

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

MINUTES OF
Regular Meeting of the Governing Board

December 9, 2009

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| CALL TO ORDER | Board President Gadbois called the regular meeting of the Board of Education to order at 5:35 p.m. |
| ESTABLISHMENT OF QUORUM | President Ray Gadbois, Vice President Roy Tolles; Board Members June Monach, Martha Jones, Rick Raushenbush |
| COMMENTS BY PUBLIC ON CLOSED SESSION | Prior to the Board convening to Closed Session, California School Employees' Association Chapter 60 President, Maureen Rhodin, read a statement on behalf of CSEA employees notifying the Board that the interests of CSEA are to close their contract as per the signed tentative agreement and that once the contract negotiations are completed, they are ready to immediately schedule negotiations with the District on ways to address the budget challenges. CSEA requested that the Board support the classified staff by approving the tentative agreement this evening that is on the agenda. |
| ADJOURN TO CLOSED SESSION | The Board adjourned to Closed Session at 5:44 p.m. to discuss: A. Conference with District Legal Representative Laurie Juengert, Fagen Friedman & Fulfroost, Regarding 2009-10 through 2010-11 Negotiations with the California School Employees Association (CSEA) Chapter 60 (Government Code Section 54956.6) B. Conference with District Legal Representative Laurie Juengert, Fagen Friedman & Fulfroost, Regarding 2009-10 through 2010-11 Negotiations with the Association of Piedmont Teachers (APT) (Government Code Section 54956.6) |
| OTHERS PRESENT FOR CLOSED SESSION | Constance Hubbard, Superintendent Michael Brady, Assistant Superintendent, Business Services Dr. David Roth, Assistant Superintendent, Educational Services Rich Kitchens, District Negotiator with APT Julie Valdez, District Negotiator with APT Laurie Juengert, Legal Counsel for the District, Fagen, Fulfroost, Friedman Law Firm |
| RECONVENE TO REGULAR SESSION | Board President Gadbois called the Regular Session of the Board of Education to order at 7:02 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 |
| REPORT OF ACTION TAKEN IN CLOSED SESSION | None |

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| AGENDA ADJUSTMENTS | None (an adjustment was requested via email but not changed) |
| COMMUNICATIONS / ANNOUNCEMENTS | |
| Association of Piedmont Teachers (APT) | <p>APT President Harlan Mohagen introduced Ellen Garrett, Beach fifth grade teacher, along with Alaleh Ansarinia-Ford, third grade Beach teacher. Ms. Garrett invited anyone wanting to get a look at public education to come to Portable 25 at Beach! Susan Stutzman, APT negotiator and Piedmont High School librarian, stated the library is thriving, even though it is located in a portable.</p> <p>Harlan reported that two weeks ago, her brother was hit by a car and severely injured. The next night, her aunt who resides in Rocklin had a stroke and is incapacitated; and last Tuesday her son, who is a fourth grade teacher in Tacoma, Washington, was hit by a car as he was riding his bicycle home from school. She was bringing this to everyone's attention because of the California Educators Coalition for Health Care Reform. Her brother has no health care insurance. This shows the importance for affordable and inclusive insurance for all Piedmont employees. She thanked the staff community for all of their support. She couldn't have made it without them, including the support of her paraeducator. Ms. Mohagen would have been lost without her because she helped out during the time Harlan missed. Harlan said all the staff works together and they all care about each other.</p> |
| California School Employees Association (CSEA) | CSEA President Maureen Rhodin thanked the District for holding the California Educators Coalition for Health Care Reform workshop at the District. |
| Associated Parent Clubs of Piedmont | None |
| Student Representative to the Board | <p>Ally Leong, Student Representative to the Board, reported that:</p> <ul style="list-style-type: none"> • Students are doing well in the gap between the two breaks (Thanksgiving and Winter Recess) • The annual collection for the Alameda County Food Bank is going on. Last year, the high school set a record, and this year they are trying to surpass the record • The Associated Student Government is selling holiday grams and winter ball tickets for juniors and seniors; because of two other conflicts, the Winter Ball has been changed to January 9 |
| PERSONS REQUESTING TO SPEAK ON ITEMS NOT ON THE AGENDA | None |
| Superintendent Announcements | None |
| Board President Announcements | Friday, December 11 th is the second collaborative group planning meeting on long-range planning for the District ("Shaping Our Future Initiative"). It has been very useful to hear from the educational community. |

PRESENTATION

Report from the Chair of the Citizens' Advisory Committee to the Parcel Tax Program

Chairperson Jon Elliott reported that the Citizens' Advisory Committee for the Parcel Tax Program has formed to review expenditures and the budget of the District and to offer opinions and recommendations about the levying of parcel taxes, Measures B and E. The committee is hoping to come forward to provide information behind the levy to provide assumptions in order to get a quick version. A written report is due to the Board in early February. The next meeting is scheduled for December 14 in the District Administration Office at 4:30 p.m.

REVIEW & ACTION ITEMS

Review First Interim Financial Report and Approve a *Positive Certification* of the District's Ability to Meet Financial Obligations for the Current and Subsequent Two Fiscal Years

The budget document is a reflection of the District's goals and philosophy, and is consistent with its top priorities of providing a breadth and depth of program experience for all students while maintaining highly qualified staff by providing a competitive compensation package.

The Budget is fluid and therefore under constant revision as revenues and expenditures are clarified. In December of 2008, the District's First Interim report highlighted "speculation regarding mid-year budget cuts proposed by the Governor...including serious reductions in revenue limit funding with modest flexibility in the use of categorical funds." The revenue limit reductions were indeed serious, with an applied deficit factor of 18.35% (and additional losses of over 20% in categorical funding) to the revenue limit and a 0% COLA (cost of living adjustment) for the 2009-10 school year. The "modest flexibility" in the use of categorical funds included permission to "sweep" unexpended funds from the prior year, and afforded school boards local control to shift some categorical funds (identified in tiers) to the General Fund. While State and national economies faced (and continue to face) great instability and uncertainty, the District was still required to ensure fiscal solvency. Last December's First Interim summary statement emphasized that "regardless of how the State economy moves forward, the District is confident it will have sufficient funds to meet its financial obligations for 2008-09, and will present a balanced budget for the 2009-10 school year in June of 2009." Through the Board's careful and deliberate decision-making process to reduce ongoing expenditures, and with the support from the Piedmont Community through passage of an emergency parcel tax, the 2009-10 budget is balanced. The District remains confident it will have sufficient funds to meet this year's financial obligations, and will present a balanced budget for the 2010-11 school year by June of 2010. However, economic projections for the next few years remain bleak, and further ongoing reductions in expenditures will be required. The Board has stated its priority that these reductions be made without sacrificing instructional program for students.

Governing Boards are required to certify the financial condition of each school district at two intervals during the school year. 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 these financial obligations. A *Negative Certification* is used when school districts are not able to meet financial obligations for the remainder of the year or for the subsequent fiscal year. *Qualified or Negative Certifications* act 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 First Interim Report. Based on actual expenditures through October 31, the First Interim Report reflects updated projected year-end totals and becomes the Approved Budget. The Second Interim Report is presented in March of each year and is based on actual expenditures through the previous January 31st. Although the District will be able to meet its financial obligations for the current year and 2010-11 (with a diminished reserve balance for economic uncertainty), the 2011-12 year reveals a negative ending fund balance of nearly \$1.6 million. In order to balance the budget through 2011-12, the District must reduce ongoing expenditures by \$1 million starting in the 2010-11 school year. While the District has not yet articulated the specifics of its plan for meeting fiscal obligations in the third year of multi-year projections as of this First Interim report, the Board is asked to approve a *Positive Certification* based on its commitment to reduce expenditures sufficient to meet these requirements. A *Positive Certification* also enables the District to maintain its high credit rating, and facilitates the issuance of future bond sales so that the Seismic Safety Bond program can be completed on time and without interruption. The District, in consultation with the Alameda County Office of Education, believes a *Positive Certification* is both sound and prudent. A *Positive Certification* provides the District with greater flexibility with respect to its future financial options.

A financial summary of the First Interim was provided, which showed the financial condition of the District's General Fund as of October 31, 2009. It is important to note the assumptions in place at that point in time at which each budget revision and multi-year projection is developed.

The most significant issue affecting the District's budget at this "snap-shot" in time is the State economic budget crisis. On November 18th, 2009, the Legislative Analyst's Office (LAO), which provides non-partisan fiscal and policy advice to the State legislature, issued a forecast outlining a "\$20.7 billion gap between now and the time the Legislature enacts a 2010-11 state budget plan." The likelihood of mid-year cuts, though not a foregone conclusion, could necessitate the District making further reductions than the \$1 million projected. Additionally, the LAO report states that "consistent with legislative action in 2009 to eliminate most automatic cost-of-living adjustments (COLAs) for state programs, [the] forecast assumes no COLAs...through 2014-15." As a result, the District has deviated from the School Services Dartboard recommendations for modest COLA increases: our multi-year projections for the revenue limit do not include any COLAs through 2012 with the exception of some categorical funding.

All indications are that the challenges facing public education will be with us for the next several years. By examining current conditions, taking early action, and focusing on long-term fiscal strategies consistent with the Board's educational philosophy, the District will bring its budget into balance. The following principles have been applied to the budget development process based on goals, objectives, and approaches consistent with past practice and public Board discussion. The Board is requested to amend, refine, and

otherwise provide additional direction to staff regarding these stated principles:

- Maintain and improve current academic program opportunities for all students by providing a balanced depth and breadth of offerings. This includes student support systems as part of the 2009-10 base program, and is the program supported by the current budget. It also anticipates an educational program vision to be approved by the Board resulting from current planning efforts by the Piedmont educational community in the “Shaping Our Future” process.
- Attract, develop, and retain highly qualified personnel (who with their representative associations work in partnership to provide quality programs that support growth in learning for all students) while maintaining long-term fiscal solvency.
- Continue to work in partnership with support organizations (parent clubs, the Piedmont Education Foundation, and support groups) and the Piedmont community to maintain the excellence of Piedmont schools by providing:
 - Information so parents and community members understand the history of school funding in California, and the need for local support of the schools;
 - Local funding that supports the district’s vision, mission, and goals
- Eliminate current fiscal dependency on one-time funds, including the Emergency Parcel Tax (Measure E) approved by the voters in June 2009 that will expire no later than July, 2012.
- Implement conservative fiscal policies that include “worst case” scenarios from the State and Federal government as sources of revenue; reduce dependency on increasing levels of local revenues local revenue from parcel taxes and support organizations to maintain programs; identify and reduce \$1 Million in expenditures to maintain a balanced budget for the current year and two subsequent years as part of the annual Second Interim report; identify set-aside, if any, for a parcel tax reserve fund for use in the final year of the current parcel tax (Measure B).
- Include a minimum 3% reserve in all multi-year projections to (in addition to additional reserve levels in 2009-10 to support the 2010-11 budget); fiscal implications for program decisions are based on assumptions at the time of required budget adoption and interim report periods; confine multi-year projections to the three-year horizon of AB1200.
- Support collaborative decision-making where the Board retains responsibility for making final decisions on programs based on a common K-12 vision and goals, fiscal realities and projections, superintendent and administrative team recommendations that address student needs and program priorities, and input from professional staff, parents, and the community.
- Present for Board approval, when possible, *Positive Certifications* of the District’s ability to meet its financial obligations: to demonstrate sound fiscal management; to secure

and maintain the District's favorable credit rating for future bond issuances.

- The Board retains final decisions on programs based on approved vision and goals, fiscal realities and projections, superintendent recommendations based on student program priorities, and input from professional staff, parents, and the community.

First Interim (as of October 31, 2009) – Revenue: + \$155,704

- Revenue is based on an Average Daily Attendance (ADA) of 2485 as confirmed from the P-2 from 2008-09. Enrollment is projected to be relatively flat over the next two to three years. The District's enrollment as indicated on our annual CBEDS (California Basic Educational Data System) report from October, 2009 is 2538 students. Because the District is funded on the current or previous year's ADA, the previous year's confirmed number is used for current year calculations. There was a decrease (-\$14,119) in ARRA/IDEA funding due to a federal modification of fund distribution schedules. Local funds include receipt of \$27,500 in parent donations, \$25,179 in donations to the Wellness Center, \$13,600 in contributions from CHIME and PRAISE, and \$175,000 in receipts from ASB accounts, Piedmont Education Foundation grants, and parent club contributions (all the aforementioned booked as expenditures); -\$65,000 in interest earning losses due to a reduction in interest rates from 3.0% to .67%.

First Interim (as of October 31, 2009) – Expenditures: +\$135,293

- Salary expenditures reflect a modest decline of -\$18,567 in personnel costs as certificated and classified positions reflect actual placements. There are also slight adjustments to confirmed step and column calculations in October. Reductions in employee benefits (-\$55,470) include employee-initiated changes to medical benefits plans, and five additional employees who opted out of District-provided medical plans. Services and operating expenses are booked against revenues of \$182, 951.

First Interim (as of October 31, 2009) – Ending Fund Balance: \$2,078,952

- The total ending balance on June 30, 2010 is projected to be \$2,078,952 which represents a total of 7.0% of total expenditures. AB 1200 requires each district to maintain a 3% reserve for economic uncertainty. A designated balance of \$1,158,019 for use to support programs in 2010-11 remains after meeting the 3% requirement.

Multi-year Projections (as of October 31, 2009) - 2010-11 Assumptions

Revenue:

- Cost of Living estimated Statutory COLA of 0.00% as projected by School Services of California and the State Legislative Analyst's Office, with an applied deficit factor of 18.355%. The revenue planning COLA is 0.00%. These projections will be

updated as part of the Governor's January budget proposal.

- A stable projection of ADA for students from the 2009-10 year at 2485. The Second Interim will reflect ADA based on the current year's certified P-1.
- Categorical program revenue at the 2009-10 rate plus a COLA of 0.5%.
- No mandated cost reimbursements are included as part of 2010-11.
- All ARRA Federal Stimulus funds fully expended
- Piedmont Educational Foundation Endowment contribution of \$158,684.
- State revenues for Adult Ed are received and transferred from the General Fund.
- A transfer of \$120,000 from Adult Ed fund back to the General Fund for direct support of K-12 programs.
- Parent Club contributions of approximately \$1.30 million (direct District funded support and parent club funded personnel with additional benefits costs)
- No transfer to or from the Parcel Tax Special Reserve.
- Parcel Tax Measures B & E are projected at the same level as 2009-10

Expenditures:

- Step and column increases for all employees (equivalent to 1.5% salary cost).
- No salary increase for any employee group
- 10% increase in health and welfare benefit cost. Collective bargaining agreements have not been negotiated beyond 2008-09.
- Savings of \$72,000 from a projected 4.0 FTE certificated retirements with \$85,000 in payments for early retiree incentives from 2008-09.
- Unexpended funds in categorical programs are reserved for "sweep" to the General Fund where flexibility for unrestricted use is approved by the State

Multi-year Projections (as of October 31, 2009) - 2011-12

Assumptions

Revenue:

- Cost of Living Statutory COLA of 0.00% over the 2010-11 level as anticipated by the Legislative Analyst's Office (a deviation from the COLA projected by School Services of California) with an applied deficit factor of 18.355%. The revenue planning COLA is 0.00%.
- An ADA figure of 2482 used for 2010-11.
- Categorical program revenue at the same rate as in 2010-11 plus a 2.3% COLA.
- No mandated cost reimbursement is projected in the budget.
- All Parent and support group contributions at the same level as in 2010-11: approximately \$1.30 million (direct District funded support and parent club funded personnel with additional benefits costs) and PEF contribution of \$158,684
- State revenues for Adult Ed are received and transferred from the General Fund.

- A transfer of \$120,000 from Adult Ed fund back to the General Fund for direct support of K-12 programs.
- No transfer to or from the Parcel Tax Special Reserve.
- Parcel Tax Measures B & E are projected at the same level as 2009-10
- Ten-year Special Education apportionment settlement of \$11,853 concluded

Expenditures:

- Step and column increases for all employees (equivalent to 1.5% salary cost).
- No salary increase for any employee group
- 10% increase in health and welfare benefit cost.
- Savings of \$72,000 from a projected 4.0 FTE retirements.
- No Transfer from the General Fund to the Parcel Tax Special Reserve fund
- District freeze on supplies & services with a 5% built-in cost inflation.

Status of Other Funds Operated by the District as of First Interim (Octc 2009)

- Adult Education

The Adult Education Fund shows some deficit spending for the 2009-10 year. There are sufficient reserves to offset this anticipated decrease in revenue. 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 fiscally solvent, and will continue to serve students seeking a high school diploma in partnership with neighboring districts. The Business Services Department has now assumed full control over all aspects of the Adult Education program and budget. There are no significant changes in the multi-year projections. If proposed mid-year cuts take effect, revisions will be provided at the Second Interim report.

- 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 3-5 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 a 1.5% increase in salaries (longevity) for 2009-10 and 1.5% in 2010-11.

- Deferred Maintenance Fund

The First Interim Report reflects support of the Seismic Safety Bond program, as well as expenditures to meet the goals of the District's Five-Year Deferred Maintenance Plan. There are no significant changes in the multi-year projections, although the ending fund balance will continue to drop precipitously without "matching fund" contributions from the General Fund. The District must also decide if it wishes to "sweep" any of the 2009-10 ending fund balance into the

General Fund by June 30, 2009. After that date, funds are not transferable.

- Parcel Tax Reserve Fund

The Parcel Tax Reserve Fund is normally established for funds from the first year of the current voter-approved Parcel Tax to support programs as necessary in later years during the term of the tax. 2009-10 shows the remaining balance of the 2006-07 Parcel Tax transferred to the General Fund. There are no transfers beyond 2009-10 as the fund has been exhausted, nor to multi-year projections show any transfers into this fund.

- Building Fund

The Building Fund is the established fund for which all voter-approved Bond measure proceeds are accounted. These funds may be used in support of voter-approved projects only. All current funds are derived directly from Seismic Safety Bond sales approved by the voters in March, 2006. Additionally, the Citizens Oversight Committee reviews all District expenditures since the inception of the PUSD Seismic Risk Reduction Program. The COC will report to the Board in early February, 2010. Changes in the multi-year projections for the Building Fund show a fourth issuance of bonds in the amount of \$10,000 in 2010-11. This figure is a place-holder, and the authorization for issuance must be first approved by the Board (See notes under separate cover regarding long-term program needs).

- Capital Facilities Fund

The Capital Facilities Fund is a fund for capital projects as identified by the Board of Education. There are no changes in the multi-year projections; Efforts to set aside \$45,000 per year for future capital projects have been suspended given the current State budget crisis. Originally, the goal was to have a balance of nearly \$175,000 by 2010, with an overall goal of \$400,000 on deposit in the Fund when the current Witter Field warranty expires in 2015.

- NODA Fund

The NODA Fund was established by the Board of Education to use the proceeds from the sale of a mural by the artist Noda to establish a fund to support visual arts at the secondary level. Arts grants are funded through interest earned. The NODA account is fully funded, and there are no changes to report at the first interim nor significant changes in the multi-year projections.

Summary

Although multi-year projections do not show Ending Fund balances meeting designated reserve levels, the District's commitment to a minimum of \$1 million in ongoing reductions will be fully articulated at the Second Interim report in March, where a *Positive Certification* is also anticipated.

These are extraordinary economic times and it is difficult to gauge the future. The District's budget continues to be conservative over the next few years. Funding will remain significantly reduced, and the prospect of apportionment deferrals lapsing into unrealized money is a distinct possibility. The staff, Board of Education and community at large are very aware of the effects of enrollment fluctuations and State budget uncertainties and are planning 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 Alameda County Office 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.

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. Additionally, a Citizens Advisory Committee Citizens' Advisory Committee on Parcel Tax Program Measures B and E (June 2, 0009 Election) was established to serve in an advisory capacity to the Board to help review and project the financial needs of the District with respect to whether and in what amount to levy voter-approved parcel taxes.

Board President Monach requested edits on some of the proposed Guiding Principles.

Board President Gadbois stated the District needs to find \$1 million in cuts. The annual deficit needs to be focused on as well. The District is still on an unsustainable path.

President Gadbois opened the public hearing.

Parent Catherine Ogle requested clarification on some of the statistics provided.

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

Superintendent Hubbard stated that at the first Board meeting in January, she hopes to be able to know better where the District is in the discussions with the employee groups as to how it can address part of the million dollars in reductions needed. It can then be shared with the Budget Advisory Committee and the Citizens' Advisory Committee for the Parcel Tax Program, to be looked at again at the second Board meeting in January, with perhaps a Special Board meeting in January, also. Action on any certificated reductions would have to be taken by the time of the Second interim (February/March); and by the April Board meeting, the District would have to identify any reductions in staff for classified employees.

The Board was in consensus to commit to the goal of having staff come back at the first Board meeting in January with some high level directions/options/update on negotiations in order to begin strategizing on what options make sense.

Superintendent Hubbard wanted to clarify that whether or not something is identified as input in this process specifically, District staff listens to what is going on in the “Shaping Our Future” meetings; there have been years of discussions at the Budget Advisory Committee meetings, cabinet meeting, administrative meetings, site meetings and parent club meetings in order to develop recommendations.

The next Budget Advisory Committee meeting is scheduled for January 12, 2010.

Board Member Jones felt the January 12th Budget Advisory Committee meeting would be a good time to have the committee brainstorm ideas for revenue enhancement and provide input as to where cuts could be made.

Board Member Tolles added that feedback on negotiations with employee groups is an important component.

It was moved by Board Member Raushenbush and seconded by Board Member Monach to approve the First Interim Financial Report and approve a *Positive Certification* of the District’s ability to meet financial obligations for the current and subsequent two fiscal years, reflecting planned cuts of at least \$1 million per year.

President Gadbois requested an amendment to the motion to include wording that the cuts would be detailed by the time of the Second Interim Financial Report. Both Board Members Raushenbush and Monach agreed to the amendment.

The motion passed unanimously.

Conduct Public Hearing Regarding
Negotiations Between the District and
Association of Piedmont Teachers (APT)

Superintendent Hubbard stated that In March 2009, the Board approved zipping the contract for the 2009-10 and 2010-11 school years, with a zero increase in the salary schedule, maintaining increases in Step and Column, and maintaining the current level of benefits. It was agreed at that time that if there were significant budget developments that were different than what was approved in March, we would come back to the table and discuss how to close that gap – which is the \$1 million identified for 2010-11. The District has had 1-1/2 days of meetings with the APT to discuss various options for how the employees in the District can work together to help close that gap, while maintaining student program as much as possible. The Board provided an opportunity for public input at the last Board meeting and several emails were received. Another opportunity for public input is being given at tonight’s meeting.

Susan Stutzman, APT negotiator, stated the APT had one session devoted to interest-based bargaining and one full day of negotiations and then a half day. Teachers are fully committed to the process and a timely resolution to this problem. All teachers realize the sacrifices that will have to be made. She is very heartened to see the District open to so many things and felt that APT’s voice was very strongly heard. Another negotiation session will be held on December 17th.

President Gadbois opened the public hearing.

Peter Freeman, a 23-year resident with students formerly in the schools, thinks we are facing a significant fiscal challenge yet want to attract and maintain a highly qualified staff. He wanted to focus on performance-based compensation as part of the compensation package. He is an adjunct professor at Merritt College and a member of their teachers' union. This concept is fiercely resisted by many members of his teachers' union. However, it is required as a condition of "Race to the Top" funding which is part of the stimulus package. He cannot see the Step and Column basis as the best approach.

Jon Elliott, resident, stated that, in looking at the current round of negotiations – to the extent that time and energy – say you have to narrow your focus – to remember that you can come back a year from now – even the two-year zip expires in nineteen months and the Board should be thinking about a full-blown unzipping. At the very least, it will be useful as part of this round, to deal with wherever the lumps fall and over the next year, come up with another round of things to cut or improvements in the system.

There being no one else from the public wishing to speak, President Gadbois closed the public hearing.

Other public input was received from community members via email.

Ratification Vote by Board of Education
Regarding California School Employees
Association (CSEA) (Chapter 60) Tentative
Agreement, 2009-2011

Superintendent Hubbard advised that back in March when the Board approved zipping the APT contract, the District also entered into negotiations with the other employee group (CSEA) to look at equitable resolutions, per historical practice in the not-strict identification of the "me, too" term – which has a very distinct definition – but the concept of equitable and "even" negotiation outcomes has been what has ordinarily been done with both employee organizations. On May 27, 2009, the Board approved the interest-based bargaining agreement that we had requested, that mirrored what had been approved on behalf of the Association of Piedmont Teachers (APT).

The reason it is important to put this in a timeframe is that it was March and May; the District did not have the State budget, it did not know what was going to happen, and so for various reasons, the CSEA Chapter was not able to vote before the end of the school year. Unfortunately, from the time that happened to now, and fast forward to the tentative agreement that was signed in September, the State picture not only got worse in concept but got worse in confirmed lack of revenues, even though the tentative agreement discussed in July and signed in September reflected the previous state of affairs – not the state of affairs happening at that time. Our revised budget reflects the new numbers that we have: the deficit went from 8% to 18% which was not known; the additional \$250 per ADA that was reduced per enrollment number was not known; the concept of reducing the school year by five days was not known at that time. Therefore, so many things have changed that the tentative agreement is caught in a time warp in terms of what it reflected then - what the intent was.

The District has had one meeting to discuss the possibilities of what kinds of things CSEA employees could do to help bridge the gap, same as what was done with APT. Now the dilemma is: does the Board ratify this tentative agreement at this point in time, even though it is in the wrong time slot in terms of now that it is being presented, and the intent that we continue to apply negotiation/settlement strategies that are equitable to all employee groups?

The CSEA representative requested that this be placed on the Board agenda for Board consideration at this time, with the commitment to continue discussions as to how the \$1 million can be addressed in the short term and the long term fiscal needs of the District.

CSEA President Maureen Rhodin clarified that in the timeline, there was something presented around March but it was sent back to CSEA. It was re-written and it came back again to the District. CSEA voted on it and it has been with the District for about a month now. Given the three-year projection and two-year term we are talking about, she asked if there is a deficit in the time period of this contract we are speaking of. The response was yes. President Rhodin then stated that CSEA knows what the future holds, and they want a timely resolution.

President Gadbois opened the public hearing.

Jon Elliott felt the CSEA contract should not be zipped now. When the agreement was made back in May to zip, there was a discussion about impact bargaining if needed. What is right in front of the Board now is waiting to see how APT negotiations go. He did not feel it is timely or appropriate now to zip the CSEA tentative agreement.

Catherine Ogle agreed with Mr. Elliott: now is not the right time; we need the flexibility of all the terms of the contract.

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

Board Member Monach stated there were twelve emails from community members and staff, some urging to oppose the ratification to keep more options open to the District ; others urged to vote in favor.

Board Member Raushenbush appreciates the CSEA contributions to the District. However, the budget looks terribly grim and the District is going to have to find reductions in costs. The Board will be reviewing this over the next two months. All this needs to happen in a relatively short period of time with all employee groups. While he would like to provide certainty to the classified group right now, he does not feel the Board has all the information it needs to zip the contract. Hopefully by January, we will have agreements with the APT and CSEA, so right now is premature to vote on zipping the contract as is.

President Gadbois stated he also respects and appreciates the contribution and commitment of the classified staff. He is committed to equal and fair treatment among the employee groups. He looks at

the APT contract which they froze as, if the state budget deteriorated, discussions would be opened immediately to talk about cost reductions. So it would be a technicality to freeze the CSEA contract because it needs to be immediately reopened, so to open now would be a technical thing and not in the spirit of what the District has done with APT. It also sends the wrong message to all of the employees, parents and community that the Board is comfortable freezing the existing situation when we know we are not. His preference is to postpone this vote. He would prefer to freeze at the same time we adopt.

It was the desire of Board Member Tolles to vote on the tentative agreement at tonight's meeting.

It was moved by Board Member Raushenbush and seconded by Board Member Jones to table the agenda item of a vote on the ratification of the tentative CSEA agreement, until the Board meeting of January 26, 2010.

The motion passed as follows:

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

Board Recess

President Gadbois called for a five-minute recess to reconvene at 10:05 p.m.

Board Reconvenes

The Board reconvened to open session at 10:12 p.m.

Seismic Safety Bond Program:
Comprehensive Update on Bond
Program Budgets and Anticipated
Cash Flow Demand

David Burke, Seismic Safety Bond Program Manager, stated that the District is in its first phase of construction, which is Havens, Piedmont High School and the Maintenance Building Project. The Maintenance Building Project is complete and came in under budget.

The plan, pending funding, is to move into the phase for the Wildwood Project, to be followed by Beach construction in 2011-12. There are concerns related to the receipt and planned receipt of funding from the State.

Back in April, it was thought the District could complete Havens, Piedmont High School, and Ellen Driscoll within its own local funding source, which is through the bond monies and City funding. The District would not be able to complete Wildwood and Beach through construction without receipt of State funding. The District has an option to complete Wildwood through construction and Beach through construction documents. The District would need \$59 million to complete Wildwood construction and the Beach construction documents, yet the bond issuance authorization is only for \$56 million. Ruth Alahydoian from Kelling, Northcross & Nobriga financial counseling firm, will be at the next Board meeting to provide possible financing options to the Board.

State funding is being released but it is not definitive when the District will receive the funding.

Activity through September 2009 (1st Quarter 2009):

\$56 million – Seismic Safety Bond Authorization

\$45,944,346 has been encumbered, of which \$14,989,476 has been expensed.

Budget and Expenditure Summary:

Current Financial Status:

- Current cash demand shows District needs \$59.0 million to complete program through Wildwood construction and Beach construction documents.
 - This includes \$4.0 million in contingencies (w/o Beach contingency)
 - Assumes no State funding is received
- The District has \$57.2 million in local funding (Seismic Bond and City).
- A shortfall of up to \$1.8 million will exist if no State funding is received and all contingencies are spent.
- A plan to bridge this shortfall will be detailed at the January 13 Board meeting. Options include:
 - Continued update of the budgets as construction progresses
 - Appropriate release of project contingencies
 - Identification of non-critical path scope to defer until State funding is released
 - Bridge financing if absolutely necessary (such as Lease/Leaseback)

Issues for Decision:

- Shall the District proceed with construction of the Wildwood project during the 2010-2011 academic year?
- Shall the District authorize the construction document phase of the Beach project now?

Proceed with Wildwood Construction in
2010-2011?

“Yes” Decision Impacts:

- Seismic risk addressed
- Interim housing plan remains on track
- Program momentum can be maintained

“No” Decision Impacts:

- Seismic risk not addressed
- EUSD lease impacts for WW and Beach (logistics & costs)
- Interim housing remains at Beach longer
- Potential for increased project costs
- DSA approved plans may require additional review

Proceed with Beach Construction Documents Now?

“No” Decision Impacts:

- \$538k commitment
- Beach project critical path continues
- Plan to acquire \$1.95 million in State funding continues
- If no State funding is ever received, construction docs would have to be modified to match whatever funding is available for the project

“Yes” Decision Impacts:

- Ability to receive State funding from the current State-wide bond would be eliminated (no DSA plans-no State \$)
- EUSD lease impacts (logistics & costs) if project does not construct during 2011-2012
- Potential for increased project costs

Concluding Thoughts:

- The current status of the Seismic Safety Bond Program reflects the commitments made to the community in April 2009.
 - Maintenance Project complete
 - Havens, Driscoll, and PHS will be completed by August 2010
 - Wildwood construction documents are being reviewed by DSA
 - State funding will be required to complete the Beach construction phase
- The District remains committed to completing the full project scopes at Wildwood and Beach, pending the State funding for Beach.

William Drum of the Bond Program Citizens’ Oversight Committee, speaking on his own behalf, thinks the Board is asking the right questions and proceeding accordingly. It is clear to him that the risks could be addressed for going forward with the Wildwood project on time and also to get the plans done for Beach. Any delay will clearly risk additional cost (interim housing, remobilization) and risk not being able to do Beach at all or a much reduced project. He feels there will be State money, but if there are no Beach drawings, we could not do it.

The Superintendent will bring this back at the first Board meeting in January and the Board can make a decision at the second Board meeting in January.

Motion to Extend Meeting

It was moved by Board Member Raushenbush, seconded by Board Member Jones, and passed unanimously to extend the meeting to 11:30 p.m.

Approve Declaration of Need for Fully Qualified Educators

The Declaration of Need 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 that the District plans to hire emergency-credentialed teachers. It is good for one school year.

It was moved by Board Member Jones, seconded by Vice President Tolles, and passed unanimously to approve the Declaration of Need for Fully Qualified Educators.

CORRESPONDENCE

None additional to what was already reported on earlier.

BOARD REPORTS

Board Member Jones attended a Technology Plan meeting a couple of weeks ago focusing on using technology to support student learning. It was a very well executed meeting.

Board Member Monach attended a forum sponsored by the Silicon Valley Educational Foundation and Citizen Schools, a partnership which is helpful to look at in addressing bringing STEM education (Science, Technology, Education and Mathematics) into the school day, into the after school program and into the homes. It is a fully integrated program.

CONSENT CALENDAR: ACTION ITEMS

Board Member Raushenbush requested that Item I. on "Infinite Campus" be pulled for separate discussion.

The Superintendent requested that the expenditure be approved and the contract could come back at a following meeting. The annual cost on this contract is about \$30,000. "Infinite Campus" has more functionality than "Power School". "Data Director" will replace the SASI system.

It was moved by Board Member Raushenbush, seconded by Board Member Monach and passed unanimously to approve the District entering into an agreement with Infinite Campus, in an amount not to exceed \$100,000, and to renegotiate and finalize the contract to return to the Board on the Consent Calendar at some future Board meeting.

It was moved by Board Member Monach, seconded by Vice President Tolles, and passed unanimously to approve the remaining items on the Consent Calendar presented, as follows:

- A. Adopt Regular Board Meeting Minutes of November 10, 2009 and Special Board Meeting Minutes of November 17, 2009
- B. *Approve Monthly Financial Report of the District for November 2009
- C. *Approve Personnel Action Report
- D. *Approve Overnight (2 nights) Field Trip for Piedmont High School Girls' Basketball Team for Tournament, Kelseyville, CA, December 3-5, 2009
- E. *Approve Overnight (2 nights) Field Trip for Piedmont High School Boys' Basketball Team for Tournament, Kelseyville, CA, December 3-5, 2009
- F. *Approve Out of State Field Trip for Piedmont High School Girls' Basketball Team for NIKE Tournament, Phoenix, Arizona, December 17-22, 2009
- G. *Approve Internship Contract Renewal Agreement Between the District and Brandman University effective January 1, 2010 through January 1, 2012
- H. *Approve License Agreement Between the District and Riverside Publishing for Assessment Management System (support, planning, training and data integration services) for new District-wide student assessment data information system ("DataDirector"), effective November 18, 2009 through November 17, 2012, at a cost not to exceed \$22,555.20 – Term 1 of 3, only). Funding Source: Piedmont Educational

Foundation Grant

- I. *(pulled from Consent Calendar and voted on separately)*
Approve Contract Between the District and Infinite Campus, Inc. for project management, data conversion and training services for a K-12 comprehensive student information system that will meet the State requirements for the California Longitudinal Pupil Achievement Data System (CALPADS), effective December 10, 2010 through June 30, 2010, at a total amount not to exceed \$100,000.
- J. *Approve new CSEA Job Description for Special Education Paraprofessional Level II, and CSEA Revised Salary Schedule
In the last year, the District has experienced a need for an increased level of expertise and a change in the work conditions for some of the special education paraprofessionals who work with our students with severe disabilities (multiple handicaps, autism, developmental disabilities). The needs of these students fall into two categories. The first category is behavioral and includes extreme behaviors such as scratching, hitting, and running. The behavior is directed at the aide and requires an exceptional level of skill in implementing behavioral interventions which are prescribed in detail by the IEP. The second category is functional living including toileting, mobility (lifting the student), and monitoring eating. Given the physical nature of both categories of need, it is necessary to recognize these employees with a more accurate job description and a salary that is competitive with jobs of like kind in other districts.
- K. *Adopt Resolution 10-2009-10, "Approve Assignments Under Education Code 44258.3 and 44258.7 (c) and (d)"
Upon approval by the Board, certain certificated staff can be approved to teach out of their credentialed area as authorized by Education Code for a period of one year
- L. Approve reimbursement to parents of one student for nonpublic assessment, effective October 12, 2009 through October 27, 2009, at a total cost not to exceed \$5,290.00. Funding Source: Special Education
- M. Approve reimbursement to parent of one student for nonpublic transportation costs, effective September 1, 2009 through June 30, 2010, at a total cost not to exceed \$6,000.00. Funding Source: Special Education
- N. Approve one Individual Service Agreement and one Master Contract with I Can Too Learning Center, to provide behavioral therapy for one student effective July 1, 2009 through June 30, 2010, at a total cost not to exceed \$36,180.00. Funding Source: Special Education
- O. Approve one Consultant Services Contract with Jim Elliott, to provide APE services for one student effective October 20, 2009 through June 30, 2010, at a total cost not to exceed \$1,200.00. Funding Source: Special Education
- P. Approve one Consultant Services Contract with Anne Yudowitz, to provide District wide speech/language services, effective November 30, 2009 through June 30, 2010, at a total cost not to exceed \$44,800.00. Funding Source: Special Education

FUTURE BOARD AGENDA ITEMS

Future Board Agenda items are shown below and are subject to change:

- Second Reading / Adopt Proposed Revised Board Policy 4030, "Discrimination / Hate Crimes / Hazing / Harassment (Including Sexual Harassment, Intimidation, Bullying and Cyberbullying" – *Employee Version*, and Board Policy 5145.3,

“Discrimination / Hate Crimes / Hazing / Harassment (Including Sexual Harassment, Intimidation, Bullying and Cyberbullying”
– *Student Version*

- Review of State Eligibility for Seismic/Modernization Funding
- Approve Consolidated Application, Part II (Jan)
- Review and Adopt Yearly Budget Development Calendar (Jan)
- Presentation & Acceptance of Annual Financial Report (Audit Report) (Jan)
- State Budget Update (Jan)
- Application Opening of Arthur Hecht Volunteer of the Year Award (Jan)
- Approve Quarterly Report of Complaints received under Williams (Jan)
Settlement Agreement (Oct-Nov-Dec) (1st mtg Jan)
- Black History Month – February (Jan)
- SARCS (Student Accountability Report Cards) (Jan)
- California Physical Fitness Test Summary (Jan)
- Mid-year assessment on goals and objectives (Jan/Feb)
- Decision on Extension of Emery Lease
- Decision on Wildwood Bond Program Project
- Bond Program Financing Options
- Safety Plan Information (section of Comp Sch Safety Plan)
- Review of Board Bylaws (Section 9000)

ADJOURNMENT

There being no further business, and with no objections by the Board, President Gadbois adjourned the meeting at 11:30 p.m.

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

CONSTANCE HUBBARD
Secretary, Piedmont Unified School District
Board of Education