

PIEDMONT UNIFIED SCHOOL DISTRICT
Council Chambers, City Hall
120 Vista Avenue
Piedmont, California 94611

MINUTES OF
Regular Meeting of the Governing Board

March 9, 2011

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- CALL TO ORDER Board President Roy Tolles called the meeting of the Board of Education to order at 6:02 p.m.
- ESTABLISHMENT OF QUORUM President Roy Tolles, Vice President Rick Raushenbush; Board Members Martha Jones, Ray Gadbois, June Monach
- Adjourn to Closed Session The Board adjourned to Closed Session at 6:03 p.m. to discuss:
- A. Conference with District Negotiators David Roth and Constance Hubbard Regarding 2010-11 Negotiations with the California School Employees Association (CSEA), Chapter 60 (Government Code Section 54956.6)
- B. Public Employee Discipline/Dismissal/Release:
- Release of Temporary Employees
 - Reassignment of Certificated Administrators (Government Code Section 54957)
- Others Present in Closed Session Constance Hubbard, Superintendent
Michael Brady, Assistant Superintendent, Business Services
Dr. David Roth, Assistant Superintendent, Educational Services
- Reconvene to Regular Session Board President Tolles called the Regular Session of the Board of Education to order at 7:08 p.m. and led the Board and audience in the Pledge of Allegiance.
- Others Present at Regular Session Constance Hubbard, Superintendent
Michael Brady, Assistant Superintendent, Business Services
Dr. David Roth, Assistant Superintendent, Educational Services
- Report of Action Taken in Closed Session Superintendent Hubbard reported the following action taken in Closed Session:
- It was moved by Board Member Gadbois, seconded by Board Member Jones, and passed unanimously to approve the release or possible reassignment of administrative staff.
- Additionally, it was moved by Vice President Raushenbush, seconded by Board Member Monach, and passed unanimously to approve the release of temporary employees.
- Agenda Adjustments Superintendent Hubbard brought to the public's attention that supplemental information regarding APT negotiations and a printout of AB 1200 was available at the public information table.
- COMMUNICATIONS / ANNOUNCEMENTS (Community Association of Piedmont Teachers (APT) Harlan Mohagen, President of the Association of Piedmont Teachers (APT), thanked the Board for the tone of last Thursday's Special Board meeting. It was very clear that there was an appreciation and

acknowledgment of the concessions the teachers have taken.

Today an APT General Council meeting was held. Several members of the Joint Evaluation Committee were brought to the meeting to talk about what has been going on with the committee and bring other teacher site representatives up to date.

California School Employees Association
(CSEA)

CSEA Chapter 60 President Terra Salazar wanted to acknowledge that eight classified employees are retiring in 2011. Their combined years equal 185 years of service. She was also in attendance in support of the teachers.

Parent Clubs

None

Student Representative to the Board

Eric Huppert, Student Representative to the Board, reported that:

- This week, sophomores will be taking the California High School Exit Exam; juniors are beginning the process of applying to be in AP English class for next year; and sophomores are, for the first time ever, beginning the process of applying to be in Honors English for their junior year
- Tonight, the College and Career Center is having a college orientation night for junior parents so they can learn about the admission process. Also, in English classes, College and Career Center Director Sandra Brod has been doing mini-tutorials about the college process and teaching juniors about the tools that are available through the College and Career Center
- *Infinite Campus*, the online portal, is now open, and students can check their grades, as well as the parents. Information on how to log in is on the high school web site
- The Robotics Club is preparing for a regional competition in March
- The play, *Les Miserable*, is being performed March 17-20
- The girls' basketball team is in the state championship tournament; they are the #3 seed
- In boys' tennis, they traveled last week to Fresno and reached semi-finals
- The Associated Student Body is planning the Spring Dance to be held on April 2, to be followed by the Spring Sports Rally on April 8

Persons Wishing to Speak to Any Item Not
Listed on the Agenda

None

Superintendent Announcements

None

Board President Announcements

None

PRESENTATIONS

2011 Lois Blair Rawlings Foundation
Educational Inspiration Award

Representatives from the Foundation: Chuck Chakravartula, Ronnie Caplane, Sue Smegal, Kim Rawlings, and John Morrison, announced the nomination opening for these awards.

The purpose of the awards is to recognize outstanding mentors – those who inspire, educate and teach our children every day and every way in this community. It is also a way of honoring the

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memory of Lois Blair Rawlings who was a teacher in Oakland. Her husband passed away after the Depression and she raised her family as a single mother. She excelled not only in teaching but made her way in what was then a man's world, to be successful in investing. The Foundation presents these awards to recognize, honor and celebrate the daily excellence and achievement of an awardee; there is a need for this in order that the larger group continues on with these examples. The nomination deadline is at the end of this month. Applications are available at the District Office, all school sites, and available online. Each award is for \$5,000; half of which goes to the awardee, and the remaining half being donated by the awardee to a deserving organization, entity, or a group of their choice.

REVIEW & ACTION ITEMS

Approve Contract Agreement Between the District and the Association of Piedmont Teachers (APT)

President Tolles thanked everyone for all of the hard work that has gone into this process.

Superintendent Hubbard advised that at the Special Board meeting of March 3, an extensive review of the implications of the tentative contract agreement was conducted. She also explained the State-mandated form, "Public Disclosure of Collective Bargaining Agreement in Accordance with AB 1200". The purpose of the form is to make sure that the community at-large understands the fiscal impact of an agreement before the Board ratifies the agreement. She expressed her appreciation to the APT for negotiating so early with the District. This was needed in order for the District to have the information to reflect the assumptions shown in the Second Interim Financial Report of the District, to be approved later on in this meeting.

Harlan Mohagen, APT President, again expressed thanks to the Board for its appreciation of teachers shown by the Board. It is important that the contract moves forward even though it will be challenging and painful.

There being no one else wishing to speak on the issue, the public hearing was closed.

Board Member Gadbois thanked District staff for working on the complex disclosure documents. He added that the original disclosures provided the best summary of the contract agreement.

It was moved by Board Member Monach, seconded by Board Member Jones, and passed unanimously to approve the APT contract agreement for the period of July 1, 2011 through June 30, 2014.

Conduct Public Hearing and Adopt Resolution 11-2010-11, "In the Matter of the Reduction or Discontinuance of Certain Certificated Particular Kinds of Services for the 2011-12 School Year"

Superintendent Hubbard advised that the list of "Particular Kinds of Services" (PKS) are recommended to insure that the District has the flexibility to reduce expenditures starting in the 2011-12 school year sufficient to balance the 2011-12 budget and subsequent two years as required by AB 1200. The identification of services will dictate the number of employees who are designated to receive layoff notices. The total number of 4.4 full time equivalents (FTEs) (permanent employees) providing the services listed in the resolution must be given notice no later than March 15, 2011 if there is a possibility they will not be employed by the District next year. The District retains

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the right to reemploy anyone noticed by this action if the funds are available. Approximately sixteen temporary employees received notices. Six certificated administrators were also given notices. The reductions shown in the PKS Resolution have not yet been made. She reviewed the possible changes to staffing ratios and class sizes, etc.

Board Member Gadbois thanked the Superintendent for the details she provided in the resolution. Although it is unfortunate that reductions have to be made, he knows it could have been a lot worse. He cautioned that the Board needs to be firm in its goal of committing to the \$350,000-\$500,000 in savings.

The Superintendent clarified that the PKS Resolution before the Board tonight is for certificated employees only. Coming in May are reductions that would affect classified personnel that could affect library services at the middle school and high school depending on what further reductions are being faced. Classified employees are non-credentialed personnel that provide services, such as paraeducators, library aides, special education aides, maintenance, custodial, and clerical.

Annie Hosler, Piedmont High School senior, and conductor of the High School Pep Band, is very involved in the music program. She wanted to stress the importance of the program to her and her friends' educational experience, and wanted to make sure her younger siblings could have the same experience.

Laura Watry, Piedmont High School senior, added her agreement with Ms. Hosler's comments. She believes the music program, especially in the 4th and 5th grades, provides a solid base for the students and without that training, the High School and Middle School music programs could not succeed as they do today.

There being no one further from the public requesting to speak, the public hearing was closed.

It was moved by Vice President Raushenbush, and seconded by Board Member Gadbois, to adopt Resolution 11-2010-11, "In the Matter of the Reduction or Discontinuance of Certain Certificated Particular Kinds of Services for the 2011-12 School Year".

The Board was polled and the motion passed unanimously.

Review 2010-11 Second Interim Financial Report of the District; Determine a Positive Certification of the District's Ability to Meet Financial Obligations for the Current Year and Subsequent Two Fiscal Years; and Authorize Budget Transfers of Funds

Assistant Superintendent Brady advised that governing boards are required to certify the financial condition of each school district at two intervals during the school year. Even in the best of fiscal years, the Piedmont Unified School District's budget remains fluid and undergoes constant revision as revenues and expenditures are clarified. For 2010-11 and beyond, districts throughout California will continue to experience 20% reductions in State education funding and must also incorporate multiple variables given what the 2011-12 State Budget might look like in the coming months. For this reason, continued diligence in monitoring the District's financial condition is essential. Per the requirements of AB 1200, the District declares its ability to meet its financial obligations through one of three self-certifications: A *Positive* Certification means that the District will be

able to meet its financial obligations for the remainder of the current fiscal year and subsequent two fiscal years; a *Qualified* Certification indicates a district may not be able to meet financial obligations over three years; and a *Negative* Certification is used when a district will not be able to meet its financial obligations for the remainder of the current year nor for the subsequent two fiscal years. *Qualified* or *Negative* Certifications serve as an "early warning device" and are transmitted to the County Office, California Department of Education, and the State Controller for possible intervention by these agencies.

Certification is based on the General Fund Summary of Revenues and Expenditures as presented in the Interim Reports. The District submitted a Positive Certification at the 2010-11 First Interim Report in December 2010, with advance notice that given the current fiscal crisis, the District would outline, define, and implement a minimum of \$1.4 million in reductions for the 2011-12 school year by the Second Interim report. Those reductions have been incorporated as part of the 2011-12 and 2012-13 multi-year projections, and represent a combination of one-time and ongoing reductions (including certificated layoffs for Particular Kinds of Service [PKS] also placed on the March 9, 2011 Board agenda). The report as now presented reflects relevant information to budgets for 2010-11 through 2012-13 based on conditions as of January 31, 2011.

Per guidelines established by the Alameda County Office of Education, the Second Interim report uses the School Services Dartboard which was updated based on the Governor's Proposed 2011-12 State Budget in January, 2011 for COLA, revenue limit deficits, and categorical funding. However, as was the case at the First Interim report (when the District chose not to include the SSC projection of a .39% increase in COLA as part of its revenue limit calculations), we will continue take a conservative approach to PUSD budget development.

The Governor's 2011-12 Budget maintains Proposition 98 programmatic funding for schools at the same level in 2011-12 as the level in effect for 2010-11. The Budget also extends flexibility reforms adopted in 2009 that help school districts like PUSD maintain core services in the face of limited and dwindling funding. Although the Governor has made explicit a desire not to cut K-12 education further (noting that "school funding has been disproportionately reduced since 2007-2008") the Governor's Budget still relies on assumptions that contain risk to future K-12 funding: specifically the placement on the June ballot of temporary tax revenue extensions along with a proposed "realignment of local services." This ballot measure would need to be approved by the California electorate. Should these tax extension measures fail to reach the ballot, or if they reach the ballot and are defeated in the June election, the Revenue Limit loss is projected to be \$349 per pupil. For the Piedmont Unified School District, this would translate into an ongoing reduction in revenue of \$816,750 per year commencing in FY 2011-12. Additionally, failure of the ballot measure would create an adverse "realignment of local services" such that it would likely compel PUSD to absorb mental health services costs (AB3632) for K-12 students formerly paid for by county agencies. This would produce yet another loss of \$305,916 to the District for 2011-12. Finally, the Legislative Analyst's Office has provided its own estimates should the temporary tax extensions

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measure fail (up to \$800 per pupil); however, the Legislative Analyst's Office (LAO) report did not analyze the specific budget assumptions put forth by the Governor, and relies on a "cuts only" approach to balancing the State budget.

The looming uncertainty over the 2011-12 California Adopted State Budget leaves every school district in California asking the same question: "Which set of budget assumptions should be used for 2011-12?" This question is more prudently addressed through consideration of the District's capacity to mitigate future downside risk. For our District, under the direction and guidelines established by the Board of Education, it has built reserves sufficient to sustain the current educational program through 2011-12 *even if the Governor's proposed tax extensions fail*. The District has managed to accomplish this through the shared generosity and shared sacrifices of many: Through the cooperation and consideration of District employees, the District has helped control ongoing salary, benefits, and post-employment benefits costs while keeping overall reductions in workforce low. Through the generosity of the community in the form of the base parcel tax (Measure B), emergency parcel taxes (Measure E), donations and ongoing fundraising by parent groups, support clubs, and the Piedmont Education Foundation, the District has been able to sustain K-3 class-size reduction, K-12 counseling and library services, a seven-period day at the secondary level, and a robust elective program. Together, the Piedmont education community has managed to hold on to a great deal of what has been lost in many other school districts throughout California. Thus, with the present education program intact and with adequate reserves through 2011-12, to develop the Piedmont Unified School District's 2011-12 Budget with a built-in \$349 per pupil revenue loss and a \$305k charge for mental health services would be both speculative and premature. In consultation with the Alameda County Office of Education, the District will base its Second Interim Report as it has always done: by working with current assumptions. This is not to suggest the Piedmont Unified School District has dismissed the downside risks of the Governor's budget proposals. Rather, the District has chosen instead to incorporate potential changes within the Second Interim Report as adjustments to ending fund balances.

The financial summary of the Second Interim Report showed the condition of the District's General Fund as of January 31, 2011. Budget development assumptions as stated were in place at the point in time when each budget revision and multi-year projection was developed. The final page of the financial summary of the multi-year projection establishes the District's ability to meet its financial obligations for the current year through 2012-13. It should be noted that revenue summaries include a one-time 5% increase in the Measure B parcel tax levy, consistent with budget development direction provided by the Board at the February 9, 2011 Board meeting. Expenditure summaries for multi-year projections reflect savings anticipated through the collective bargaining process for all employee groups commensurate with the agreement reached between the District and recently ratified by the Association of Piedmont Teachers (APT). Although the District has not settled with the Association of Piedmont School Administrators (APSA) and the California School Employees Association (CSEA), negotiations remain ongoing, and an agreement consistent with the principles

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outlined in the APT contract for salary reductions, benefits caps, and contingency language triggering further reductions should Revenue Limit funding fall by more than \$200 per ADA is anticipated. Should agreement not be reached with the other associations prior to adoption of the District 2011-12 budget in June, savings consistent with the agreement with APT will be realized in the form of staffing reductions and/or reassignments within those associations.

The District also continues to work within the parameters for use of one-time funds (Federal Stimulus dollars under ARRA and IDEA) as well as State categorical fund flexibility. All Federal Stimulus funds received are expended as required by law. For State categorical funding flexibility as outlined in the Enacted 2009-10 California State Budget (and SBX3 4, Chapter 12, Statutes of 2009), the District retains authority to use money received from the State for Tier III programs for any educational purpose to the extent permitted by law through 2012-13 by Education Code 42605. Categorical program funding flexibility requires an annual public hearing on the proposed explicit use of the funds. In May of 2010, the Board authorized budget transfers from some Tier III categorical programs to support K-12 education, including \$120,000 from Adult Education, and \$300,000 from Deferred Maintenance, but has upheld virtually all categorical funding within existing K-12 programs. A similar hearing will need to be held this year to renew and/or expand this flexibility.

The budget documents presented in this Second Interim report continue to serve as a reflection of the District's goals and philosophy of spending current funds on current students. They reflect the tremendous support of the community as expressed in revenues from the Measure "E" Emergency Parcel Tax; annual support from the Piedmont Education Foundation Endowment; the funding of personnel and direct per-student contributions from parent clubs; numerous donations and grants from service organizations and support clubs like PRAISE, CHIME, and PAINTS; and philanthropic efforts from individuals and foundations like the Lois B. Rawlings Foundation.

As the District develops its budget for 2011-12, we will initiate the process of identifying how to close an approximate \$1.0 million shortfall in 2013-14 correlating to the loss of \$1 million in funding in 2012-13 (when the Emergency Parcel Tax - Measure "E" expires). The budget development principles approved by the Board will inform this process.

Second Interim (as of January 31, 2011) – Revenue: + [\$391,663]

Revenue Limit funding has been increased from 2467 to 2475 (\$41k) based on an Average Daily Attendance (ADA) of 2475, initially projected from the P-2 from 2009-10 and the increase validated at P-1 in December, 2010. We anticipated a slight bump in enrollment for the current year; and the annual CBEDS (California Basic Educational Data System) report from October, 2010 shows 2552 enrolled students. The District is funded on the current or previous year's ADA, whichever is higher. State Revenue increased \$109,412 due to one-time mandated costs settlements (\$135k) coupled with a reduction in K-3 class-size reduction funding (\$26k). Federal funding modestly increased \$9k.

An increase of \$230,930 in local revenue is due to donations to the Wellness Center for (\$33k); revised income contributions of (\$40k) from parent clubs, PEF, PAINTS, Boosters, Diversity, Green Team; a donation from the estate of former PHS teacher Alan Harvey (\$46k) to support music programs, after-school program support (\$10k); local donations (\$40k); receivables from associated student body funds, grants, principal resource accounts, and athletic fees (\$62k)

**Second Interim (as of January 31, 2010) – Expenditures: +
[\$430,637]**

Decreases in salaries (185.63 Certificated FTE + 109.5 Classified FTE.) include reduced costs of \$12,368 for substitute teachers, and adjustments to salary calculations in October. An increase in benefits of approximately \$75,798 is attributed to "qualifying event" changes in medical plans and to the transfer of some personnel benefits costs between operating funds. Most of the \$131,167 increase noted in books/supplies and \$23,344 in services/operating expenditures are booked against revenues received above.

Expenditures include the transfer of \$200,000 to the Capital Facilities Fund as approved by the Board at the Adopted Budget in June of 2010 toward replacement of the Witter Field synthetic turf, tentatively scheduled for 2015.

**Second Interim (as of January 31, 2011) – Ending Fund Balance:
\$3,036,702**

The total ending balance on June 30, 2011 is projected to be \$3,036,702 which represents 10.2% of total expenditures. The District continues to maintain reserves through cost saving measures, including roll-over of ending fund balances where authorized, and the preservation of General Fund money through use of highly restricted, one-time funding (ARRA, SFSF, Program Preservation, etc.). AB 1200 requires each district to maintain a 3% reserve for economic uncertainty. \$2,119,261 is what remains after the 3% reserve (\$892,441) has been met.

To address a \$1.0 million shortfall anticipated for 2013-14, the District will identify a combination of revenue enhancements and expenditure reductions as part of its Adopted Budget for 2011-12. Options for revenue enhancement include Board authorization of a parcel tax increase and a sweep of Tier III categorical programs (where appropriate). The District will identify reductions by the First Interim report in December, 2011.

**Multi-year Projections (as of January 31, 2011) - 2011-12
Assumptions**

Revenue:

- Revenue Limit COLA 1.67% with a Deficit Factor of 19.608% per School Services of California Dartboard
- No Federal Education Jobs funding or State Fiscal Stabilization Funds projected for 2011-12
- Revenue Limit ADA at 2475. This is based on current year

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enrollment figures. P-1 ADA is at 2501.

- Categorical and Special Education funding at 0% increase from the previous year. 10-year Special Education settlement terminated.
- All one-time revenues, including Program Preservation funds from parent clubs, the Piedmont Education Foundation, and support organizations are removed.
- No mandated cost reimbursements are included as part of 2011-12, though the budget reflects receipts of \$135k from 2010-11.
- Adult Education Apportionments are built in/transferred out
- Parcel tax revenue from Measure B increased by 5%; Measure E as approved by the voters in June 2009 remains the same.
- Piedmont Educational Foundation Endowment contribution of \$168,769
- \$0 for designated anonymous donations.
- Parent Club contributions of approximately \$1.3 million (direct District-funded support and parent club funded personnel with benefits costs)
- Adult Education contribution of \$120,000 for indirect costs

Expenditures:

- 0% increase in salary schedules for all employees
- Continuation of furlough days for Certificated and Classified staff, for a savings of \$450,000
- Program reductions of \$300,000 in Certificated Staff (PKS) and \$100,000 in Classified Staff
- "Step & Column" and "Longevity" salary schedule increases of 1.5% for employees (\$290,000)
- 3% increase in health and welfare benefits for all employees (\$96,000); additional increases in H&W benefits assumed by employees.
- Unexpended funds in categorical programs to be reserved for the program from which the funding originated or captured as allowable under 2009 State budget provisions.
- Ending Fund Balance: \$2,633,769
- Reserve in excess of 3% for use in 2012-13 is \$1,739,597

Multi-year Projections (as of January 31, 2011) - 2012-13 Assumptions

Revenue:

- Cost of Living Adjustment (COLA) 1.8% as projected by School Services of California.
- Categorical funding increase of 1.8%
- Continue deficit factor of 19.608%
- Federal funding at the same rate as the 2011-12 rate
- Parcel tax revenues from Measures B as approved by the voters in June 2009 will remain the same as 2011-12. Under revenue enhancement options, the Board *may*, after a public hearing, authorize a 5% increase for the Measure B tax (approximately \$430,000)
- Emergency Parcel Tax Measure E expires, resulting in a loss of \$941,000

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- Revenue Limit ADA is the same used for 2011-12
- Adult Education Apportionments are built in/transferred out
- Adult Education contribution of \$120,000 for indirect costs
- No mandated cost reimbursement is projected in the budget.
- All Parent and support group contributions at the same level as in 2011-12
- PEF contribution of \$168,769 on behalf of the Endowment Fund

Expenditures:

- No salary schedule increases for any employee group
- "Step & Column" and "Longevity" salary schedule increases of 1.5% for employees (\$287,000)
- 0% increase in health and welfare benefit cost for all employees; cost increases in H&W benefits assumed by employees
- Continuation of furlough days for Certificated and Classified staff, for a savings of \$450,000
- Unexpended funds in categorical programs to be reserved for the program from which the funding originated or captured as allowable under 2009 State budget provisions.
- Ending Fund Balance: \$1,192,371.
- Reserve in excess of 3% for use in 2013-14 is \$286,869

General Fund Summary for 2011-12 if Governor's Budget/Ballot Proposals Fail

- 2011-12 Ending Fund Balance = \$1,511,103
- Reserve in excess of 3% for use in 2012-13 = \$607,754

Status of Other Funds Operated by the District as of Second Interim (1/31/11)

Adult Education

The Adult Education Fund is balanced for the 2010-11 year. As part of the multi-year projections, State funding for 2011-12 is 0% and 2012-13 reflects a 1.8% increase. The law requires that the Adult Education program be self-sufficient and in no way supported financially by the District's General Fund. The Adult Education Fund remains solvent for 2010-11 and beyond, in spite of lower projected revenue from fee-based classes. The high school diploma program continues to accept adult students and concurrently enrolled Piedmont students. The Creative Retirement Center (CRC) program for senior citizens continues to operate out of Veteran's Hall, courtesy of the City of Piedmont and the Piedmont Recreation Department. It is anticipated both programs will be offered next year, though the CRC will experience reduced hours for 2011-12.

Cafeteria Fund

The Cafeteria Fund is a separate fund for which the District tracks all food services operations. Food services at the elementary sites are exclusively operated by parent volunteers. Food service at the High and Middle schools require 3-4 employees whose salaries are

accounted for through this fund. All costs associated with the operation of the food services provided to the students are wholly supported by the Parent Club organizations. This fund does not receive contributions from the District General Fund. Revenue is anticipated to increase by the cost of salary and benefits for employees in the multi-year projections. Expenses include 0% increase in salaries for 2011-12 and 2012-13 and 1.5% in longevity increases only.

Deferred Maintenance Fund

Expenditures for this fund support the District's Five-Year Deferred Maintenance Plan. Costs reflected in services and operating expenses remain the same, and the use of Deferred Maintenance funds in support of Seismic Safety Bond projects is ongoing. Changes in the multi-year projections show identical expenditures in Deferred Maintenance, although these will no doubt be subject to change.

Building Fund

The Building Fund is the established fund for which all voter-approved Bond measure proceeds are accounted. The balance of the funds may be used in support of any voter-approved project. All current funds are derived directly from Seismic Safety Bond funds approved by the voters in March, 2006. Additionally, the Citizens Oversight Committee reviews all District expenditures related to the Seismic Safety Bond program since the inception of the PUSD Seismic Risk Reduction Program. The COC must report to the Board to present an annual report, and is scheduled to do so at the regularly scheduled meeting of March 23, 2011. Current year revenues show \$4.7m in Modernization and Prop 1D funding received as part of \$15m anticipated in State matching funds for all bond projects. In future budget reports, these State funds will be tracked in "Fund 35 – County Schools Facilities Fund" established by the Board in February of this year. Multi-year projections for the Building Fund anticipate \$8.4m additional State funds approved by the State Allocation Board for the Piedmont High School (\$5.1m), Piedmont Middle School (\$1.1m) and Wildwood Elementary School (\$2.2m) projects.

Capital Facilities Fund

The Capital Facilities Fund is a fund for capital projects as identified by the Board of Education. This was the fund through which all donations in 1999-2000 for the artificial turf at Witter Field were accounted. Interest earnings, capital improvement projects (funded through donations), and limited facilities rental fees reflect any current changes to this fund. A transfer of \$200,000 as approved by the Board at the Adopted Budget in June, 2010 will be made into this fund during the current fiscal year. These funds will go toward the replacement costs for Witter Field and Witter Track which is assumed to take place in 2015.

Parcel Tax Reserve Fund

The Parcel Tax Reserve Fund was established for funds from the first year of the current Parcel Tax approved by voters to support programs as necessary in later years of the term of the tax. The Parcel Tax reserve fund is required to be fully expended as mandated by the parcel tax measure. No funds have yet been set aside from the 2009-10 Parcel Tax to this fund.

NODA Fund

The NODA Fund was established by the Board of Education to use the proceeds from the sale of a mural by artist (and former PHS student) Benjamin Hideo Noda to establish a fund from which the interest earned is used for grants to support visual arts at the secondary level. The NODA account is fully funded, and there are no changes to report at the second interim and there are no significant changes in the multi-year projections.

Summary and Recommendation

The Budget Advisory Committee (BAC), which is a standing committee with representatives from all stakeholders in the District, is a vehicle for dissemination of information to as many parents, students, staff and community members as possible. Its purpose is to review the District's budget, share the information with constituent groups and generate recommendations for Board consideration in the budget development process. It provides frequent opportunities for the Piedmont educational community to review the District's budget and identify trends and make recommendations for Board consideration in the budget development process. The Committee is advisory in nature and does not have decision-making responsibilities. After the BAC has reviewed the Second Interim Report, results of its discussions for budget priorities and recommendations are presented to the Board of Education as part of the 2011-12 budget development process.

It is recommended that the Board of Education review and approve the Second Interim Report as presented and that they provide a Positive Certification as to the District's ability to meet its financial obligations for the current year and subsequent two fiscal years. This recommendation is based on information that is available as of January 31, 2011. Staff is confident of the District's ability to meet financial obligations for the current year.

The uncertain economic times facing the State continue to wreak havoc on school district budgets. The staff, Board of Education and community at large are aware of the effects of enrollment fluctuations and State budget uncertainties and will plan accordingly. Piedmont is committed to the long-term tradition of solid fiscal responsibility in the management of the District's finances. The District Business Services staff continues to work closely with the Business Services Department at the Alameda County Office of Education and in consultation with School Services of California. The Alameda County Office of Education is dedicated to supporting Piedmont to assure all requirements of AB 1200 and the Daucher Bill are met.

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There was no one from the public requesting to speak.

It was moved by Vice President Raushenbush, seconded by Board Member Monach, and passed unanimously to approve the 2010-11 Second Interim Financial Report of the District; determine a Positive Certification of the District's ability to meet the financial obligations for the current year and subsequent two fiscal years; and authorize the budget transfers of funds.

Assistant Superintendent Brady said he would be remiss if he did not thank Michelle Nguyen, Director of Fiscal Services, for her tireless efforts on this financial report.

Conduct Public Hearing Regarding Use of Funding Allocation Contribution by the Piedmont Educational Foundation Fund for 2011-12

The Board heard District staff's recommendations regarding funding priorities for the 2011-12 school year for the \$168,769 contribution by the Piedmont Educational Foundation on behalf of the Endowment Fund (continue with the Grades K-12 student support services, e.g., Counseling; Grades 6-12 elective programs at the Middle School and High School; and continuation of the elementary library program).

Board Member Monach stated that if these monies are to support current District priorities, the expectation would be that from year to year, the priorities and needs might change. She feels there is a big need for having funds that are fully discretionary to the school district. Since some of these recommended items are on the PKS list, she does not want the public to think there is an intention of the District buying back programs with these funds. She asked other Board members about communicating to the Piedmont Educational Foundation that the money would be used to give the District flexibility in maintaining its core program, or at least providing language in the formal letter to the PEF Board that the request for funds is being made under very austere conditions.

Superintendent Hubbard said the request could be tied in with a certain FTE of layoffs.

Vice President Raushenbush said it needs to be made clear that their funds already prevented the layoffs, not saving anything already approved for reduction.

Dr. Roth added that class size ratio should also be used.

Superintendent Hubbard will address this issue of allocation of funds at the PEF Board meeting of March 17.

The public hearing was opened. There being no one from the public requesting to speak on this issue, President Tolles closed the public hearing.

CORRESPONDENCE

Board Member Monach advised that the following correspondence was received by the Board:

- Email from a teacher/librarian at Piedmont Middle School thanking President Tolles and Vice President Raushenbush for visiting the school and speaking with students
- Email from parent requesting further explanation about the PKS list to be discussed

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- Emails from three parents asking questions or providing input on the APT contract; one of the emails provided feedback on the impact this places on expectations for private fund raising support
- Invitation to all Board members from the Piedmont Middle School staff to attend the sixth grade speech festival to be held this Friday morning
- Written input was received from both the Beach and Wildwood teacher librarians about the impact a cut to the elementary library program would have on library services provided to staff, students and families
- Followup email received from a parent about the instructional calendar
- Email from a parent regarding the disclosure document included in the March 9th Board packet on the financial impact that the negotiated agreement has on our financials; response provided.
- Email from a parent regarding their input and support for the importance of library services

Board Member Jones received some emails on the proposed PKS cut to the instrumental music program, some emails regarding the financial disclosure of the impact of the tentative agreement with APT, an email urging support for Blair Park and the effects on support for the school parcel tax.

Vice President Raushenbush received some emails regarding the APT contract.

BOARD REPORTS

Board Member Gadbois attended the two High School plays which were very well done and entertaining.

Board Member Monach attended a workshop led by the City on fair policing in Piedmont, which was a training program.

Board Member Jones attended the Wildwood Parent Club meeting where there was much discussion about the proposed cuts to the elementary music program.

President Tolles attended the Bond Steering Committee meeting and the seventh grade ski trip. He is hoping to attend the March 19th Millennium High School benefit. A meeting of the Citizens' Advisory Committee to the Parcel Tax will be held this Friday at 4:00 p.m. in the District Administration Office.

CONSENT CALENDAR

It was moved by Board Member Monach, seconded by Board Member Gadbois, and passed unanimously to approve the Consent Calendar as follows:

- Adopt Regular Board Meeting Minutes of February 23, 2011
- Approve Personnel Action Report
- Approve School Site Safety Plans:
 - Beach Elementary School
 - Havens Elementary School
 - Wildwood Elementary School
 - Piedmont Middle School

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- D. Approve School Accountability Report Cards, 2009-10, for:
- Beach Elementary School
 - Havens Elementary School
 - Wildwood Elementary School
 - Piedmont Middle School
 - Millennium High School

The Board of Education views School Accountability Report Cards as one way of informing the community about conditions, needs and progress at each school and to provide data by which parents/guardians can make meaningful comparisons between schools.

- E. Approve Memorandum of Understanding Between the District and the Contra Costa County Office of Education/Saint Mary's College for the Beginning Teacher Support and Assessment (BTSA) Program for 2010-11

The partnership is formed to increase student achievement through the implementation of a quality teacher induction program, while nurturing the growth and development of participating teachers in the District.

The anticipated level of funding for 2010-11 is approximately \$10,000

- F. Approve Overnight Field Trip for Piedmont High School Mock Trial Team to attend State Championship, Riverside, California, March 24-27, 2011

FUTURE AGENDA ITEMS

Future agenda items are as follows and subject to change:

→ **SUBJECT TO CHANGE** ←

- Conduct Public Hearing and Approve New Course Approval, "Honors English 5-6", Piedmont High School, Grade 11 (Mar 23)
- First Reading, Proposed New Course, "Latin American Studies", Grades 9-12, Millennium High School (Mar 23)
- Certification of Athletic Coaches (CC) (Mar 23)
- Board Decision on Proceeding with Beach Construction Project (Mar 23)
- Adopt Resolution for Sale of Qualified School Construction Bonds (QSCBs) (Mar 23)
- Comprehensive Review of Seismic Safety Bond Program Project Budgets and Cash Flow Demand (Mar 23)
- Hideo Benjamin Noda Memorial Grants: Announcement of Funds Available (Mar 23)
- Approve Certification of Athletic Coaches, 2010-11 (Mar 23)
- Conduct Public Hearing and Approve CSEA Contract Agreement for 2011-2014 (Mar 23/Apr)
- Annual Report from the Seismic Safety Bond Program Citizens' Oversight Committee (Mar 23)
- Conduct Public Hearing on the Proposed Levy of the Current 2010-11 Parcel Tax, to be Levied in 2011-12 (public hearing only, no action) (Mar 23)
- Conduct Public Hearing on the Proposed Levy of the Current 2010-11 Parcel Tax, to be Levied in 2011-12 and Adopt Appropriate Resolution(s) (Board action) (Apr 27)
- Notification of 2011 Arthur Hecht Volunteer of the Year Awardee (Apr 27)
- Recognition of 2011 Arthur Hecht Volunteer of the Year Awardee (May 11)

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- District English Language Arts Program (Apr/May/Jun) Recommendations
- Extend Lease Agreement Between the District (May-Jun) and Emery Unified School District for Use of Ralph Hawley School
- Review of Budget Information to Include (Apr 27) Proposed Layoffs of Classified Staff
- Review of New Gifted & Talented Education (May/Jun) (GATE) Plan
- Adopt New Gifted & Talented Education (GATE)(May-Jun) Plan
- Review and Approve Facilities Funding (TBD) Agreement for Upkeep of City and School District Athletic Facilities ("Preservation Fund")
- Special Board Meeting-Open Session to (TBD) Discuss Interdistrict Transfers
- Uniform Complaint Form Board Policies (TBD)
- Conduct First Reading of Proposed Revised (TBD) Board Policy 5144, "Discipline" (title to be changed to "*Student Discipline*")
- Conduct First Reading of Special Education (TBD) Board Policies
- Review of Board Bylaws (Section 9000) (TBD)

ADJOURNMENT

There being no further business and with no objections by the Board, President Tolles adjourned the meeting at 9:30 p.m.

ROY TOLLES, Board President
Piedmont Unified School District
Board of Education

CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education