

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

MINUTES OF
Regular Meeting of the Governing Board

June 23, 2010

CALL TO ORDER	Acting Board President June Monach called the meeting of the Board of Education to order at 6:03 p.m.
ESTABLISHMENT OF QUORUM	Board Members June Monach, Martha Jones, Rick Raushenbush
ADJOURN TO CLOSED SESSION	The Board adjourned to Closed Session at 6:04 p.m. to discuss: A. Public Employee Performance Evaluation: Superintendent (Government Code Section 54957)
ABSENT FROM CLOSED SESSION	President Ray Gadbois (excused); Vice President Roy Tolles (excused)
RECONVENE TO REGULAR SESSION	Acting Board President June Monach called the Regular Session of the Board of Education to order at 7:20 p.m. and led the Board and audience in the Pledge of Allegiance.
OTHERS PRESENT AT REGULAR OPEN SESSION	Constance Hubbard, Superintendent Michael Brady, Assistant Superintendent, Business Services Dr. David Roth, Assistant Superintendent, Educational Services
ABSENT FROM REGULAR SESSION	President Ray Gadbois (excused); Vice President Roy Tolles (excused)
REPORT OF ACTION TAKEN IN CLOSED SESSION	None
AGENDA ADJUSTMENTS	None
COMMUNICATIONS / ANNOUNCEMENTS	
Association of Piedmont Teachers (APT)	APT President Harlan Mohagen announced that even though school is over, there is a flurry of activity – staff is moving from “Havens Jr.” in Emeryville to the new Havens Elementary School; from Wildwood to “Wildwood West” in Emeryville; Special Education staff from the Special Education Department is moving from the 40’s building at the High School to Millennium High School classrooms; and Millennium High School staff is moving to High School classrooms. High School Librarian Susan Stutzman asked Ms. Mohagen to advise the Board that the textbook labeling coding I.D. system is being updated with the assistance of about twenty-five students, who are earning community service hours.
California School Employees Association (CSEA)	None

Associated Parent Clubs of Piedmont None

Student Representative to the Board None

PERSONS REQUESTING TO SPEAK ON ITEMS NOT ON THE AGENDA None

Superintendent Announcement Superintendent Hubbard shared that Summer School and Adult School are going on, and the final phases of construction at the High School are being completed. It is a very busy time.

Board President Announcement Acting Board President June Monach thanked staff for all of the work they are continuing to do, even with school being out. Summer is not a time of rest but rather a time to gear up for the beginning of the next school year.

REVIEW & ACTION ITEMS

Seismic Safety Bond Program:

1. District's Request for Priority Funding

Superintendent Hubbard advised that the State Allocation Board (SAB) provided an opportunity for districts who had already received unfunded allocation through the Office of Public School Construction (OPSC) to apply for priority funding. Our District filed its application and will find out in August whether or not we receive priority funding. The District has about \$4.5 million of funding allocation. The District is not expecting to make the first-round priority funding list. This was an informational item, only.

There was no one from the Board or audience requesting to speak.

Conduct Public Hearing; Adopt 2010-11 District General Fund Budget and All Budgets Operated by the District, and Adopt Resolution 21-2009-10, "Authorizing Year-End Budget Transfers"

Acting Board President June Monach prefaced the budget PowerPoint presentation by saying that, in terms of the budget climate, the District has been living through highly volatile and uncertain times with respect to both the world and national economies. The impact to the State of California is that it is looking at an estimated \$19 billion budget deficit and in Piedmont, what we have experienced over the past two years is about a 20% decline in revenues from the State, our primary funding source. In terms of local support, twenty-five years ago compared to now, the local community provided about 11% of the total revenues and today, the local community, through parcel tax revenues contributes 33%. Another upcoming issue is that the contracts with the employee groups are due to expire on June 30, 2011 at the end of this fiscal year. About 90% of the District's total expenditures are for salaries and benefits. Given those circumstances, the Board has developed a set of guiding principles to work through the budget development process over the next three years, and also as part of the goal setting process, the Board will be working in close collaboration with administrators to develop a plan and a time frame to balance the budget and sustain our exemplary education program over the next three years.

Superintendent Hubbard clarified that the budget information is based on what we know from the State. The State has not adopted a budget. This is not new news. The statutory deadline for adoption has passed. This is all based on projections as provided to the District by School Services of California, legislative analysts and the Governor's Office. When the budget is actually adopted by the State, within forty-five days, staff will bring back any major

revisions. In September, the unaudited actuals will be brought back. Therefore, the statistics presented this evening should be put in the context of the assumptions as we know them as of about three days ago. As those assumptions change, so will the numbers.

In addition to the assumptions included for each fund, it is important to note the following trends affecting the budget:

- State and federal support for public schools in California have plummeted in the past two years, representing a \$1,100 per student decline in revenue.
- Collective bargaining agreements are settled through June, 2011 in the form of a "Memorandum of Understanding" inserted into existing employee association contracts. After July 1, 2011, all contracts revert to terms as of June, 2009.
- Programs included as essential in Piedmont students' experience have been maintained and are included as part of the 2010/11 budget. "One-time" contributions of \$483,000 from support groups, parent clubs, and the community have been received for "Program Preservation" for 2010/11. The remarkable generosity of the community reflects a commitment to educational excellence, including the compensation and professional development of teachers and staff.
- The widening gap between the increase in the operational cost of programs and a decrease in State funding has been closed in part by the support of the Piedmont community through renewal of the existing Parcel Tax, and the passage of Emergency Parcel Tax Measure E to provide temporary relief (as needed) for up to three years (2009/10 – 2011/12).
- The Parcel Tax support has been an essential component of the District's revenue for the maintenance of programs for students. It has grown from being approximately 11% of the District's total revenue in 1985 to 32.60% in 2010-11 from Measures B and E as approved by voters in June, 2009.
- Revenue from Measures B and E, approved by the Piedmont community by 78.4% and 73.2% margins, respectively, on June 2, 2009, are included as part of the multi-year projections.
- The funds raised by Parent/Support Groups and the Educational Foundation to support programs remain an integral part of the District's budget, representing 6.59% of the total budget. The combined community support for the District budget in 2010-11 totals 39.1% of total budget revenues, or \$4,275 per student.
- District enrollment is stable, but attendance rates dipped slightly in 2009-10. The **2008-09 budget revenue limit was \$5,837** per Average Daily Attendance (ADA) based on a 98% attendance rate for the 2552 students enrolled in 2007-08. The **2010-11 budget revenue limit is \$4,981** per ADA based on 97% attendance.

- The 35 member Budget Advisory Committee consists of representatives from all stakeholders in the District and meets regularly to discuss the District Budget and provide recommendations to the Board in the budget development process.

The multi-year budget development assumptions for the General Fund for 2011-12 and 2012-13 are as follows:

General:

- Beginning fund balance based on 2010-11 projected ending fund balance as authorized by the Board in District Adopted Budget approved on June 23, 2010.
- State and federal budget for K-12 programs based on information included in the 2010 May Revise.
- Implementation of the recommendations from the Budget Advisory Committee to maintain the priorities of offering a breadth of student program opportunities and providing adequate compensation for employees.
- The second of the four-year term for Measure B which begins July, 2010.
- Review the current program footprint (not increase) as part of the commitment to the voters of Measures B.
- The final year of the three-year emergency funding from Measure E approved June, 2009.
- District enrollment pattern is level. Close monitoring of enrollment pattern necessary to make program adjustments as required, with level in enrollment in 2011.
- Maintain positive Ending Fund Balance with a full 3% reserve for 2011/12 and 2012/13.
- \$200K in self-restricted Deferred Maintenance funds for use on maintenance projects
- Concern for the support of on-going programs with one-time funds and/or significant dependence on fund raising for the maintenance of programs
- **\$1.4 million in ongoing reductions as defined in 2010/11.**

Revenues: 2011/12

- Revenue Limit and other State revenue include 2.1% Cost of Living Adjustment (COLA) with a 18.355% deficit (plus additional 3.85% deficit factor tied to base revenue limit).
- Revenue limit based on projected enrollment of 2551 and ADA based on projected P-2 report of 2467.
- Parcel Tax revenue total at same rate as 2010/11 for Measures B & E
- Parent Club organizations total contribution at same level as in 2010-11 for \$1.3+ million
- Educational Foundation on behalf of the Endowment Fund contribution of \$162,159
- Continued transfer from the Adult Education program of \$120,000 to the General Fund

Expenditures: 2011/12

- Includes the cost of step and column at 1.5% of total certificated salaries and 1.5% of classified salaries.
- Collective Bargaining issues, including compensation, assume contract provisions remain in force per agreements that expired June, 2009.
- Benefit increases of approximately 15% for all employees.
- Staffing rates subject to change, but reflect 2010/11 levels.
- Savings of \$72,000 for replacement of staff retirements
- **Assumes ongoing \$1.4 million reductions identified at First Interim, December 2010**

Revenues: 2012/13

- Revenue Limit and other State revenue include 2.40% Cost of Living Adjustment (COLA) with a -18.355% deficit (plus additional 3.85% deficit factor tied to base revenue limit).
- Revenue limit based on projected enrollment of 2546 and ADA based on projected P-2 report of 2482.
- Parcel Tax revenue total at same rate as 2010/11 for Measure B
- Parent Club organizations total contribution at \$1.3+ million.
- Educational Foundation on behalf of the Endowment Fund contribution of \$162,159
- Continued transfer from the Adult Education program of \$120,000 to the General Fund
- **Emergency parcel tax Measure E funding (approximately \$1 Million) expires**

Expenditures: 2012/13

- Includes the cost of step and column at 1.5% of total certificated salaries and 1.5% of classified salaries.
- Benefit increase cost of approximately 15%.
- Collective Bargaining issues, including compensation not settled.
- Staffing rates to the 2011/12 level.
- Remainder of \$200K Deferred Maintenance funds set-aside to be fully expended
- Savings of \$72,000 for replacement of staff retirements
- **Total ongoing reductions (including \$1.4M permanent reductions from 2011/12) to be increased by \$2.2M to balance budget in 2012/13.**

Analysis and Recommendations

The District's extraordinary program was created and maintained through collaboration – through a vibrant and dynamic partnership of the Piedmont community, teachers and staff, and administration. The same collaboration and partnership that successfully created and maintained the high quality of education in Piedmont will now be required to address the funding crisis and minimize the impact on the quality of education in our schools. We must:

- Begin now to identify options to close the \$1.4 M gap for 2011-12 and the additional \$2.2 M needed for 2012-13.
- Understand that increased dependence on local revenue is not a reasonable solution to our long-term fiscal issues.
- Seek agreement on collective bargaining issues as soon as possible as a critical component of planning for the future.
- Include alternatives with identified priorities for maximum flexibility to respond to fluctuations in State/Federal revenue.
- Work together with all stakeholders on behalf of all students.

The Board asked several questions regarding the budget and some discrepancies on the checklist were noted which will be looked over.

Resident George Childs noted the fact that the projected budgets for 2011-12 and 2012-13 do not reflect increasing the parcel tax levy. He urged the Board to continue looking at ways to avoid increasing the parcel taxes.

Resident Catherine Ogle commented on the following:

- She thanked Administrative Assistant Beverly Feusier for providing hard-copy information on the budget
- She stated that disclosure is improving on the budget background report
- She hoped that the PowerPoint slides were provided online in advance of the Board meeting
- She reviewed language she inserted in the staff's background report that she thought would make more sense and give more information from a citizen's point of view. She thinks providing the dollar information rather than the percentages is easier for the public to understand

Board Member Raushenbush stated that credit for the 2010-11 budget goes to a lot of people: a) those who worked on a Measure E emergency parcel tax; b) employee groups who agreed to take salary cuts; and c) those involved in the Program Preservation Fundraising effort that raised nearly \$500,000. But for all of these things, we would not have a budget that works this year. Even so, the District is still budget deficit spending in a way that is not sustainable long-term but will make this one year work. He is not happy about implementing furlough days, as it has an impact on instructional days for students. It is a short-term solution. The District is going to have a lot of cuts ahead.

Board Member Jones agrees. She is also appreciative to everyone who has made compensation sacrifices or donated money or whatever else to make the 2010-11 budget work. The District is "patching things together" for this year but will have to work hard going forward. Backloading all of the cuts is not a good idea.

Acting Board Member Monach agrees. The overarching direction that is going to be most helpful in terms of solving the budget problem is to identify ongoing ways to sustain our program. She also supports comments that Mr. Childs has made regarding the reduction of dependency on growing levels of the school parcel tax and local private support.

It was moved by Board Member Raushenbush, and seconded by Board Member Jones, to adopt 2010-11 District General Fund Budget and all budgets operated by the District. The motion passed as follows:

AYES: Monach, Jones, Raushenbush
NOES: None
ABSTAIN: None
ABSENT: Gadbois, Tolles

It was moved by Board Member Jones and seconded by Board Member Raushenbush to adopt Resolution 21-2009-10, "Authorizing Year-End Budget Transfers". The Board was polled and the motion passed as follows:

AYES: Monach, Jones, Raushenbush
NOES: None
ABSTAIN: None
ABSENT: Gadbois, Tolles

Appoint New and Continuing Members to the Seismic Safety Bond Program Citizens' Oversight Committee

Superintendent Hubbard stated that members whose terms have expired but are willing to continue serving may do so by a reappointment by the Board, per legal counsel. Additionally, an announcement of openings on the committee was sent out and one application was received.

It was moved by Board Member Jones and seconded by Board Member Raushenbush to appoint those members who have agreed to continue serving, along with the new applicant, to serve on the Seismic Safety Bond Program Citizens' Oversight Committee, as follows:

Grier Graff, Chair	2006/07-2007/08; 2008/09-2009-10; Termed out; will continue
Phillip Cardon	2009/10 Has one more year
Dana Serleth	2008/09-2009-10; Term over; will continue
Nava Shaham	2008/09-2009-10 Term over; will continue
Ward Lindenmayer	2008/09-2009/10 Term over; will continue
Kenneth Jensen	2006/07-2007/08; 2008/09-2009-10 Termed out; will continue
Rob Hendrickson	2006/07-2007/08; 2008/09-2009-10 Termed out; will continue
William Drum	2006/07-2007/08; 2008/09-2009-10 Termed out; will continue
Cory Smegal	New applicant for 2010-11 and 2011-12

Approve Declaration of Need for Fully Qualified Educators

Superintendent Hubbard explained that the declaration is a prerequisite to the issuance of any emergency permits from the Commission on Teacher Credentialing. It is required by the State in the event a district plans to hire emergency credentialed teachers. The approval is for one school year, only.

It was moved by Board Member Raushenbush and seconded by Board Member Jones to approve the "Declaration of Need for Fully Qualified Educators".

The Board was polled and the motion passed as follows:

AYES: Monach, Jones, Raushenbush
NOES: None
ABSTAIN: None
ABSENT: Gadbois, Tolles

CORRESPONDENCE

The Board received one email from a community member requesting a hard copy of the financial report and the budget.

BOARD REPORTS

Board Members expressed their pleasure at attending the graduations.

CONSENT CALENDAR

Acting Board President June Monach acknowledged the following donations received by the District:

- Matching Donation to the District General Fund in the amount of \$1,000 by the **Alexander & Baldwin Foundation** (donor Jonathan Ogle)
- Donation by **Lisa Breuner, DPM, Inc.** in the amount of \$500, with requested use for the Piedmont High School Wellness Center
- Donation by **Pauline Fox** in the amount of \$600, with requested use for the Piedmont High School Wellness Center
- Donation by **Eric Havian and Jean Jarvis** via The San Francisco Foundation, in the amount of \$500, with requested use for the Piedmont High School Wellness Center
- Donation by **Justin Roach and Dianne Peebles Roach** in the amount of \$500, with requested use for the Piedmont High School Wellness Center
- Donation by **Elizabeth Murphy Jinich and Samuel Jinich** in the amount of \$500, with requested use for the Piedmont High School Wellness Center

Superintendent Hubbard brought Item C. "Personnel Action Report" to the Board's attention. There was an error on the Full-Time Equivalent (FTE) of the School Psychologist; the FTE should be .5 FTE, not .6 FTE.

Acting Board President June Monach brought Item H. "Adopt 2010-11 District Goals" to the Board's attention, as it was agreed this would be done at the June 9th Board meeting.

It was moved by Board Member Raushenbush and seconded by Board Member Jones to adopt the Consent Calendar as amended. The items presented on the Consent Calendar were as follows:

- A. Accept Donations (as noted above)
- B. Adopt Regular Board Meeting Minutes of May 26, 2010 and June 9, 2010
The May 26, 2010 Regular Board Meeting minutes had been pulled for edits at the Board meeting of June 9, 2010. The edits have been made.
- C. Approve Personnel Action Report (*as amended*)
- D. Approve 2010-11 Consolidated Appl., Part I (due June 30)
The Consolidated Application is used by the California Department of Education to distribute categorical funds from various state and federal programs (e.g., Economic Impact Aid, Title IV Safe and Drug-Free Schools and Communities) to county offices, school districts, and charter schools throughout California. In June of each year, every local educational agency (LEA) submits Part I of the application to document participation in categorical programs and provide assurances that the LEA will comply with the legal requirements of each program. Part II of the application, submitted in January of the following year, contains the LEA's entitlements for each funded program. Out of each state and federal program entitlement, LEAs allocate funds for indirect costs of administration for programs operated by the LEA and for programs operated at schools.
- E. Approve Contract for Services of Vavrinek, Trine, Day & Company LLP as follows: Audit Financial Statements of the District, as of and for the years 2009-10, and 2010-11, at a cost of \$28,100 for 2009-10 and \$29,000 for 2010-11.
- F. Approve Contract for Services of Vavrinek, Trine, Day & Company LLP as follows: Audit the Financial Statements of the Seismic Safety Program Measure E of the Building Fund, 2006 General Obligation Bond Resource, as of and for the year ended June 30, 2010, at a total cost not to exceed \$3,800.
- G. Approve Contract for Services of Vavrinek, Trine, Day & Company LLP as follows: For the Performance Report of the Seismic Safety Program Measure E, apply the agreed-upon procedures for the Fiscal Year ended June 30, 2010 related to the 2006 General Obligation Bond Resources which the District and Citizens' Oversight Committee have specified, at a total cost not to exceed \$3,600.
- H. Adopt 2010-11 District Goals
Discussions and opportunity for public input on the 2010-2011 District Goals were held at the regular Board meeting of May 12, 2010, the Special Board Meeting of June 2, 2010, and the regular Board meeting of June 9, 2010. The Board will also bring back the adopted Goals as an Information item in September.
- I. Approve Field Trip for Piedmont High School Senior Picnic, Castle Rock Park, September 22, 2010 (approved field trip form requested in advance by Park District)
- J. Approve Field Trip for Piedmont High School Boys' Basketball to participate in tournament, Santa Barbara, June 24-27, 2010
- K. Approve Updated "Green Initiative Plan" for July 1, 2009 through June 30, 2012 (updated version: 6-9-10)
- L. Adopt Resolution 22-2009-10, "Disposal of Obsolete Textbooks" (Wildwood)

Superintendent Hubbard added that regarding Item H. "Adopt 2010-11 District Goals", the Goals will be brought back for public discussion at a September Board meeting, also per Board

agreement at the June 9th Board meeting. The Administrative Team has already started working on the corresponding Action Plan.

FUTURE BOARD AGENDA ITEMS

Future Board Agenda items are as follows, and are subject to change:

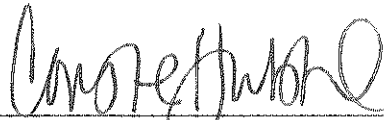
- Approve Quarterly Report of Complaints Received under the Williams Settlement Agreement (Jul 14)
- Review of Tentative Board Committee Assignments (Jul 14)
- Lease/Lease-back Agreement for Seismic Safety Renovation Project of Wildwood Elementary School (Jul/Aug)
- First Reading of Special Education-Related Board Policies (Aug)
- English Learner Master Plan (Aug)
- Adopt Board Committee Assignments (Sep)
- Reorganization of the Board (Sep)
- Board Workshop on Budget (TBD)
- Board Workshop on Interdistrict Transfers (TBD)
- Review of Board Bylaws (Section 9000) (TDB)

Adjournment

There being no further business, and with no objections by the Board, Acting Board President June Monach adjourned the meeting at 8:55 p.m.



RAY GADBOIS, Board President
Piedmont Unified School District
Board of Education



CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education