

School Board News! Highlights from the February 23, 2011 Meeting  
by June Monach, Board Member

**Key Agenda Topics :**

- Piedmont Educational Foundation Announces Endowment Distribution
- Association of Piedmont Teachers (APT) Announcement
- Budget Development Plans, Particular Kinds of Service List, and Lay-off Notification Process
- Resolution to Support Governor’s Proposed Special Election in June
- Construction Budget Update on the Seismic Safety Bond Program

**Actions Taken:**

- n/a
- n/a
- Discussion
- Adopted
- Reviewed

**\$168,769 Piedmont Educational Foundation (PEF) Endowment Fund Distribution:** PEF Vice President Dana Serleth, announced that the Board has approved the release of \$168,769 from the Endowment Fund to address District designated priorities for the 2011-12 school year. The PEF Board of Directors looks forward to hearing from the Board its proposal on how to spend these funds. Superintendent Constance Hubbard extended her appreciation to the foundation for creating a dependable source of ongoing revenues to the District. Past PEF Presidents and Board Members Ray Gadbois and June Monach, added their thanks to the PEF noting that these funds help the District both in the short-term and long-term in perpetuity.

**Association of Piedmont Teachers (APT) Announcement:** APT President Harlan Mohagen, announced that, “after a long and sometimes challenging, but always respectful and collaborative process, we, the APT and the District, have come to a tentative agreement for the 2011 – 2014 school years.” She explained that a meeting was held that afternoon where the agreement was presented to the general membership. APT is now in the process of voting on the agreement. The membership will have until Friday at 3:30 pm to vote. President Mohagen reported that, “We will get the results to people as soon as we can.” Superintendent Hubbard expressed her appreciation to the negotiators in terms of the respectful, collaborative, and positive nature of the negotiations. She believes Piedmont is an exemplary model for interest-based bargaining and problem solving. Superintendent Hubbard noted that at a Special Board meeting on March 3, 2011 the Board will have an opportunity to review the terms of the agreement after the APT vote. The Board of Education is scheduled to vote on the agreement on March 9.

**Multi-year Budget Development Plans:** Given the APT announcement above, we are at a critical point in the budget development process. The following dates mark major milestones in our school district’s efforts to develop a multi-year plan to balance our budget:

Mar 1	By noon	-Release background materials for March 3 Special Meeting including disclosure of provisions of tentative agreement (via e-mail and posted on PUSD website)
Mar 3	5-7 pm City Hall	-Special Meeting to review terms of tentative agreement between APT & PUSD -Provide additional direction on PKS List -Disclose agreement to public and provide opportunity for public comment on agreement and/or PKS List
Mar 9	7-10 pm City Hall	-Discuss and vote on APT Contract -Approve Particular Kinds of Services (PKS) List in preparation for March 15 lay-off notification deadline -Review and approve 2 <sup>nd</sup> Interim Financial Report
Mar 15		-Deadline for Certificated lay-off notifications

Mar 23	7-9 pm City Hall	-First public hearing on levying of School Parcel Tax Measures B & E -Possible review of CSEA agreement (End of March or April)
Apr 27	7-9 pm City Hall	-Second public hearing & Board decision on the levying of Measures B & E
May 15		-Deadline for Classified lay-off notifications
Jun 8	7-9 pm City Hall	-Review preliminary 2011-12 District budget
Jun 22	7-9 pm City Hall	-Review and adopt 2011-12 District budget

In order to meet the statutory March 15 deadline, the governance team must approve by March 9 the PKS list to certificated employees (e.g., teachers, counselors, librarians). The service areas on the PKS list, seniority, type and number of credentials received, grade level enrollment patterns, and type of employment contract, will influence whether or not a certificated employee receives a notice. Superintendent Hubbard explained that staff is working closely with legal counsel on developing lists that address the different contingency levels identified by the Board. In order to give the District flexibility during the process, we are identifying more Particular Kinds of Service than may ultimately be affected. Difficult as this is, she reminded the public that given the magnitude of the projected multi-year deficits, and the fact that 90% of the budget pays for people, some program cuts will need to be made. She appreciates everyone's efforts to address the budget challenges – including individual employees, the associations, students, parents, and support groups including the Parents' Clubs and the Piedmont Educational Foundation.

Given APT's announcement regarding a pending vote on a tentative agreement between APT and PUSD, Superintendent Hubbard announced a special open session Board meeting for March 3, 2011 from 5 to 7 pm in the City Hall Council Chambers. The meeting will be televised. The Board will have an opportunity to review the terms of the agreement between the Association of Piedmont Teachers (APT) and the District, and its impact on the multi-year projections, PKS List, and the District's 2<sup>nd</sup> Interim Financial Report. Additional direction on the PKS list will be provided by the Board at that time. The public will have an opportunity to comment on the disclosure of the agreement and on direction being provided by the Board on the PKS List. At the last Board meeting, Superintendent Hubbard noted that, "We are close to addressing a significant portion of the \$1.4 million (estimated shortfall) through employee concessions – some of which would be one-time, ongoing, and contingent." Board Members reiterated what was said at the last meeting suggesting that the magnitude of the PKS List would be driven by contract negotiations outcomes. Board Member Ray Gadbois thanked the APT for its efforts to-date. He outlined what he hopes will be a two year, \$2 million per year solution that includes a combination of increased revenues and expenditure reductions achieved through negotiations, program cuts, parcel tax revenues, and additional commitments if available from Parents' Clubs and Support Groups. Board Member Martha Jones concurred. Board Member June Monach added that research has shown that staff turnover has an adverse impact on student achievement, just as it has negative impacts on businesses achieving its organizational goals. This is why she believes strongly that we need to preserve as much of the student experience as possible with more gradual cuts. APT President Mohagen agreed and noted what "cost" the PKS process would have on staff morale, respectfully requesting that the Board keep this important factor in mind. Parent, Mr. Jon Elliott suggested that the PKS is not about making cuts – rather it is about keeping options open, and buying time until May when more information is known. He advocated that the PKS List be expanded to address future cuts that may be necessary. Superintendent Hubbard assured the Board that normal attrition through retirements, resignations, leave requests, and temporary employment are being processed now in order to mitigate the need for a larger PKS list. Colleagues agreed with Board Member Gadbois who concluded by saying, "We have been working for months and months with the employee associations to share the pain in order to avoid massive lay-offs. If we get to a tentative agreement that allows us to make significant reductions in our ongoing costs, I do not want to do that *and* make massive cuts to our educational program."

**June Special Election:** The Board adopted a resolution to support Governor Brown's proposal to hold a special state election in June and ask voters to approve a 5-year extension of state tax revenue streams set to expire. Combined with an equal percentage of spending cuts, the proposed extension would help balance the state's projected budget deficit. In the past three years, state funding has been cut by more than \$18 billion. The impact on Piedmont has been significant. In that same time period, our school district has lost approximately \$4.5 million in state revenue limit funding. The loss of \$7 billion in one-time federal funding further reduces school district budgets. The proposed measure will help prevent further cuts to public education. Without a voter approved extension, the Legislative Analyst's Office (LAO) estimates that "funding for schools would fall by at least \$2 billion, or more than \$335 per student (next year)." If this were to happen in Piedmont, this would add approximately \$850,000 to next year's estimated short-fall of \$1.4 million. The Legislature must agree on details of the special election proposal by early March in order to put the question to voters in June. Board Members supported the resolution saying that the electorate should have the opportunity to vote on how the state deficit should be addressed. Board Member Monach noted that the outcome of the election would impact over 6.8 million students and 967 school districts in our state. APT President Mohagen expressed her thanks to the Board and District administration for crafting and supporting the resolution. Board President Tolles concluded by saying, "public schools will be decimated if the measure fails."

**Construction Budget Update:** Seismic Safety Bond Program Manager David Burke, presented a Budget and Expenditure Summary for the construction program. The total budget remains on target at \$69.1 million. Mr. Burke reported that the Havens, Ellen Driscoll, and PHS projects have been closed out, contributing \$209,216 to the District's Program Contingency. This brings the District-wide Program Contingency to \$2,096,640 effective February 23, 2011. Assistant Superintendent Michael Brady informed the Board that the District has received \$4.7 million in approved state matching funds. These funds will enable the Wildwood project to be completed. The Board plans to decide at its meeting on March 23, 2011 whether to begin construction on Beach next school year. A decision to start is contingent on a detailed cash flow analysis to be presented by Mr. Burke on March 9, and the estimated amount and terms of short-term bridge financing that will be needed before another \$4.9 million in approved state matching funds is released. The release of state funds is contingent on the next state bond issuance. Board President Tolles and Board Member Gadbois expressed their optimism for Beach going forward given the likelihood of state bonds being issued sometime next year, short-term financing options, agreements in place with Emery for interim housing and the Lamorinda Bus Transportation Program for bus services, and current project management personnel in place to complete the final project. Board Member Monach shared with the Board that the Beach community has begun transition planning in anticipation of a move to Emeryville either next year or the year following, just as Wildwood did last year in anticipation of the Board making a decision on when to start the project.