

SEQUOIA UNION HIGH SCHOOL DISTRICT
BACKGROUND INFORMATION FOR
AGENDA ITEMS FOR 12/10/14, 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 District Teachers Association (SDTA); Sequoia Adult School Federation of Teachers, and American Federation of State, Local, County and Municipal Employees (AFSCME)
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Agency Negotiator: James Lianides; terms and conditions; APN 046-112-530, 055-243-030, 046-112-950
- d. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE—GOVERNMENT CODE SECTION 54957
- e. PUBLIC EMPLOYEE DISCIPLINE APPEAL HEARING—GOVERNMENT CODE SECTION 54957
Position Title: Transportation Driver
- f. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION, Significant Exposure to Litigation Pursuant to Govt. Code Section 54956.9 (d)(2): Two Potential Cases

3. ROLL CALL

4. WELCOME AND EXPLANATION TO AUDIENCE

5. PLEDGE OF ALLEGIANCE

6. ANNUAL ORGANIZATION MEETING

- a. Election of Officers
 - (1) President
 - (2) Vice President
 - (3) Clerk

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 19, 2014, BOARD MEETING (consent)

SITUATION

Enclosed with the background materials are the minutes for the November 19, 2014, Board meeting.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the minutes for the November 19, 2014, 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

20 Distributive Clubs of America (DECA) members will travel to San Jose on January 2-4, 2015, to participate in the Silicon Valley DECA district competition.

14 Social Studies students will travel to Georgia and Alabama on February 13-19, 2015, to trace the Civil Rights Movement and learn about history, social justice and community change.

Sequoia High School

31 Summer Bridge Program members will travel to Alcatraz on February 4, 2015, to view the Ai Wei Wei Exhibit.

FISCAL IMPACT

No fiscal impact on 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 DECA students to San Jose on January 2-4, 2015; Social Studies students to Georgia and Alabama on February 13-19, 2015; Sequoia High School's Summer Bridge Program to Alcatraz on February 4, 2015.

d. APPROVAL OF NEW TEXTBOOK (consent)

SITUATION

The new textbook, *The Orphan Master's Son*, published by Random House, will be used in the English IV course. *The Orphan Master's Son* is a work of contemporary literature written from the perspective of a North Korean subversive during the reign of Kim Jong Il. This book has been approved by the English Subject Area Council, Instructional Vice Principals and Principals' Council. Each book costs \$9, and 100 books are needed.

FISCAL IMPACT

\$900 from Common Core instructional materials budget.

RECOMMENDATION

That the Board of Trustees approves the new textbook, *The Orphan Master's Son*.

e. APPROVAL OF BID FOR VIDEO EQUIPMENT (consent)

SITUATION

Over the past several years the district has installed video safety equipment on each of our campuses; this equipment has helped schools keep campuses safer both during school hours as well as during non-instructional hours. The safety surveillance system at each site has grown substantially over the years. Given the growth of the overall system, in the spring of 2014 the Board approved use of Measure J funds to upgrade the servers for the surveillance equipment.

Many of the original cameras, installed as early as 2008, have reached their end of life. As such, after conducting a thorough audit of all campuses, the Technology and Information Services Department has identified 38 cameras that need to be replaced.

A legal ad was published on November 4 and 11, 2014, calling for bids on this equipment. Six firms submitted bids as follows:

North American Video	\$32,263
Peacock Systems	\$32,653
Ojo Technology Inc.	\$33,265
B&H Video	\$34,595
VAS Security	\$34,925
SimplexGrinnell	\$39,359

Staff recommends approving the low bid of \$32,263 received from North American Video.

FISCAL IMPACT

There is no fiscal impact to the General Fund budget; the remainder of Measure J funding will be used for this cost.

RECOMMENDATION

That the Board of Trustees approves awarding the bid for video equipment to the lowest bidder, North American Video in the amount of \$32,263; in addition to a 9 percent sales tax cost of \$2,903.67, the total expenditure for this project will be \$35,166.67.

f. AUTHORIZATION TO DECLARE SURPLUS PROPERTY (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.

g. APPROVAL OF CONTRACT WITH STARVISTA (consent)

SITUATION

StarVista transforms the lives of children, young people, families and communities by offering counseling resources and services for people throughout San Mateo County. StarVista staff will be working with students at Menlo-Atherton High School.

FISCAL IMPACT

Cost: \$69,500 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.

h. AUTHORIZATION TO FILE NOTICES OF COMPLETION (consent)

SITUATION

On December 17, 2013, the Board awarded the bid to Cal Pacific Construction to build a new five classroom building at Carlmont High School.

On June 12, 2014, staff purchased, under a piggy-back bid contract, three new modular classrooms from Enviroplex for Menlo-Atherton High School.

The above work has been inspected and completed according to the approved plans, specifications and contract. It is now necessary to file Notices of Completion for both projects.

FISCAL IMPACT

No impact to General Fund; all costs to be paid by state matching funds and developer fees

RECOMMENDATION

That the Board of Trustees authorizes the Superintendent to file Notices of Completion for Cal Pacific Construction for a five-classroom building at Carlmont and Enviroplex for three modular classrooms at Menlo-Atherton.

i. ACCEPTANCE OF MONTHLY FINANCIAL REPORTS (consent)

SITUATION

The Monthly Financial Reports for November 2014 are enclosed with the background materials.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees accepts the Monthly Financial Reports for November 2014.

j. APPROVAL OF CAHSEE WAIVER (consent)

SITUATION

The State Board of Education adopted regulations that govern the administration of the California High School Exit Examination (CAHSEE) to provide a waiver procedure that would allow certain disabled students to utilize test modifications. Senate Bill 1476 moved the waiver process for the CAHSEE to the local level by giving local governing boards the authority to grant such waivers. This waiver is required for a disabled student who took one or both portions of the CAHSEE with a modification and attained the equivalent of a passing score on the test(s).

On March 2, 2005, the Board of Trustees approved CAHSEE Waiver Procedures, including required documentation, that are based upon state-developed eligibility criteria.

The Board is asked to review the waiver request of one Woodside student who attained the equivalent of a passing score on the Mathematics test with the use of modifications. For purposes of confidentiality the waiver application is provided to the Board under separate cover. The Director of Special Education has reviewed the waiver request and required documentation and has certified that the one student has met all state and board requirements and is eligible for waiver of the requirements.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the requested CAHSEE waiver.

k. **APPROVAL TO HIRE GEOTECHNICAL ENGINEERS (consent)**

SITUATION

Carlmont High School

In preparation for the new 12-classroom building at Carlmont High School it is necessary to perform geotechnical investigation and to provide a report to the California Geological Survey (CGS) for approval. Staff recommends hiring Cornerstone Earth Group in the amount of \$36,600 to include soil corrosion screening and meetings with CGS.

Menlo-Atherton High School

Cornerstone Earth Group was hired to perform geotechnical investigation for the new five-classroom addition and the new building at Menlo-Atherton High School. The California Geological Survey approved the geotechnical report, and it is now necessary to hire Cornerstone Earth Group to provide geotechnical observation during construction. In addition, services will include testing and lab analysis, and construction coordination of contaminated soil removal. The cost for these services is \$43,925.

FISCAL IMPACT

No impact to General Fund; all costs to be paid by Measure A bond funds and state-matching funds

RECOMMENDATION

That the Board of Trustees approves hiring Cornerstone Earth group in the amount of: \$36,600 for the new classroom building at Carlmont High School, and \$43,925 for the new five-classroom building and addition at Menlo-Atherton High School.

l. **APPROVAL OF REVISED CRITERIA FOR RECLASSIFYING ENGLISH LEARNER STUDENTS (consent)**

SITUATION

Due to the suspension of the California Standards Test (CST) and passage of Assembly Bill 484, school districts find themselves revising their current criteria for English Learner (EL) students to be reclassified to RFEP (Reclassification as Fluent English Proficient). In the past, the criteria for Reclassification of an EL student included scoring at 325 or higher on the CST. Included with the background materials is the revised criteria recommended for Board approval. Per the district's English Learner Master Plan (2007), it is required that any new/revised criteria be approved by the Board.

FISCAL IMPACT

None

RECOMMENDATION

That the Board of Trustees approves the revised criteria for reclassifying EL students for 2014-15.

10. SPECIAL RECOGNITIONS

- 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 ITEMS

- a. ANNUAL REPORT FROM EVEREST PUBLIC HIGH SCHOOL

SITUATION

At the December 11, 2013, meeting, the Board approved the charter application, MOU, and Facilities Use Agreement with Everest Public High School, effective July 2014.

Christopher Lewine, Executive Director of Everest Public High School, will report on recent data and activities at Everest Charter High School.

- b. UPDATE ON LIVE IN PEACE PROGRAM

SITUATION

The Live in Peace program that works with many of the district's most at-risk students, has been operating out of the Green Street site in East Palo Alto since this past August.

Heather Starnes, Executive Director, will present the Board with an overview of the program and its benefits for participating students.

- c. UPDATE ON SAN MATEO COUNTY INVESTMENT POOL

SITUATION

The San Mateo County Tax Collector-Treasurer has provided compliant monthly investment reports for the quarter ending on October 31, 2014.

The report showed cumulative gross earnings of .80 percent for the quarter ending on October 31, 2014. According to the County Treasurer's Office the above market earnings rate for the month of October was due to the Investment Pool realizing some long-term gains. The maturity of the portfolio was 1.90 years with an average duration of 1.85 years.

A copy of the full report is available at the Treasurer's Office website at <http://www.sanmateocountytreasurer.org/investmentReports.html>

- d. UPDATE ON PHASE I CONSTRUCTION PROJECTS

SITUATION

At the October 8, 2014, Board meeting Quatrocchi Kwok Architects (QKA) provided a report on the Facilities Master Planning work completed to date and the proposed Phase I projects at each campus. An

updated version of that report will be sent to Board members early next week. On December 10 QKA, the Executive Architect for Master Planning, will provide an update on the progress in the following areas: Site Master Plan Development, Phase I Projects, and Educational Specifications.

Master Plan Development

Over the past two months the Site Master Plan architects (QKA, HMC and LPA) have worked with district staff and the Site Master Plan committees to continue the development of each school's Site Master Plan. QKA will provide a brief update on the status of Master Plan development.

Phase I Projects

Over the past two months, the Site Project architects (HMC, LPA and Spencer Associates) have worked with district staff and the Site Master Plan committees to develop the Schematic Designs of the Phase I projects at each of the four comprehensive high school sites. The Schematic Design package for each campus has been completed and reviewed by each site committee. The QKA architect will provide a brief update on the status for each Phase I project.

Educational Specifications

At previous meetings QKA has presented the draft Educational Specifications for review by the Board. QKA will provide a brief update on the status of the final revisions to the Educational Specifications.

e. UPDATE ON STRATEGIC PLANNING

SITUATION

This August, the District hired a consultant and embarked on developing a new Strategic Plan. In October, a decision was made by the Strategic Plan Committee to slow down the process in order to gather more comprehensive input. A Sub Committee was then charged to write the survey and decide on a format. Taking advantage of a plan to maximize client feedback, the Sub Committee added to the survey the ability for the community to give input on small schools. At the November 19 Board Meeting, survey development and content were shared with the Board.

2,539 stakeholders participated in the Strategic Plan input survey that closed on December 1. On December 2, the Strategic Plan Committee met to decipher the results of the data. Broken into four groups, each cohort was assigned a stakeholder constituent: parent/guardian surveys in English; parent/guardian surveys in Spanish; student surveys and staff surveys. Following groups provided with time to evaluate their assigned data, the Committee then reconvened to share findings. These findings were then paralleled with the community meeting input collected in September. Final takeaways were shared, which will help to guide the work of the Sub Committee when it meets to write the first draft of the Strategic Plan on December 11.

The major takeaways from each group's work are attached.

A more detailed report of the survey and the Strategic Plan Committee findings will be shared with the Board at Wednesday's meeting.

f. UPDATE ON REDWOOD TASK FORCE

SITUATION

The Redwood task force has been meeting since September and will present its recommendations for revamping its instructional program for credit deficient students at the January 14, 2015, Board meeting. In order to keep the Board current with the direction the task force is taking in terms of changes to the program prior to its formal presentation in January, the following list represents its progress to date.

(1) Implement a full instructional school day for students

- (a) Default program is a six-period day with allowances

- (b) Maintain flexibility for students that need a shorter day
 - (c) Increased school day will be beyond credit recovery to include themed Small Learning Community (SLC) classes
 - (d) Provide opportunity for later start time; inclusion of Quiet Time and other activities
 - (e) Maintain Redwood High School as a continuation school, which allows for greater instructional flexibility
 - (f) Align and strengthen transportation options for students
- (2) **Transfer students who need Redwood as early as possible, primarily at the beginning of the 11th grade**
- (a) Appropriately use involuntary transfers, if necessary, to create opportunities for students with extremely low credits
 - (b) Develop a rubric for an educational plan
- (3) **Implement Small Learning Communities**
- (a) Founded on engaging themes and linked to careers
 - (b) Create and support stronger student-teacher/staff relationships
 - (c) Develop students' social and emotional capacities
 - (d) Utilize research-based career pathways
 - (e) Utilize resources to develop SLCs
 - (f) Research machinist vocational education vs. engaging SLC themes
 - (g) Revamp and strengthen career exploration for all students
- (4) **Reduce the number of fifth-year students with clear expectations and greater fidelity in practice**
- (a) Significantly reduce number of fifth-year students through earlier placement, more motivating and engaging programs, and the availability of Adult School classes leading to passage of the General Educational Development (GED) test or certificates of completion
 - (b) Minimize fifth-year students and the time enrolled in school
 - (c) Update expectations of fifth-year students
 - (d) Implement greater matriculation with Adult School
 - (e) Provide greater access to Redwood High School courses, Independent Study, or Adult School prior to a student becoming a fifth-year senior
- (5) **Create Adult School satellite classes on site**
- (a) Students referred to Redwood High School will be placed appropriately to provide best opportunity to earn their high school diploma or equivalent.
 - (b) Adult School will have a permanent presence at Redwood and offer a GED alternative or the best opportunity for students to earn a diploma or the equivalent
- (6) **Strengthen community partnerships with community colleges and other organizations such as JobTrain**
- (7) **Begin the architectural redesign process of the school in the spring of 2015, with the goal to open new facilities in the fall of 2017**

13. DISCUSSION ITEM

- a. DISCUSSION OF POSSIBLE JOINT STUDY SESSION WITH COMMUNITY COLLEGE DISTRICT REGARDING A SMALL SCHOOL

SITUATION

The Chancellor of the San Mateo County Community College District (SMCCCD) has been discussing with district staff the possibility of working in partnership with the Sequoia Union High School District (SUHSD) to offer community college classes at one or both of the small high schools, which are being planned.

It has been suggested that a joint board meeting be scheduled for early next year to allow both boards to discuss the possibilities of a partnership similar to what currently exists with Middle College.

The target date for a joint study session with the SMCCCD Board would be on February 25, 2015, which is an off-Wednesday for the SUHSD Board and a regularly-scheduled meeting date for SMCCCD.

This item is being brought forward to get Board input on whether there is interest to hold a joint meeting and also to get Board feedback on necessary preparations for this meeting.

14. PUBLIC HEARINGS

a. PUBLIC HEARING ON FEASIBILITY AND SUITABILITY OF A PROPERTY FOR SCHOOL USE LOCATED AT 150 JEFFERSON DRIVE IN THE CITY OF MENLO PARK

SITUATION

Recognizing the need to support high quality education, to upgrade local high schools and to avoid overcrowding, this Board of Trustees and the electors of this District approved Measure A in June 2014. This construction bond measure, among other things, provides funding to renovate aging classrooms and repair, construct, or acquire equipment, classrooms, and facilities. The Board has determined that, notwithstanding master planning for space utilization at existing District campuses, an important component of the District's strategy to avoid school overcrowding is the establishment of two new small school sites.

Staff has located a property commonly known as 150 Jefferson Drive, Menlo Park, California (APN 055-243-030), as one of the potential sites for a new school. In compliance with Education Code 17211, the Board of Trustees, is holding a public hearing on the feasibility and suitability of this site for school use.

Staff will provide a report at the meeting to include information currently available on the property. The report will include a preliminary evaluation of the site conducted by the California Department of Education, Facilities Division, known traffic impacts, and Phase I environmental evaluation.

FISCAL IMPACT

No impact to General Fund; all costs to be paid by gross proceeds from the sale of Measure A general obligation bonds.

b. PUBLIC HEARING ON THE FEASIBILITY AND SUITABILITY OF A PROPERTY FOR SCHOOL USE LOCATED AT 535 OLD COUNTY ROAD IN THE CITY OF SAN CARLOS

SITUATION

Recognizing the need to support high quality education, to upgrade local high schools and to avoid overcrowding, this Board of Trustees and the electors of this District approved Measure A in June 2014. This construction bond measure, among other things, provides funding to renovate aging classrooms and repair, construct, or acquire equipment, classrooms, and facilities. The Board has determined that, notwithstanding master planning for space utilization at existing District campuses, an important component of the District's strategy to avoid school overcrowding is the establishment of two new small school sites.

Staff has located a property commonly known as 535 Old County Road, in San Carlos, California (APN 046-112-530), as one of the potential sites for a new school. In compliance with Education Code 17211, the Board of Trustees, is holding a public hearing on the feasibility and suitability of this site for school use.

Staff will provide a report at the meeting to include information currently available on the property. The report will include a preliminary evaluation of the site conducted by the California Department of Education, Facilities Division, known traffic impacts, and Phase I environmental evaluation.

FISCAL IMPACT

No impact to General Fund; all costs to be paid by gross proceeds from the sale of Measure A general obligation bonds.

15. ACTION ITEMS

- a. CONSIDERATION OF APPROVAL OF FIRST INTERIM BUDGET REPORT FOR FISCAL YEAR 2014-15

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 2014-15. 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, 2014. 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

State Budget

Proposition 30 – Education Protection Account

The 2014-15 Adopted State Budget projected General Fund revenues to be \$1 billion higher than the January forecast, but consistent with May Revision estimates. Year over year revenue growth for the state's General Fund is projected at \$4.9 billion with a resultant Proposition 98 increase of \$2.6 billion. The next revenue update will occur with the Governor's January budget proposal. Funding for Sequoia UHSD for FY 2014-15 is estimated to be \$1.6 million or approximately \$200 per ADA. Funding from this source is of a temporary nature and, unless extended by State voters, it is scheduled to expire at the end of FY 2018-19. The district will need to develop a plan to address this expected revenue loss.

The Common Core State Standards

With the increase in funding comes an expectation for improvement in student performance. The latest "revelation" in educational delivery arrives in a box marked "Common Core State Standards" (CCSS). The State Budget recognizes there will be an implementation cost and, therefore, provided \$1,688,287 to the district toward that goal. While we think CCSS may have great potential, that alone will not be enough. The district will spend the remaining balance of \$900,000 by the end of FY 2014-15.

Federal Funding

California schools will receive an increase in FY 2014-15 of 4.5% above the 13-14 sequestration levels. For years after 2014-15, it would be prudent to plan for possible reductions in federal funding until Congress resolves the federal deficit issues that led to sequestration.

Sequoia UHSD Financial Projection

State Categorical Funding - Fair-Share Reduction Became a Permanent Reduction Under LCFF

Historically, a school district received a “fair share” reduction if the district was basic aid in the prior year. Sequoia UHSD’s fair share was \$5.9 million under the old funding formula. However, under the Local Control Funding Formula (LCFF) this fair-share amount became a permanent reduction of funding for Sequoia UHSD. It is projected that the “state categorical hold-harmless” is \$3.4 million for FY 2014-15. The district is held harmless during the LCFF seven-year transition implementation period. Based on current language in the LCFF trailer bill, Sequoia UHSD will no longer receive the \$3.4 million in state funding. The district will need to develop a plan to address this expected revenue loss by the year 2020-21.

Special Education

Special education will continue to be funded outside the LCFF. For 2014-15, the COLA is funded at .85%, which is estimated to be \$4.44 per ADA. The estimated deficit in special education funding is 2.78%, down from previous estimates of 4.1%. The deficit decrease is primarily due to increased property taxes and a revision of the formula used to calculate the deficit.

Successor Agencies - (Former Redevelopment Agencies)

The First Interim includes \$4.6 million in one-time in residual property tax and/or distribution of assets 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.

Local Property Tax

The First Interim projection reflects an increase from 0.7 percent over the adopted budget for a total increase of \$615,000 property tax revenue. This net increase includes the first settlement of the tax rebate for the Genentech lawsuit. It does, however, include the impact of the potential settlement with Genentech’s pending lawsuit. 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 a 4.5 percent increase of property tax revenue in the out years.

Charter Schools

The First Interim multi-year projection includes the following in-lieu property tax payments:

	Projected Enrollment	In Lieu Property Tax
Summit Prep	359	\$ 2,590,201
Everest	360	\$ 2,596,709
East Palo Alto Academy - Stanford	275	\$ 1,853,246
	944	\$ 7,040,156

Multi-Year Assumptions

First Interim Report will be on the projected unrestricted General Fund ending balance, both in the current year (2014-15) and in the two subsequent years (2015-16, 2016-17). Below are key budget assumptions used to prepare the First Interim Report and multi-year projection:

Budget Projections	2014-15	2015-16	2016-17
Net change in property tax	6.17%	4.5%	4.5%
Increase in health costs	5.0 %	5.0%	5.0%
Charter school in lieu taxes	\$7.0M	\$7.4M	\$7.8M
Revenue from RDAs (*)	\$4.6M	\$4.6M	\$4.6M

General Fund Multi-year Projection

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

1ST INTERIM BUDGET REPORT SEQUOIA UNION HIGH SCHOOL DISTRICT PROJECTED GENERAL FUND BUDGET FY 2014-2015 Through FY 2016-17

Assumptions:

REVENUES	
+ Property tax revenue is projected to increase by 6.17% in FY 14-15, 4.5% for FY 15-16, and 4.5% for FY 15-16 and FY 16-17	
+ Former RDA revenue is projected at \$4.6 million per year	
+ The MYP includes AB 30 funding of \$200 per ADA - \$1.6 million to fund the allocation of Program Improvement teacher positions	
+ Remaining balance of one-time State funding for the implementation of common core - \$0.9 million	
- Assumes property tax in lieu for charter schools under LCFF - \$7.0 million	
EXPENDITURES	
- Additional certificated staffing for projected enrollment growth	
- Health insurance premiums are projected to increase by 5% - \$0.5 million per year	
- PROPOSED additional CalSTRS employer contribution:	
- FY 14-15 from 8.25% to 8.88%	
- FY 15-16 from 8.88% to 10.73%	
- FY 16-17 from 10.73% to 12.58%	
- PROPOSED additional CalPERS employer contribution:	
- FY 14-15 from 11.442% to 11.771%	
- FY 15-16 from 11.771% to 12.6%	
- FY 16-17 from 12.6% to 15.0%	

GENERAL FUND (Fund 01)		2014-15 Adopted Budget	2014-15 1st Interim Budget	2015-16 Budget (Projected)	2016-17 Budget (Projected)
(+)	REVENUES	116,926,168	121,181,658	124,936,451	129,293,353
(-)	EXPENDITURES	118,832,497	124,004,479	126,017,250	131,282,341
(=)	NET INCREASE (DECREASE) IN FUND BALANCE	(1,906,329)	(2,822,821)	(1,080,798)	(1,988,988)
(+)	BEGINNING FUND BALANCE - Jul. 1	13,622,926	14,232,099	11,409,278	10,328,480
(=)	ENDING FUND BALANCE - Jun. 30	11,716,597	11,409,278	10,328,480	8,339,492
(+)	SPECIAL RESERVE ENDING BALANCE (FUND 17) - Jun.30	4,616,704	4,616,704	4,666,704	4,716,704
(=)	PROJECTED AVAILABLE ENDING BALANCE - Jun. 30	16,333,301	16,025,982	14,995,184	13,056,196
		13.7%	12.9%	11.9%	9.9%
Excluding the unfunded obligation for Post Employment Benefits (March 1, 2014)		2,479,958	2,479,958	2,479,958	2,479,958

b. CONSIDERATION OF APPROVAL OF FINANCIAL AUDIT REPORT FOR 2013-14

SITUATION

Sheldon Chavan of Chavan & Associates, LLP, has completed the district's financial audit report for the fiscal year ending on June 30, 2014. This is the ninth year of the Government Accounting Standards Board-34 (GASB-34) requirements, and the format of the audit report is similar to the 2013 report. The final draft of the unqualified financial audit report for fiscal year 2013-2014 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 2013-14.

- c. ADOPTION OF RESOLUTION NO. 1530, ACQUISITION OF PROPERTY AT 150 JEFFERSON DRIVE IN MENLO PARK (by roll call vote)

SITUATION

Recognizing the need to support high quality education, to upgrade local high schools and to avoid overcrowding, this Board of Trustees and the electors of this District approved Measure A in June 2014. This construction bond measure, among other things, provides funding to renovate aging classrooms and repair, construct, or acquire equipment, classrooms, and facilities. The Board has determined that, notwithstanding master planning for space utilization at existing District campuses, an important component of the District's strategy to avoid school overcrowding is the establishment of two new small school sites.

Staff has located a property commonly known as 150 Jefferson Drive, Menlo Park, California (APN 055-243-030), as one of the potential sites for a new school. In compliance with Education Code 17211, the Board of Trustees, is holding a public hearing on the feasibility and suitability of this site for school use.

FISCAL IMPACT

No impact to General Fund; all costs to be paid by gross proceeds from the sale of Measure A general obligation bonds.

RECOMMENDATION

That the Board of Trustees adopts Resolution No. 1530, to allow staff to proceed with further investigations and the acquisition of the property for school use, commonly known as 150 Jefferson Drive, Menlo Park, California (APN 055-243-030).

- d. ADOPTION OF RESOLUTION NO. 1531, ACQUISITION OF PROPERTY AT 535 OLD COUNTY ROAD IN SAN CARLOS (by roll call vote)

SITUATION

Recognizing the need to support high quality education, to upgrade local high schools and to avoid overcrowding, this Board of Trustees and the electors of this District approved Measure A in June 2014. This construction bond measure, among other things, provides funding to renovate aging classrooms and repair, construct, or acquire equipment, classrooms, and facilities. The Board has determined that, notwithstanding master planning for space utilization at existing District campuses, an important component of the District's strategy to avoid school overcrowding is the establishment of two new small school sites.

Staff has located a property commonly known as 535 Old County Road, in San Carlos, California (APN 046-112-530), as one of the potential sites for a new school. In compliance with Education Code 17211, the Board of Trustees, is holding a public hearing on the feasibility and suitability of this site for school use

FISCAL IMPACT

No impact to General Fund; all costs to be paid by gross proceeds from the sale of Measure A general obligation bonds.

RECOMMENDATION

That the Board of Trustees adopts Resolution No. 1531, to allow staff to proceed with further investigations and the acquisition of the property for school use, commonly known as 535 Old County Road, in San Carlos, California (APN 046-112-530).

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

17. ADJOURNMENT

POSSIBLE AGENDA ITEMS FOR THE JANUARY 14, 2014, BOARD MEETING, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE NEXT AGENDA

- a. Report from Redwood Task Force

POSSIBLE AGENDA ITEMS FOR THE FEBRUARY 4, 2014, BOARD MEETING, AND CONSIDERATION OF ANY ITEM GOVERNING BOARD MEMBERS WISH TO PLACE ON THE NEXT AGENDA

- a. Report on Co-teaching
- b. Report on Truancy Patterns