

School Board News! Highlights from the January 25, 2011 Meeting
by June Monach, Board Member

Key Agenda Topics :

- Generous Donation from the Alan Harvey Estate
- PMS Students Share Benefits of Learning CPR
- Independent Audit Reports for Seismic Safety Construction Program
- Budget Update on Construction Program & Good News on State Funding
- Final Public Hearing on Contract Reopener Proposals for Negotiations with CSEA
- 2011-12 Budget Development Calendar
- PUSD Guiding Principles for Multi-year Budget Development
- 2011 Arthur Hecht Volunteer of the Year Award – Application Opening

Actions Taken:

Accepted
Reviewed
Reviewed and Accepted
Reviewed
Adopted
Adopted
Adopted
Announced

Generous Donation from Alan Harvey Estate: Retired music teacher, Ms. Leonora Gillard, announced that a donation of \$46,800.32 is being made to the school district from the estate of beloved high school teacher, Mr. Alan Harvey, who passed away two years ago. Ms. Gillard as co-executor of the estate was joined by retired teacher Ms. Mary Ann Benson in presenting the gift. They both extolled Mr. Harvey's love of music and dedication to the many students who benefitted from his teaching. It is hoped that the funds will be used to update the signage on the theatre and to enhance the high school music program. Board President Roy Tolles thanked Ms. Gillard for the generous donation.

PMS Youth Share Benefits of Learning CPR: PMS P.E. teacher, Mr. Brett Lane, introduced 7th grade students who participated in CPR training promoted by the Alameda County Public Health Department. In order to improve the survival rates of sudden cardiac arrest victims, the county health department is implementing the training program with young people. Mr. Lane explained that the goal of the program is to increase the percentage of individuals who get CPR before an emergency response team arrives from 30% to 60%. Students shared what they learned from the training and their experiences and challenges in training family members. All the students hope this year's 6th grade class have an opportunity to participate in the training next year.

Independent Auditor's Financial & Performance Reports for the Seismic Safety Construction Program: More Great News. The District received clean opinions from auditors after reviewing the FY 2009-10 financial statements and expenditures, and election documents and District resolutions. The District's independent auditor, Vavrinek, Trine, Day (VDT) and Company, LLP, conducted its annual review of the District's financial statements of the Building Fund which captures all expenditures related to the General Obligation Bond Authorization approved in 2006. The audit findings, presented by VDT manager, Ms. Jill Stenton, conclude that "consistent with prior year findings, the financial statements are fairly presented and free of material misstatement." The audit findings note that: 1) the funds are kept and accounted for in a segregated fund; 2) cash is accounted for accurately and according to generally accepted U.S. accounting standards; 3) strong internal controls are present; 4) District and state bidding processes are being following; and 5) funds are spent in accordance with the bond authorization. Superintendent Constance Hubbard thanked Assistant Superintendent Michael Brady, Fiscal Services Director Michelle Nguyen, and the entire business office staff for their hard work in monitoring and accounting for over \$30M in construction program costs last year, in addition to the District's \$29M education program. The complete reports are available at the link below on pages 1-15:

<http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/012511packet.pdf>

Budget Update on the Construction Program & Good News on State Funding: Seismic Safety Bond Program Manager, Mr. David Burke, gave a financial update on the construction projects including a summary of state funding, project expenditures to-date, the completion of the Havens, Ellen Driscoll, and PHS projects, and the current status of the Wildwood project budget. Good News! The total budget remains unchanged, and anticipated state funding has increased from a range of \$11M - \$13M to \$14.9M - \$15.5M. In the next few weeks, we will receive \$4.7M in state matching funds for our construction program. And with the release of an additional \$6M in state funds anticipated next Fall, we will have the funds necessary to complete the Beach project. Mr. Burke reviewed the total budget (\$69.1M) and total expenditures through 12/31/10 (\$50.3M). A few pending items must be addressed before the Havens, Ellen Driscoll, and PHS projects can be closed out. Mr. Burke

anticipates that once closed, there will be unexpended funds to add to the District-wide Program Contingency. The Wildwood project is on schedule to be completed by late July. The entire Gross Maximum Price (GMP) allowance has been spent to address unforeseen or additional costs to address dry rot, seismic framing, removal/replacement of piping, and refurbishing doors/windows. The project management team plans to submit a request to the Board to increase the GMP by approximately \$160,000 at its next meeting. The Board will need to make a formal decision regarding when to start the Beach project. An item will be brought to an upcoming Board meeting once cash flow and bond financing analyses are complete. To see the PowerPoint presentation, please go to:

http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/Seismic_Safety%20Bond_Program_Presentation.pdf

Fantastic News! Recall that of the \$56M authorized by voters, the District has issued \$34M in long term bonds, a \$12M bond anticipation note, and has \$10M still available to issue. Assistant Superintendent Brady was elated to report that on January 14th, we received an allocation from the state to be able to issue the remaining \$10 million as Qualified School Construction Bonds (QSCB). The QSCB program is part of the federal stimulus package, administered by the state last year and this year. We participated in the lottery to participate last year, and did not "win." We chose to withhold issuing the last \$10M authorization in order to submit an application for QSCB designation this year. The planning and perseverance paid off. We received the allocation! What this means to taxpayers is a sizeable \$40M+ in tax savings by participating in the QSCB program rather than issuing the remaining \$10M in Capital Appreciation Bonds. For details, please go to:

http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/QSCB_012511_presentation.pdf

Contract Reopener Proposals for Negotiations with California School Employees Association (CSEA): As articulated at the last meeting, the Board reiterated its support for the contract proposals as presented, and voted unanimously to approve them so that negotiations between the District and the CSEA may begin. CSEA is comprised of important support staff in our school district (e.g., administrative assistants, business office support staff, custodians, grounds and maintenance workers, and para-educators, such as classroom, librarian, and special education aides). The Board approved the District's and CSEA's proposals to discuss specific parts of the contract during negotiations this year. CSEA wants to discuss salaries, health benefits, contract duration, and reopeners for 2011/12 and 2012/13. CSEA also would like to negotiate a fair and equitable share of current and future State or Federal funds to preserve jobs in education. The District would like to open a larger number of sections in the contract in order to have flexibility in arriving at a mutually agreed upon multi-year contract. In addition to salaries (including furlough days) and health benefits, the District wants to discuss sections of the contract that address evaluations, allowances, leaves, longevity, the work day/week/year, legal and other holidays, vacations, retirements, the professional development appendix, and all memorandum of understandings. A second public hearing was held to solicit public input. Board President Roy Tolles thanked the District staff and employee group for their hard work and ongoing commitment to use interest-based bargaining to help address the budget situation. He reminded the public that the source of the local budget situation is inadequate funding from the state. Pages 17-20 at the link below provide details of the District and CSEA proposals:

<http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/012511packet.pdf>

Budget Development Calendar for FY 2011-12: Assistant Superintendent Michael Brady reviewed the calendar and major milestones with the Board. He noted two dates that were added as a result of Board discussion at its last meeting. The February 23rd Board meeting date was added to review the lay-off list of Particular Kinds of Services (PKS) and provide direction to staff for the final list that must be approved on March 9, 2010. By law, lay-off notices to certificated staff (e.g., teachers, administrators, counselors, librarian teachers) must be issued by all school districts in California by March 15, 2011. Also added was the special state election in June 2011, when the Governor's proposal to extend temporary state tax hikes would be voted on by the California electorate. See pages 21-22 below:

<http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/012511packet.pdf>

PUSD Guiding Principles for Multi-year Budget Development: The Board voted unanimously to adopt the Guiding Principles (with a few additional revisions to be made) which will be used to make resource allocation decisions during the multi-year budget development process. The guidelines also will serve as a tool to help the public understand the foundation on which the budget will be developed over the next three years, as assumptions and the fiscal situation change over time. The Board agrees that all seven principles are important and will be painful to implement in the current budget climate. We shared individual perspectives and issues that we think need to be weighed before deciding what direction to give staff on the magnitude of cuts to make next year and the year following. As the Board decides at what rate to address the projected budget

shortfall, Superintendent Hubbard conveyed her philosophy that it is better to protect what you can offer with larger classes, because “you cannot give back the (lost) experience to students.” Assistant Superintendent Roth impressed upon the Board the high quality of staff who works in our school system, and the level of investment made in their professional development. He suggested that we weigh the potential risk of making lay-offs for near term financial savings, given the caliber and quality of the professionals serving our students. During public comment, community member Mr. George Childs said that he did not envy our task, but wanted the Board to keep the needs and interests of those on limited incomes in mind when thinking about the level of increase in Measure B, the core parcel tax. With regard to what approach should be taken in bringing spending in line with diminishing state revenues, he noted: “You seem to have consensus that taking a little now is better than taking a whole lot later.” For more information, see pages 24-28 at the following link:

<http://www.piedmont.k12.ca.us/aboutpusd/agenda.minutes/012511packet.pdf>

2011 Arthur Hecht Volunteer of Year Award Application Opening: For the past thirteen years, the Board has honored the late community volunteer and civic leader, Mr. Arthur Hecht, by recognizing individuals in our community for their volunteer efforts in making a difference in the lives of Piedmont youth. Nominations for this award are being accepted now, and staff, students, and community members are invited to submit a nomination by Wednesday, February 23, 2011. Nomination forms may be hand-delivered in a sealed envelope, marked “Hecht Award Nomination” to the Superintendent’s Office at 760 Magnolia Avenue, or e-mailed to bfeusier@piedmont.k12.ca.us. Questions? Please contact the Superintendent’s Administrative Assistant, Ms. Beverly Feusier at 594-2614. You may download the form at:

http://www.piedmont.k12.ca.us/forms/Art_Hecht_Form.pdf.

Other Business: Community members are invited to attend a special event on school funding and “Making Resources Count”, scheduled for Wednesday February 16th from 7 to 9 pm at the Community Center. Panelists will include State Senator Loni Hancock, Oakland Unified School District Superintendent Tony Smith, and PUSD Board Member Ray Gadbois. The event is sponsored by the League of Women Voters, Piedmont Educational Foundation, and the Piedmont Civic Association. In other business, donations were accepted by Board President Roy Tolles from an anonymous donor and from the James L. Walker Trust for use by the high school Wellness Center.