prequalification process in place for 2015. For 2016, District staff proposes revisions to the prequalification process for the Board of Trustees' consideration. Specifically, staff recommends that all prequalification applicants be required to submit applications electronically (in the past, applications were accepted in hard copy) and that subsequent applications for prequalification submitted by a contractor in the same year be allowed only in cases of material changes of circumstances. With respect to mechanical, electrical, and plumbing subcontractors, staff also recommends that the prequalification process be adjusted to delete the requirement that certain financial data be provided and to streamline the reference checking process. Staff believes that these changes are warranted because the general contractor ultimately remains responsible for the performance of mechanical, electrical, and plumbing subcontractors. Enclosed herewith is Resolution 1563, as well as copies of the 2016 prequalification applications, marked to show changes from the versions of the applications used in 2015.

#### FISCAL IMPACT

A processing fee is charged to the District for each scored pre-qualification packet; all expenses related to the pre-qualification process will be paid through Measure "A" funds.

RECOMMENDATION

That the Board of Trustees adopts Resolution No. 1563, Adopting the Bidder Prequalification Process for Sequoia Union High School District.

- k. APPROVAL OF 2016 PRODUCT SPECIFICATION GUIDELINES AND STANDARDS (consent)

SITUATION

Developing and updating District design standards and sole source items (such as District-wide lock and keying systems) is a routine procedure. With new building projects and a large number of upcoming maintenance bond projects, the District Construction and Maintenance departments need to have the approval on the most current design, construction, and technology standards complying with the current California building code.

FISCAL IMPACT

No impact to the General Fund; all items and materials included in the District Product Specification Guidelines and Standards will be paid for with bond, deferred maintenance, developer fee, or restricted maintenance dollars.

RECOMMENDATION

That the Board of Trustees approves the 2016 SUHSD Product Specification Guidelines and Standards.

- l. APPROVAL OF WARRANTS (consent)

SITUATION

The Warrants for November 2015 are enclosed with the background materials.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the Warrants for November 2015, totaling \$5,486,713.74

- m. 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.

- n. DENIAL OF CLAIM (consent)

SITUATION

A claim for damages was received on November 2, 2015, from Allstate Insurance on behalf of Brenda Sherman. 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. Pertinent information concerning the claim will be provided to the Board under separate cover.

FISCAL IMPACT

No impact to the General Fund.

RECOMMENDATION

That the Board of Trustees denies the claim received on November 2, 2015, from Allstate Insurance on behalf of Brenda Sherman.

- o. APPROVAL OF CONTRACT WITH JUDGENETTING FOR WOODSIDE HIGH SCHOOL BASEBALL FIELD BARRIER (consent)

SITUATION

In order to provide additional safety the netting for the baseball field at Woodside High School will be raised an additional four feet along the first base side and a new netting will be installed along the third base side toward Bosen Court. The agreement with JudgeNetting is included with the background materials totaling \$57,800 for the materials and installation.

FISCAL IMPACT

General Fund – Routine Restricted Maintenance Account.

RECOMMENDATION

That the Board of Trustees approves the contract for JudgeNetting Barrier Specialists to provide baseball field barrier netting at a cost not to exceed \$57,800.

- p. APPROVAL OF PLACEMENT CHARTS FOR MATH AND ENGLISH FOR 2016-17 SCHOOL YEAR (consent)

SITUATION

For over 15 years SUHSD has used objective measures to place incoming ninth-grade students into math and English courses. This year the Governor signed Senate Bill (SB) 359 (California Mathematics Placement Act of 2015) requiring a fair, objective, and transparent mathematics placement policy for pupils entering grade nine. The bill requires Board approval of the placement chart, which must be accessible from our district website.

While SB 3549 requires that only the Math Placement Chart be approved by the Board, the Educational Services Division believes it is prudent for the Board to also approve both the English Language Arts (ELS) and Math placement charts.

Included with the background materials are both the 2016-17 English Language Arts and Math Placement guidelines in addition to the actual SB 359 language.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the placement charts for math and English for the 2016-17 school year.

- a. Superintendent's Commendations

11. 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

12. INFORMATION ITEM

- a. PRESENTATION BY ConnectEd

SITUATION

Linked Learning engages students by making education relevant. Linked Learning combines rigorous academics, demanding technical education, personalized student supports and real-world experience. It is delivered within career pathways, which are organized around 21st century themes such as digital media arts, engineering, green energy, health sciences, law and justice.

At the September 16, 2015, Board meeting there was an update about development of the small school in Menlo Park, and it was suggested that there be a presentation on Linked Learning. At the Board's behest, Wednesday evening we will hear an overview from ConnectEd, a national non-profit hub for Linked Learning practices. The presentation will include data about the difference Linked Learning makes in student achievement, a look at what students need to be prepared to do when they enter college and the workforce, how Pathways tie to Common Core, and what essential elements for pathways include. At the end of the presentation, ConnectEd staff will be prepared to answer questions.

13. PUBLIC HEARING

- a. None

14. DISCUSSION ITEMS

- a. DISCUSSION OF BOARD MEMBER REPRESENTATION ON DISTRICT TASK FORCES/COMMITTEES

SITUATION

As part of the yearly Board reorganization process, staff has listed below all current district task forces/committees and current membership. This item represents an opportunity for the Board to either reaffirm or change current memberships on SUHSD task forces. Staff suggests that the two Board members on the City of Redwood City 2X2 also be designated to serve on a Redwood City Elementary District 2X2, if one is created.

- Career Technical Education (CTE)—Carrie Du Bois, Alan Sarver
- City of Redwood City 2X2—Alan Sarver, (*vacancy*)
- Four Corners— Carrie Du Bois, Alan Sarver
- Menlo Park Small School—Alan Sarver, (*vacancy*)
- Mental Health—(*two vacancies*)
- Ravenswood City Elementary District 2X2— Carrie Du Bois, Alan Sarver
- Redwood City 2020—Carrie Du Bois, Alan Sarver

- b. DISCUSSION OF BOARD RETREAT IN JANUARY 2016

SITUATION

At its November 18 meeting the Board agreed that it would hold a retreat on Saturday morning, January 23, 2016. Staff contacted Dana Tom, who facilitated the Board retreat held last spring, as to his availability to serve again as the facilitator. Mr. Tom has confirmed his availability.



Board members agreed that the two agenda topics would be 1) governance protocols, and 2) review of draft actions plans to support the district strategic plan. Mr. Tom would play an active role in facilitating the governance discussion and would remain, but play a less active "process" role, in the action plan discussion.

Staff recommends starting the retreat at 8:30 a.m. and ending it by 12:30 p.m.. The Board needs to discuss the specifics of the expected outcomes of the governance discussion in order for the facilitator to adequately prepare for the retreat. The Board also needs to confirm the starting and ending times of the retreat.

15. ACTION ITEMS

a. CONSIDERATION OF APPROVAL OF FIRST INTERIM BUDGET REPORT FOR FISCAL YEAR 2015-16

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 First Interim Report presented to the Board for approval has been prepared in accordance to these State regulations.

The First Interim Report provides an updated projection of revenues and expenditures based on actual figures through October. It also provides an updated multi-year projection based on the State Adopted Budget for Fiscal Year 2015-16. It also includes the latest relevant available information on the State Budget as well as updated assumptions on property taxes, charter school enrollment, and expenditures.

In accordance with the law, the District's First Interim Financial Report is for the period ending October 31, 2015. 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 First 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.

**EXECUTIVE SUMMARY**

**Sequoia UHSD Financial Projection**

**Local Property Tax**

The First Interim projection reflects a decrease in the projected property tax collection from 8.0 percent to 7.7 percent, a 0.3 percent over the adopted budget for a total decrease of \$300,000 property tax revenue. This projection does not include deductions for delinquencies, and it is subject to adjustments for all increases, decreases and refunds processed throughout the year. The multi-year projection assumes an increase of property tax revenue of 5.5 percent for FY 16-17 and 5.0 percent for FY 17-18.

**Special Education**

The First Interim includes a projection of an additional \$0.6 million cost for placement of new students into Non-Public Schools and \$0.4 million in legal settlements.

**Successor Agencies - (Former Redevelopment Agencies)**

The First Interim includes \$4.3 million in pass-through payments and residual property tax from the former redevelopment agencies in the district. As a result of the dissolution of the redevelopment agencies, changes in legislation and outstanding recognized obligations of the RDAs the administration is not in a position to project with certainty the amount of funding that will be collected from this source. AB 1484 provided a timeline for the distribution of assets of the former redevelopment agencies.

The Redwood City Successor Agency is in litigation with State Department of Finance (DOF) over a \$10.3 million loan re-payment for affordable housing through the Legal Aid Society. The DOF considers these funds a Due Diligency Review obligation. The case has been appealed by the Redwood City Successor Agency and it

is awaiting a court date. In the mean time, it is expected that the Successor Agency would remit to the County Auditor-Controller, by December 31, 2015, for distribution to the taxing agencies, including Sequoia UHSD. Even if this distribution is made the Redwood City will continue to pursue the appeal and, if successful, will seek restoration of these funds and therefore, the multi-year projection does not include the potential one-time funding from this distribution.

**Multi-Year Assumptions**

First Interim Report will be on the projected unrestricted General Fund ending balance, both in the current year (2015-16) and in the two subsequent years (2016-17, 2017-18). Below are key budget assumptions used to prepare the First Interim Report and multi-year projection:

<b>Budget Projections</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>REVENUES</b>			
Net change in property tax	+7.7%	+5.5%	+5.0%
“Fair Share” State funding reduction	-\$5.7 M (on-going)	-\$5.7 M	-\$5.7 M
Proposition 30 – Educational Protection Account	\$1.6 M	\$1.6 M	1.6 M
RDA Successor Agency funding	+\$4.3 M	+\$4.3 M	+\$4.3 M
<b>EXPENDITURES</b>			
Salaries	<p><b>Additions</b></p> <ul style="list-style-type: none"> <li>-Cost of negotiated salary increases for certificated and classified staff</li> <li>-Additional prep periods for Athletic Directors</li> <li>-Additional counselor position for MAHS</li> <li>Continuation of technology resource teacher position</li> <li>-Three teachers will be added district-wide for enrollment growth</li> </ul> <p><b>Reductions</b></p> <ul style="list-style-type: none"> <li>-The number of Program Improvement (PI) Full -Time Equivalents (FTE) staff will be reduced district-wide from 15 to 13 due to smaller numbers of ninth/tenth-grade students requiring support sections</li> </ul>	5.0 FTE teachers for enrollment 1.0 FTE Administrative Vice principal at MAHS	5.0 FTE teachers for enrollment 1.0 maintenance worker
Proposition 30 – Education Protection Account	\$1.6 M (seven years)	\$1.6 M	\$1.6 M
CalSTRS – employer contribution	10.73%	12.58%	14.43%
CalPERS – employer contribution	11.847%	12.66%	16.1%
Increase in health costs <sup>(1)</sup>	5%	5%	5%
Charter school in lieu taxes <sup>(2)</sup>	\$8.2 M	\$8.6 M	\$9.0 M

<sup>(1)</sup> It does not include the impact of the Federal Health Care Reform.

<sup>(2)</sup> Estimate in lieu property tax for charter schools is based on the preliminary figures from the California Department of Finance. The final language of the Local Control Funding Formula increases the base grant amount for the charter schools at full implementation. The actual amount of the in lieu property tax is to be determined. The multi-year projection does not include any property tax in lieu transfer for the planned Designtech Charter High School in Redwood Shores.

**General Fund Multi-year Projection**

Table 1 below shows the District’s General Fund First Interim multi-year financial projection:

**SEQUOIA UNION HIGH SCHOOL DISTRICT  
 PROJECTED GENERAL FUND BUDGET  
 1ST INTERIM MULTI-YEAR PROJECTION  
 FY 2015-2016 Through FY 2017-18**

**Assumptions:**

<b>REVENUES</b>	
+ Property tax revenue is projected to increase by 7.7% in FY 15-16, 5.5% for FY 16-17 and 5.0% FY 17-18	
+ Former RDA revenue is projected at \$4.3 million per year	
- The projected one-time discretionary funding from the State was reduced from \$601 to \$530 per ADA - \$0.6 million	
- Assumes property tax in lieu for charter schools would increase incrementally until full implementation of the LCFF - \$1.3 million FOR fy 15-16	
<b>EXPENDITURES</b>	
- Additional certificated staffing for projected enrollment growth	
- Health insurance premiums are projected to increase by 5% - \$0.7 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%	
- Additional liability insurance premium starting in FY 15-16 - \$0.1 million	
- Additional Non-Public School Tuition for special education students - \$0.6 million	
- Legal settlements for special education cases - \$0.4 million	

GENERAL FUND (Fund 01)		2014-15 Budget	2015-16 Budget (Projected)	2016-17 Budget (Projected)	2017-18 Budget (Projected)
(+)	REVENUES	125,068,110	132,749,169	134,032,358	139,416,642
(-)	EXPENDITURES	125,887,102	132,649,969	135,473,322	139,954,582
(=)	NET INCREASE (DECREASE) IN FUND BALANCE	(818,992)	99,200	(1,440,964)	(537,939)
(+)	BEGINNING FUND BALANCE - Jul. 1	14,232,099	13,413,107	13,512,307	12,071,344
(=)	ENDING FUND BALANCE - Jun. 30	13,413,107	13,512,307	12,071,344	11,533,404
		10.7%	10.2%	8.9%	8.2%

RECOMMENDATION

That the Board of Trustees approves the First Interim Financial Report, the positive certification and supporting reports, and authorizes the Superintendent to file the positive certification with the County Superintendent of Schools. Staff will be presenting additional site financial data to the Board of Trustees at this meeting.

- b. CONSIDERATION OF APPROVAL OF FINANCIAL AUDIT REPORT FOR 2014-15

SITUATION

Sheldon Chavan of Chavan & Associates, LLP, has completed the district's financial audit report for the fiscal year ending on June 30, 2015. This is the tenth year of the Government Accounting Standards Board-34 (GASB-34) requirements, and the format of the audit report is similar to the 2014 report. Also incorporated into the audit are the provisions of the Governmental Accounting Standards Board Statement No. 68 – Accounting and Financial Reporting for Pensions, which went into effect June 30, 2015, and GASB Statement No. 71 –

Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

The final draft of the unqualified financial audit report for fiscal year 2014-2015 is enclosed with the background materials. As Board members are aware, "unqualified" means that the district has met all standards.

Along with the financial report, the audit determined that the district was compliant with the regulations that govern all categorical programs, and the audit did not state any findings of material weaknesses in accounting procedures or questionable costs.

Per California Education Code Section 41020.3, the Board is required to accept the audit report by January 31 of each year. A representative of Chavan & Associates will be at the meeting to respond to any questions Board members may have.

FISCAL IMPACT

No impact to the General Fund.

RECOMMENDATION

That the Board of Trustees approves the Financial Audit Report for 2014-15.

16. BOARD OF TRUSTEES'/SUPERINTENDENT'S COMMENTS AND COMMITTEE REPORTS

17. ADJOURNMENT

POSSIBLE AGENDA ITEMS FOR THE JANUARY 20, 2015, BOARD MEETING, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE NEXT AGENDA