

PAJARO VALLEY UNIFIED SCHOOL DISTRICT MISSION STATEMENT

The Mission of the Pajaro Valley Unified School District is to educate and to support learners in reaching their highest potential. We prepare students to pursue successful futures and to make positive contributions to the community and global society.

January **27**, 2010
REGULAR BOARD MEETING
CLOSED SESSION – 6:00 p.m. – 7:00 p.m.

PUBLIC SESSION – 7:00 p.m.
DISTRICT OFFICE
BOARDROOM
292 Green Valley Road
Watsonville, CA 95076

NOTICE TO THE PUBLIC: PURSUANT TO SB 343, BOARD PACKET DOCUMENTS ARE AVAILABLE FOR YOUR REVIEW AT THE FOLLOWING LOCATIONS:

- Superintendent's Office: 294 Green Valley Road, Watsonville, CA (4th Floor)
- On our Webpage: www.pvusd.net

Notice to the Audience on Public Comment

Members of the audience are welcome to address the Board on all items not listed on this agenda. Such comments are welcome at the "Visitor Non-Agenda Items".

Members of the audience will also have the opportunity to address the Board during the Board's consideration of each item on the agenda.

Individual speakers will be allowed three minutes (unless otherwise announced by the Board President) to address the Board on each agenda item. **You must submit this card prior to the discussion of the agenda item you wish to speak to; once an item has begun, cards will not be accepted for that item.** For the record, please state your name at the beginning of your statement. The Board shall limit the total time for public input on each agenda item to 20 minutes. With Board consent, the President may increase or decrease the time allowed for public presentation, depending on the topic and the number of persons wishing to be heard. The President may take a poll of speakers for or against a particular issue and may ask that additional persons speak only if they have something new to add.

Note: Time allotment for each item is for the report portion only; it is not an anticipation of the total time for the discussion of the item.

We ask that you please turn off your cell phones and pagers when you are in the boardroom.

1.0 CLOSED SESSION OPENING CEREMONY IN OPEN SESSION – 6:00 P.M.

- 1.1 Call to Order
- 1.2 Public comments on closed session agenda.

- 2.0 CLOSED SESSION (AND AFTER REGULAR SESSION IF NECESSARY)**
- 2.1 Public Employee Appointment/Employment, Government Code Section 54957
 - a. Certificated Employees (see Attached)
 - b. Classified Employees (see attached)
 - 2.2 Public Employee Discipline/Dismissal/Release/Leaves
 - 2.3 Negotiations Update
 - a. CSEA
 - b. PVFT
 - c. Unrepresented Units: Management and Confidential
 - d. Substitutes – Communication Workers of America (CWA)
 - 2.4 Claims for Damages
 - 2.5 Existing Litigation
 - 2.6 Pending Litigation
 - 2.7 Anticipated Litigation
 - a. Significant Exposure to Litigation
 - 2.8 Real Property Negotiations
 - 2.9 5 Expulsions
- 3.0 OPENING CEREMONY – MEETING OF THE BOARD IN PUBLIC - 7:00 P.M.**
- 3.1 Pledge of Allegiance
 - 3.2 Welcome by Board President
Trustees, Leslie De Rose, Doug Keegan, Sandra Nichols, Karen Osmundson, Kim Turley, Willie Yahiro, and President Libby Wilson.
 - 3.3 Student Recognition
 - Marisol Tejada – Bradley Elementary School
 - Diego Serrano – Alianza Charter School
 - Toni Vargas – Linscott Charter School
 - Ryan Farrell – Pacific Coast Charter School
 - Kasem Kabwasa Green – Watsonville Charter School of the Arts
 - 3.4 Brecek & Young Financial’s Teacher of the Month Award
 - Lynda Pate of Landmark Elementary School
- 4.0 ACTION ON CLOSED SESSION**
- 5.0 APPROVAL OF THE AGENDA**
- 6.0 APPROVAL OF MINUTES**
- a) Minutes of November 18, 2009
 - b) Minutes of December 9, 2009
 - c) Minutes of December 16, 2009
- 7.0 HIGH SCHOOL STUDENTS BOARD REPRESENTATIVES REPORT**

8.0 VISITOR NON-AGENDA ITEMS

Public comments on items that are not on the agenda can be addressed at this time. The Board President will recognize any member of the audience wishing to speak to an item not on the agenda on a matter directly related to school business. The President may allot time to those wishing to speak, but no action will be taken on matters presented (Ed. Code Section 36146.6). If appropriate, the President or any Member of the Board may direct that a matter be referred to the Superintendent's Office for placement on a future agenda. (Please complete a card if you wish to speak.)

9.0 EMPLOYEE ORGANIZATION COMMENTS – PVFT, CSEA, PVAM, CWA 5 Min. Each

10.0 CONSENT AGENDA

Information concerning the Consent items listed above has been forwarded to each Board Member prior to this meeting for his/her study. Unless some Board Member or member of the audience has a question about a particular item(s) and asks that it be withdrawn from the Consent list, the item(s) will be approved at one time by the Board of Trustees. The action taken in approving Consent items is set forth in the explanation of the individual item(s).

- 10.1 Purchase Orders December 3, 2009 - January 13, 2010
The PO's will be available in the Superintendent's Office.
- 10.2 Warrants December 3, 2009 - January 13, 2010
The warrants will be available in the Superintendent's Office.
- 10.3 Approve with gratitude donations of 90 Curse of the Shamra book, one of the Sharma Chronicles, for the Extended Learning Program's Family Literacy Project bank of literacy sets available for to classrooms and parents district-wide. This is a donation valued at approximately \$1,200.
- 10.4 Approve donation of \$25,000 from the Community Foundation to support athletic activities at Aptos, Pajaro Valley, Renaissance, and Watsonville High Schools.
- 10.5 Approve donation of \$1,000 from Rosemary Rovick to support student activities are various schools.
- 10.6 Approve donation of children books from the Pajaro Valley Historical Association to benefit children of the District.
- 10.7 Approve Migrant & Seasonal Head Start Budget Revision (End of Year) Budget for March 1, 2009 – February 28, 2010.
- 10.8 Approve 2010 Migrant & Seasonal Head Start Enrollment Policy/Procedure.
- 10.9 Approve Resolution #09-10-16, Child Development Repair Renovation and Repair Contract 09-10 thru 11-12.
- 10.10 Approve Single Plans for student achievement for All Schools, including Charter Schools.
- 10.11 Approve Award Bids for Erate Year 13 for District Services.
- 10.12 Approve Williams Uniform Quarterly Report – zero complaints.
- 10.13 Approve award of contract for services RFP #01/09-10 403(b) Third Party Administration Services (TPAS).

The administration recommends approval of the Consent Agenda.

11.0 DEFERRED CONSENT ITEMS

12.0 REPORT AND DISCUSSION ITEMS

- 12.1 Report and discussion on Budget Update.
Report by Mary Hart, Associate Superintendent. 10 min.

13.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

- 13.1 Report, discussion and possible action to approve Naming the Media Center of the Bradley School Library -- Nancy Walker.
Report by Ylda Nogueta, Assistant Superintendent, and Kathy Arola, Principal. 5 min.
- 13.2 Report and update on District Budget and possible action on Annual Audit Report.
Report by Mary Hart, Associate Superintendent. 10 min.
- 13.3 Report, discussion and possible action on Revisions to Job Description for the MAA/LEA Special Projects Accountant.
Report by Pam Shanks, Human Resources Director. 5 min.
- 13.4 Report, discussion and possible action to approve New Course Proposal for Pajaro Valley High School - Environmental Science WATCH. First Reading.
Report by Cathy Stefanki, Assistant Superintendent. 5 min.
- 13.5 Report, discussion and possible action to approve New Course Proposal for Watsonville High School Environmental Science. First Reading.
Report by Cathy Stefanki, Assistant Superintendent. 5 min.
- 13.6 Report, discussion and possible action to appoint board representatives to the following Standing Committees and Organizations.
1. *Community Advisory Committee – SELPA*
2. *District English Learners Advisory Committee (DELAC)*
3. *Fringe Benefits*
4. *GATE Advisory Committee*
5. *Governmental Relations*
6. *Mello Center JPA*
7. *Migrant Head Start Policy Advisory*
8. *Pajaro Valley Prevention and Student Assistance (PVPSA)*
9. *Safety Committee*
10. *SPECTRA*
- 13.7 Report, discussion and possible action to Consider Scheduling a Joint Community Safety Meeting.
Report by Dorma Baker, Superintendent. 5 min.
- 13.8 Report, discussion and possible action to approve review to Associate Superintendent's Job Description, including title change.
Report by Dorma Baker, Superintendent. 5 min.

14.0 GOVERNING BOARD AND SUPERINTENDENT COMMENTS/REPORTS

15.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2009

All meetings, unless otherwise noted, take place at the District Office Boardroom, 292 Green Valley Road, Watsonville, CA. Closed Session begins at 6:00 pm; Open Session begins at 7:00 pm.

		Comment
February	<ul style="list-style-type: none"> ▪ 3 ▪ 17 ▪ 24 	▪
March	<ul style="list-style-type: none"> ▪ 3 ▪ 17 (if necessary) ▪ 24 	▪ Approve 2 nd Interim Report
April	<ul style="list-style-type: none"> ▪ 14 ▪ 28 	▪
May	<ul style="list-style-type: none"> ▪ 12 ▪ 26 	▪ Approve 3 rd Interim Report
June	<ul style="list-style-type: none"> ▪ 9 ▪ 23 	▪ 10-11 Budget Adoption
July	▪	▪ No Meetings Scheduled
August	<ul style="list-style-type: none"> ▪ 11 ▪ 25 	
September	<ul style="list-style-type: none"> ▪ 8 ▪ 22 	▪ Unaudited Actuals
October	<ul style="list-style-type: none"> ▪ 13 ▪ 27 	
November	▪ 17	▪
December	▪ 8 Annual Organization Mtg. (Election Year)	▪ Approve 1 st Interim Report

16.0 ADJOURNMENT

PAJARO VALLEY UNIFIED SCHOOL DISTRICT
CLOSED SESSION AGENDA
January 20, 2010

2.1 Closed Session

Public Employee Appointment/Employment	
Government Code Section 54957	
New Hires	
2	Special Day Class Teachers
2	Elementary Teachers
4	Secondary Teachers
New Substitutes	
	None
New Hires – Probationary	
1	Registrar
1	Instructional Assistant II
Rehires	
	None
Administrative	
2	Migrant Coordinators
1	Secondary Assistant Principals
Promotions	
	None
Transfers	
	None
Extra Pay Assignments	
	None
Additional Assignments	
17	Secondary Coaches
Extra Period Assignments	
	None
Leaves of Absence	
1	HR Technician
3	Campus Safety Coordinator
1	Office Manager
1	Instructional Assistant – Childcare
1	Instructional Assistant II – Special Education

Separations From Service	
1	Custodian II
1	Instructional Assistant I – Special Education
Resignations/Terminations	
1	Assistant Teacher
1	Secondary Teacher
Supplemental Service Agreements	
2	Spectra
2	Special Services
18	Secondary Teachers
4	ED Services
74	Elementary Teachers
Supplemental Service Agreements/After School Program	
	None
Miscellaneous Actions	
1	Behavior Technician
1	Information Systems Support Technician
1	Registration Specialist I
2	Lead Custodian II
3	Food Service Assistant
4	Instructional Assistant II
2	Site Computer Support Technician
3	Instructional Assistant I
2	Lead Custodian I
Limited Term – Projects	
1	Bus Driver Substitute
1	Spectra Artist
1	Administrative Secretary III
1	Administrative Secretary II
1	Behavior Technician
7	Campus Safety Coordinator
45	Enrichment Specialist
77	Instructional Assistant – General Education
1	Instructional Assistant – Migrant Education
3	Office Assistant II
14	Office Assistant III

2	Site Computer Support Technician
1	Lead Custodian II
2	Office Manager
Limited Term – Substitute	
1	Behavior Technician
1	Bus Driver
2	Cafeteria Assistant
1	Campus Safety Coordinator
1	HR Technician
1	Instructional Assistant
2	Instructional Assistant I
1	Instructional Assistant II
2	Office Assistant III
2	Office Managers
Provisional	
	None
Exempt	
13	Childcare
2	Migrant OWE
25	Student Helpers
8	SELPA Workability
5	Yard Duty
Rescinds	
	None



November 18, 2009
REGULAR BOARD MEETING
CLOSED SESSION – 6:00 p.m. – 7:00 p.m.
UNADOPTED MINUTES

PUBLIC SESSION – 7:00 p.m.
DISTRICT OFFICE
BOARDROOM
292 Green Valley Road

1.0 CLOSED SESSION OPENING CEREMONY IN OPEN SESSION – 6:00 P.M.

1.1 Call to Order

President De Rose called the meeting of the Board to order at 6:01 pm at 292 Green Valley Road, Watsonville, CA.

1.2 Public comments on closed session agenda.

None.

2.0 CLOSED SESSION (AND AFTER REGULAR SESSION IF NECESSARY)

2.1 Public Employee Appointment/Employment, Government Code Section 54957

- a. Certificated Employees
- b. Classified Employees

New Hires	
2	Elementary Teachers
3	Secondary Teachers
New Substitutes	
	None
New Hires – Probationary	
1	Data Entry Specialists
1	Community Services Liaison
Rehires	
3	Elementary Teachers
Administrative	
	None
Promotions	
2	Career Development Specialists
1	Library Media Technician
Transfers	
	None
Extra Pay Assignments	
	None

Additional Assignments	
	None
Extra Period Assignments	
3	Secondary Teachers
Leaves of Absence	
3	Elementary Teachers
1	Secondary Teacher
1	Custodian II
2	Instructional Assistant II – Special Education
1	Cook Baker
1	Cafeteria Assistant
1	Lead Custodian
1	Bus Driver
1	<i>Assistant Principal</i>
Separations From Service	
1	Cafeteria Assistant
1	Instructional Assistant I – Special Education
Resignations/Terminations	
4	Secondary Teachers
Supplemental Service Agreements	
99	Elementary Teachers
47	Secondary Teachers
20	Site Coordinators
13	Children Center Teachers
1	Migrant Education Teachers
1	Extended Learning Program
Supplemental Service Agreements/After School Program	
	None
Miscellaneous Actions	
2	Career Development Specialists II
3	Instructional Assistants II
1	Lead Custodian
1	Site Computer Technician
Limited Term – Projects	
1	Administrative Assistant
1	Administrative Secretary III

1	Behavior Technician
3	Campus Safety Coordinators
1	Campus Security
21	Enrichment Specialists
57	Instructional Assistant – General Education
1	Language Support Specialist
7	Office Assistant II
16	Office Assistant III
4	Parent Education Specialist
2	Translators
6	Office Managers
1	Lead Custodian II
1	Library Media Technician
1	Registrar
1	Spectra Artist
2	Testing Specialists I
Limited Term – Substitute	
2	Campus Safety Coordinators
2	Cafeteria Assistants
3	Instructional Assistant II
2	Instructional Assistants – Migrant Children Center
Provisional	
	None
Exempt	
4	Migrant OWE Students
19	Workability Helpers
3	Workability
6	Yard Duty Supervisors
Rescinds	
	None

2.2 Public Employee Discipline/Dismissal/Release/Leaves

2.3 Negotiations Update

- a. CSEA
- b. PVFT
- c. Unrepresented Units: Management and Confidential
- d. Substitutes – Communication Workers of America (CWA)
 - Letter of Agreement with CWA

- 2.4 Claims for Damages
- 2.5 Existing Litigation
- 2.6 Pending Litigation
- 2.7 Anticipated Litigation
- 2.8 Real Property Negotiations
- 2.9 4 Expulsions

3.0 **OPENING CEREMONY – MEETING OF THE BOARD IN PUBLIC - 7:00 P.M.**

President De Rose called the meeting of the Board in public to order 7:11.

3.1 **Pledge of Allegiance**

Trustee Nichols led the Board in the Pledge of Allegiance.

3.2 **Welcome by Board President**

Trustees, Doug Keegan, Sandra Nichols, Karen Osmundson, Kim Turley, Libby Wilson, Willie Yahiro, and President Leslie De Rose were present.

3.3 **Student Recognition**

Principals, teachers, family and friends were present to honor and recognize the accomplishments of the following students:

- *Julio Alvarez-Perez - HA Hyde Elementary School*
- *Miriam del Carmen Zarate Cortez – Mintie White Elementary School*
- *Daniel Hernandez – Landmark Elementary School*
- *Kristian Aguilar - Valencia Elementary School*

3.4 **Breck & Young Financial's Teacher of the Month Award**

- *Megan Dolan of Ohlone Elementary School*

Gloria Miranda, principal of Ohlone Elementary, introduced Megan Dolan and commented on her work as a teacher.

Jacob Young commented on the process for selecting the Teacher of the Month and congratulated the recipient of the \$50 dollar gift card.

4.0 **ACTION ON CLOSED SESSION**

2.1 **Public Employee Appointment/Employment, Government Code Section 54957**

a. **Certificated Employees**

Trustee Nichols moved to approve the certificated employee report with the addition of a Leave of Absence of 1 Assistant Principal. Trustee Keegan seconded the motion. The motion passed unanimously.

b. **Classified Employees**

Trustee Nichols moved to approve the classified employee report as presented. Trustee Keegan seconded the motion. The motion passed unanimously.

2.9 **4 Expulsions**

Action on Expulsions

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-031

Trustee Keegan seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-032

Trustee Keegan seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-033

Trustee Nichols seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-034

Trustee Keegan seconded the motion. The motion passed unanimously.

5.0 APPROVAL OF THE AGENDA

Trustee Wilson moved to approve the agenda, moving item 13.2 after 7.0 Trustee Keegan seconded the motion. The motion passed unanimously.

6.0 APPROVAL OF MINUTES

a) Minutes of October 28, 2009

Trustee Keegan moved to approve the minutes for October 28, 2009. Trustee Yahiro seconded the motion. The motion passed unanimously.

b) Minutes of November 4, 2009

Trustee Keegan moved to approve the minutes for November 4, 2009. Trustee Yahiro seconded the motion. The motion passes unanimously.

7.0 HIGH SCHOOL STUDENTS BOARD REPRESENTATIVES REPORT

None.

13.2 Report, discussion and possible action on the Charter Renewal for Watsonville Charter School of the Arts & Memorandum of Understanding Between WCSA and the Pajaro Valley Unified School District.

Report by Trish Hucklebridge, Principal.

Trish Hucklebridge stated that the focus of the charter school remains the same. The student population has grown from 270 to 315. The MOU presented also remains the same with the difference of an expiration date to coincide with the charter petition.

Sheryl Gentry, teacher, and students presented a musical piece to the Board.

Parents Gilbert Moreno, Frank Agbayani, Leticia Preciado and Landa Rosebraugh were present and offered testimonials regarding the effectiveness of the school.

Board participated with comments.

Public comment:

Michael Jones, principal of Alianza, supports the work of the school and the petition. The school offers a unique way to meet the learning needs of the students of this community.

Trustee Wilson moved to approve this item. Trustee Yahiro seconded the motion. The motion passed unanimously.

1/27/2010 Amended minutes for
Nov. 18, 2009, item # 60

8.0 VISITOR NON-AGENDA ITEMS

Bill Beecher, community member, spoke about administrator costs and compared it to the other districts, noting that total administration cost per student is lower than similar districts.

Bobby Salazar, CSEA President, spoke about Robb Mayeda's retirement, acknowledged his work and wished him well.

Camille Haroldsen, teacher, commented about her experience in a full 3rd grade classroom; although it has been a good year, it has been difficult. Resents lack of CSR prioritization.

Francisco Naranjo, community member, spoke about students who are at risk of not graduating due to lack of sufficient credits; he requested that students who are referred to an alternative program be sent with administrator references.

Ramiro Medrano, community member, representing the Gear Up program, was there to introduce parents to board meetings and its process, stating the parents were concerned about the district's current economic state. He commented on the program's goal.

9.0 EMPLOYEE ORGANIZATION COMMENTS – PVFT, CSEA, PVAM, CWA 5 Min. Each

Francisco Rodriguez, PVFT President, reported of a press conference that took place earlier to call attention to the initiative of 2/3 requirement to pass the state budget; it should be changed to a simple majority to not tie up the process. Commented on a resolution regarding the budget asking that the Board to consider adopting one. He also commented on negotiations; the union and district are working with a mediator and hope a solution can be found.

Bobby Salazar, CSEA president, noted that the union has no objection to reappointing Gary Smith to the personnel commission. CSEA supports PVFT's position of simple majority to pass the budget.

Michael Jones, PVAM president, commented about fiscal crisis, and noted the organization's commitment to do what is necessary to share the sacrifice. He stated that he would propose to PVAM to unilaterally accept 6 furlough days for the current school year, in addition to any negotiated adjustments to benefits negotiated with PVFT. He noted that in the event PVFT agrees to the furlough days, that PVAM would adjust their number of furlough days based on an equitable percentage. He gave 7 furlough days as an example of how this would impact administrators.

Dorma Baker, superintendent, noted that Cabinet members would be taking an equivalent number of furlough days also, to help with the critical budget. Albert Roman stated that this action was effective as of this 18th day of November.

10.0 CONSENT AGENDA

Trustee Keegan moved to approve the consent agenda with special recognition of the generous donations and deferring items 10.5 and 10.11. Trustee Wilson seconded the motion. The motion passed unanimously.

10.1 Purchase Orders October 22 – November 11, 2009

The PO's will be available in the Superintendent's Office.

10.2 Warrants October 22 – November 11, 2009

The warrants will be available in the Superintendent's Office.

10.3 Approve with Gratitude donations totaling \$1,420 to support Women's Athletics at Watsonville and Pajaro Valley High Schools from the Following: Sue Barthol, Marie Garcia, Jess Wachtel, Vera Pulido, K. Michel Witzig, Maria Zambudio, Vera Brown, David Schwartz, Alexandra Gonzalez, Mark Berceon, Sandy Barcelon, S. Moreno, B. Ingman, Diane Goody, Kristina Simpson, Jo-Ann Panzardi, Rosemary Brogan, Gary Caballero, Karen Goody, Michael Wilson, Patricia Wilson, and New Mexico Chile Company LLC.

- 10.4 Approve with Gratitude donation of \$500 from Kathleen and John Horne to Support HA Hyde Elementary School's Home and School Club.
- 10.5 Approve Request for Allowance of Attendance due to Emergency Conditions for Rio Del Mar and Watsonville Charter School of the Arts due to Storm on 10/14/2009 which caused power outages and school closure.
This item was deferred.
- 10.6 Approve Resolution #09-10-09, Child Development Programs Authorized Representative for Title 22 California Department of Social Services Community Care Licensing for Department of Education Child Development Division Programs.
- 10.7 Approve Migrant and Seasonal Head Start Refunding Application: Budget for March 1, 2010 – February 28, 2011.
- 10.8 Approve Migrant and Seasonal Head Start Refunding Application: Goals and Objectives for March 1, 2010 – February 28, 2011.
- 10.9 Approve Contract for Transportation Yard Lease.
- 10.10 Approve Letter of Agreement with Communication Workers of America, representing Substitute Teachers.
- 10.11 Approve Pacific Coast Charter School Memorandum of Understanding.
This item was deferred.

11.0 DEFERRED CONSENT ITEMS

- 10.5 Approve Request for Allowance of Attendance due to Emergency Conditions for Rio Del Mar and Watsonville Charter School of the Arts due to Storm on 10/14/2009 which caused power outages and school closure.

After some clarification, Trustee Nichols moved to approve this item. Trustee Yahiro seconded the motion. The motion passed unanimously.

- 10.11 Approve Pacific Coast Charter School Memorandum of Understanding.

After clarification and correction to the dates on the MOU, Trustee Keegan moved to approve this item. Trustee Turley seconded the motion. The motion passed unanimously.

12.0 REPORT AND DISCUSSION ITEMS

- 12.1 Report and discussion on the Annual Williams/Valenzuela Legislation Status Report.

Report by Michael Watkins, Superintendent, County Office of Education.

Michael Watkins spoke about the Williams status and offered a positive report on the District meeting the Williams settlement requirements. Principals and custodians have been compliant and concerns have been timely addressed. He commented about the Fitness 4 Life program and how the COE recommended it for a Governor's award.

- 12.2 Report and discussion on Comprehensive Accountability Framework.

Report by Dorma Baker, Superintendent.

Connie Kamm, Senior Professional Development Associate of Leading and Learning, spoke about the Accountability Design Team (ADT) assembled by the Superintendent with the purpose to respond to State mandates to increase student achievement. The accountability framework is built around the District's mission and goals. She commented on the challenges and struggles which seem to be replicated throughout the country and on increasing accountability, combined with the rigor of living in this new era. She mentioned that collaboration leads to improved learning and noted that the key to effective schools is aligning adult actions with student results.

12.3 Report and discussion on School Based Consolidated Health Council/Wellness Policy.

Report by Cathy Stefanki, Assistant Superintendent, Educational Services.

Cathy Stefanki offered a brief background on the creation of the District Wellness policy in 2006, which is designed to support the development of healthy students and staff through healthy nutrition and physical activity. The report included information regarding community partnerships, such as Salud Para La Gente/Go For Health, Jovenes Sanos, Dientes, and Second Harvest Food Bank. Information regarding available health services for students, school food choices, and physical education was provided to the board. Rich Puente, Healthy Start Coordinator, Nicole Meschi, Food Services Director, and Dr. Jose Chivras, of Salud Para La Gente, presented information regarding their commitment to the health and wellness of this district's community.

12.4 Report and discussion on Safe School Healthy Students Report.

Report by Linda Perez, Director, PVPsA.

Linda Perez and Abbie Stevens of ASR presented the final report on the Safe Schools/Healthy Students program. The program was established with a 3-year grant received with the purpose to promote mental health of students, to enhance academic achievement, to prevent violence and substance abuse, and to create safe and respectful climates through various partnerships. Linda Perez commented on the types of services that the program offered for students, including school yard monitors, Safety Resource Officer, Dedicated Probation Officer, and safety equipment, amongst many others. The report offered statistics regarding the increase in awareness regarding alcohol and other drugs abuse. In addition, they reported on the many preventative measures the program developed, including violence prevention. They addressed information on mental health services as well as on the importance of family connectedness.

At the end of the presentation, Superintendent Baker presented Linda Perez a plaque in recognition of her work and dedication with the community's youth; Linda is retiring.

Trustee Wilson moved to extend the meeting past 10:30 until 12:30 if necessary. The motion was seconded by Trustee Turley. The motion passed unanimously.

12.5 Report and discussion on the appointment of Joint Representative to the Personnel Commission: Gary Smith.

Report by Dr. Albert J. Roman, Assistant Superintendent, Human Resources. 2 min.

Pam Shanks, Director of Classified Personnel, reported that the Personnel Commission had appointed Gary Smith as the joint representative.

13.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

13.1 Report and update on District Budget and possible action on Stimulus Funds.

Report by Mary Hart, Associate Superintendent.

Mary Hart informed the Board that the Legislative Analyst Office presented their budget with a projected \$6.3 billion dollar deficit for 2009-10 and \$14.7 for 2010-11, for a total of \$21 billion dollars. This means that the District can expect a challenging financial situation. As a recommended action, Mary Hart asked the Board for direction on what to do with the approximate \$1.5 million stimulus funds remaining balance. It was noted that the State provided guidelines as to how those funds could be used but that they were not directives for allocating the money.

Public comment

Bill Beecher, community member, commented on the budget and benefits and noted that there are few alternatives for reductions to the budget.

Dr. Nancy Bilicich, Director of Adult Education, commented about stimulus money and the confusion about the state's formula and the portion that could be assigned to Adult Education.

Trustee Osmundson moved to allocate at least \$100,000 to Adult Education. Trustee Nichols seconded the motion.

Board participated with comments.

The motion failed 1/6/0 (Keegan, Turley, De Rose, Wilson, Yahiro, Nichols dissented).

Trustee Yahiro moved to have the funds allocated to the general fund. Trustee Wilson seconded the motion. The motion passed unanimously.

13.3 Report, discussion and possible action on Resolution #09-10-07, Supplemental Early Retirement Program (SERP) Incentive for Certificated Non-Management.

Report by Mary Hart and Dr. Albert Roman.

This item was tabled.

13.4 Report, discussion and possible action on Resolution #09-10-08, Supplemental Early Retirement Program (SERP) Incentive for Certificated and Classified Management.

Report by Mary Hart and Dr. Albert Roman.

This item was tabled.

13.5 Report, discussion and possible action to approve Provisional Internship Permit for Steven Hoy, Robin Hubert, and Carmen Becerra.

Report by Dr. Albert J. Roman, Assistant Superintendent.

Trustee Wilson moved to approve this item. Trustee Keegan seconded the motion. The motion passed unanimously.

13.6 Report, discussion and possible action to approve Teacher on Waiver: Robin Minnis.

Report by Dr. Albert J. Roman, Assistant Superintendent.

Trustee Wilson moved to approve this item with a correction to the number of years Minnis has been working. Trustee Nichols seconded the motion. The motion passed unanimously.

13.7 Report, discussion and possible action to approve Teacher on Waiver: Jason Trexler.

Report by Dr. Albert J. Roman, Assistant Superintendent.

Trustee Wilson moved to approve this item. Trustee Nichols seconded the motion. The motion passed unanimously.

14.0 POLICIES - ONGOING

The following are updates to existing policies are recommended by CSBA and they have been reviewed by District Administration.

14.1 Approve Updated Policy #0520.2, Title I Program Improvement Schools and approve Updated Policy #0520.3, Title I Program Improvement Districts.

This item was tabled and the Board requested to place under action items to avoid confusion.

15.0 GOVERNING BOARD AND SUPERINTENDENT COMMENTS/REPORTS

Trustee Yahiro expressed his concern regarding the phone survey regarding the parcel tax and the seemingly negative tone towards the district some of the questions have. He noted that WHS football defeated PVHS and are MBL finalists.

Trustee Wilson noted that AHS volleyball girls won their way to semi-finals.

Trustee Turley asked that for the upcoming meetings regarding the budget if board members could provide a list of what can be cut to get to the \$7.5 million dollar reduction that is needed to balance the budget.

16.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2009

All meetings, unless otherwise noted, take place at the District Office Boardroom, 292 Green Valley Road, Watsonville, CA. Closed Session begins at 6:00 pm; Open Session begins at 7:00 pm.

		Comment
November	▪ 18	
December	▪ 2 ▪ 9 Annual Organization Mtg. ▪ 16	▪ Study Session: Budget ▪ Approve 1 st Interim Report ▪ Reg. mtg with Budget focus

17.0 ADJOURNMENT

There being no further business to discuss, the meeting of the Board was adjourned at 12.02 am on November 19, 2009.

Dorma Baker, Superintendent



December 9, 2009
ANNUAL ORGANIZATION BOARD MEETING
UNADOPTED MINUTES
CLOSED SESSION – 5:30 p.m. – 7:00 p.m.

PUBLIC SESSION – 7:00 p.m.
ANN SOLDI ELEMENTARY SCHOOL
MULTI PURPOSE ROOM
1140 Menasco Drive
Watsonville, CA 95076

1.0 CLOSED SESSION OPENING CEREMONY IN OPEN SESSION – 5:30 P.M.

1.1 Call to Order

President De Rose called the meeting of the Board to order at 5:38 pm at 1140 Menasco Drive, Watsonville, CA.

1.2 Public comments on closed session agenda.

None.

2.0 CLOSED SESSION (AND AFTER REGULAR SESSION IF NECESSARY)

2.1 Public Employee Appointment/Employment, Government Code Section 54957

a. Certificated Employees (see Attached)

b. Classified Employees (see attached)

New Hires	
1	Elementary Teacher
New Substitutes	
14	Substitutes
New Hires – Probationary	
1	Info System Support Technician
1	Community Services Liaison
Rehires	
1	Elementary Teachers
Administrative	
1	HR Director, Certificated
Promotions	
	None
Transfers	
	None
Extra Pay Assignments	
17	Coaches
Additional Assignments	
	None

Extra Period Assignments	
	None
Leaves of Absence	
1	Instructional Assistant I – Special Education
3	Instructional Assistant II – Special Education
1	Grounds Foreman
1	Payroll Technician
4	Elementary Teachers
1	Secondary Teachers
Separations From Service	
1	Office Manager
Resignations/Terminations	
1	Secondary Teacher
Supplemental Service Agreements	
22	Secondary Teachers
Supplemental Service Agreements/After School Program	
	None
Miscellaneous Actions	
1	Instructional Assistant – General Education
Limited Term – Projects	
3	Campus Safety Coordinator
1	Custodian I
1	Instructional Support Clerk
5	Enrichment Specialists
29	Instructional Assistants – General Education
6	Instructional Assistant – Migrant Children Centers
1	Language Support Liaisons
2	Library Media Technicians
1	Office Assistants III
2	Office Managers
Limited Term – Substitute	
3	Cafeteria Assistant
2	Custodian I
1	Campus Safety Coordinators
1	Instructional Assistants – General Education
3	Instructional Assistants - Migrant Children Center

Provisional	
	None
Exempt	
9	Babysitters
23	Student Helpers
3	Workability
1	Yard Duty Supervisors
Rescinds	
	None

2.2 Public Employee Discipline/Dismissal/Release/Leaves

2.3 Negotiations Update

- a. CSEA
- b. PVFT
- c. Unrepresented Units: Management and Confidential
- d. Substitutes – Communication Workers of America (CWA)

2.4 Claims for Damages

2.5 Existing Litigation

2.6 Pending Litigation

2.7 Anticipated Litigation

2.8 Real Property Negotiations

2.9 6 Expulsions

3.0 OPENING CEREMONY – MEETING OF THE BOARD IN PUBLIC - 7:00 P.M.

President De Rose called the meeting of the Board in public to order at 7:05 pm.

3.1 Pledge of Allegiance

Trustee Nichols led the Board in the Pledge of Allegiance.

3.2 Welcome by Board President

Trustees, Doug Keegan, Sandra Nichols, Karen Osmundson, Kim Turley, Libby Wilson, Willie Yahiro, and President Leslie De Rose were present.

3.3 Musical Presentation by Watsonville Charter School of the Arts Students

Ms. Hucklebridge introduced Sheryl Gentry, music teacher, and the following students from WSCA who performed three musical pieces.

- *Nathan Aguilar*
- *Drew Arroyo*
- *Donovan Arteaga*
- *Daniel Bortin*
- *William Bortin*
- *Maddy Carlon*
- *Keeley Christiansen*

- *Samantha Galvan*
- *Allyson Goldman*
- *Jade Klinger*
- *Mini Lamproe*
- *Caleb Martin*
- *Brielle Moreno*
- *Victoria Otvos*
- *Zaira Pena*
- *Isabelle Preciado*
- *Alexis Rodriguez-Rocha*
- *Ilysa Rubalcava*
- *Andrew Rusle*
- *Samantha Valadez*
- *Alyssa Vargas*
- *Dominic Vasquez*
- *Jesus Villarruel*
- *Mindhya Yamamoto*
- *Isaac Zepeda*

3.4 Presentation by Aptos High School Choir

Some members of the AHS Jazzchoir performed classic and modern world music from holidays across the globe.

- *Jessica Bryant*
- *Nia Carrico-Diener*
- *Grace Crandall*
- *Leah Daugherty*
- *Judson DiSalvo*
- *Shiyah Flynn*
- *Ana Goena*
- *Sarah Hazelwood*
- *Lauren Kitayama,*
- *Kelsey Kulbarsh*
- *Taylor Murphey,*
- *Kathleen Murray*
- *Jacob Nichols*
- *Amanda Okamoto*
- *Samantha Payne*
- *Max Shenfield*
- *Keegan Skinner*
- *Emily Wallace*
- *Hanna Wallace*
- *Jack Wilkins*
- *Mary Williamson*
- *Vanessa Yearsley*
- *Alex Vaughn*

3.5 Student Recognition

Principals, teachers, family and friends were present to acknowledge and recognize the accomplishment of the following students:

- *Reyna Leticia Velasquez - Starlight Elementary School*
- *Juan Carlos Ruiz-Zamora – Radcliff Elementary School*
- *Yulissa Nicole Martin-Covarrubias – MacQuiddy Elementary School*
- *Daniel Guzman-Chavez – Amesti Elementary School*
- *Kelly Kirchner – Mar Vista Elementary School*

Juan Guerrero offered the students an additional recognition from the Register Pajaronian and McDonald's.

4.0 ACTION ON CLOSED SESSION

2.1 Public Employee Appointment/Employment, Government Code Section 54957

a. Certificated Employees

Trustee Nichols moved to approve the certificated report with the addition of 1 administrative appointment, HR Director. Trustee Keegan seconded the motion. The motion passed unanimously.

b. Classified Employees

Trustee Nichols moved to approve the classified report as presented. Trustee Keegan seconded the motion. The motion passed unanimously.

2.9 6 Expulsions

Action on Expulsions

Trustee Osmundson moved to approve the Administrative Panel recommendation for the following expulsion case:

09-10-021

Trustee Nichols seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-035

Trustee Nichols seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-036

Trustee Nichols seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-037

Trustee Nichols seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-038

Trustee Nichols seconded the motion. The motion passed unanimously.

Trustee Osmundson moved to approve the District Administration recommendation for the following expulsion case:

09-10-042

Trustee Nichols seconded the motion. The motion passed unanimously.

5.0 APPROVAL OF THE AGENDA

Trustee Yahiro moved to approve the agenda. Trustee Keegan seconded the motion. The motion passed unanimously.

6.0 APPROVAL OF MINUTES

a) Minutes of November 18, 2009

Approval of minutes was tabled until a section of the minutes, item 9.0, was expanded to include more details.

7.0 HIGH SCHOOL STUDENTS BOARD REPRESENTATIVES REPORT

None.

8.0 ANNUAL ORGANIZATIONAL MEETING

8.1 *Election of Officers of the Board and Appointment of Representative to the Board Agenda Review Committee*

1. President

Trustee Yahiro nominated trustee Wilson for President of the Board. Trustee Keegan seconded the nomination. The motion passed unanimously.

2. Vice President/Clerk

Trustee Nichols nominated trustee Osmundson for VP/Clerk of the Board. Trustee Keegan seconded the nomination. The motion passed 5/2 (Turley, De Rose dissented).

3. Board Agenda Review Committee - Third Member

President Wilson appointed trustee Yahiro as the third member of the agenda review committee.

5 Minute Break

The Board took a brief break.

8.2 *Seating of New Officers of the Board of Trustees*

President Wilson and VP/Clerk Osmundson took their place at the Board.

8.3 *Approve 2010 Board Meeting Schedule*

Trustee Keegan moved to approve the meeting schedule for 2010. Trustee Yahiro seconded the motion. The motion passed unanimously.

9.0 VISITOR NON-AGENDA ITEMS

Sherry Johnson, teacher, concerned about communication between the board, administration and teachers. She advocated to keep teachers' pay and benefits intact.

Kathleen Kilpatrick, nurse, commented about fringe benefits meetings and advocated against capping benefits, noting that the decent benefits package is an attractive piece for employees and potential employees.

Nubia Padilla, teacher, commented on what teachers have given to the economic crisis. She's concerned about mold issues at her school.

Deborah Finney, teacher, commented on how she was attracted to the step and column and benefits; concerned that her pay and benefits are jeopardized.

Kenneth Janke, teacher, concerned about the number of times he has gotten laid off and reinstated in the last three years, as a new teacher, stating that teachers need a contract that can be trusted.

Abel Mejia, teacher, spoke of his concern for effective benefits and salary.

Lowell Hurst, teacher, noted that the public, employees and parents are losing confidence in the Board and mentioned the petition of no confidence recently signed by 2300 people. He said that hope, optimism and trust are needed at PVUSD.

10.0 EMPLOYEE ORGANIZATION COMMENTS – PVFT, CSEA, PVAM, CWA 5 Min. Each

Francisco Rodriguez, PVFT president, commented on the positive budget development that has brought necessary reductions down. He noted that an agreement with the district has not been reached. He stated that salaries continue to be low and that working conditions continue to deteriorate.

Bobby Salazar, CSEA, commented on the ongoing negotiations with the district and on the impending reductions for 2010-11.

Michael Jones, PVAM, looks forward with interest and hopeful anticipation to recent developments in the budget.

11.0 CONSENT AGENDA

Trustee Keegan moved to approve the consent agenda, with special recognition to donation from Corralitos Community Free Methodist Church. Trustee De Rose seconded the motion. The motion passed unanimously.

11.1 Purchase Orders November 12 – December 2, 2009

11.2 Warrants November 12 – December 2, 2009

11.3 Approve with Gratitude donation of \$1,047 from Corralitos Community Free Methodist Church for Together in the Park Program in Corralitos.

11.4 Approve Resolution #09-10-11 on the Importance of Participation in the 2010 Census.

11.5 Approve Stimulus Contract with the California Department of Rehabilitation and Special Services Transition Partnership Program (TPP).

12.0 DEFERRED CONSENT ITEMS

None.

13.0 REPORT AND DISCUSSION ITEMS

None.

14.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

14.1 Report, discussion and update on District Budget Information and possible action on Fiscal Stability Plan.

Report by Mary Hart, Associate Superintendent.

Mary Hart explained three possible scenarios for the budget:

Scenario 1 – assumes there are no adjustments for reductions and an ending fund balance for fiscal years as follows (figures are rounded up and are in millions): 2008 -09: \$11.6; 2009-10: \$13.1; 2010-11: \$7.3; 2011 – 12: \$(1.8); 2012-13: \$(12.1).

Scenario 2 – assumes an ending fund balance for fiscal years as follows: 2008 -09: \$11.6; 2009-10: \$13.1; 2010-11: \$13.1; 2011 – 12: \$9.9; 2012-13: \$5.3. This scenario also assumes adjustments with reductions of \$5.8 million beginning in 2010.

Scenario 3 – assumes an ending fund balance for fiscal years as follows: 2008 -09: \$11.6; 2009-10: \$13.1; 2010-11: \$12.3; 2011 – 12: \$8.2; 2012-13: \$2.9. This scenario also assumes adjustments with reductions of \$5 million beginning in 2010.

Scenario 4 – assumes an ending fund balance for fiscal years as follows: 2008 -09: \$11.6; 2009-10: \$13.1; 2010-11: \$11.3; 2011 – 12: \$6.2; 2012-13: \$(.2). This scenario also assumes adjustments with reductions of \$3.9 million beginning in 2010.

Scenario 5 – assumes an ending fund balance for fiscal years as follows: 2008 -09: \$11.6; 2009-10: \$15.7; 2010-11: \$12.6; 2011 – 12: \$6.2; 2012-13: \$(1.5). This scenario also assumes adjustments with reductions of \$2.7 million beginning in 2009.

Mary Hart stated that the recommendation would be scenario 2 or at least scenario 3 to ensure continued district solvency.

Public comment

Bill Beecher, community member, believes that budget process has been delayed due to negotiations. He's concerned about the expected \$20 billion deficit by the State.

Barbara Anders, teacher, commented that the district could reduce on books and supplies but keep teachers and keep small classes in K-3.

Robb Smett, teacher, spoke about his concern for the crisis; he would support giving up some pay but need binding arbitration and benefits should remain as they are.

Ann Twitchell, teacher, spoke about the importance of benefits, asked for clarification on deferred maintenance fund and about benefits.

Mary Hart explained deferred maintenance and how those funds are used, such as for roof repairs, etc. In regards to benefits, she noted that those include health, welfare, workers compensation, unemployment, and retirement benefits.

Barney Finlay of the County Office of Education stated that there is an estimated \$21 billion deficit expected in the Governor's budget to be announced on January 8.

Board participated with comments and questions.

Trustee Keegan moved to approve scenario 3, and make a \$5 million dollar reduction starting in 2010. Trustee Osmundson seconded the motion. A roll call vote was taken and the motion passed 4/3 (Turley, Wilson, Yahiro dissented).

The Board decided to table item 14.1 and determine where to make the budget reductions of \$5 million starting in 2010 after listening to the report on items 14.4 and 14.5

Trustee De Rose moved to extend meeting until 1:00 am if necessary. Trustee Turley seconded the motion. The motion passed unanimously.

**14.4 Report, discussion and possible action on Resolution #09-10-07, Supplemental Early Retirement Program (SERP) Incentive for Certificated Non-Management.
Report by Dr. Albert Roman, Assistant Superintendent, HR.**

Trustee Osmundson moved to approve this item. Trustee Keegan seconded the motion.

The board participated with comments and questions.

The motion passed unanimously.

**14.5 Report, discussion and possible action on Resolution #09-10-08, Supplemental Early Retirement Program (SERP) Incentive for Certificated and Classified Management.
Report by Dr. Albert Roman, Assistant Superintendent, HR.**

Trustee Osmundson moved to approve this item. Trustee Keegan seconded the motion. The motion passed 6/0/1 (Nichols dissented).

The Board resumed discussion of item 14.1

Trustee Turley moved to make savings as follows to reach a \$5 million reduction:

- maximum loading in classes for savings of \$2,000,050 million dollars
- slide money over to library techs for savings of \$110,000

- program specialist for a savings of \$109,000
- transportation for Extended Learning for a savings of \$250,000
- class size reduction at grades 1 and 2 for a ration of 25:1 and Kinder and 3 grade for a ratio of 30:1 for a savings of \$520,000
- Supplemental Early Retirement Program (SERP) for a savings of \$363,000
- reductions in the business services departments (finance, payroll, benefits, accounting, risk management, purchasing and warehouse) of up to \$200,000
- adult education reduction of \$650,000
- deferred maintenance reduction of \$750,000

Trustee Yahiro seconded the motion.

The Board participated with additional comments.

The motion passed 4/3/0 (Keegan, Osmundson, Nichols dissented).

14.6 Report, discussion and possible action to approve Provisional Internship Permit for Marion Mesinger.

Report by Dr. Albert J. Roman, Assistant Superintendent.

Trustee Nichols moved to approve this item. Trustee Keegan seconded the motion. The motion passed unanimously.

14.7 Report, discussion and possible action on Resolution #09-10-13, Authorizing the Execution of a Lease Purchase Agreement for Refinancing the Balance of 2000 Certificate of Participation (COP).

Report by Mary Hart, Associate Superintendent.

Trustee Keegan moved to approve this item. Trustee De Rose seconded the motion. The motion passed unanimously.

The Board President recess from Board of Trustees meeting and reconvenes as Board of Directors for the Pajaro Valley Unified School District Financing Corporation.

President Wilson recessed from and reconvened as the PVUSD Financing Corporation.

AGENDA FOR PVUSD FINANCING CORPORATION:

1. OPEN SESSION

At 11:35 pm, President Wilson called the meeting of the Board of Directors of PVUSD Financing Corp. to order.

2. REPORT ON THE NUMBER OF DIRECTORS PRESENT

President Wilson noted that seven directors of the PVUSD Financing Corporation were present, constituting a majority of members.

3. ACTION

3.1 DESIGNATION OF CORPORATION OFFICERS

The Directors shall ratify the appointment of officers to hold office until the next organizational meeting of the Corporation. The President of the Board of Trustees shall act as President of the non-profit corporation. The clerk of the Board of Trustees shall be Vice-President. The Secretary of the Board of Trustees shall act as Secretary of the Corporation. The remaining members shall act as Directors.

Trustee Nichols moved to confirm new Board of Directors officers. Trustee Yahiro seconded the motion. The motion passed unanimously.

Vote: Ayes 7 Noes 0 Absent 0

3.2 RESOLUTION 09-10-0101 AUTHORIZING AND DIRECTING THE EXECUTION OF CERTAIN LEASE FINANCING DOCUMENTS AND AUTHORIZING CERTAIN ACTIONS WITH RESPECT THERETO.

Trustee Keegan moved to approve Resolution 09-10-0101. Trustee De Rose seconded the motion. The motion passed unanimously.

Vote: Ayes 7 Noes 0 Absent 0

4. SUGGESTIONS AND COMMENTS BY BOARD MEMBERS

Trustee De Rose suggested having this as a standing item on the annual organization meeting.

5. COMMUNICATIONS FROM THE PUBLIC

None.

6. NEXT REGULAR MEETING OF THE BOARD OF DIRECTORS NO LATER THAN DECEMBER 31st, 2010.

7. ADJOURNMENT OF PVUSD FINANCING CORPORATION

There being no further business to discuss, the meeting of the Board of Directors for the PVUSD Financing Corporation adjourned at 11:50 pm.

The Board President reconvenes Board of Trustees meeting.

President Wilson reconvened the Board of Trustees meeting.

14.2 Report, discussion and possible action to Accept Medical, Dental, and Vision Actuarial Reports.

Report by Mary Hart, Associate Superintendent.

Trustee Osmundson moved to accept the reports as presented. Trustee Yahiro seconded the motion.

The board participated with comments.

The motion passed unanimously.

14.3 Report, discussion and possible action to Approve the Governmental Accounting Standards Board (GASB) on Retiree Health Liabilities.

Report by Mary Hart, Associate Superintendent.

Mary Hart recommended to review funding in future liability to fulfill the District's obligation in the near future and accept report as presented.

Board participated with discussion.

Trustee De Rose moved to approve report. Trustee Keegan seconded the motion. The motion passed unanimously.

16.0 GOVERNING BOARD AND SUPERINTENDENT COMMENTS/REPORTS

Trustee De Rose commented on her attendance to the CSBA annual conference.

Trustee Wilson stated that she too attended the annual CSBA conference and that the organization is collecting letters from districts regarding their current budget crisis.

17.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2009

All meetings, unless otherwise noted, take place at the District Office Boardroom, 292 Green Valley Road, Watsonville, CA. Closed Session begins at 6:00 pm; Open Session begins at 7:00 pm.

		Comment
December	▪ 16	▪ Reg. mtg with Budget focus

18.0 ADJOURNMENT

There being no further business to address, the meeting of the Board adjourned at 12:30 am of December 10, 2009.

Dorma Baker, Secretary



**December 16, 2009
BOARD MEETING
UNADOPTED MINUTES**

***PUBLIC SESSION – 6:00 p.m.
DISTRICT OFFICE
BOARDROOM
294 Green Valley Road
Watsonville, CA 95076***

1.0 OPENING CEREMONY – MEETING OF THE BOARD IN PUBLIC - 6:00 P.M.

President Wilson called the meeting of the Board to order at 6:02 pm.

1.1 Pledge of Allegiance

Trustee Yahiro led the Board in the Pledge of Allegiance.

1.2 Welcome by Board President

Trustees Leslie De Rose, Doug Keegan, Sandra Nichols, Karen Osmundson, Kim Turley, Willie Yahiro, and President Libby Wilson were present.

2.0 APPROVAL OF THE AGENDA

Trustee Nichols moved to approve the agenda with the correction to note Trustee Wilson as the new president of the Board. Trustee De Rose seconded the motion. The motion passed unanimously.

3.0 HIGH SCHOOL STUDENTS BOARD REPRESENTATIVES REPORT

None.

4.0 VISITOR NON-AGENDA ITEMS

Vickie Gonzalez, parent, employee, noted her concern for the lack of availability of books for students to take home to study at WHS. She also said that she was concern for the cleanliness of the restrooms.

5.0 EMPLOYEE ORGANIZATION COMMENTS – PVFT, CSEA, PVAM, CWA 5 Min. Each

Francisco Rodriguez, PVFT president, commented on negotiations. He expressed his concern for how the decision to reduce Adult Education's budget 650K will affect the community.

Bobby Salazar, CSEA president, stated that this meeting would be his last meeting with the Board as president of the Union and thanked all board members and administrators for their support.

6.0 CONSENT AGENDA

Public comment:

Rhea De Hart, community member, spoke about the Migrant Seasonal Self Assessment report, noting that there were no non-compliance issues with the program. They also have a federal assessment in July. This speaks about the degree of accountability. She noted that the program is self-funded.

Trustee Nichols asked to vote for 6.5 separately, given that the agenda did not provide a deferred item. The Board decided to vote for each item individually.

6.1 Approve 2009 Migrant & Seasonal Head Start Self Assessment Report.

Trustee Keegan moved to approve this item. Trustee Yahiro seconded the motion. The motion passed unanimously.

6.2 Approve 2008-09 Migrant & Seasonal Head Start Program Information Report (P.R.I.)

Trustee Keegan moved to approve this item. Trustee Nichols seconded the motion. The motion passed unanimously.

6.3 Approve Resolution #09-10-15, Regarding Stimulus Contract with the State of California Department of Rehabilitation and Special Services Transition Partnership Program (TPP).

Trustee Keegan moved to approve this item. Trustee Nichols seconded the motion. The motion passed unanimously.

6.4 Accept Resolution #04-10-14, Report on the Use of Developer Fees for 2008-2009.

Trustee Yahiro moved to approve this item. Trustee Keegan seconded the motion, noting that the item should be resolution #09-10-14 and for correction on board back up cover sheet 6/30/09 fund balance. Trustee Yahiro amended his motion to include these corrections. The motion passed unanimously.

6.5 Approve Correction to Birth Date Change to Resolution #09-10-07, SERP for Certificated Non-Management, and Resolution #09-10-08, SERP for Certificated and Classified Management, Approved December 9, 2009.

Trustee Keegan moved to approve this item. Trustee Turley seconded the motion.

The Board noted that the resolution needs to be corrected as follows: the 3rd bullet point should correct the word 'continuous'; on the 4th bullet point should use the word 'by' instead of 'effective'.

The motion was amended and it passed 6/0/1 (SN dissented).

7.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

7.1 Report, discussion and possible action to Approve Certification of the First Interim Report and Submission of Fiscal Stability Plan.

Report by Mary Hart, Associate Superintendent.

Mary Hart explained the certification process for the First Interim report and commented on the Assumptions and changes in revenues and expenditures.

Public comment.

The following teachers, staff and students advocated for Adult Education: Jane Reyes, teacher; Debbie Lerma, staff; Juanita Petersen, staff; Daisy Covarrubias, student; Rick Jevons, teacher; Bill Sunderland, teacher and ROP; Rhea DeHart, community member and chair of Adult Ed Advisory Council; Joleigh Kambic, counselor; Dottie Smith ESL teacher; Nancy Bilicich, Director of Adult Ed Program; Tammy McCroskey, Parent Education; Tiffen Shirey, teacher; Angel Vega, student; Bonni Carver, teacher; Luis Alejo, Mayor; Nan Beltran, teacher; and Marta Bechhoefer, teacher.

Kathleen Kilpatrick, nurse, concerned about the lack of coherence about what's happening with negotiations and the recommended reductions from the budget. These decisions hurt children and puts them at academic, social and health risk.

Board participated with questions and discussions.

Trustee Turley moved to approve the first interim report.

Board participated with comments.

Trustee De Rose seconded the motion. The motion passed 5/0/2 (Nichols, Osmundson dissented).

8.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2010

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Dorma Baker noted that there are two timelines for the Race to the Top initiative, one being December 31 for intent to participate, and the second is the MOU due by January 8th. The Board decided to have a special meeting on December 29, a Tuesday, at 6:00 pm to address this issue.

		Comment
January	▪ 20	▪
February	▪ 3 ▪ 17 ▪ 24	▪
March	▪ 3 ▪ 17 (if necessary) ▪ 24	▪ Approve 2 nd Interim Report
April	▪ 14 ▪ 28	▪
May	▪ 12 ▪ 26	▪ Approve 3 rd Interim Report
June	▪ 9 ▪ 23	▪ 09-10 Budget Adoption
July	▪	▪ No Meetings Scheduled
August	▪ 11 ▪ 25	
September	▪ 8 ▪ 22	▪ Unaudited Actuals
October	▪ 13 ▪ 27	
November	▪ 17	▪
December	▪ 8 Annual Organization Mtg. (Election Year)	▪ Approve 1 st Interim Report

9.0 ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 8:30 pm.

Dorma Baker, Superintendent

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 10.3

Date: January 20, 2010

Item: Approve with gratitude donations of 90 Curse of the Shamra book, one of the Sharma Chronicles, for the Extended Learning Program's Family Literacy Project bank of literacy sets available for to classrooms and parents district-wide. This is a donation valued at approximately \$1,200.

Overview: The Board acknowledges and recognizes the generosity of community members and businesses. Their commitment to education is evident through their contribution.

Recommendation: Approve with gratitude this donation.

Prepared By: Dorma Baker, Superintendent

Superintendent's Signature:

Dorma Baker



Pájaro Valley Unified School District

Student Services

Child Welfare & Attendance, Extended Learning Programs, Healthy Start
"Focusing on the academic needs of the students in the Pájaro Valley Unified School District"

December 7, 2009

Mr. Barry Hoffman
5307 Arroyo Street
Colorado Springs, CO 80922

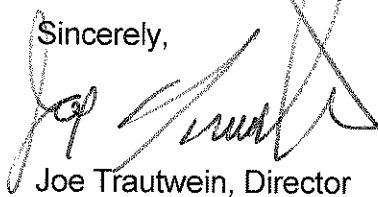
Dear Mr. Hoffman,

I would like to take this opportunity to thank you for your generous donation of 90 copies of Curse of the Shamra, book one of the Shamra Chronicles. As you may be aware, funding for education continues to diminish and outside support is vital to our ability to continue to provide quality student and parent education programs. These books, valued at approximately \$1,200.00, are greatly appreciated.

The books have become a valued addition the Extended Learning Program's Family Literacy Project bank of literacy sets available to classrooms and parents district-wide. The story of a young women's quest to save the enslaved people of her once peaceful land, will especially inspire our young women to challenge their fears and greatest obstacles to reach their full leadership potential.

Once again, we thank you and look forward to a continuing relationship with you and your publisher, Gauntlet Press. These books will be enjoyed in the Pájaro Valley Unified School District for years to come.

Sincerely,



Joe Trautwein, Director

mtr

cc: PVUSD Board of Trustees
Dorma Baker, Superintendent

Joe Trautwein, Director
(831) 786-2100 ext. 2835
Joe_Trautwein@pvusd.net

Rodriguez, Teresa

From: Gauntlet66@aol.com
Sent: Monday, November 23, 2009 11:26 PM
To: Rodriguez, Teresa
Subject: Re: Thank you!

Your copies of Curse of the Shamra will ship from my printer this week via UPS. Please confirm receipt when they arrive.

Shamra Giveaway Instructions

You may use Curse of the Shamra in any way you want, no strings attached. Since you are getting copies for your entire class it is hoped you will develop some program where the class reads the book (either the entire class, small reading groups, etc.).

(1) I would suggest you and your students/children visit the Shamra Chronicles website (www.ShamraChronicles.com). There is a good deal of information regarding the book, which is the first book in a trilogy. There is a short story, on the website, that does not appear in the book your students might enjoy, "Glimmer." We will also have a newsletter with contests and prizes will be given out (click on "prizes" to see some; more will be added). I recommend students and teachers sign up for the newsletter.

Lastly, those who visit the website can request free copies of the short story collection Curse of the Shamra: Crystal Cave Stories once they have finished reading Curse of the Shamra. Students can request copies and teachers can request class sets.

(2) If you desire I would be more than happy to answer any questions your class might have concerning the book (plot, characters, choices I made) and/or the writing process. Your students can email me at info@gauntletpress.com with questions. I will respond to all individually.

(3) Students can keep the books after you use it with the class or you may use the book with several classes. If you are asking for just one copy (for a school library) and a teacher would like a full set of books, feel free to submit another form from the Shamra Chronicles website.

(4) My only request (to help me as I complete books two and three of the trilogy) is that your students (individually would be my preference, but it's totally up to you) email me a critique of the book (what they liked, what didn't work for them, what they would have changed—anything and everything they want to say). It doesn't have to be a long critique. Before Curse of the Shamra was published this year I used the book in several classes and took to heart what the students had to say. I made several changes as a result of the comments of those who had read the book.

(5) Important Note: Packed with your books is IRS Tax form 8283 which must be returned to me. Just fill out section IV and return it to the address below.

Best,
Barry Hoffman
5307 Arroyo St.
Colorado Springs, CO 80922

Believe it or not, it comes up as a website with sexual content.

My application is below.

Teresa Rodriguez, Parent Education Community Liaison II

Student Services: Extended Learning Family Literacy Grant

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 10.4

Date: January 20, 2010

Item: Community Foundation of Santa Cruz Athletic Activities Grant

Overview: Currently up to this year, our high schools offered a comprehensive athletic program. The athletic programs provide an opportunity as one of the 41 developmental assets that connects students to a community both for school and at large. Our high schools are in three different leagues, and yet have attempted to coordinate the offerings at each of the sites. It is our belief that athletics builds character, self-confidence, a sense of community, better attendance in school and citizenship as well as strong academic achievement. Our athletes are required to maintain their grades and do 40 hours of community service before graduation.

The Community Foundation of Santa Cruz has generously donated \$25,000 to be divided over a two year period to support athletic through the "donate to play" program. Schools receiving funds will be Aptos, Watsonville, Pajaro Valley, and Renaissance.

Recommendation

Budget Considerations: N/A

Funding Source:

Budgeted: Yes: ☐

No: ☐

Amount: \$

Prepared By: Cathy Stefanki, Assistant Superintendent of Secondary and Educational Services

Superintendent's Signature:

Domma Boh



Pajaro Valley Unified School District
294 Green Valley Road, Watsonville, CA 95076
Phone: (831) 786-2100 x2540 • Fax: (831) 728-6284

January 14, 2010

The Community Foundation of Santa Cruz County
2425 Porter Street, Suite 17
Soquel, CA 95073

Dear Mr. Linares:

On behalf of Pajaro Valley Unified School District (PVUSD) I would like to thank you for the grant awarded to our district in the amount of \$25,000 to support athletic activities at Aptos, Pajaro Valley, Renaissance, and Watsonville High Schools. Your commitment to helping PVUSD athletic activities in our schools is sincerely appreciated.

Your grant award is incredibly helpful and it will allow us to continue to fund athletic activities in these difficult economic times.

Thanks again for your generous support.

Best wishes,

Cathy Stefanki
Assistant Superintendent of Secondary and Educational Services

the Community Foundation of Santa Cruz County

2425 Porter Street, Suite 17, Soquel, CA 95073
(831) 477-0800 (831) 477-0991 fax www.cfsc.org

December 22, 2009

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Ms. Dorna Baker, Superintendent
Pajaro Valley Unified School District
294 Green Valley Road
Watsonville, CA 95076

Re: Grant Number 2009-0764

Dear Ms. Baker:

I am pleased to notify you that the Community Foundation's Board of Directors has approved a two-year grant to your organization in the amount of \$25,000 to support athletic activities at Aptos, Pajaro Valley, Renaissance, and Watsonville High Schools. Of this amount, \$15,000 will be available immediately. **Condition:** The remaining \$10,000 will be released in September 2010, based on progress towards objectives and submission of a progress report.

Grant Acceptance

Please review this letter carefully and sign, date, and return one copy to the Foundation. Be sure to keep a copy for your reference. By signing this letter you agree to use grant funds only for the purposes indicated below. Substantive changes involving the reallocation of grant funds must be approved in advance by the Foundation.

Grant Objectives

Please refer to the outcomes listed in the enclosed funding request.

Grant Period: September 1, 2009 through June 30, 2011

Reporting

Please submit reports to the Foundation no later than the following dates:

Progress Report Due: August 1, 2010

Final Report Due: July 30, 2011

Use the following link to access appropriate report forms: www.cfsc.org/ReportFormsB. Reports enable the Foundation to learn from its experience as a grantmaker and to meet its obligations under federal and state regulations. Organizations with overdue reports are ineligible for future funding consideration until the report is submitted.

Finances

By signing this agreement, you agree to:

- Maintain records that clearly show how grant funds were spent in relation to the project budget submitted;
- Make such records available to the Foundation and its auditors upon request; and
- Return any funds not expended within the grant period unless written permission to extend the grant period has been obtained from the Foundation;

For good. For ever.



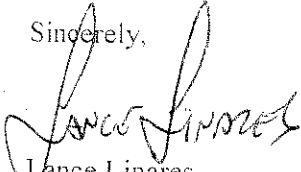
Community Foundation
of Santa Cruz County
2425 Porter Street, Suite 17
Soquel, CA 95073
(831) 477-0800

Publicity

Acknowledge our support by listing our name as *The Community Foundation of Santa Cruz County* in any publicity for your program and link to our website, www.cfscc.org, from your website if possible. See our website for a sample press release.

If you have any questions about this grant, please contact Christina Cuevas, Program Director at 477-0800 x213. Please refer to grant #2009-0764 in all correspondence.

Sincerely,


Lance Linares
Executive Director

cc: Cathy Stefanki

Enclosure: Funding request

Grant Number: 2009-0764

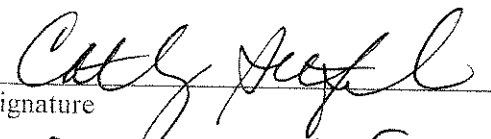
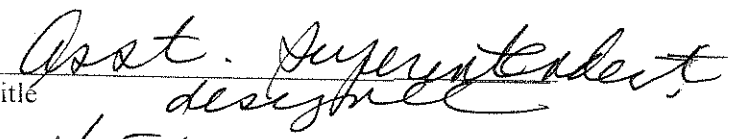
Grantee: Pajaro Valley Unified School District

Signature

Printed name of above

Title

Date



1/5/10

**The Community Foundation of Santa Cruz County
2009 Funding Request**

Organization Pajaro Valley Unified School District

Contact Person & Title Cathy Stefanki, Asst. Superintendent

Address 294 Green Valley Road City Watsonville
Zip 95076

Telephone 831 786-2100 ext. 2540 Fax _____
E-mail cathy_stefanki@pvusd.net

Web site _____ Month Fiscal Year (FY) Begins 09-10 _____

- ☐ **Attach copies of the following:** 1) The District's current FY budget for athletics including actual income and expenditures to date. 2) The District's prior FY budget for athletic programs.

In no more than three pages, please briefly describe:

1. **The athletic programs offered** at the district's middle and high schools and how these complement the district's educational and youth development goals.

Currently up to this year, our high schools offered a comprehensive athletic program. The athletic programs provide an opportunity as one of the 41 developmental assets that connects students to a community both for school and at large. Our high schools are in three different leagues, and yet have attempted to coordinate the offerings at each of the sites. It is our belief that athletics builds character, self-confidence, a sense of community, better attendance in school and citizenship as well as strong academic achievement. Our athletes are required to maintain their grades and do 40 hours of community service before graduation.

2. The **geographic area** served and an estimate of the **number and demographic characteristics** of the students involved during the **most recently completed fiscal/academic year**.

The geographic areas are Aptos and Watsonville with small sections of North Monterey County. The students come from a variety of economic and diverse backgrounds. Our district serves a population majority Hispanic and 60% economically disadvantaged.

3. How athletic programs are **typically funded** and the **status of athletic program funds for 2009-10 academic year**. (For e.g., are booster clubs or other organizations involved in funding programs or are athletic programs solely supported by school district funds?)

Athletic programs have been funded by unrestricted general fund sources for the major requirements such as coaches stipends, transportation, equipment and referee fees. For this year, funding for athletics at the high school level were significantly cut. From these same funds, the district is currently supporting the three athletic directors and \$10,000 for refreshing of football equipment. Coach stipends, referee and tournament fees, additional equipment and transportation are no longer covered by the district. The total cut was \$100,000 per site or 300,000 or 100% of the past funding. Presently, all sites are actively fund raising however, we are far short of our goals. The coaches are receiving 25% of their past stipends and are having difficulty meeting their life needs. However, they are dedicated and for at least this year contributing their time and passion for the games in lieu of the full stipend. We are selling coffee, tiles, doing walk-a-thons, hosting dinners and outside events to name a few to fill the large gap created by these massive reductions.

4. Indicate the amount requested and how the funds would be used to support athletic programs. List the names of the schools where athletic programs will be supported and how funds will be allocated among the participating schools in academic year 2009-2010.

Aptos High School, Watsonville High School, Pajaro Valley High School and Renaissance High School are the schools participating. The amount requested is \$25,000. The much needed funds will be used for safe equipment purchases, uniforms and transportation. There is a possibility that it may be used to retain one or two low impact sports such as golf or cross country. This is a site decision pending the amount of money raised to support the programs. Currently, 2,273 students will benefit from our athletic programs. Approximately 75% of these students are unable to afford the "donate to play" amount of \$150.00.

5. Attach criteria that will be used to allocate funds. Describe the distribution process and how it will be monitored.

We plan to distribute the funds at the 3 comprehensive high schools and one continuation school. We will monitor distribution of funds based on the most current up to date food service reports of students enrolled at each of these schools. We will base this distribution on the percentage of free and reduced lunch divided by enrollment. Presently, the current percentages are as follows: Watsonville High School is 75%; Pajaro Valley High School is 82%; Aptos High School is 23% and Renaissance High school is 78%. We will adjust the percentages for this and next year based on the annual report.

The Assistant Superintendent for Secondary and Educational Services will monitor the percentages twice a year. The grant will be placed in the Donate to Play accounts at each of the schools. An annual report will be run to monitor the use of the grant and the numbers of students it will benefit.

**Please return completed forms to the Community Foundation of Santa Cruz County
2425 Porter Street, Suite 17, Soquel, CA 95073
or e-mail as a Word document attachment to grants@cfsc.org.**

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 10.5

Date: January 20, 2010

Item: Approve donation of \$1,000 from Rosemary Rovick to support student activities at various schools.

Overview: The Board acknowledges and recognizes the generosity of community members and businesses. Their commitment to education is evident through their contribution.

Recommendation: Approve with gratitude this donation.

Prepared By: Dorma Baker, Superintendent

Superintendent's Signature:

Dorma Baker

Rosemary

From: Rosemary [rrovick@sbcglobal.net]
Sent: Wednesday, December 30, 2009 8:06 PM
To: 'Baker, Dorma'
Subject: RE: school donations

Hi Dorma:

Thanks for getting back to me so quickly. I don't have any children in school and don't know anything about the different schools in the district. I will send you a check along with a copy of this e-mail. It would be great to know that the money is going directly to activities for the students: materials, books, music, sports, field trips, science, woodshop--anywhere that it is needed. (art)

I will go ahead and send the check (before the new year). If you feel like giving me choices once you are back in the office, that would be great. Otherwise, please put it to good use.

I will probably make a donation directly to Watsonville High School since they have info on their website. Thanks. Have a happy new year.

Rosemary

-----Original Message-----

From: Baker, Dorma [mailto:Dorma_Baker@pvusd.net]
Sent: Tuesday, December 29, 2009 10:24 PM
To: Rosemary
Subject: RE: school donations

Rosemary,

I really appreciate your support of Pajaro Valley Schools. If you are looking to make a cash donation, you can make a check out to the school district, but you can designate its use toward any school or area that you would like. We've had community members donate toward a specific school, the sports program in general, or a program at a specific school, (ie. girls volleyball at a certain high school). You can be as general or as specific as you choose. A donation can be mailed or brought in in person. If you let me know your preference, I can give you more specific directions.

Again, I so appreciate your willingness to contribute to the students of PVUSD.

Dorma Baker
Superintendent
Pajaro Valley Unified School District
From: Rosemary [rrovick@sbcglobal.net]
Sent: Tuesday, December 29, 2009 7:36 PM
To: Baker, Dorma
Subject: school donations

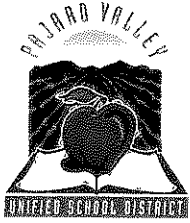
Hi Ms. Baker:

I got your e-mail address from Luis Alejo. I am wondering how one can make end of the year donations to benefit any or all of the Pajaro Valley schools and their students. I would like to donate some money toward materials, or field trips or art or music or sports or somewhere where it will benefit students directly. I found on the web foundations for Santa Cruz City schools and Scotts Valley schools, but no foundation for Pajaro Valley schools. Any direction would be appreciated. Thanks.

Rosemary Rovick
No virus found in this incoming message.
Checked by AVG - www.avg.com

294 Green Valley Rd
Watsonville 95076

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 10.6

Date: January 20, 2010

Item: Approve donation of children books from the Pajaro Valley Historical Association to benefit children of the District

Overview: The Board acknowledges and recognizes the generosity of community members and businesses. Their commitment to education is evident through their contribution.

Recommendation: Approve with gratitude this donation.

Prepared By: Dorma Baker, Superintendent

Superintendent's Signature:

Dorma Baker

Board Agenda Back-up

Item #

10.7

DATE: January 14, 2010

ITEM: **Migrant & Seasonal Head Start Budget Revision (End of Year)**
Budget for March 1, 2009 – February 28, 2010

OVERVIEW: This is a request to the grantee for an end of year budget revision. This budget revision takes personnel and fringe benefit savings, principally from an unfilled Health/Disabilities Coordinator position and one-time employee health insurance premium savings, and reallocates funds to other areas of program need. The single largest reallocated expense is associated with repair and improvement of the Freedom preschool yard. To complete the Freedom yard project, the program is combining three sources of funding: \$33,378 in federal A.R.R.A. funds, \$50,000 from the grantee in health/safety funds and the balance comes from end of year program savings. Other key items are outlined in the budget narrative.

RECOMMENDATION: Approve the 2009-2010 end of year Migrant & Seasonal Head Start Budget Revision

BUDGET CONSIDERATIONS

Funding Source:


U.S. Department of Health and Human Services via Grantee (Grantee is Central California Migrant Head Start; Stanislaus County Office of Education is grantee fiscal agent)

Budgeted: Yes No

\$5,871,150 federal dollars (Program Account 23, basic budget)

Prepared by: Carole L. Clarke, Director, Migrant & Seasonal Head Start Program

Superintendent's Signature





MHS/RHS/EHS DELEGATE BUDGET REVISION REQUEST

Program Year 2009-2010

Basic *
T & TA ☐
Non-Federal ☐
Administration ☐
Other: ☐

Delegate: Pajaro Valley Unified School District

Rev 12/10/09

Federal/State Classification	Description	Current Approved Budget	Requested Changes +/-	Requested Revised Budget
6a - Personnel				
1000	Certificated	1,073,041	(10,156)	1,062,885
2000	Classified	1,004,354	(65,431)	938,923
Sub-Total		2,077,395	(75,587)	2,001,808
6b - Fringe Benefits				
3100	STRS	85,721	(1,706)	84,015
3200	PERS	132,015	(8,507)	123,508
3300	OASDI/Medicare	95,444	(15,679)	79,765
3400	Health & Welfare	804,897	(71,173)	733,724
3500	SUI	85,555	(5,557)	79,998
3600	Workers Comp	45,287	1,969	47,256
3700	Retiree Benefits	22,064	(4,781)	17,283
Sub-Total		1,270,983	(105,434)	1,165,549
6c - Travel (out of service area) - Staff				
5200	Travel (non-local)	10,500	(261)	10,239
Sub-Total		10,500	(261)	10,239
6d - Equipment (Over \$25,000 - Needs Prior OHS Approval)				
Sub-Total		-	-	-
6e - Equipment (Under \$5,000)				
4400	Replacement office equipment	5,000	36,888	41,888
4400	Equipment for Freedom (installed)		20,000	20,000
Sub-Total		5,000	56,888	61,888
6e - Supplies				
4300	Instructional Supplies	56,430	7,599	64,029
4300	Other supplies	94,567	10,326	104,893
4310	Custodial supplies	10,700	(4,595)	6,105
5754	Food service supplies	28,436	11,695	40,131
5904	Postage	1,000	(653)	347
Sub-Total		191,133	24,372	215,505
6f - Contracts				
5800	FCCH Provider Reimbursements	1,638,572	56,097	1,694,669
Sub-Total		1,638,572	56,097	1,694,669
6g - Renovation/Construction (Needs prior OHS approval)				
Sub-Total		-	-	-
6h - Other				
5200	Local travel	18,419	(11,433)	6,986
5300	Membership	1,500	200	1,700
5400	Insurance-liability, fire, student	11,000	(11,000)	-
5600	Rentals, leases and repairs	47,000	241,130	288,130
5700	District services	74,035	2,049	76,084
5800	Other services & Oper. Expenses	67,545	13,369	80,914
5810	Health Exams	12,000	4,405	16,405
5812	Advertisement/Recruitment	5,000	(2,210)	2,790
5850	Assessments, Judgements & Fees	2,400	(200)	2,200
5900	Utilities, Telephone	7,296	1,433	8,729
Sub-Total		246,195	237,743	483,938
6i - Indirect Costs				
7350	Indirect Costs	231,821	5,733	237,554
Sub-Total		231,821	5,733	237,554
Grand Totals		5,871,599	199,551	5,871,150

Delegate Director: Cawle L. Clark
Date: 12/11/09

Policy Committee Chair: Jorge Bejar
Policy Committee Approval Date: 12-11-09

Grantee Director: _____
Date: _____

Board Approval: _____
Board Approval Date: _____

Pajaro Valley Unified School District - Migrant & Seasonal Head Start Program
Narrative for Budget Revision 2009-2010 (End of fiscal year)

Note: the budget revision takes into account \$173,551 granted for Cost of Living Increase; \$24,000 charged by the grantee to the program due to 8 children not served by the program this season. It also includes additional \$50,000 provided by the grantee for the Freedom center playground project. All amounts outlined below by category are estimates only.

Main sources of savings (examples):

Personnel-\$ 75,587

- Unable to hire a Health/Disabilities Coordinator
- Unable to hire three Family Service Workers from the beginning of the season
- Savings related to four Family Service Workers leaving early due to maternity leave
- Unable to replace a teacher who left the program in the middle of the season
- Unable to hire enough substitutes to cover teaching staff absences

Fringe Benefits - \$ 105,434

- A rate increase of 12% was anticipated for employee health insurance, when in fact, only a 5% increase took place for part of the year
- Savings of benefits related to the above-mentioned positions

Out of Area Travel - \$261

- Savings from attendance to conferences and forums

Proposal to re-allocate savings (key examples):

Equipment under \$5,000 - \$56,888

- Replacement of old computers in the office as well as at the centers, including the purchase of a new printer for the Family Service Workers office.
- Includes installed equipment for Freedom Project (\$20,000 from the \$50,000 awarded by the Grantee)

Supplies - \$24,372 (examples)

- Replacement of two center laminating machines
- Replacement of emergency supplies that expire before the beginning of next season
- Parent Involvement supplies
- Office supplies

Other - \$237,743

- The estimated cost for the Freedom project is \$200,000, of which \$33,378 is coming from the American Recovery and Reinvestment Act Quality Improvement Funds, and an additional \$50,000 from the grantee. The balance to be taken from the end-of-year savings.
- Phone connection via internet at three centers: H A Hyde, Ohlone, and Freedom, for an approximate cost of \$60,000

Board Agenda Back-up

Item # 10.8

DATE: January 14, 2010

ITEM: 2010 Migrant & Seasonal Head Start Enrollment Policy/Procedure

OVERVIEW: The governing body must approve the recruitment, selection and enrollment policy/procedure for eligible Migrant & Seasonal Head Start families and children. The recruitment area is defined as the area within school district boundaries. A fuller description of the demographic characteristics of the identified service population, service delivery options in Centers and Family Child Care Homes and other related information, can be referenced in the program's Community Assessment report. Basic regulatory information from the December 2007 Head Start Act and Head Start Performance Standards is attached (Sec. 645. [42 U.S.C. 9840] (a)(1)(A); Sec. 1305).

The Migrant & Seasonal Head Start Enrollment Policy/Procedure takes into consideration various sources of regulations and informal guidance, as well as locally-identified needs. In particular, the needs of children with disabilities and other high-risk conditions are factored into the prioritized enrollment selection process and specific criteria are outlined for age-eligible children who may enter kindergarten. This Enrollment Policy/Procedure is used to establish a waiting list for program entry, as well as to guide the assignment of children to Centers and Family Child Care Homes. Some families falling under certain eligibility categories undergo re-verification of eligibility priority as the season progresses (for example, single parent status, if unclear; current employment in agriculture, etc.). The Program works in collaboration with the District's Migrant Education Program for determination of migrant eligibility through an intra-district memorandum of understanding.

RECOMMENDATION: Approve the 2010 PVUSD Migrant & Seasonal Head Start Enrollment Policy / Procedure

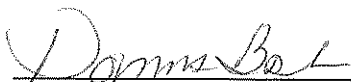
BUDGET CONSIDERATIONS

Funding Source:

U.S. Department of Health and Human Services via Grantee (Grantee is Central California Migrant Head Start; Stanislaus County Office of Education is grantee fiscal agent)

Prepared by: Carole L. Clarke, Director, Migrant & Seasonal Head Start Program

Superintendent's Signature



Pajaro Valley Unified School District
Migrant & Seasonal Head Start
294 Green Valley Rd., 2nd Floor
Watsonville, CA 95076

ENROLLMENT POLICY

POLICY: The following policy must be used in determining eligibility and priority for enrollment in the Migrant & Seasonal Head Start Program.

POLICY INTENT:

The purpose of this enrollment policy is to ensure an equitable process by which applicants are admitted into the Migrant and Seasonal Head Start Program. This policy is also intended to serve as a guide for Program personnel in determining the eligibility and priority of those families applying for Migrant and Seasonal Head Start Program services.

State licensing laws that regulate Child Care Centers and Family Child Care Homes determine, for the most part, center capacity and the ages of the children enrolled. There are other factors that also limit space availability in the Centers and Family Child Care Homes.

Basic Definitions Concerning Eligibility and the Annual Verification Process

These policies are based on Head Start Regulations, as they are interpreted by the Migrant and Seasonal Programs Branch (Region 12), which give high priority to children of mobile migrant families.

“Migrant Families”, are those families that move their residence from one geographical area to another, inside the same state, or between states, within a period of the prior two years with the intent to be employed in agricultural work, including the production and harvesting of tree and field crops, and whose family income is based primarily on said work. (Based upon the Head Start Act)

“Seasonal farm Worker Family” A farm worker family that works in the production or the harvest of tree or field crops and whose income is derived primarily from said activity, but without the change in residence. (Based upon the Head Start Act)

The intent is to serve hired farm workers, not the owners of the agricultural land, wherever they work in the United States.

Minimum age and Previous Kindergarten Attendance

The minimum age of enrollment for infants in this Program is 2 months. The Program cannot enroll a child that has previously attended kindergarten.

Annual Verification of all Families

The age, migration and percentage of income realized from agricultural work of all families will be reviewed each year to verify that they qualify for services. The gross income of the family will be reviewed according to the government’s current income guidelines.

DEFINITIONS: Whenever the following words are used in this Policy, they have the following meaning:

Eligibility Definitions: Key Points

- a) **Age:** The minimum age to participate in the Program is 2 months.** For Migrant & Seasonal Head Start purposes, children 2 to 18 months of age will be referred to as infants and children 19 through 35 months will be called toddlers. Children from 36 months up to compulsory school age will be called preschoolers.

**Infants must not be less than two months old on their first day of enrollment/attendance except for those infants with disabilities who are co-enrolled and do not receive services in a Center or Family Child Care Home.

Kindergarten age-eligible children:

- The Program may enroll a child that has not previously attended kindergarten before elementary school begins, but may not enroll a child who has already started kindergarten.
- A child enrolled in the Program before kindergarten has begun may be co-enrolled in kindergarten and Migrant & Seasonal Head Start through the end of the current season.
- Children are not placed in Family Child Care Homes if they are scheduled to attend kindergarten the same season.
- There are limited spaces available in preschool classrooms for children who are eligible to attend kindergarten. These spaces are set aside according to the assigned "school of residence" defined by the school district.

Kindergarten is not compulsory in California, but if parents want to enroll their children in kindergarten, the child must be 5 years of age by December 2.

- b) **Abuse and Neglect:** Children and families with issues involving Child Protective Services (abuse and/or neglect).
- c) **Disabled:** The child is eligible if s/he is disabled according Head Start guidelines. The Program requires that not less than 10 percent of the total number of children actually enrolled... be children with disabilities, who are determined to be eligible for special education and related services, or early intervention services, as appropriate, as determined under the Individuals with Disabilities Education Act.....The Secretary {of Health & Human Services} shall establish policies and procedures to provide Head Start agencies with waivers of the requirements of paragraph (1) for not more than 3 years. Such policies and procedures shall require Head Start agencies, in order to receive such waivers, to provide evidence demonstrating that the Head Start agencies are making reasonable efforts on an annual basis to comply with the requirements of that paragraph. (Definition from Head Start Act of December 12, 2007)... Spaces for seasonal farm workers are reserved for children with disabilities and high risk factors.
- c.1) Head Start defines disability as physical health problems, emotional/behavioral disorders, speech or language problems/disorders, mental retardation, hearing loss- including deafness;

orthopedic disability, vision impairment including blindness, learning disability, autism, brain trauma or damage, and other disabilities that for some reason require special services.

d) **Income:**

1) A family's annual gross income, from either the prior twelve months or calendar year, is used to determine eligibility according to Federal Poverty Guidelines. Not more than ten percent (10%) of enrollment may be over federal poverty income guidelines without grantee approval. Pending grantee approval, based on data related to community assessment demographics and identified program needs, the Program may also serve a maximum of 35% of families whose income are under 130% of the poverty line (after families in higher priorities are served). These families are defined as "near poverty" for federal income guideline purposes.

2) More than fifty percent (50%) of the earned family's annual income must come from agricultural labor; this has to be verified annually.

3) Parents with children returning for a second year of service without new children seeking Program entry may not be disqualified for being over-income as long as they have more than 50% of their earnings coming from agricultural work.

4) Families returning for a third consecutive year of services will need to re-apply as if it was their first year applying for the program.

e) **Single Parent Families:** Families that have only one legal parent or guardian living in the home. This excludes families in which an unmarried couple shares the monthly costs of maintaining the home.

f) **Legal Guardian:** A person who has legal custody and parental rights to care for a child.

g) **Homeless (without housing):** individuals who lack a fixed, regular, and adequate nighttime residence; and include:

- a. Children who are sharing the housing of other persons due to loss of housing, economic hardship, or similar reasons; are living in motels, hotels, trailer parks or camping grounds due to lack of alternative adequate accommodations; are living in emergency or transitional shelters; are abandoned in hospitals; or are awaiting foster care placement;
- b. Children who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
- c. Children who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings;
- d. Migratory children who qualify as homeless because they are living in circumstances described in a-c above.

(Definition from the McKinney-Vento Homeless Assistance Act)

h) **Co-enrolled:** This term applies to children in the disability category, or children referred for abuse and/or neglect that do not attend a Center or a Family Child Care Home (having a special schedule in this Program and/or another program), but who receive other related services (health or social services).

- i) **Program Option:** The Program offers two types of service delivery options:
 - 1) Centers
 - 2) Family Child Care Homes
- j) **Siblings:** Children in the same family who are both enrolled in the Program at the same time or children in the same family with one child enrolled in the Program and the other child never having been enrolled.
- k) **High Risk :** Children who have needs requiring treatment, intervention or special care; for example, serious health or emotional problems, etc. Also families whose dominant language is an indigenous language.
- l) **Family in Crisis:** A family with emergency needs.
- m) **Disabled Parent:** A parent unable to work due to a disabling physical or mental condition.
- n) **Program Year:** The period of time within a calendar year during which the Migrant & Seasonal Head Start Program offers child development and other activities for the children enrolled in the Centers and Family Child Care Homes.
- o) **Intra-state Migrant Families:** Families that have crossed county lines within the State of California for the purpose of employment in agriculture.
- p) **Inter-state Migrant Families:** Families that have crossed state lines within the United States, or have crossed international borders seeking employment in agriculture.
- q) **Per Capita Income:** Income per person; used to determine family income.

PRIORITIES FOR ENROLLMENT:

General Priorities

All families must comply with the definitions given for age eligibility and for status as a migrant or seasonal farm-worker family. Every two (2) years the family income will be checked to verify that their income still qualifies. The family's income related to work in agriculture will be reviewed every year. Spaces for seasonal farm workers will be reserved for children with disabilities and high risk factors in their order of priority.

- 1.0 **Children with Disabilities:** For the purpose of this enrollment policy, children with disabilities do not need to meet the daily attendance requirement of the Program. Children with disabilities will have first priority for enrollment in the Program.
 - 1.1 Age
 - 1.2 Program Option (Center, Family Child Care Home)
 - 1.3 Percentage of Income related to agriculture
 - 1.4 Per Capita Income

- 2.0 **Abuse/Negligence, High Risk:** The children of migrant families with issues related to Child Protective Services for abuse and/or neglect, or families considered as high risk, and/or families in crisis will have second priority for enrollment in the Program.
- 2.1 Age
 - 2.2 Program Option (Center, Family Child Care Home)
 - 2.3 Migration
 - 2.4 Percentage of Income related to agriculture.
 - 2.5 Per Capita Income.
- 3.0 **Homeless:** Children of homeless families will have third priority for enrollment in the Program.
(Other regulations pending from the U.S. Secretary of Health & Human Services)
- 3.1 Age
 - 3.2 Program Option (Center, Family Child Care Home)
 - 3.3 Migration
 - 3.4 Percentage of Income related to agriculture.
- 4.0 Children who return to the program for a second year will have fourth priority for enrollment in the Program.
- 4.1 Age
 - 4.2 Program Option (Center, Family Child Care Home)
 - 4.3 Migration
 - 4.4 Percentage of Income related to agriculture.
 - 4.5 Per Capita Income.
- 5.0 Children with siblings already enrolled in the program will have fifth priority for enrollment in the Program.
- 5.1 Age
 - 5.2 Program Option (Center, Family Child Care Home)
 - 5.3 Migration
 - 5.4 Percentage of income related to agriculture.
 - 5.5 Per Capita Income.
- 6.0 Children of migrant families with only one parent will have sixth priority for enrollment in the Program. Eligibility status as a single parent will be reviewed carefully.
- 6.1 Age
 - 6.2 Program Option (Center, Family Child Care Home)
 - 6.3 Migration
 - 6.4 Percentage of Income related to agriculture
 - 6.5 Per Capita Income

7.0 The children of migrant farmworker families (migration occurring during the preceding 12 months) will have seventh priority for enrollment in the program.

7.1 Age

7.2 Program Option (Center, Family Child Care Home)

7.3 Migration

7.4 Percentage of Income related to agriculture

7.5 Per Capita Income

8.0 The children of migrant farmworker families (migration occurring during the preceding 24 months) will have eighth priority for enrollment in the program.

8.1 Age

8.2 Program Option (Center, Family Child Care Home)

8.3 Migration

8.4 Percentage of Income related to agriculture.

8.5 Per Capita Income

9.0 Children from families qualifying as migrant and receiving 30 days or more of Migrant Head Start services in the PVUSD service area during non-peak agriculture periods (for example, winter) will have ninth priority for enrollment in the Program. Eligibility status as a migrant family will be reviewed carefully.

9.1 Age

9.2 Program Option (Center, Family Child Care Home)

9.3 Migration

9.4 Percentage of Income related to agriculture.

9.5 Per Capita Income.

ADDITIONAL CONSIDERATIONS OF THE ENROLLMENT POLICY

1) Staff will give additional consideration to the following circumstances in order to establish individual priorities for enrollment. The following circumstances are enumerated in the order of their importance:

- a. Family in crisis
- b. Two parents or one parent working in agriculture
- c. Disabled parent
- d. High risk
- e. Other

2) Families with children that received MHS services in the PVUSD service area and during the same year (fiscal year) received services from the Grantee's Program will not be eligible for readmission to PVUSD/MSHS again in the same program year.

3) Siblings from the same family who qualify for the Program under different priorities will be able to qualify the whole family at the highest priority, as long as one of the children is eligible under Priorities 1 to

3 (Children with Disabilities; Abuse/Negligence or High Risk; or Homeless). Children that are eligible under priorities 4 through 9 will be qualified individually.

4) Parents with children returning for a second year of services who return with new children will be enrolled during the first enrollment period (period set for returning children), taking into consideration that their income will be verified as if they were a new family.

5) As the Program is able to do so, children will initially be placed geographically closest to the parents' residence. Children with special needs or high risk children may be placed outside of their geographic area if it meets the best interests of the child/ren.

6) Children may be reassigned to a different center or Family Child Care Home if special needs arise during the season. This may include children with disabilities, certain medical conditions, special behavior issues, domestic violence, or other such special circumstances. Whenever possible, a plan will be implemented to support the transition of children from one child care environment to another.

Eligibility and enrollment priorities are based on federal regulations, Community Needs Assessment, and other sources of program data. In accord with the December 2007 Head Start Act, changes in the Enrollment Policy must be approved through the shared governance process, which requires Policy Committee and District Board approval.

DISCRIMINATION: This policy and procedure will be applied to all applicants without consideration as to race, color, sex, religion, national origin, or disability.

Head Start enrollment eligibility from the December 2007 Head Start Act:

PARTICIPATION IN HEAD START PROGRAMS

Sec. 645. [42 U.S.C. 9840] (a)(1)(A) The Secretary shall by regulation prescribe eligibility for the participation of persons in Head Start programs assisted under this subchapter.

(B) Except as provided in paragraph (2), such regulation shall provide--

(i) that children from low-income families shall be eligible for participation in programs assisted under this subchapter if their families' incomes are below the poverty line, or if their families are eligible or, in the absence of child care, would potentially be eligible for public assistance; and

(ii) that homeless children shall be deemed to be eligible for such participation;

(iii) that programs assisted under this subchapter may include--

(I) to a reasonable extent (but not to exceed 10 percent of participants), participation of children in the area served who would benefit from such programs but who are not eligible under clause (i) or (ii); and

(II) from the area served, an additional 35 percent of participants who are not eligible under clause (i) or (ii) and whose families have incomes below 130 percent of the poverty line, if—

(aa) the Head Start agency involved establishes and implements outreach and enrollment policies and procedures that ensure such agency is meeting the needs of children eligible under clause (i) or (ii) (or subclause (I) if the child involved has a disability) prior to meeting the needs of children eligible under this subclause; and

(bb) in prioritizing the selection of children to be served, the Head Start agency establishes criteria that provide that the agency will serve children eligible under clause (i) or (ii) prior to serving the children eligible under this subclause;

(iv) that any Head Start agency serving children eligible under clause (iii)(II) shall report annually to the Secretary information on--

(I) how such agency is meeting the needs of children eligible under clause (i) or (ii), in the area served, including local demographic data on families of children eligible under clause (i) or (ii);

(II) the outreach and enrollment policies and procedures established by the agency that ensure the agency is meeting the needs of children eligible under clause (i) or (ii) (or clause (iii)(I) if the child involved has a disability) prior to meeting the needs of children eligible under clause (iii)(II);

(III) the efforts, including outreach efforts (that are appropriate to the community involved), of such agency to be fully enrolled with children eligible under clause (i) or (ii);

(IV) the policies, procedures, and selection criteria such agency is implementing to serve eligible children, consistent with clause (iii)(II);

(V) the agency's enrollment level, and enrollment level over the fiscal year prior to the fiscal year in which the report is submitted;

(VI) the number of children served by the agency, disaggregated by whether such children are eligible under clause (i), clause (ii), clause (iii)(I), or clause (iii)(II); and

(VII) the eligibility criteria category of the children on the agency's waiting list;

(v) that a child who has been determined to meet the eligibility criteria described in this subparagraph and who is participating in a Head Start program in a program year shall be considered to continue to meet the eligibility criteria through the end of the succeeding program year.

(C) In determining, for purposes of this paragraph, whether a child who has applied for enrollment in a Head Start program meets the eligibility criteria, an entity may consider evidence of family income during the 12 months preceding the month in which the application is submitted, or during the calendar year preceding the calendar year in which the application is submitted, whichever more accurately reflects the needs of the family at the time of application.

(2) Whenever a Head Start program is operated in a community with a population of 1,000 or less individuals and--

(A) there is no other preschool program in the community;

(B) the community is located in a medically underserved area, as designated by the Secretary pursuant to section 330(b)(3) of the Public Health Service Act [42 U.S.C. §254c(b)(3)] and is located in

a health professional shortage area, as designated by the Secretary pursuant to section 332(a)(1) of such Act [42 U.S.C. §254e(a)(1)];

(C) the community is in a location which, by reason of remoteness, does not permit reasonable access to the types of services described in clauses (A) and (B); and

(D) not less than 50 percent of the families to be served in the community are eligible under the eligibility criteria established by the Secretary under paragraph (1); the Head Start program in such locality shall establish the criteria for eligibility, except that no child residing in such community whose family is eligible under such eligibility criteria shall, by virtue of such project's eligibility criteria, be denied an opportunity to participate in such program. During the period beginning on the date of the enactment of the Human Services Reauthorization Act and ending on October 1, 1994, and unless specifically authorized in any statute of the United States enacted after such date of enactment, the Secretary may not make any change in the method, as in effect on April 25, 1984, of calculating income used to prescribe eligibility for the participation of persons in the Head Start programs assisted under this subchapter if such change would result in any reduction in, or exclusion from, participation of persons in any of such programs

Other federal terms applicable to Migrant & Seasonal Head Start Programs:

17) The term "migrant or seasonal Head Start program" means

(A) with respect to services for migrant farmworkers, a Head Start program that serves families who are engaged in agricultural labor and who have changed their residence from one geographic location to another in the preceding 2-year period; and

(B) with respect to services for seasonal farmworkers, a Head Start program that serves families who are engaged primarily in seasonal agricultural labor and who have not changed their residence to another geographic location in the preceding 2-year period.

(18) The term "mobile Head Start program" means the provision of Head Start services utilizing transportable equipment set up in various community-based locations on a routine, weekly schedule, operating in conjunction with home-based Head Start programs, or as a Head Start classroom.

Head Start Selection, Enrollment and Re-enrollment, as defined in 1998 Head Start Performance Standards (please note the 2007 Head Start Act supersedes some provisions regarding services for children with disabilities, homeless children, and families with incomes exceeding the federal poverty income guidelines). Also, please note that Migrant & Seasonal Head Start programs must follow additional criteria and enrollment steps. Upon request, additional source materials can be furnished. The PVUSD MSHS Enrollment Policy takes into consideration other criteria at the national level, as well as to meet local needs.

§ 1305.6 Selection process.

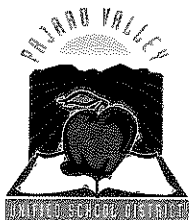
- (a) Each Head Start program must have a formal process for establishing selection criteria and for selecting children and families that considers all eligible applicants for Head Start services. The selection criteria must be based on those contained in paragraphs (b) and (c) of this section.
- (b) In selecting the children and families to be served, the Head Start program must consider the income of eligible families, the age of the child, the availability of kindergarten or first grade to the child, and the extent to which a child or family meets the criteria that each program is required to establish in Sec. 1305.3(c)(6). Migrant programs must also give priority to children from families whose pursuit of agricultural work required them to relocate most frequently within the previous two-year period.
- (c) At least 10 percent of the total number of enrollment opportunities in each grantee and each delegate agency during an enrollment year must be made available to children with disabilities who meet the definition for children with disabilities in Sec. 1305.2(a). An exception to this requirement will be granted only if the responsible HHS official determines, based on such supporting evidence he or she may require, that the grantee made a reasonable effort to comply with this requirement but was unable to do so because there was an insufficient number of children with disabilities in the recruitment area who wished to attend the program and for whom the program was an appropriate placement based on their Individual Education Plans (IEP) or Individualized Family Service Plans (IFSP), with services provided directly by Head Start or Early Head Start in conjunction with other providers.
- (d) Each Head Start program must develop at the beginning of each enrollment year and maintain during the year a waiting list that ranks children according to the program's selection criteria to assure that eligible children enter the program as vacancies occur.

§ 1305.7 Enrollment and reenrollment.

(a) Each child enrolled in a Head Start program, except those enrolled in a migrant program, must be allowed to remain in Head Start until kindergarten or first grade is available for the child in the child's community, except that the Head Start program may choose not to enroll a child when there are compelling reasons for the child not to remain in Head Start, such as when there is a change in the child's family income and there is a child with a greater need for Head Start services.

(b) A Head Start grantee must maintain its funded enrollment level. When a program determines that a vacancy exists, no more than 30 calendar days may elapse before the vacancy is filled. A program may elect not to fill a vacancy when 60 calendar days or less remain in the program's enrollment year.

(c) If a child has been found income eligible and is participating in a Head Start program, he or she remains income eligible through that enrollment year and the immediately succeeding enrollment year. Children who are enrolled in a program receiving funds under the authority of section 645A of the Head Start Act (programs for families with infants and toddlers, or Early Head Start) remain income eligible while they are participating in the program. When a child moves from a program serving infants and toddlers to a Head Start program serving children age three and older, the family income must be reverified. If one agency operates both an Early Head Start and a Head Start program, and the parents wish to enroll their child who has been enrolled in the agency's Early Head Start program, the agency must ensure, whenever possible, that the child receives Head Start services until enrolled in school.



Board Agenda Backup

Item No: 10.9

Date: January 20, 2010

Item: Resolution # 09-10-16
Child Development Repair Renovation and Repair
Contract 09-10 thru 11-12

Overview: PVUSD contracts with the State Department of Education/ Child Development Division (CDE/CDD) for early care and education services. Periodically CDE/CDD makes available opportunity to apply for funding for repair and renovation of child development facilities. The attached contract is an award of funding to upgrade shade, storage, hand washing sinks for sanitation at seven sites. The PVUSD Child Development wishes to thank the Maintenance and Operations Department for assistance with cost estimates and facility advisement that made the obtainment of these funds possible.

Recommendation: Approve Resolution #

Budget Considerations:

Funding Source: California Dept. of Education/ Child Development Division

Budgeted: Yes: ☒ No: ☐

Amount: Total \$99,033

Prepared By: Kathy Lathrop Director, Child Development

Superintendent's Signature:

Dorinda Bak

09-10-16

personnel to sign contract documents for Fiscal Year 2009/10-2011/12.

09-10-16

District

who is/are listed below, is/are authorized to sign the transaction for the Governing Board.

NAME

TITLE

SIGNATURE

Ylda Noguera

Assistant Superintendent

SIGNATURE
Ylida Noguera

PASSED AND ADOPTED THIS 20th day of January, 2010, by the

Governing Board of Pajaro Valley Unified School District

of **Santa Cruz** County, California.

Libby Wilson, Vice President / Clerk of the Governing Board of Pajaro Valley Unified School District of Santa Cruz, County, California, certify that the foregoing is a full, true and correct copy of a resolution adopted by the said Board at a Regular meeting thereof held at a regular public place of meeting and the resolution is on file in the office of said Board.

Sam O'Brien

(Clerk's signature)

January 20, 2010

(Date)

**CALIFORNIA DEPARTMENT OF EDUCATION**

1430 N Street

Sacramento, CA 95814-5901

F.Y. 09-10 thru 11-12

DATE: July 01, 2009

CONTRACT NUMBER: CRPM-9136

PROGRAM TYPE: FACILITIES RENOVATION
AND REPAIR

PROJECT NUMBER: 44-6979-00-9

LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES**CONTRACTOR'S NAME:** PAJARO VALLEY UNIFIED SCHOOL DISTRICT

By signing this contract and returning it to the State, you are agreeing to use the funds identified below for the purpose of child care and development renovation and repair projects to maintain compliance with State health and safety requirements, to comply with the American with Disabilities Act (ADA), or to purchase or replace equipment necessary for the health and safety in accordance with the CHILD CARE AND DEVELOPMENT FUND-PROGRAM REQUIREMENTS FOR FACILITIES RENOVATION AND REPAIR PROJECTS (Exhibit D), the attached APPLICATION (Exhibit C) with any modifications noted, and SERVICE LOCATION(s) (Exhibit B) which by this reference are incorporated herein. The Contractor's signature also certifies compliance with "Standard Provisions for State Contracts" (Exhibit A) which are attached hereto and by this reference incorporated herein.

These funds shall not be used for any purpose considered nonreimbursable pursuant to the current Center-Base Funding Terms and Conditions (FT&Cs) and Title 5, California Code of Regulations. For contractors using ARRA Funds, American Recovery and Reinvestment Act of 2009 Reporting Requirements (Attachment A), Supplemental Terms and Conditions for Contracts Using ARRA Funds (Attachment B) are attached hereto and by this reference incorporated herein. Funding of this contract is contingent upon appropriation and availability of funds. This contract may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this contract. The period for which expenditures may be made with these funds shall be from July 01, 2009 through June 30, 2012. The total amount payable pursuant to this agreement shall not exceed \$99,033.00.

Expenditure of these funds shall be reported quarterly to the Child Development Fiscal Services Division (CDFS) on Form CDFS-9529. Quarterly reporting must be submitted for reimbursement of expenditures. For non-local educational agencies, expenditures made for the period July 1, 2009 through June 30, 2010 shall be included in their 2009/10 audit. Expenditures for the period July 1, 2010 through June 30, 2011 shall be included in the 2010/11 audit. Expenditures for the period July 1, 2011 through June 30, 2012 shall be included in the 2011/12 audit. All audits are due by the 15th of the fifth month following the end of the contractor's fiscal year or earlier if specified by the CDE. The audits for School Districts and County Offices shall be submitted in accordance with Education Code Section 41020.

Any provision of this contract found to be in violation of Federal or State statute or regulation shall be invalid but such a finding shall not affect the remaining provisions of this contract. Exhibit A, Standard Provisions for State Contracts attached.

STATE OF CALIFORNIA

BY (AUTHORIZED SIGNATURE)

PRINTED NAME OF PERSON SIGNING

Margie Burke, Manager

TITLE

Contracts, Purchasing & Conf Svcs

CONTRACTOR

BY (AUTHORIZED SIGNATURE)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

AMOUNT ENCUMBERED BY THIS DOCUMENT

\$ 99,033

PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT

0

TOTAL AMOUNT ENCUMBERED TO DATE

\$ 99,033

PROGRAM/CATEGORY (CODE AND TITLE)

Child Development Programs

FUND TITLE

(OPTIONAL USE)

See Attached

ITEM

See Attached

CHAPTER

STATUTE

FISCAL YEAR

OBJECT OF EXPENDITURE (CODE AND TITLE)

702

Department of General Services
use only

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.

T.B.A. NO.

B.R. NO.

SIGNATURE OF ACCOUNTING OFFICER

See Attached

DATE



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Board Agenda Backup

Item No: 10.10

Date: January 20, 2010

Item: Approval of the Single Plans for Student Achievement

Overview: In 2001, the California legislature amended the planning requirements for schools that participate in state and federal categorical programs funded through the Consolidated Application process, creating the *Single Plan for Student Achievement (SPSA)*. Its stated purpose is to "improve the academic performance of all students to the level of the performance goals, as established by the Academic Performance Index."

This legislation established the following eight requirements for school plans:

1. The school worked in collaboration with "school site councils to develop and approve the plan, the *Single Plan for Student Achievement* for schools participating in programs funded through the consolidated application process, and any other school program they choose to include."
2. School plans were developed "with the review, certification, and advice from school site councils."
3. Any plans required by programs funded through the Consolidated Application, the School and Library Improvement Block Grant, the Pupil Retention Block Grant, and NCLB Program Improvement are consolidated into a single plan.
4. The content of the plan is aligned with school goals for improving student achievement.
5. School goals are based upon "an analysis of verifiable state data, including the Academic Performance Index and the English Language Development test and include data developed by the district to measure student achievement."
6. The plan addresses how Consolidated Application funds will be used to "improve the academic performance of all students to the level of the performance goals, as established by the Academic Performance Index."
7. The plan has been "reviewed and updated, including proposed expenditures of funds allocated to the school through the Consolidated application, by the school site council."
8. Plans must now be reviewed and approved by the governing board.

School Plan updates are available for review in a set of binders in the office of the Superintendent and in the Federal and State office.

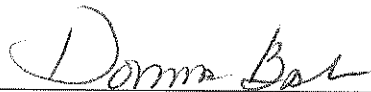
Attached are the School Site Council Assurances pages for the schools that verified the site process for the updates of the *Single Plans for Student Achievement*.

Rationale: Plans must now be reviewed and approved by the governing board.

Recommendation: To approve the updated *Single Plan for Student Achievement* for the schools listed on the following page.

Prepared By: Ylida Nogueta, Assistant Superintendent of Elementary Schools and Support Services

**Superintendent's
Signature:**



Schools with Single School Plan Updates

Recommended for Approval for 2009-2010 School Year

Amesti Elementary
Ann Soldo Elementary
Aptos High
Aptos Junior High
Bradley Elementary
Calabasas Elementary
Cesar Chavez Middle
E.A. Hall Middle
Freedom Elementary
H.A. Hyde Elementary
Hall District Elementary
Lakeview Middle
Landmark Elementary
MacQuiddy Elementary
Mar Vista Elementary
Mintie White Elementary
Ohlone Elementary
Pajaro Middle
Pajaro Valley High
Radcliff Elementary
Renaissance High
Rio Del Mar Elementary
Rolling Hills Middle
Starlight Middle
Valencia Middle
Watsonville High

Charter and Alternative Schools

Alianza Charter School
Academic Vocational Charter Institute (AVCI)
Linscott Charter School
New School
Pacific Coast Charter School (PCCS)
Watsonville Charter School of the Arts (WCSA)

Amesti

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☒ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☐ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on:
October 15, 2009

Attested:

Erin Haley
Typed name of school principal

Erin Haley 10/30/09
Signature of school principal Date

Lourdes Saldaña
Typed name of SSC chairperson

MARIA SALDANA 11/02/09
Signature of SSC chairperson Date

Ann Soldo Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

___ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

___ Community Advisory Committee for Special Education Programs

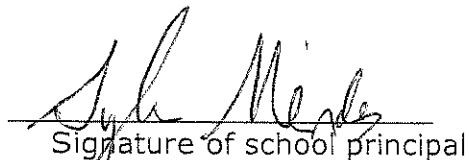
___ Gifted and Talented Education Program Advisory Committee

___ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on:
_____.

Attested:

Sylvia Mendez
Typed name of school principal


Signature of school principal

10/28/09
Date

Miguel Quintero
Typed name of SSC chairperson


Signature of SSC chairperson

10/28/09
Date

APTOS HIGH SCHOOL

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply):**

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☒ Other (list) *Migrant Parent Association*

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on:

11/30/09

Attested:

Casey O'Brien
Typed name of school principal

Casey O'Brien
Signature of school principal

12/1/09
Date

Greg Crandall
Typed name of SSC chairperson

Greg Crandall
Signature of SSC chairperson

12/1/09
Date

Aptos Junior High

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

☒ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

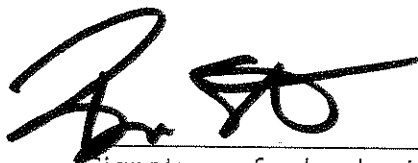
☐ Other (**list**)

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: October 26th, 2009.

Attested:

Brian Saxton

Typed name of school principal



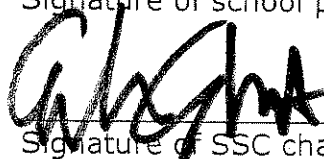
Signature of school principal

10/24/09

Date

Eileen Shea

Typed name of SSC chairperson



Signature of SSC chairperson

10/30/09

Date

Bradley Elementary

Recommendations and Assurances

The School Site Council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The School Site Council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The School Site Council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The School Site Council sought and considered all recommendations from the following groups or committees before adopting this plan:

___ School Advisory Committee for State Compensatory Education Programs

XX English Learner Advisory Committee

___ Community Advisory Committee for Special Education Programs

XX Gifted and Talented Education Program Advisory Committee

___ Other (*list*)

4. The School Site Council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the School Site Council at a public meeting on October 7, 2009

Attested:



Kathy Arola
Principal

10/12/09
Date



Andrea Carlos Willy
SSC President

October 12, 2009
Date

Calabasas Elementary

Form A: Recommendations and Assurances

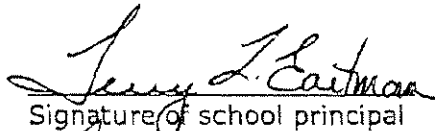
The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

___ School Advisory Committee for State Compensatory Education Programs
X English Learner Advisory Committee
___ Community Advisory Committee for Special Education Programs
___ Gifted and Talented Education Program Advisory Committee
___ Other (*list*)
4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: Sept. 15, 2009

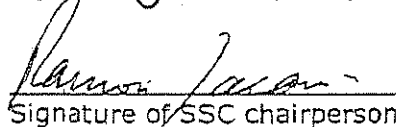
Attested:

Terry Eastman


Signature of school principal

9-23-09
Date

Ramon Zacarias


Signature of SSC chairperson

9/23/09
Date

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

☒ School Advisory Committee for State Compensatory Education Programs

☐ English Learner Advisory Committee

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: 10/12/09

Attested:

Ian Mac Gregor

Typed name of school principal

Date 10/12/09

Debra Davidson

Typed name of SSC chairperson

Date 10/12/09

[Signature]

Signature of school principal

[Signature]

Signature of SSC chairperson

E.A. Hall Middle
Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

☒ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

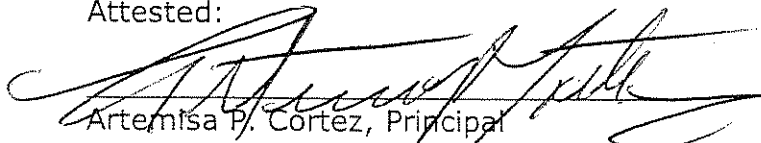
☒ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☐ Other (**list**)

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: May 15, 2008 (SSC May 15 2008 & October 1, 2009 mentioned that our SSP 08-09 is functional until revision; to be submitted 10-30-09).

Attested:


Artemisa P. Cortez, Principal

10-30-09
Date


Mrs. Luz Arbor, SSC chairperson

10-30-09
Date

Freedom Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

X School Advisory Committee for State Compensatory Education Programs

X English Learner Advisory Committee

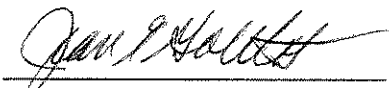
___ Community Advisory Committee for Special Education Programs

___ Gifted and Talented Education Program Advisory Committee

___ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: Nov. 18, 2009.

Attested:



Jean Gottlob

Typed name of school principal



Emerenciana Cisneros

Typed name of SSC chairperson

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

___ School Advisory Committee for State Compensatory Education Programs

✓ English Learner Advisory Committee

___ Community Advisory Committee for Special Education Programs

___ Gifted and Talented Education Program Advisory Committee

___ Other (**list**)

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: October 6, 2009

Attested:

Brett Knupfer
School Principal

Signature of school principal

10/6/09
Date

Erasmio Perdomo
SSC President

Signature of SSC President

10-06-2009
Date

Hall District Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☒ Community Advisory Committee for Special Education Programs

☒ Gifted and Talented Education Program Advisory Committee

☒ Other **(list) School Site Council**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: _____.

Attested:

Guillermo Ramos
Typed name of school principal

Guillermo Ramos
Signature principal

10/29/09
Date

Susana Rocha
Typed name of SSC chairperson

Susana Rocha
Signature of SSC chairperson

10/29/09
Date

Lakeview Middle

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.

The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.

The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☐ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.

5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.

6. This school plan was adopted by the school site council at a public meeting on: 12/10/09.

Attested:

Kin Woods
Typed name of school principal

Kin Woods
Signature of school principal

12/10/09
Date

Seonel Morales
Typed name of SSC chairperson

Seonel Morales
Signature of SSC chairperson

12/10/09
Date

Landmark Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:
 - ☐ School Advisory Committee for State Compensatory Education Programs
 - ☒ English Learner Advisory Committee
 - ☐ Community Advisory Committee for Special Education Programs
 - ☐ Gifted and Talented Education Program Advisory Committee
 - ☐ Other **(list)**
4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: 5/13/08.

Attested:

Jennifer Wildman
Typed name of school principal

 11/4/09
Signature of school principal Date

Roisin Gunn
Typed name of SSC chairperson

 11/13/09
Signature of SSC chairperson Date

MacQuiddy Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☒ School Advisory Committee for State Compensatory Education Programs (SSC)

☒ English Learner Advisory Committee (ELAC)

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☐ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on:
October 22, 2009

Attested:

Jack L. Davidson

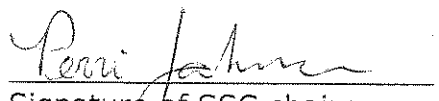
Typed name of school principal


Signature of school principal

12/18/09
Date

Perri Johnson

Typed name of SSC chairperson


Signature of SSC chairperson

12/18/09
Date

Mar Vista Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

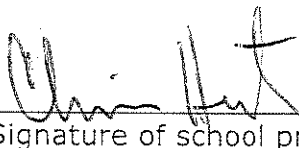
☐ Gifted and Talented Education Program Advisory Committee

☒ Other **(School Leadership Committee)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: 10-20-09.

Attested:

Christopher Hertz
Typed name of school principal


Signature of school principal

10-22-09
Date

Sharon Silverglate
Typed name of SSC chairperson


Signature of SSC chairperson

10-22-09
Date

Mintie White Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

X School Advisory Committee for State Compensatory Education Programs

X English Learner Advisory Committee

___ Community Advisory Committee for Special Education Programs

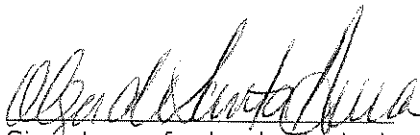
___ Gifted and Talented Education Program Advisory Committee

___ Other (**list**)

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: _____.

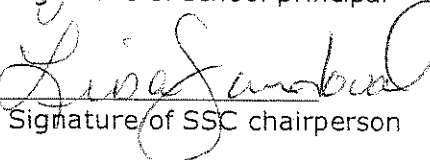
Attested:

___ Olga de Santa Anna ___
Typed name of school principal


Signature of school principal

10/22/09
Date

___ Lisa Sandoval ___
Typed name of SSC chairperson


Signature of SSC chairperson

10/22/09
Date

Ohlone Elementary

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☐ Other (*list*)

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: _____.

Attested:

Gloria Miranda
Typed name of school principal

Gloria Miranda
Signature of school principal

11/12/09
Date

Raul Garcia
Typed name of SSC chairperson

Raul Garcia
Signature of SSC chairperson

11/12/09
Date

Pajaro Middle

Form A: Recommendations and Assurances

The School Site Council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (*check those that apply*):

☒ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☐ Other (*list*)

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the School Site Council at a public meeting on:
October 26, 2009.

Attested:

Stella Moreno
Type name of School Principal


Signature of School Principal 10/26/09
Date

Elva Acevedo
Type name of S.S.C. Chairperson


Signature of S.S.C. Chairperson 10/26/09
Date

Pajaro Valley High

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply):**

☒ School Advisory Committee for State Compensatory Education Programs

☐ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

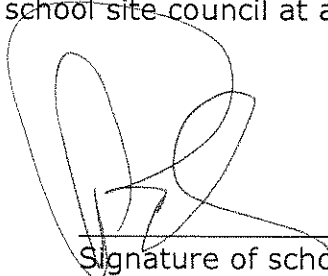
☒ Other **(list)** *WASC PLAN / carry over categorical expenditures*

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on:
Oct 27-09

Attested:

Frank Rodriguez

Typed name of school principal

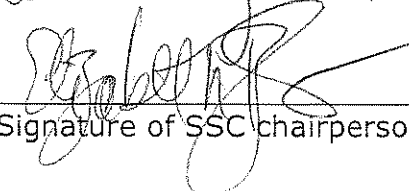

Signature of school principal

12/01/09

Date

Elizabeth Tyler

Typed name of SSC chairperson


Signature of SSC chairperson

12/01/09

Date

Radcliff Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (*Check those that apply*):

☒ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☐ Other (*list*)

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: Oct. 6, 09

Attested:

Ulli Kummerow

Typed name of school principal

Ulli Kummerow
Signature of school principal Date

Typed name of SSC chairperson

① Felix R. Puga 10/09
Signature of SSC chairperson Date

② Ruth Cervantes 10/09
Signature of SSC chairperson Date

Renaissance High

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

☒ Other **(list)** Renaissance High Home & School Club

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: 5/15/08.

Attested:

Thomas H. Tatum
Typed name of school principal


Signature of school principal

11/16/09
Date

Mr. & Mrs. Fernandez
Typed name of SSC chairpersons

Elia Fernandez
Rogelio Fernandez
Signature of SSC chairpersons

11-16-09
11/16/09
Date

Rio Del Mar Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☒ Community Advisory Committee for Special Education Programs

☒ Gifted and Talented Education Program Advisory Committee

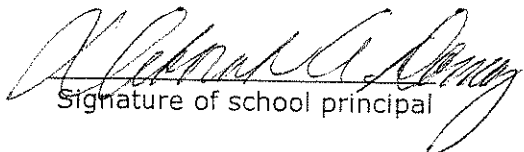
☐ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.

6. This school plan was adopted by the school site council at a public meeting on: 10/8/09


Attested:

Deborah Dorney
Typed name of school principal


Signature of school principal

10/23/09
Date

Denise Russo
Typed name of SSC chairperson


Signature of SSC chairperson

10/23/09
Date

Rolling Hills

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

☐ School Advisory Committee for State Compensatory Education Programs

☒ English Learner Advisory Committee

☒ Community Advisory Committee for Special Education Programs

☒ Gifted and Talented Education Program Advisory Committee

☐ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.

6. This school plan was adopted by the school site council at a public meeting on:

October 28, 2009

Attested:

Rick H. Ito
Typed name of school principal

Rick H. Ito 10/28/09
Signature of school principal Date

Juanita Aguilera
Typed name of SSC chairperson

Juanita Aguilera 10/28/09
Signature of SSC chairperson Date

Starlight Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

___ School Advisory Committee for State Compensatory Education Programs

___X___ English Learner Advisory Committee

___ Community Advisory Committee for Special Education Programs

___ Gifted and Talented Education Program Advisory Committee

___ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on:
_____.

Attested:

Dr. Mark A. Donnelly
Typed name of school principal

Mark A. Donnelly 11-19-09
Signature of school principal Date

Mrs. Maria Virgen
Typed name of SSC chairperson

Maria D. Virgen 11-19-09
Signature of SSC chairperson Date

Valencia Elementary

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

X___ School Advisory Committee for State Compensatory Education Programs

X___ English Learner Advisory Committee

___ Community Advisory Committee for Special Education Programs

X___ Gifted and Talented Education Program Advisory Committee


___ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: May 13, 2008.

Attested:

Dianna Higginbotham

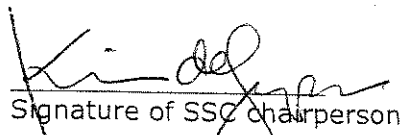
Typed name of school principal


Signature of school principal

10/20/09
Date

Kim De Serpa

Typed name of SSC chairperson


Signature of SSC chairperson

10/20/09
Date

Nicole Dennis

Typed name of SSC member


Signature of SSC member

10/20/09
Date

Watsonville High

Form E: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):
 - X School Advisory Committee for State Compensatory Education Programs
 - X English Learner Advisory Committee
 - ___ Community Advisory Committee for Special Education Programs
 - ___ Gifted and Talented Education Program Advisory Committee
 - X Principal's Cabinet and staff
4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.

This school plan was adopted by the school site council at a public meeting on: November 10, 2009


Watsonville High School Principal


WHS School Site Council President

11-12-09
Date

11/12/09
Date

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (*Check those that apply*):

☒ Alianza Governing Council

☒ Alianza English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

☐ Gifted and Talented Education Program Advisory Committee

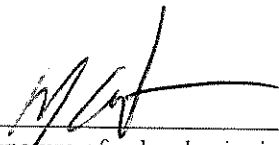
☐ School Advisory Committee for State Compensatory Education Programs

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: 5/22/08.

Attested:

Michael G. Jones

Typed name of school principal

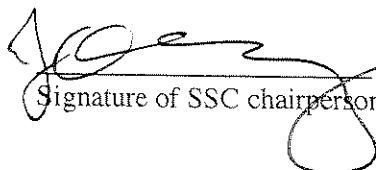

Signature of school principal

10/22/09

Date

Juana Gomez

Typed name of SSC chairperson


Signature of SSC chairperson

10/22/09

Date

Academic Vocational Charter Institute

RECOMMENDATIONS AND ASSURANCES

The school site council recommends this school plan and its related expenditures to the district governing board for approval, and assures the board of the following:

1. The school site council is correctly constituted, and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (*Check those that apply*):
 - X School Advisory Committee for State Compensatory Education Programs
 - English Learner Advisory Committee
 - Community Advisory Committee for Special Education Programs
 - Gifted and Talented Education Program Advisory Committee
 - Other (*list*)
4. The school site council reviewed the content requirements for school plans of programs included in this Single Plan for Student Achievement, and believes all such content requirements have been met, including those found in district governing board policies and in the Local Improvement Plan.
5. This school plan is based upon a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council on: Nov. 11, 2009

Attested:

Leland Takemoto
Typed name of school principal


Signature of school principal

11/11/2009
Date

Mr. Don Houseman
Typed name of SSC chairperson


Signature of SSC chairperson

11-16-09
Date

Linscott Charter

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan (**Check those that apply**):

☐ School Advisory Committee for State Compensatory Education Programs

☐ English Learner Advisory Committee

☐ Community Advisory Committee for Special Education Programs

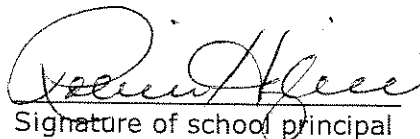
☐ Gifted and Talented Education Program Advisory Committee

☒ Other **Parent Advisory Committee, Teacher Leadership Committee, Curriculum Committee**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: **10/05/09**.

Attested:

Robin Higbee
Typed name of school principal


Signature of school principal

10/29/09
Date

Karen Lowell
Typed name of SSC chairperson


Signature of SSC chairperson

10/30/09
Date

New School

Form A: Recommendations and Assurances

The school site council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school site council is correctly constituted and was formed in accordance with district governing board policy and state law.
2. The school site council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school site council sought and considered all recommendations from the following groups or committees before adopting this plan **(Check those that apply)**:

X School Advisory Committee for State Compensatory Education Programs

X English Learner Advisory Committee

___ Community Advisory Committee for Special Education Programs

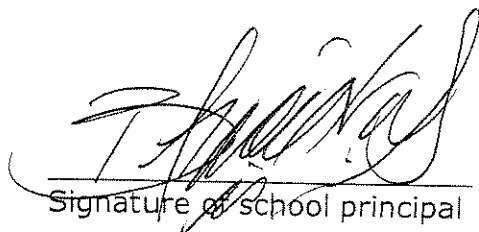
___ Gifted and Talented Education Program Advisory Committee

___ Other **(list)**

4. The school site council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school site council at a public meeting on: October 27th, 2009.

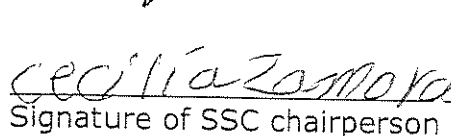
Attested:

Victoria Sorensen
Typed name of school principal


Signature of school principal

10/27/09
Date

Cecilia Zamora
Typed name of SSC chairperson


Signature of SSC chairperson

10/27/09
Date



PACIFIC COAST

CHARTER SCHOOL



SPREAD YOUR ACADEMIC WINGS

SINGLE PLAN FOR STUDENT ACHIEVEMENT

2009-2010

RCU011/05/09 13:17:1

Watsonville Charter School of the Arts
Form A: Recommendations and Assurances

The school Leadership Council recommends this school plan and proposed expenditures to the district governing board for approval and assures the board of the following:

1. The school Leadership Council is correctly constituted and was formed in accordance with district governing board policy, Charter policy and state law.
2. The school Leadership Council reviewed its responsibilities under state law and district governing board policies, including those board policies relating to material changes in the school plan requiring board approval.
3. The school Leadership Council sought and considered all recommendations from the following groups or committees **(Check those that apply)**:

X School Leadership Council

X Site Data Team – Art and Achievement Collaboration Team

___ Community Advisory Committee for Special Education Programs

___ Gifted and Talented Education Program Advisory Committee

X WCSA Staff

4. The school Leadership Council reviewed the content requirements for school plans of programs included in this *Single Plan for Student Achievement* and believes all such content requirements have been met, including those found in district governing board policies and in the LEA Plan.
5. This school plan is based on a thorough analysis of student academic performance. The actions proposed herein form a sound, comprehensive, coordinated plan to reach stated school goals to improve student academic performance.
6. This school plan was adopted by the school Leadership Council at a public meeting on: November 5, 2009.

Attested:

___Trish Hucklebridge___
Typed name of school principal

Signature of school principal

11-5-09
Date

___ Lisa Goldman___
Typed name of LC Representative

Signature of LC Representative

11-6-09
Date

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 10.11

DATE: January 20, 2010

ITEM: Award Bids for Erate Year 13 for District Services.

OVERVIEW:

The Technology Services Department along with the assistance of the Purchasing Services Department completed a competitive bid process on January 11, 2010 for the purchase of the following equipment and services. All contracts are contingent upon receiving full Erate 80% to 90% discount funding from the Federal Agency, Schools and Libraries Division (SLD).

E-Rate is the commonly used name for the Schools and Libraries Program of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC).

The program provides discounts to assist most schools and libraries in the United States (and U.S. territories) to obtain affordable telecommunications and Internet access. It is one of the support programs funded through a Universal Service fee charged to companies that provide interstate and/or international telecommunications services.

The Schools and Libraries Program supports connectivity - the conduit or pipeline for communications using telecommunications services and/or the Internet. Funding is requested under four categories of service: telecommunications services, Internet access, internal connections, and basic maintenance of internal connections. Discounts for support depend on the level of poverty and the urban/rural status of the population served and range from 20% to 90% of the costs of eligible services. Eligible schools, School Districts and libraries may apply individually or as part of a consortium.

Over the past nine years, PVUSD has qualified for over 13 million dollars in Erate discount funding which has brought data networks and phone systems to the schools as well as extensive discounts on telephone and Internet connectivity invoices.

District Wide Services

Digital Connectivity to High Schools.....01-09-10
Student Webhosting & School Communication System... 02-09-10
Instructional Wireless Network Controllers 06-09-10

Site Specific Services

Classroom Network Cabling & Installation 03-09-10
Children's Center Network Connectivity 04-09-10
Classroom Network Connectivity – Freedom School..... 05-09-10

District Wide Services

01-09-10 – Digital Connectivity to High Schools - At present time, PVHS has a 1Gb connection to District online resources and the Internet. This connection would provide a 1Gb connection to AHS and WHS and eliminate network congestion for all other schools by adding an additional 1Gb port for all other schools to share a connection. All other schools would remain on a 100Mb connection to District resources and the Internet.

02-09-10 – Student Webhosting and School Communication System - SchoolLoop is a product that has been used in the District before with great success. SchoolLoop is an all-in-one online system, hosted by vendor, to support online communication between students, teachers and administrators. It has an enhanced grade book component, student digital lockers, student safe email, easy website creation for staff and students, school news publishing, one click “team” email, password protected login and more.

06-09-10 - Instructional Wireless Network Controllers – As the school sites have added multiple 30-computer laptop carts to their student use inventory, the need for wireless connectivity improvement has increased as well. These wireless controllers will help to manage the schools wireless access points to provide a better signal for student mobile computer use.

Site Specific Services

03-09-10 - Classroom Network Cabling and Installation – There are two (2) parts to this project: Part A) This shall affect CCMS and RHMS next year and Aptos schools in the future: CCMS and RHMS qualify for Erate discounts but none of the Aptos schools qualify. Erate permits the removal of Erate-funded products after three years and these items can be installed in other (non-Erate qualifying) schools in the District, such as the Aptos Schools. All network hardware (router, switches, and wireless access points) will be removed from these two (2) schools and new network hardware will be installed in its place. The removed hardware will later be installed into the Aptos schools to help bring their networks in line with that of the other (Erate qualifying) schools within the District.

Part B) CCMS had the central part of their network installed in the closet of the principal’s office. This is very loud and there is not enough room to support uninterrupted power supply devices to the existing phone system to assure phone connectivity in case of a power outage. This part of the project will move the MDF from the principal’s closet to an appropriate room next to the library. This involves extensive re-wiring of fiber cable at the site.

04-09-10 - Children’s Center Network Connectivity – The Watsonville Children’s Center has been functioning on a slow DSL connection to the Internet and District Resources. This project will replace their aging phone system with a new VoIP phone system (like most of the other schools in the District) and provide a direct connection to the Internet and District resources through a fiber connection to E.A. Hall School. Funds used for this project will come from the Watsonville Children’s Center budget.

05-09-10 - Classroom Network Connectivity – Freedom School – Freedom school was originally designed with very few data (network) ports in each classroom. This project will add data ports to just about every classroom and lab to enhance connectivity for student computers at that site. This project will also improve the wireless connectivity at the school site.

RECOMMENDATION:

The Administration recommends the Board award contracts as follows in accordance with all terms and conditions of the bid documents. Pajaro Valley Unified School District estimated cost upon Schools and Libraries Division (SLD) final approval is highlighted on the Bid Recap.

BID RECAP

Bid Number	Project Name	Vendor	Low Bid Amount	Erate Discount	PVUSD Share
01-09-10	Digital Connectivity to High Schools	AT&T*	\$116,850.00	80%*	\$9,661.20* (annual)
02-09-10	Student Webhosting and School Communication System	SchoolLoop**	\$51,817.50	80%**	\$23,727.00
03-09-10	Classroom Network Cabling and Installation	AMS	\$486,885.68	90%	\$48,688.57
04-09-10	Children's Center Network Connectivity	AMS	\$35,905.17	90%	\$3,590.52
05-09-10	Classroom Network Connectivity – Freedom School	AMS	\$76,071.52	90%	\$7,607.15
06-09-10	Instructional Wireless Network Controllers	AMS	\$52,251.00	90%	\$5,251.00
		TOTAL:	\$819,780.87	90%	\$98,525.44

*The new, faster (1Gb) Internet connections to the high schools will be displacing slower, (100Mb) lines. In addition to the Erate discount, there is a 50% CA Teleconnect Fund discount of 50%. Please see below for further details.

**One bid was submitted after the due date and time for project 02-09-10 therefore returned unopened to the vendor as required by law. Consistent with USAC (Erate) rules, PVUSD can now select a vendor of our choosing. The District has selected SchoolLoop based on PVUSD's past history with the company's product. 75% of the SchoolLoop product is Erate eligible. Please see attached quote for further information.

AT&T*	
New Cost for Gig lines and ports	\$ 9,500.00
Monthly cost for services being displaced (old 100Mb lines)	\$ 1,924.00
Incremental cost	\$ 7,576.00
Erate pays 80%	\$ 6,060.80
Pajaro portion prior to CA Teleconnect Fund Discount (CTF)	\$ 1,515.20
CA Teleconnect Fund (CTF) Pays 50% (doesn't discount taxes)	\$ 757.60
Add Pajaro's 20% of taxes (\$237.50 tax total) that CTF does not pay	\$ 47.50
Total Monthly increase to Internet service cost	\$ 805.10
Total Annual increase to Internet service cost	\$ 9,661.20

(Continued)

SchoolLoop**	
Product cost (eligible items)	\$ 35,113.12
Product cost with Erate 80% discount	\$ 7,022.62
Product cost (non-Erate Eligible items)	\$ 16,704.38
Total cost to District for 9330 secondary students	\$ 23,727.00
Per student cost to District	\$ 2.54

Cost Breakdown by School Site

Cesar Chavez	Bid	Erate Discount	PVUSD Cost
Materials	\$ 191,063	90%	\$19,106
Labor	\$ 29,686	90%	\$2,969
Tax	\$ 2,042	90%	\$204
Total	\$ 222,791	90%	\$22,279

Rolling Hills	Bid	Erate Discount	PVUSD Cost
Materials	\$ 201,910	90%	\$20,191
Labor	\$ 25,465	90%	\$2,547
Tax	\$ 2,103	90%	\$210
Total	\$ 229,478	90%	\$22,948

Freedom	Bid	Erate Discount	PVUSD Cost
Materials	\$ 50,098	90%	\$5,010
Labor	\$ 21,042	90%	\$2,104
Tax	\$ 4,659	90%	\$466
Total	\$ 75,800	90%	\$7,580

Total for Three Schools	Bid	Erate Discount	PVUSD Cost
	\$528,069	90%	\$52,807

BUDGET CONSIDERATIONS:

Funding Source: Erate Infrastructure and Watsonville Children Center

Budgeted: Yes x No

District Infrastructure: \$ 94,934.92

Watsonville Children Center: \$ 3,590.52

Amount: \$ 98,525.44

PREPARED BY: Tim Landeck, Director of Technology
Rich Buse, Director of Purchasing

ASSOCIATE SUPERINTENDENT: Mary Hart, Associate of Business Services

SUPERINTENDENT SIGNATURE: *Domino Buse*



E-Rate Bid for Pajaro Valley Unified School District

January 13, 2010

School Loop, Inc. (Spin #143030031) requests that the following bid be considered. School Loop is 75% E-RATE eligible. The terms below can be extended for an additional two years at the conclusion of the initial 3-year contract.

Year 1	Price per student	E-Rate Eligible Amount (75%)	E-Rate Ineligible Amount (25%)	Total Cost
School Loop Plus Gradebook for 9330 students	\$4.75	\$33,238.12	\$11,079.38	\$44,317.50
Implementation/ SIS Integration (one-time fee)	----	\$0	\$2500	\$2500
Grade Export to upload grades to SIS (yearly fee)	----	\$0	\$2500	\$2500
Active Directory Integration (one-time fee)	----	\$1875	\$625	\$2500
TOTAL	----	\$35,113.12	\$16,704.38	\$51,817.50

Year 2	Price per student	E-Rate Eligible Amount	E-Rate Ineligible Amount	Total Cost
School Loop Plus Gradebook for 9330 students	\$4.75	\$33,238.12	\$11,079.38	\$44,317.50
Grade Export to upload grades to SIS		\$0	\$2500	\$2500
TOTAL	----	\$33,238.12	\$13,579.38	\$46,817.50

Year 3	Price per student	E-Rate Eligible Amount	E-Rate Ineligible Amount	Total Cost
School Loop Plus Gradebook for 9330 students	\$4.75	\$33,238.12	\$11,079.38	\$44,317.50
Grade Export to upload grades to SIS		\$0	\$2500	\$2500
TOTAL	----	\$33,238.12	\$13,579.38	\$46,817.50



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Board Agenda Backup

Item No: 10.12

Date: January 20, 2010

Item: Williams Uniform Complaint Quarterly Report
(October – December, 2009)

Overview and Rationale: All school districts have been required to adopt a complaint system as a part of the Williams Settlement.

On a quarterly basis, Williams' complaints must be reported to the board and the county superintendent. The report must include the number and types of complaints received and how they were corrected.

There were no complaints this quarter.

Recommendation: Approve.

Budget Considerations:

Funding Source:

Budgeted:

Amount:

Prepared By: Dr. Albert J. Roman, Assistant Superintendent, Human Resources

Superintendent's Signature:

Dr. Albert J. Roman

**QUARTERLY DISTRICT STATUS REPORT OF UNIFORM COMPLAINTS
TO THE COUNTY SUPERINTENDENT OF SCHOOLS
QUARTER ENDED DECEMBER 2009**

DISTRICT: Pajaro Valley Unified School District **Date Reported to District Governing Board:** January 20, 2010

I. INSTRUCTIONAL MATERIALS

A) Insufficient text books or instructional materials in classroom:

# of Complaints	# of Complaints Resolved	# of Complaints Unresolved*
0		

- Explanation: _____

B) Insufficient textbooks or instructional materials to take home:

# of Complaints	# of Complaints Resolved	# of Complaints Unresolved*
0		

- Explanation: _____

C) Textbooks or instructional materials in poor or unusable condition:

# of Complaints	# of Complaints Resolved	# of Complaints Unresolved*
0		

- Explanation: _____

II. TEACHER VACANCY OR MISASSIGNMENT

A) No assigned certified teacher at beginning of semester:

# of Complaints	# of Complaints Resolved	# of Complaints Unresolved*
0		

- Explanation: _____

**B) Teacher lacking credentials or training to teach English Language Learners (ELL) with
More than 20% ELL in class:**

# of Complaints	# of Complaints Resolved	# of Complaints Unresolved*
0		

- Explanation: _____

D) Teacher instructing class lacking subject matter competency:

# of Complaints	# of Complaints Resolved	# of Complaints Unresolved*
0		

- Explanation: _____

III. FACILITIES

A) Conditions pose an emergency or urgent threat to the health or safety of students/staff:

# of Complaints	# of Complaints Resolved	# of Complaints Unresolved*
0		

- Explanation: _____

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 10.13

Date: January 20, 2010

Item: Award of Contract for Services RFP #01/09-10
403 (b) Third Party Administration Services (TPAS)

Overview: The District solicited for Third Party Administration organizations that were qualified to provide administrative, compliance and communication services for the Plan Sponsor's 403(b) that is exempt from the requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA).

The selected vendor may be subject to annual review, but is expected that services to the Plan Sponsor will continue for a period of three (3) years or until further notice. For any fiscal year of any agreement the District fails to appropriate or allocate funds for future periodic payments beyond the fiscal period for which funds have been appropriated or allocated and either party hereto may terminate the contract upon mailing written notice, postage prepaid and registered or certified, to the other party. The TPA shall not receive termination fees for termination pursuant to this provision. The selected TPA will collaborate with the Plan Sponsor's existing 403(b) vendors/providers and agree to provide the services according to the contract in a satisfactory, timely and professional manner, subject to any limitations imposed by the Plan Sponsor.

Recommendation:

The Administration recommends that the "request for services" be awarded to VALIC Retirement Services Company. The company doing business is a corporation organized under VALIC but doing business as VRSCO. This company meets all requirements in accordance with all terms and conditions of the proposal documents. The Actual entity offering services is a separate organization from the Investment company "VALIC", per the agreement no sharing of information will be allowed for investment purposes.

Budget Considerations:

Funding Source: NA

Budgeted: Yes: No:

Amount:

Prepared By: Rich Buse/Mary Hart

Superintendent's Signature:

Donna Buse

RETIREMENT MANAGER AGREEMENT

This Agreement is entered into by and between Pajaro Valley Unified School District, a public school district ("**Employer**"), and **VALIC Retirement Services Company**, a corporation organized under the laws of the State of Texas ("**VRSCO**").

WHEREAS, Employer sponsors one or more retirement plans ("**Retirement Plans**") for the benefit of eligible employees ("**Eligible Employees**") who may elect to participate in one or more of the Retirement Plans ("**Participating Employees**" or "**Employees**");

WHEREAS, VRSCO (1) has developed a common remitter system combined with a participant service center ("**Retirement Manager**") designed to assist in the administration of retirement plans with multiple vendors (collectively, "**Vendors**," and singularly, "**Vendor**"), (2) is qualified to provide these services, and (3) desires to offer these services to Employer; and

WHEREAS, Employer desires to receive these services described from VRSCO;

WHEREAS, Employer hereby acknowledges that it has consulted with legal counsel as appropriate, and that the services described in this Agreement are consistent with Employer's obligations under the Employer's plan(s) and the Internal Revenue Code of 1986, as amended ("**IRC**") and, if applicable, the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"); and that Employer has further determined that compensation that will or may be paid for services under this Agreement will constitute reasonable compensation for such services;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the parties hereby agree as follows:

1. **Term of Agreement.** This Agreement shall commence upon execution by the Parties, subject to approval or ratification of the District's Governing Board of Trustees and receipt by VRSCO of a fully executed Agreement with acknowledgement of such Board approval or ratification, hereto ("**Effective Date**"). The term of this Agreement shall commence on the **Effective Date** and shall continue for a period of three (3) years from such date ("**Initial Term**"). The term of the Agreement may be renewed upon the written agreement of both parties ("**Renewal Terms**"). The Initial Term and all Renewal Terms are collectively referred to in this Agreement as the "**Agreement Term**."
2. **Scope of Work and Schedules.** VRSCO will provide the services (collectively, the "**Services**") as more particularly described in a written Scope of Work set forth in **Exhibit A** (Scope of Work), attached and incorporated for all purposes. The implementation timeframe for the Services will be as mutually agreed by VRSCO and Employer. In the event that Employer and VRSCO agree to modify the Scope of Work, Employer and VRSCO will document such modifications in a revised written version of such a document, which will replace and supplant all previous versions of that document as of the date that the revised written version is signed by both Employer and VRSCO. Notwithstanding any other provision of this Agreement, all other exhibits, plans,

schedules, specifications, or other documents created by Employer and VRSCO during the course of this Agreement must be in writing and signed by both Employer and VRSCO, and all such exhibits, plans, schedules, specifications, or other documents shall only be incorporated into and made a part of this Agreement once signed by both Employer and VRSCO.

3. **License Grant, Restriction and Ownership.**

3.1 License Grant. VRSCO grants to Employer, subject to the terms and conditions of this Agreement, a non-exclusive, non-transferable license to use Retirement Manager and related documentation. Employer's rights to use Retirement Manager and related documentation shall be limited to those rights expressly granted herein. All rights not expressly granted to Employer are retained by VRSCO.

3.2 License Restriction. Employer agrees not to cause or permit the: (i) use, copying, modification, rental, lease, sublease, or transfer of Retirement Manager and related documentation, except as expressly provided in this Agreement; (ii) creation of any derivative works based on Retirement Manager and related documentation; or (iii) reverse engineering, disassembly, or decompiling of Retirement Manager and related documentation.

3.3 Ownership. VRSCO retains all right, title and interest in Retirement Manager and related documentation and in all copies, improvements, enhancements, modifications and derivative works of Retirement Manager and related documentation including, without limitation, all patent, copyright, trade secret and trademark rights.

4. **Licenses, Permits, Taxes, Fees, Laws and Regulations.** VRSCO will obtain, maintain in effect, and pay the cost for all federal, state and local licenses, permits, or certifications that may be necessary for VRSCO's performance of this Agreement. VRSCO will be responsible for the payment of all taxes, excises, fees, payroll deductions, employee benefits (if any), fines, penalties or other payments required by federal, state, or local law or regulation in connection with VRSCO's performance of this Agreement. VRSCO will comply with, and will be responsible for requiring its officers, employees, agents and subcontractors and the Services (including Retirement Manager) to comply with, all applicable federal, state, and local laws and regulations.

5. **Representations and Warranties.** VRSCO and Employer each represent and warrant to the other as follows:

- 5.1 Each is duly organized, validly existing and in good standing under the laws of the state of its incorporation or jurisdiction of its organization;
- 5.2 Each is not a party to or subject to any charter, by-law, agreement, law, rule, regulation, judgment or decree of any kind that would prevent performance of the terms and conditions of this Agreement;
- 5.3 Each has full power and authority to execute and deliver this Agreement and to consummate and perform the transactions contemplated hereby; and

- 5.4 This Agreement has been duly authorized, executed and delivered by VRSCO and Employer and constitutes the legal, valid and binding obligation of each, enforceable against each in accordance with its terms.

Employer further represents and warrants to VRSCO that Employer shall provide data to Retirement Manager that to the best of its knowledge is complete and accurate. VRSCO shall use ordinary care in the exercise of its powers and the performance of its duties under this Agreement.

6. **Acts or Omissions of Other Parties.** Neither VRSCO nor its affiliates, successors and assigns shall have any liability, duty or other obligation with respect to actions or omissions (including incomplete or incorrect data provided to VRSCO) of the Employer, the Plan Administrator, or other authorized Plan representative, or of any concurrent or predecessor investment or service provider. Neither Employer nor its affiliates, successors and assigns shall have any liability, duty or other obligation with respect to actions or omissions of VRSCO or its affiliates, successors and assigns.
7. **Fees.** The fees for the Services to be provided hereunder are described in **Exhibit B** (Fees), attached and incorporated for all purposes.
8. **Data Ownership, Rights, Security.**

8.1 Employer Data.

8.1.1 As between the parties, Employer shall have sole ownership of all rights and interest in any information or data that:

- (i) Employer provides to VRSCO under this Agreement,
- (ii) Employer stores in or contributes to Retirement Manager,
- (iii) is stored in or processed, transmitted, displayed, or reported by Retirement Manager on behalf of Employer,
- (iv) a Vendor provides to VRSCO on behalf of Employer, or
- (v) is manipulated, modified, calculated, or retrieved by Employer through the use of Retirement Manager.

The above information or data is collectively referred to in this Agreement as the “**Employer Data.**”

- 8.1.2 The Employer Data shall include, but shall not be limited to, the following: names, addresses, account balances, account numbers, account activity, Social Security numbers, taxpayer identification numbers, and sensitive financial information. The Employer Data includes all information (including personally identifiable information) that is derived from other Employer Data.

8.2. Participating Employee Data

8.2.1 Each Participating Employee shall have sole ownership of all rights and interest in all information or data that:

- (i) the Participating Employee provides to VRSCO under this Agreement,
- (ii) the Participating Employee stores in or contributes to Retirement Manager,
- (iii) is stored in or, processed, transmitted, displayed, or reported by Retirement Manager on that Participating Employee's behalf,
- (iv) a Vendor provides to VRSCO on behalf of the Participating Employee, or
- (v) is manipulated, modified, calculated, or retrieved by that Participating Employee through the use of Retirement Manager.

The above information or data is collectively referred to in this Agreement as the "**Participating Employee Data.**"

8.2.2 The Participating Employee Data shall include, but shall not be limited to, the following data associated with each Participating Employee: names, addresses, account balances, account numbers, account activity, Social Security numbers, taxpayer identification numbers, and sensitive financial information. The Participating Employee Data includes all information (including personally identifiable information) derived from other Participating Employee Data.

8.3. Use of Employer Data or Participating Employee Data by VRSCO and VRSCO Users.

8.3.1 Unless expressly permitted by the express advance written consent of an Employer official authorized to give such consent, VRSCO and its employees, agents, and contractors, and other persons (other than Vendors) associated with VRSCO (collectively, the "VRSCO Users") are only permitted to use, reuse, distribute, transmit, manipulate, copy, modify, access, disclose, or redisclose the Employer Data or Participating Employee Data to the extent necessary for VRSCO to perform the Services and implement and maintain Retirement Manager as set forth in this Agreement. VRSCO and the VRSCO Users shall hold the Employer Data and Participating Employee Data in confidence and protect the Employer Data and Participating Employee Data to the same extent and in at least the same manner as Employer is required to protect its own data, but in no case in a lesser manner than a reasonable degree of care under the circumstances.

8.3.2 VRSCO will not permit the Employer Data or Participating Employee Data to be used, reused, distributed, transmitted, manipulated, copied, modified, accessed, disclosed, or redisclosed by VRSCO or any VRSCO

Users for the purposes of selling, trading, managing, marketing, advertising, or providing investment information, advice, or recommendations concerning stocks, bonds, securities, annuities, or other financial products or services offered by VRSCO or any other person or entity.

8.3.3 VRSCO may use, reuse, distribute, transmit, manipulate, copy, modify, access, disclose, or redisclose Employer Data, so long as VRSCO obtains the express advance written consent of Employer.

8.4 VRSCO Affiliates, Parent Companies, Subsidiaries, and Other Related Entities.

Notwithstanding any other provision of this Agreement, VRSCO will not permit any of VRSCO's affiliates, parent companies, subsidiaries, or other related entities (collectively, "VRSCO Affiliates") to use, reuse, distribute, transmit, manipulate, copy, modify, access, disclose, or redisclose the Employer Data or the Participating Employee Data. Provided, however, VRSCO shall be permitted to use Employer Data or Participating Employee Data, or provide such data to another party, whether affiliated or unaffiliated with VRSCO, but only to the extent necessary or appropriate for VRSCO to (a) perform the Services set forth in this Agreement or another agreement between VRSCO and the Employer, and (b) interact with a party as a Vendor under this Agreement.

8.5 Privacy/Security Requirements. In storing, handling, and modifying information pursuant to the Agreement, VRSCO shall comply, with respect to information that is in its possession and control, with the following requirements as currently specified (collectively the "Privacy/Security Requirements"): (1) the applicable requirements of Federal programs concerning privacy and security and (2) comparable state laws, rules and regulations. In addition, VRSCO shall cooperate reasonably to ensure compliance with all Privacy/Security Requirements concerning transmission of information between the parties, including, but not limited to, electronic transmission and physical delivery of electronically recorded data.

8.6 Data Integrity, Confidentiality, Accessibility, and Security. VRSCO shall take commercially reasonable steps to protect the integrity, confidentiality, appropriate accessibility, and security of the Employer Data and the Participating Employee Data, and VRSCO shall establish, implement, and maintain policies, procedures, safeguards, and measures to do so. These steps shall include, but not be limited to, the following:

- (1) user authentication, role-based access restrictions;
- (2) confidential and personal passwords required for access;
- (3) physical security of VRSCO Users;
- (4) periodic evaluation of security safeguards;
- (5) software firewalls and other technical security measures; and

- (6) measures to detect and prevent intentional and unintentional corruption or loss of data.

8.7 Transmitted Electronic Data. Each party shall take commercially reasonable steps to maintain and to apply to all electronic data transmitted to the other party under the Agreement up-to-date and reasonable anti-virus software to guard against viruses, worms, trojan horses or other software routines, programs or mechanisms that would permit unauthorized access into, disable, erase in whole or in part or otherwise adversely affect electronic systems, software, data or equipment of the other party. Neither Employer nor VRSCO shall permit any of their respective personnel to introduce into electronic data transmitted between them under this Agreement any virus, worm, trojan horse or other software routine, program or mechanism to permit unauthorized access into, to disable, to erase in whole or in part or otherwise to adversely affect the systems, software, data or equipment of the other party. Furthermore, Employer and VRSCO agree that each VRSCO User and each Vendor authorized to access Retirement Manager shall be required to consent to a 'Terms of Use' policy displayed on the Retirement Manager, and that only VRSCO-approved methods of transmission of data between VRSCO and the Vendors are implemented to ensure reasonable practices, protective measures, and security procedures as necessary are in place to protect all electronic data that is transmitted between VRSCO and the Vendors (including, but not limited to, electronic transmission or the physical delivery of electronically recorded data or printed reports/funds delivered via United States Postal Service (USPS)). Provided, however, in no event shall Employer be responsible for any damages or loss caused by electronic data transmitted to VRSCO or any VRSCO information system by VRSCO, a VRSCO User, a Participating Employee, or a Vendor.

8.8 Reporting Security Breaches.

- 8.8.1 Each party shall promptly report to the other any material system, equipment or software malfunction, error, breakage or security breach that involves or may reasonably affect the accuracy or integrity of any data transmitted to the other party or the unauthorized disclosure of such data, that the reporting party detects or believes is imminent or is likely to have occurred. In the event of a security breach, each party shall cooperate with the other to investigate such breach, to reduce the effects of such breach, to mitigate damage and to restore lost code or data.
- 8.8.2 In the event of a security breach concerning Retirement Manager or any Employer Data or Participating Employee Data, Employer, VRSCO, and the VRSCO Users shall cooperate to investigate such breach, to reduce the effects of such breach, to mitigate any damage, and to restore lost code or data.

8.9 Documentation and Audits

8.9.1 VRSCO shall maintain and retain all of its books, records, and documentation regarding the Retirement Manager Services provided by VRSCO under this Agreement (collectively, the "Documentation") for seven (7) years after the expiration or termination of this Agreement or abandonment of the Services, unless Employer otherwise instructs VRSCO in writing. VRSCO will maintain such Documentation

- (a) in accordance with generally accepted accounting principles, and
- (b) at VRSCO's premises or at any other location where VRSCO will store the Documentation in conditions that ensure the preservation and availability of such Documentation (the "Documentation Locations").

8.9.2 Employer may audit the Documentation to the extent necessary to ensure compliance with the terms of this Agreement. VRSCO agrees to reasonably cooperate in the performance of such audits, subject to Employer's compliance with VRSCO's reasonable security procedures and policies concerning access to the Documentation Locations at reasonable times.

8.9.3 Employer anticipates that Employer will perform no more than one audit under the terms and conditions of this Section in each calendar year that occurs during the term of this Agreement. However, VRSCO acknowledges and agrees that circumstances or laws may require Employer to perform audits under the terms and conditions set forth in this Section on a more frequent basis.

8.9.4 In the event that Employer performs an audit as set forth in this Section, then Employer shall bear the costs and expenses of performing that audit.

8.10 Disclosure of Data Required by Law or Order. The obligations of this Section 8 shall not act to restrict VRSCO's lawful disclosure of the Employer Data or the Participating Employee Data pursuant to any applicable state or federal laws or by request or order of any court or government agency or where otherwise required by law. Provided, however, before making such a disclosure, VRSCO, except as expressly prohibited by law, must give Employer prior written notice of that disclosure, which must identify:

- (1) the data VRSCO intends to disclose,
- (2) the law(s), request, or order under which VRSCO believes it is required to make such a disclosure,
- (3) the persons or entities to whom VRSCO intends to disclose such data, and
- (4) the date on which VRSCO is required to make such a disclosure.

Except as expressly prohibited by law, VRSCO will use its best efforts to deliver such written notice to the Employer sufficiently in advance of the date on which VRSCO is required to make such a disclosure, so that Employer has a reasonable opportunity to oppose and prevent such disclosure.

8.11 Exceptions for Certain Data. Additionally, the obligations of this Section 8 shall not apply to information that, without breach of obligations of confidentiality or violation of law:

- (1) is independently developed by VRSCO;
- (2) is or becomes publicly known through no act or omission of VRSCO or any VRSCO User;
- (3) was already known by VRSCO prior to the Effective Date of this Agreement as evidenced by the written records of VRSCO; or
- (4) is obtained by VRSCO from an independent source who legally obtained such information and has no confidentiality obligations to Employer or any of the affected Participating Employees.

Moreover, Employer Data and Participating Employee Data shall not include data a Vendor obtains from VRSCO, and VRSCO shall have no obligation to monitor the use of such data by a Vendor, so long as the data is processed and handled by VRSCO in accordance with this Agreement.

8.12 Employer Data and Participating Employee Data Upon Termination/Expiration. Upon the expiration or termination of this Agreement for any reason, VRSCO shall

- (1) return or destroy, at the discretion of and instruction of Employer, all Employer Data and
- (2) destroy or, if requested by a Participating Employee, return, all Participating Employee Data owned by that Participating Employee,

that VRSCO is not obligated or authorized, as set forth in this Agreement or as required by law, to retain following such termination or expiration. Any Employer Data or Participating Employee Data so retained by VRSCO after expiration or termination of this Agreement shall be returned or destroyed, at the discretion of and instruction of the Employer or the Participating Employee, respectively, by VRSCO at the time its contractual and legal authority to retain such data expires. For purposes of this Section 8.12, the Employer Data or Participating Employee Data shall include all Employer Data or Participating Employee Data stored in Retirement Manager, any VRSCO databases, or in any backup copies of the Employer Data or Participating Employee Data. VRSCO will certify in writing to Employer that VRSCO has complied with the

requirements of this Section 8.12. In the event that VRSCO returns the Employer Data or Participating Employee Data under this Section 8.12, VRSCO will provide such data to Employer or the Participating Employee in a fixed file format on CD-ROM, or an alternate, commercially reasonable format and media.

8.13 Records. Employer and VRSCO shall retain records as required by law with respect to their activities and transactions contemplated herein.

8.14 Access to Retirement Manager. Upon expiration or termination of this Agreement, Employer and Participating Employees shall have no right to access Retirement Manager.

9. **Right to Inspect Books.** The Employer shall have and VRSCO shall grant to Employer and its authorized agents and employees, the right to inspect records and books maintained by VRSCO in connection with this Agreement during reasonable office hours upon written request.

10. **Notices.** Except as otherwise provided in this Section, all notices, consents, approvals, demands, requests or other communications provided for or permitted to be given under any of the provisions of this Agreement shall be in writing and shall be deemed to have been duly given or served when delivered by hand delivery or when deposited in the U.S. mail by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

If to Employer: Pajaro Valley Unified School District
Attn: Plan Administrator
294 Green Valley Rd
Watsonville, CA 95076

If to VRSCO: VALIC Retirement Services Company
Attn: Director, Institutional eServices
2929 Allen Parkway, L9-10
Houston, Texas 77019

or such other person or address as may be given in writing by either party to the other in accordance with the aforesaid.

All operational notices and transmittals may be oral or written as the parties may agree from time to time. Provided, however, any notice one party provides to the other concerning termination or suspension of performance under this Agreement must be in writing.

11. **Governing Law.** Except where Federal laws would otherwise control, this Agreement and all of the rights and obligations of the parties hereto and all of the terms and conditions hereof shall be construed, interpreted and applied in accordance with and

governed by and enforced under the laws of the State of California ; or if no state is designated, the laws of the state of the Employer's principal place of business.

12. **Entire Agreement; Modifications.** This Agreement supersedes all prior agreements, written or oral, between VRSCO and Employer and shall constitute the entire agreement and understanding between the parties with respect to the subject matter hereof. This Agreement and each of its provisions shall be binding upon the parties and may not be waived, modified, amended or altered except by a writing signed by Employer and VRSCO.
13. **Assignment.** Absent the advance written approval of Employer, VRSCO's interest in this Agreement and its rights and duties hereunder may not be subcontracted, assigned or delegated to an unaffiliated third party.
14. **No Waiver.** A delay or omission by either party in exercising any right or power under this Agreement shall not be construed as a waiver of that right or power. A waiver by either party of any term or condition of this Agreement shall not be construed as a waiver of any subsequent breach of that term or condition or of any other term or condition of this Agreement.
15. **Survival of Provisions.** The provisions of Sections 6, 8, 9, and 11 will survive the expiration or termination of this Agreement for any reason.
16. **Severability.** If any provision or part of a provision of this Agreement is determined to be invalid or unenforceable in any respect, that determination shall not affect any other provision of this Agreement, which shall be interpreted as if the invalid or unenforceable provision or part thereof had not been included.
17. **Relationship of the Parties.**
 - 17.1 For all purposes of this Agreement and notwithstanding any provision of this Agreement to the contrary, VRSCO is not an employee, partner, or joint venturer of Employer.
 - 17.2 Employer will not be required to enter into any additional contracts, amendments, or terms and conditions in order to receive the Services provided by VRSCO under this Agreement. VRSCO is solely responsible for all taxes, withholdings, and other statutory or contractual obligations of any sort, including but not limited to workers' compensation insurance.
18. **Contacts.** Each party will provide a designated point of contact for business and technical issues. Each party will provide the name, title, address, telephone and facsimile numbers, and electronic mail address for the contact to the other party. Each party will promptly notify the other party of any change in the designated point of contact.
19. **Force Majeure.** Neither party hereto will be liable or responsible to the other for any loss or damage or for any delays or failure to perform due to causes beyond its reasonable

control including, but not limited to, acts of God, strikes, epidemics, war, riots, flood, fire, sabotage, material changes in applicable laws or regulations or court orders over which a party has no control that prohibit that party from performing all of its obligations under this Agreement (collectively, a “**Change in Laws**”), or any other circumstances of like character (each, a “**force majeure occurrence**”). Provided, however, in order to ensure the orderly performance and, if necessary, transition of responsibilities under this Agreement, each party is responsible for:

- (a) monitoring the applicable legal and regulatory environments and identifying any potential Change in Laws as far in advance as is reasonably possible, and
- (b) ensuring that the other party is made aware of and is fully informed about any potential Change in Laws as far in advance as is reasonably possible.

20. **Captions.** The captions of sections and subsections in this Agreement are for convenience only and will not be considered or referred to in resolving questions of interpretation or construction.

21. **Data; Direction.** Employer acknowledges that the accuracy of Retirement Manager is based on the Employer, Vendor and/or Participating Employee’s providing VRSCO complete and accurate data and that the accuracy of Retirement Manager depends on all adjustments and corrections being made through Retirement Manager. Employer also acknowledges that if it agrees to accept data from a Vendor other than through Retirement Manager, Employer shall be responsible for entering the data in Retirement Manager. VRSCO shall be entitled to rely on and will be fully protected in acting on data and direction provided by the Employer, the Plan Administrator, or another authorized Plan representative or the Participating Employee and will have no duty to inquire with respect to such data or direction.

22. **ADDITIONAL LIMITATION.**

NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF DATA, OR SIMILAR DAMAGES OR LOSS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL AGGREGATE LIABILITY OF VRSCO OR THE EMPLOYER UNDER OR IN CONNECTION WITH THIS AGREEMENT WILL BE LIMITED TO DIRECT DAMAGES NOT TO EXCEED AMOUNTS ACTUALLY PAID BY EMPLOYER UNDER THIS AGREEMENT.

23. **Default and Termination.**

23.1 At such time as neither VRSCO nor any of its affiliates is a Vendor, either party shall have the right to terminate this Agreement prior to the conclusion of the Agreement Term upon forty-five (45) days’ written notice.

- 23.2 In the event of a material failure by a party hereunder to perform in accordance with the terms hereof, the other party may terminate this Agreement upon forty-five (45) days' written notice of termination setting forth the nature of the failure (the termination shall not be effective if the failure is fully cured prior to the end of the forty-five-day period), provided that, said failure is through no fault of the terminating party.
- 23.3 Upon termination pursuant to this Section 23, VRSCO shall use reasonable efforts to transmit all funds of Employer and the Participating Employees then in the possession of VRSCO to the Vendors and shall return any remaining funds to Employer.
- 23.4 VRSCO agrees if this Agreement is terminated pursuant to this Section 23, then, at the option of Employer, VRSCO shall continue to perform the Services in accordance with the terms and conditions of this Agreement until either a successor entity or Employer are able to perform the Services without further use of Retirement Manager (a "Transition Period"); provided, however, that the Transition Period during which VRSCO shall be required to continue performing the Services will not last more than ninety (90) days from the effective date of termination. Such subsequent performance of the Services by Employer or a successor entity may involve the implementation and use of a computerized system other than Retirement Manager. During the Transition Period, VRSCO will cooperate with Employer and any successor entity engaged by Employer in order to transition performance of the Services to Employer and/or that successor entity, including VRSCO's provision once during each month during the Transition Period to Employer of, at a minimum, a copy of all Employer Data and all Participating Employee Data to Employer in a fixed file format on CD-ROM or an alternate, commercially reasonable format and media specified by the Employer.

{The remainder of this page is intentionally left blank.}

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates set forth below to be effective as of the Effective Date.

Employer

By: _____ Date : _____, 20__
Print Name: _____
Title: _____

VALIC Retirement Services Company

By: _____ Date : _____, 20__
Print Name: _____
Title: _____

Attached:

Exhibit A – Scope of Work

Exhibit B – Fees

EXHIBIT A

RETIREMENT MANAGER

Scope of Work

Retirement Manager is an innovative service designed to simplify the Employer's administration of multi-vendor retirement plans. With Retirement Manager, VRSCO has established a centralized database and associated methodology through which Retirement Plan remittances and plan compliance data may be remitted. This Internet-based service is available on a 24/7 basis (subject to periodic maintenance) and provides benefits to all retirement plan stakeholders:

The Employer strengthens the branding and marketing of its retirement plans and increases its operating efficiency. Retirement Manager functionality is modular in design, allowing the Employer to implement features based on its needs.

Employees benefit from a single point of access to comprehensive retirement plan information, financial planning tools and inquiry and transaction functionality across retirement plan vendors.

Vendors receive increased visibility by providing Employees a direct link to contact information and integrated access to their existing web site. In addition, they benefit from new reports and balanced, electronically submitted remittances if applicable.

This exhibit outlines the modular functionality available within Retirement Manager to facilitate remittance and compliance services. The functionality marked below is included in this Agreement.

- | | | |
|-----|--|-------------------------------------|
| 1. | Retirement Manager Employer Interface | <input checked="" type="checkbox"/> |
| 2. | Retirement Manager Participant Interface | <input checked="" type="checkbox"/> |
| 3. | Intentionally left blank | <input type="checkbox"/> |
| 4. | Intentionally left blank | <input type="checkbox"/> |
| 5. | Employer Reports | <input checked="" type="checkbox"/> |
| 6. | Intentionally left blank | <input type="checkbox"/> |
| 7. | Common Remitter Service | <input checked="" type="checkbox"/> |
| 8. | Vendor Access and Communication | <input checked="" type="checkbox"/> |
| 9. | Retirement Manager Limits Monitoring | <input checked="" type="checkbox"/> |
| 10. | Intentionally left blank | <input type="checkbox"/> |
| 11. | Loan and Hardship Withdrawal Compliance | <input checked="" type="checkbox"/> |
| 12. | Distribution Eligibility Certificate | <input checked="" type="checkbox"/> |
| 13. | Intentionally left blank | <input type="checkbox"/> |

1. Retirement Manager Employer Interface

1.1 Employer Data Flows

- 1.1.1 Employer may elect to provide access and updates to the site via an Employee Identification Number (EID) rather than a Social Security Number (SSN). If this option is elected, the SSN is only required for Employees who are actively participating in one or more Retirement Plans to facilitate common remitter processing and match to account balances and distribution data received from the Vendors.
- 1.1.2 Employee Updates Flow (Demographic File from Employer)
 - 1.1.2.1 VRSCO will receive an Employee Update file from the Employer via upload or Secured File Transfer Protocol (“Secured FTP”) on a regularly scheduled basis as agreed by VRSCO and Employer. The file format will be the “Demographic Upload” file format. Information on new employees, salary changes, employee payroll frequency and other indicative data will be included in the update. This file will be a full upload of the data.
 - 1.1.2.2 The Employee Update file may, at the Employer’s discretion, only contain the last 4 digits of each employee’s SSN. A valid 9-digit SSN is required to process employee remittances and for Vendor compliance files. If only a 4-digit SSN is sent via the demographic file, the full SSN is required with each remittance and compliance file. The Employer will elect a file transmission process for SSN and will not change this process without prior notification and approval from VRSCO.

1.2 Payroll Frequencies

- 1.2.1 Retirement Manager can accommodate any payroll cycle as agreed upon by the Employer and VRSCO.
- 1.2.2 Each employee is assigned to one payroll cycle via the employee demographic file.
- 1.2.3 The Employer will maintain the payroll, cut-off and eligibility dates for all payroll cycles.

1.3 Levels of Access for Employer’s Benefits Office Personnel

- 1.3.1 Retirement Manager will permit access to the data stored in Retirement Manager in either of the following ways:
 - 1.3.1.1 View Only Access (allows all Employer and employee views).
 - 1.3.1.2 Full Access (allows all views and updates to any information) is granted by function in Retirement Manager.

1.4 Maintenance and Support of Retirement Manager

1.4.1 VRSCO shall use commercially reasonable practices and security procedures necessary to ensure the availability and functionality of the Retirement Manager web site. The Retirement Manager web site will be available to Employer, Vendors and employees 24 hours a day, seven days a week, 365/366 days a year; provided, however, VRSCO reserves the right to perform routine scheduled maintenance and nonscheduled maintenance. Via online messages, VRSCO will notify Employer in advance of any routine maintenance that will cause the Retirement Manager web site or a material part thereof to be temporarily unavailable. Except as impracticable, VRSCO agrees to provide advance notice for emergency maintenance. In the event of such routine or emergency maintenance, VRSCO warrants that it shall exercise due diligence to preclude a disruption of Retirement Manager that is greater than 48 hours in length. VRSCO shall implement such fixes, repairs, and updates to Retirement Manager as necessary to ensure that Retirement Manager operates in accordance with the specifications set forth in this Agreement and the requirements of applicable law.

1.5 Training

1.5.1 VRSCO will provide comprehensive online training materials. Such information will be updated as appropriate and updated copies including their publication date will be available online. In addition, VRSCO agrees to provide phone support to key Employer contacts and online training upon initial release and upon release of significant changes/upgrades to the site.

1.6 Terms of Use

1.6.1 Retirement Manager will include a "Terms of Use," agreed to in writing by Employer and VRSCO, which shall constitute the terms under which the Employer and its employee users are permitted to access and use Retirement Manager. Such Terms of Use will be posted on and accessible from Retirement Manager as well as Employer's web sites (in the discretion of Employer) and shall include, but may not be limited to, the following:

- Specific uses of or access to Retirement Manager that are (1) authorized and permitted or (2) unauthorized and prohibited, and
- Disclaimers and limitations on Employer's and VRSCO's liability.

The parties may agree in writing to change such Terms of Use in order to meet changing business conditions or legal or regulatory developments.

Further, Employer acknowledges that it has reviewed the Terms of Use to which VRSCO Users and Vendors are held and agrees such terms are sufficient and acceptable.

2. Retirement Manager Participant Interface.

2.1 Employee Access

2.1.1 New Hire Experience

- 2.1.1.1 The first time an employee accesses the Retirement Manager site, he or she will use the “I’m a New User” link to establish a password using the following information: Employer, the last 4 digits of SSN, Last Name, Date of Birth, and EID.
- 2.1.1.2 If the employee is not able to provide the above information, the employee will be instructed to contact his or her benefits office.

2.1.2 Employee Plan Eligibility and Access

- 2.1.2.1 All active, terminated and retired employees will be allowed to access the Retirement Manager site. VRSCO will be notified of employee status via the demographic update process.
- 2.1.2.2 The Employer’s benefits office will determine eligibility for each plan and provide the appropriate data and rules to Retirement Manager.
- 2.1.2.3 Employees will log into Retirement Manager using their EID and password obtained at first login.
- 2.1.2.4 Employee access to Retirement Manager is controlled by the receipt of demographic files from the Employer. All employees will be loaded initially and updates will be provided no less frequently than monthly. Updates will contain information including, but not limited to, new hires, terminations, retirements and employees on leave.
- 2.1.2.5 The “Plan Information Page” will include descriptions for the plans, Employer contact information, Vendor enrollment applications in PDF files, and web site links to all Approved Vendors for the plan.

2.1.3 Employee View “Your Retirement Benefits” Page

- 2.1.3.1 VRSCO will provide to Employees through Retirement Manager a consolidated account screen by which Employees may view Retirement Plan account balances from Approved Vendors. Approved Vendors are defined as Vendors that provide the loan and distribution file to Retirement Manager on a monthly basis and have signed a Retirement Manager Plan Service Agreement. These Employee account displays will include both year-to-date and total account balances as of a given date for each of the Approved Vendors with which the Employee has participated. VRSCO will refresh and update the data reflected in the consolidated account screen upon receipt of refresh files from the Approved Vendors.
- 2.1.3.2 On the “My Retirement Benefits” page, all Vendors’ names will be

displayed even if the balance with the Vendor is \$0.00.

2.1.3.3 Projected benefits may also be received from Vendors for defined benefit plans. These benefits will be displayed on the "My Retirement Benefits" page, if provided.

2.1.3.4 The projections calculated within the "Am I on Target" page shall by default use a 5% assumed rate of return. This assumption is based on a historic 8% return on investments minus the 3% historical inflation rate thus providing future projections in current dollar terms. Employees can adjust this default as desired.

2.1.3.5 The default retirement age on the "Retirement Income Sources" page shall be 65 for Employees age 64 and younger. For Employees over age 64, the default retirement age will be current age +1.

2.1.3.6 Employees may elect to enter account balances and expected contributions for outside assets held by themselves or their partner.

2.1.3.7 In addition to retirement plan account balances, Employees may elect to import account balance data from external financial accounts.

2.1.3.8 To compute the monthly retirement income on the "Am I on Target" page, the '94GAR (1994 Group Annuity Reserving) actuarial table will be used. The Internal Revenue Code ("IRC") requires use of this table to calculate distributions from retirement plans.

2.1.3.9 Retirement Manager will contain all necessary notices to Employees that the Vendor information presented by Retirement Manager is current as of the effective date provided by each Vendor and that the Employee should access the appropriate Vendor's web site for the most up-to-date information on his or her accounts.

2.1.4 Employee Online Survey

2.1.4.1 Employees will be prompted to complete a brief Retirement Manager survey at the end of their first session. They may choose to bypass the survey at this time. The survey can be updated via a link on the "Am I On Target" page.

2.1.4.2 While all survey results are available to the Employer, comments may be made anonymously or the employee may elect to share his or her identity with the Employer.

2.1.5 Employee Education and Financial Tools

2.1.5.1 VRSCO will provide a library of standard educational and life event planning articles, links, and calculators. This educational feature will include the availability of on-line retirement planning tools that utilize current consolidated account balances for projections for use by participants.

5. Employer Reports.

- 5.1** All reports in Retirement Manager are available for download in Excel spreadsheet format for further data manipulation and, where applicable, to allow for date range search.
 - 5.1.1** Terminated Employees – Former Employees who were at one time active in the plan (as identified within Retirement Manager).
 - 5.1.2** Payroll Department Report – Inquiry by Employee of current or historical breakdown of allocations to the different Vendors.
 - 5.1.3** Web Site Statistics Report – This report includes a link from the summary to a detail listing of those accessing the site and the pages they viewed by date range. Employer may also view employee access history using the employee inquiry function.
 - 5.1.4** Carrier Report – All Employees by Retirement Plan and by Vendor.

7. Common Remitter Service.

7.1 Processing A Payroll

- 7.1.1** Remittance files must be submitted in the Retirement Manager file format as defined by VRSCO.
- 7.1.2** After the Employer payroll system runs, a Payroll Remittance file will be uploaded or sent via Secured FTP to Retirement Manager.
- 7.1.3** Payroll remittance requires a valid 9-digit SSN for all remitting Employees. If the remittance file is sent with only the EID, the SSN must be transmitted via the demographic file.
- 7.1.4** If a remittance is received for an Employee whose identifying data has not previously been loaded into Retirement Manager, the remittance process will stop until resolved.
- 7.1.5** If a remittance is received for an Employee without current allocation information, the remainder of the file will process and these Employees will be placed on an exception report (“exception remittances”).
- 7.1.6** To process exception remittances, the Employee and/or Vendor allocations must be added to the site. If allocations are added after the initial remittance has been approved, the exceptions will be made available to the Vendor(s) as a separate file. VRSCO is not liable for potential processing delays in submitting instructions for exception remittances.
- 7.1.7** Remittance reports are only generated and made available to Vendors electronically via secure FTP file transfer or download via the Retirement Manager web site. Employer agrees that all Vendors participating in the Retirement Plans shall accept remittance reports electronically in one of these available Retirement Manager formats or the Vendor will not receive remittance reports.
- 7.1.8** For remittance reports downloaded online via Retirement Manager, an e-mail notification is sent to the Vendor when the report is available.

7.2 Adjustments to Prior Payrolls

- 7.2.1 Adjustments to payrolls previously remitted may be included in subsequent remittance files or separate files.
- 7.2.2 Negative adjustments (amount to be refunded from a specific Employee's account(s) with a Vendor(s) to the Employer) are indicated as defined in the Retirement Manager file formats. Any negative adjustments will be sent to the Vendor with instructions to return the funds to the Employer. Employer may use the Net Negative Common Remitter process. Positive contributions and negative adjustments will be submitted in one Common Remitter file and the Employer will remit the net balance of the contributions as adjusted to be forwarded by VRSCO to Vendors. VRSCO is not responsible for any delay by or refusal of a Vendor to process a remittance sent to a Vendor net of negative adjustments.
- 7.2.3 Positive contributions (additional amounts to be sent to the Vendor(s) for a specific Employee) are formatted in the same manner as current remittances. The Employer must remit funds for positive contributions.
- 7.2.4 To assist the Employer in tracking these remittances, the payroll date included on the remittance file must correspond to the payroll date for which the adjustment is being made. The payroll date received in Retirement Manager is the date that will be provided to the Vendor(s).
- 7.2.5 All adjustments are allocated to Vendors based on the most recent allocations on file.
- 7.2.6 For Vendors that have access to Retirement Manager, e-mail notification is sent and adjustments are reported online.
- 7.2.7 The Employer is responsible for ensuring delivery of refund instructions to Vendors.
- 7.2.8 An online report assists the Employer in tracking the receipt of negative adjustments from the Vendors. This report includes only negative adjustments entered through the online corrections facility.

7.3 Transmission and Forwarding of Funds

- 7.3.1 VRSCO will contact the Employer if any exceptions are found in the processing of a remittance file.
- 7.3.2 Transmission of Funds.
 - 7.3.2.1 Employer shall in conjunction with the transmission of a valid remittance file transmit funds payable to VRSCO. These funds represent salary reductions/deductions of Employees for employee and Employer contributions to the Retirement Plans, all of which will be forwarded to Vendors as approved by the Employer for investment.
 - 7.3.2.2 The Employer shall remit the sum of all current positive salary reductions/deductions. If the Employer uses the Net Negative Common Remitter process, then positive contributions and negative adjustments will be submitted in one Common Remitter file and the Employer will remit the net balance of those

contributions as adjusted to be forwarded by VRSCO to Vendors. VRSCO is not responsible for any delay by or refusal of a Vendor to process a remittance sent to a Vendor net of negative adjustments.

7.3.2.3 Funds will be remitted via wire to a bank account as instructed by VRSCO and containing all required wire text.

7.3.2.4 The amount of the funds must balance exactly to the amount of the remittance file submitted.

7.4 Forwarding of Funds. VRSCO shall cause funds to be forwarded pursuant to the Employer's instructions, described above, to the designated Vendors as follows:

7.4.1 By electronic funds transfers, by the Federal Wire deadline of 3:00 p.m. CT the same business day, provided that VRSCO receives in good order complete and reconciled instructions and collected funds by 10:00 a.m. CT.

7.4.2 Good order instructions and funds received after 10 a.m. CT will be processed by VRSCO no later than the following business day.

7.4.3 Good Order Processing: If a remittance is not received in good order, VRSCO shall notify the Employer the same business day if received by 10:00 a.m. CT. For remittances received later, notification will occur by the close of business the following business day. Employer shall promptly forward sufficient funds and/or instructions to cause the remittance to be in good order.

7.4.3.1 "Good order," as used in this Agreement, means that all required information and/or documentation has been supplied (including Vendor allocations for each Employee) and that the funds are properly authorized and balance to the remittance file. A remittance shall be considered not in good order if the amount of funds received does not balance to the file(s) received.

7.4.3.2 VRSCO shall not credit interest nor be responsible for interest or other earnings or loss on any funds held during this data entry and forwarding period, or for any additional period it may hold funds for reasons not in breach of this Agreement and beyond its control. VRSCO will not retain all Employer remittances due to the insufficiency of limited elements of the remittance. Such "limited elements" shall include, but not be limited to, the receipt by VRSCO of funds for an Employee for whom no Vendor allocation information has been input in Retirement Manager.

7.4.4 VRSCO Return of Funds Not in Good Order. If a remittance is received not in good order, VRSCO shall contact the Employer within one business day and return the funds attributable to that portion of the remittance to the Employer within three business days of receipt or as soon as requested by the Employer. Resolution of not in good order funds may be obtained orally from the Employer.

7.5 Acceptance by Vendors. Employer's instructions shall direct all Vendors to whom funds shall be forwarded by VRSCO under this Agreement to receive funds as provided under the terms of this Agreement. VRSCO shall not be responsible for the Employer's selection of Vendors. Further, except as expressly provided in this Agreement, VRSCO shall not be responsible under this Agreement for employee enrollment, plan or participant reporting and compliance testing, withdrawal requests or other processing and reporting, including, but not limited to, distribution of shareholder proxies or reports not contemplated as part of the distribution of funds to the Vendors. VRSCO shall be considered to have discharged fully its obligations under this Agreement with respect to the forwarding of funds when the funds and the information have been properly distributed to the Vendors.

7.6 Discarding a Submitted File

7.6.1 If a file is uploaded and found to be inaccurate, the Employer's authorized users can discard the file until the file is processed. When the initial file is discarded, all Vendor files will also be discarded.

7.6.2 Discarded files and their remittance amounts can be seen on the site but the amount of these remittances will not report in summary remittance reports (in total or by Employee).

7.7 Reports and Files

7.7.1 Historical reports of both the original consolidated payroll remittance file and files split by Vendor will be available. By drilling down into these reports, the Employee-level detail will be available.

7.7.2 VRSCO will preserve Retirement Manager records online for a minimum of seven (7) years.

7.8 Employer Reports

7.8.1 All reports in Retirement Manager are available for download in Excel spreadsheet format for further data manipulation and, where applicable, to allow for date range search.

7.8.1.1 Qualification Report – Active employees who meet criteria for plan eligibility.

7.8.1.2 Newly Qualified – Employees who have not previously been eligible to participate but are now eligible.

7.8.1.3 Carrier Termination Report – Former Employees who were at one time active in the plan (as identified within Retirement Manager) listed by the Vendor(s) utilized.

7.8.1.4 Common Remitter Reports – The Employee Remittance by Payroll Date Report and Employee Remittance by Carrier Report provide two views of remittances processed via Retirement Manager.

7.8.1.5 Payroll Adjustment Report – Assists Employer in tracking receipt of funds from negative adjustments requested via Retirement Manager.

7.9 Vendor Access and Communication

7.9.1 Approved Vendors are offered access to the Retirement Manager web site under the following terms:

7.9.1.1 Vendor's access is limited to viewing only those Employees remitting to that Vendor and those remittances allocated to that Vendor. Vendors will not have access to Employees' remittance amounts remitted to other Vendors.

7.9.1.2 Remittance reports are only generated and made available to Vendors electronically via secure FTP file transfer or download via the Retirement Manager web site.

7.9.1.3 Vendor agrees to accept files retrieved from the site as complete processing instructions and records for the information provided.

7.9.1.4 Vendors will only be able to see files in "Processed" status.

7.9.1.5 Vendors will receive the following notification reports in addition to Common Remitter correspondence from Retirement Manager for Employees selecting that Vendor: new employees, employee vesting status, and employee termination. Retirement Manager provides these reports for informational purposes only to the Vendors.

8. Vendor Access and Communication.

8.1 Approved Vendors are offered access to the Retirement Manager web site under the following terms:

8.1.1 Vendor is responsible for reviewing the Vendor Terms of Use on the web site and ensuring each authorized user is aware of the terms and liabilities as defined therein.

8.1.2 Vendors are issued user IDs and Personal Identification Numbers (PINs) for each employee needing access to Retirement Manager by VRSCO.

8.1.3 Vendors are responsible for requesting new user IDs from VRSCO and the terminating of employee access as appropriate.

8.1.4 Vendor access to the Retirement Manager web site will be disabled upon notification from Employer that the Employer has removed the Vendor as a Vendor authorized to receive contributions under a Retirement Plan.

9. Retirement Manager Limits Monitoring.

9.1 Retirement Manager Limits Monitoring (RMLM) is a limits monitoring service as described below. The objective of this service is to calculate and monitor Internal Revenue Code contribution limits to prevent 402(g) elective deferral limit, 415(c) annual additions limitation or 457(b) deferred compensation limit excesses in retirement plans.

9.2 Retirement Plans Monitored. RMLM will monitor limits for the Employer's Code Section 403(b) and 457(b) plans identified in Attachment 1 to this Exhibit ("Retirement Plans"). Any plans and/or plan types not identified in the Retirement Manager Agreement, Attachment 1 are excluded from the definition of Retirement Plans and are excluded from RMLM. Such monitoring is also subject to the performance by any Vendor or other service provider under the Retirement Plans to comply with the requirements of RMLM, and may be subject to limitation based upon the number of such Vendors or other service providers.

9.3 Internal Revenue Code Contribution Limits (IRC Contribution Limits) Monitored. RMLM will monitor only the following IRC Contribution Limits for the identified Retirement Plans, based solely upon the data provided by the Employer (as more specifically described in this Exhibit):

9.3.1 Code Section 415(c) for Code Section 403(b) Plans

9.3.1.1 RMLM will monitor the basic limit of the lesser of \$46,000 (2008), as indexed, or 100% of compensation. For the purpose of this limit, compensation is defined as gross compensation as provided by the Employer

9.3.1.2 The calendar year will be the limitation year for all calculations.

9.3.1.3 Employee salary reduction and employer contributions reported through Retirement Manager for all 403(b) Retirement Plans will be considered for purposes of 415(c) limit monitoring.

9.3.1.4 Section 415(c) limit monitoring and related stoppage has priority over Section 402(g) limit monitoring and stoppage.

9.3.1.5 Section 415(c) limit monitoring will include and be limited to all Employer and employee contributions to the Retirement Plans reported through the Retirement Manager service.

9.3.2 Code Section 402(g) for Code Section 403(b) Plans

9.3.2.1 RMLM will monitor the basic limit of \$15,500 (2008), as indexed, and, if applicable, the expanded cap limit of up to a maximum of \$3,000 per year (\$15,000 lifetime cap) for 403(b) plans under Code Section 402(g)(7).

9.3.2.2 In monitoring the basic limit, elective deferrals reported for all 403(b) Retirement Plans will be included.

9.3.2.3 The expanded cap limit for 403(b) plans will be monitored based on data in Retirement Manager that has been provided by the Employer. The expanded cap limit is applicable only when both the Employer and Participating Employee are eligible. The expanded cap limit for RMLM purposes will include the "\$5,000 times years of service" calculation and the \$15,000 lifetime cap; both will be limited based on inception-to-date contributions to the 403(b) Retirement Plans.

9.3.2.4 Section 402(g) limit monitoring will include and be limited to contributions reported through the Retirement Manager service.

9.3.2.5 Deferrals will be monitored for the Participating Employee solely with respect to Retirement Plans of the Employer. Contribution limits will not be monitored for a Participating Employee for multiple employers.

9.3.3 Code Section 457(b) for Code Section 457(b) Plans

9.3.3.1 RMLM will monitor the basic limit of the lesser of \$15,500 (2008), as indexed, or 100% of includible compensation; and, if applicable, the special catch-up limit under Code Section 457(b)(3). For the purpose of this limit, includible compensation is defined as gross compensation as provided by the Employer.

9.3.3.2 In monitoring this limit, both employee salary reduction and Employer contributions to all 457(b) Retirement Plans reported will be included.

9.3.3.3 The special catch-up limit will only be monitored based on data provided by the Employer through Retirement Manager. The special catch-up limit is applicable only when the Participating Employee is eligible. The special catch-up limit is available in the three years prior to the year of the Participating Employee's Normal Retirement Age as defined in the Employer's plan, and will not exceed the lesser of the applicable dollar limit or the amount of unused reserve.

9.3.3.4 Contribution limits will be monitored for the Participating Employee solely with respect to Retirement Plans of the Employer. Contribution limits will not be monitored for the Participating Employee across multiple employers.

9.3.4 Code Section 414(v) for Code Section 403(b) and 457(b) Plans

9.3.4.1 RMLM will monitor the age-based catch-up limits under Code Section 414(v) for elective deferral contributions.

9.3.4.2 RMLM will monitor the 414(v) age-based catch-up limit for all 403(b) and governmental 457(b) Retirement Plans. Code Section 414(v) limits will be separately monitored for the 403(b) and governmental 457(b) plans.

9.3.4.3 Code Section 414(v) limits will be calculated for Participating Employees who are age 50 or older.

9.3.4.4 Only contributions reported through the Retirement Manager service will be included in the RMLM calculations.

9.3.4.5 Deferrals will be monitored for the Participating Employee solely with respect to Retirement Plans of the Employer. Contribution limits will not be monitored for a Participating Employee across multiple employers.

9.4 Data Requirements

9.4.1 All RMLM calculations are based solely on data provided by the Employer. An initial data file from the Employer can include relevant data provided to the Employer by one or more Vendors or service providers under one or more of the Employer's Retirement Plans. VRSCO will not seek the data directly from any Vendor or service provider, including any VRSCO Affiliate (e.g., VALIC). After providing the initial data file, subsequent revisions or additions may be made online by the Employer, or otherwise as agreed between Employer and VRSCO. In the absence of all necessary data, contribution limits monitoring may default to the basic limits as described in Section 9.2, above, as applicable to each plan type. Employer must provide the following data in its initial RMLM file for each Participating Employee (all fields are required):

1. Social Security Number
2. Employee ID
3. First Name
4. Last Name
5. Years of Service
6. 403(b) Plan: Amount Used Toward Lifetime \$15,000 Cap
7. 403(b) Plan: Inception-to-Date Elective Deferrals
8. 457(b) Plan: Catch-Up Reserve Available
9. 457(b) Plan: Normal Retirement Age

If any of the above data is not provided for a Participating Employee, RMLM will default to certain assumptions. For example:

- If Employer has not provided Years of Service, RMLM will determine Years of Service based on the date of hire provided and calculate the expanded cap limit if applicable.
 - If no date of hire is provided, the individual will be assumed to have zero Years of Service and, for example, will be assumed to be ineligible for the expanded cap limit under Code Section 402(g)(7).
 - If Employer has not provided inception-to-date elective deferrals for the Participating Employee, RMLM will assume this variable to be zero (0) for calculation purposes.
 - If no 457(b) Catch-Up Reserve is provided for an employee, or if no Normal Retirement Age is provided, the special catch-up limit under Code Section 457(b) will be assumed to be unavailable, although the age-based catch-up limit may be available.
- 9.4.2 Data required to be provided by Employer through Retirement Manager for Code Section 402(g) expanded cap limit monitoring for Employer's 403(b) Retirement Plans will include, but not be limited to, employee name, Social Security Number or employee ID, compensation, employee elective contributions in prior years, and years of service.
- 9.4.3 Data required to be provided by Employer through Retirement Manager for Code Section 457(b) special catch-up limit monitoring will include,

but not be limited to, employee name, Social Security Number or employee ID, catch-up reserve available, date of hire, date of birth, and Normal Retirement Age as defined in the plan.

- 9.4.4 In order to monitor Code Section 414(v) age-based catch-up limits, the employee's date of birth is required.
- 9.4.5 Limits will be monitored in the initial and subsequent years based on data in Retirement Manager that has been provided by Employer. Complete and accurate data from Employer for any of the contribution limit components is required.
- 9.4.6 Data must be submitted in an online interface or in a file upload in an approved file format. Alternatively, the Employer may input data for individual employees.
- 9.4.7 The Employer will be required to input before November 15th of each year the payroll dates for the upcoming calendar year.

9.5 Employer Requirements

- 9.5.1 Employer acknowledges and directs VRSCO to default to the basic limits and assumptions as described in this section, unless the Employer provides VRSCO data through Retirement Manager as described in this section.
- 9.5.2 After the final compliance payroll data file is received for a calendar year, the Employer will provide the data to be used to calculate the IRC Contribution Limits. When such data has been provided by the Employer, the inception-to-date contribution data will be updated and subsequent IRC Contribution Limit calculations will be based on that data.
- 9.5.3 Employer acknowledges that RMLM monitors only Internal Revenue Code limits and not lesser limits that may be imposed under the Employer's Retirement Plans.
- 9.5.4 Employer acknowledges that the accuracy of RMLM is based on the Employer and/or Participating Employee's providing VRSCO complete and accurate data and that the accuracy of future year calculations depends on all corrections being made through Retirement Manager. VRSCO is entitled to rely on and will be fully protected in acting on data and direction provided by the Employer, the Plan Administrator, or another authorized Plan representative or the Participating Employee and will have no duty to inquire with respect to such data or direction.

9.6 Prior Payroll Adjustments.

- 9.6.1 Adjustments to payrolls previously submitted may be included in subsequent remittance files, separate files or through an online interface for purposes of limit monitoring.

9.7 Employer Reports

- 9.7.1 All reports in Retirement Manager are available for download in Excel spreadsheet format for further data manipulation and, where applicable, to allow for date range search.

- 9.7.1.1 Expected to Exceed Contribution Limit – Employees whose projected remittances will exceed the limit for the calendar year if remittances continue at their current rate.
- 9.7.1.2 Exceeded Contribution Limit Report – Employees who have exceeded the annual contribution limit for the selected plan.

11. Loan and Hardship Withdrawal Compliance.

11.1 Compliance Reports. All reports in Retirement Manager are available for download in Excel spreadsheet format for further data manipulation and, where applicable, to allow for date range search.

11.1.1 Hardship Withdrawal Report – Employees who have taken a Hardship Withdrawal from an approved plan Vendor. The Hardship Withdrawal data is provided by each Approved Vendor on a monthly frequency and the data is available at the plan level across all Approved Vendors.

11.1.2 Loan Report – Employees who have taken a Loan from an approved plan Vendor. The Loan data is provided by each Approved Vendor on a monthly frequency and the data is available at the plan level across all Approved Vendors.

11.2 Loan and Distribution Data

11.2.1 Employee Hardship Withdrawal data is provided by each Vendor that administers plan distributions. VRSCO will refresh and update the data reflected in the Hardship Withdrawal compliance report upon receipt of the refresh files on a frequency as determined by the Employer and VRSCO. The default frequency is monthly. This Employee data is aggregated across available plan Vendors and reported at the plan and Employee levels.

11.2.2 Employee Loan data is provided by each Vendor that administers plan loans. VRSCO will refresh and update the data reflected in the Loan compliance report upon receipt of the refresh files on a frequency as determined by the Employer and VRSCO. The default frequency is monthly. This Employee data is aggregated across available plan Vendors and reported at the plan and Employee levels.

11.2.3 The Vendor Distribution file must be delivered to VRSCO by each Vendor via secure FTP file transfer. Each Vendor providing loans and hardship withdrawals under the plan shall send a distribution file electronically and in a file format agreed upon by the Employer and VRSCO. If the data is not received in this approved file format, the Vendor will not be included in Loan and Hardship Withdrawal Retirement Manager compliance monitoring.

11.3 Vendor Access and Communication

11.3.1 Approved Vendors are offered access to the Retirement Manager web site as described in this section.

- 11.3.2 As negotiated between the Employer and Vendor, account balance update file submissions may be required of the Vendor on a periodic basis (as determined by Employer). As part of the upload process, Retirement Manager will perform online edits to ensure the file is in the proper format. To complete the submission of the file, the Vendor must validate the record total and the sum of YTD contributions and account balances. Account balances are displayed as provided.
- 11.3.3 As negotiated between the Employer and Vendor, Loan and Hardship Withdrawal update file submissions may be required of the Vendor on a periodic basis (as determined by Employer). As part of the upload process, Retirement Manager will perform online edits to ensure the file is in the proper format.

12. Distribution Eligibility Certificate

- 12.1 The Distribution Eligibility Certificate ("Certificate") will be completed by the participant on Retirement Manager related software or computing systems, and the participant will provide the Certificate to the Vendor.
- 12.2 Vendor may also access the Certificate on Retirement Manager related software or computing systems by using Vendor's login as provided by VRSCO.
- 12.3 The Employer will direct the Vendor to utilize information provided on the Certificate in determining a participant's eligibility for certain plan transactions, including hardship distributions and loans.
- 12.4 Vendor will require a valid Distribution Eligibility Certificate prior to approving a loan or distribution. Vendor must validate a current effective date on the Certificate and not process based on an expired Certificate.
- 12.5 The Certificate will include a record of hardship withdrawals taken for which information has been submitted to Retirement Manager.
- 12.6 Certificates for all transactions will be valid until the last day of the month following the month in which the certificate is requested (e.g., certificate requested in January is valid until the last day of February).
- 12.7 A participant may request a new Certificate for a separation from service or age-based distribution or exchange at any time.
- 12.8 New Certificates for hardship distributions and loans will only be issued after the expiration of a current Certificate or with Employer override during an active Certificate period.
- 12.9 Vendor will confirm from the Certificate information:
 - 12.9.1 Current loans in default status and the issuing Vendor
 - 12.9.2 Participant has maximized available loans before requesting hardship withdrawal
 - 12.9.3 Amount, date and reason, if provided, of the hardship distribution
 - 12.9.4 Amount of pre-1989 unrestricted funds available and the Vendor
 - 12.9.5 Loan amount requested will not exceed the applicable loan limits (e.g., Vendor should not approve a loan in excess of 50% of the participant's account balance at the Vendor)

- 12.9.6 Compliance with hardship rules
- 12.10** Requests for new Certificates will undergo the following data checks using a two-file look back (e.g., for a Certificate requested in July, Retirement Manager will validate information from both May and June Vendor transmissions):
- 12.10.1 Retirement Manager will look for Certificates that expired on the last day of one of the previous two months (e.g., for a Certificate requested in July, it will check for Certificates with expiration dates of either May 31 or June 30)
- 12.10.2 If no expired certificates found, Retirement Manager will use loan and hardship distribution data on file in validation/calculation process.
- 12.10.3 If one or more expired Certificates is found, Retirement Manager will verify if a like transaction (e.g., loan Certificate/loan transaction) was reported for that participant from each Vendor.
- 12.10.3.1 If Vendor shows transaction, Retirement Manager will use data on file.
- 12.10.3.2 If Vendor shows no transaction, Retirement Manager will use data on file for validation/calculation process, but print message on Certificate that states: "Participant has outstanding X transaction with Vendor A that may have been processed after the last reporting period."
- 12.10.3.3 If multiple Certificates exist and equal number of like transactions by Vendor exist, Retirement Manager will use data on file.
- 12.10.3.4 If multiple transactions exist and some, but not all, transactions by Vendor exist, Retirement Manager will use data on file and report all pending and completed transactions for that Vendor on the Certificate.
- 12.11** Retirement Manager will always use data on file for plan-level calculations/validations.
- 12.12** Because a Distribution Eligibility Certificate will be based upon information provided to VRSCO by Employer, one or more providers including Vendor, and/or a participant, and because a Vendor investment product may have restrictions in addition to applicable plan restrictions, nothing in such a Certificate should be interpreted or applied to override more restrictive provisions in Vendor's investment product(s) or to authorize or direct Vendor to disregard relevant information otherwise available to Vendor that might adversely affect the participant's eligibility for the requested distribution or loan.
- 12.13** In the event of a hardship distribution, or a loan for a principal residence, Vendor shall be responsible for maintaining supporting qualification documentation, including but not limited to invoices, bills or other documentation of the reason for the requested hardship distribution, or a contract for purchase of a principal residence.

Attachment 1

Employer's Retirement Plans

Plan Number*	Plan Name	Plan Type	IRC Contribution Limits Monitored
001	Pajaro Valley Unified School District 403(b) Plan	403(b)	Yes

*Plan Number assigned solely for purposes of RMLM services.

EXHIBIT B

Fees

The following fees are payable by Employer to VRSCO for the Services provided hereunder:

1. A one-time set-up fee of \$0.00 due 60 days after the Effective Date of this Agreement.
2. An annual maintenance fee of \$0.00, due 60 days after January 1st of the next calendar year and each subsequent calendar year.

The above fees assume:

- Retirement Manager standard file formats are used by Employer and Vendors
- The Employer utilizes one (1) payroll system, and ten (10) or fewer Vendors are administered by Retirement Manager

If more than ten (10) Vendors are administered by Retirement Manager, the following fees also apply:

1. A one-time Vendor maintenance fee of \$500 for each Vendor in excess of 10, due 120 days after the Effective Date of the Agreement.

Fee Calculation: Based on the highest number of Vendors under any of Employer's Retirement Plans as determined 90 days after the Effective Date of the Agreement and prorated based on the number of days remaining in the calendar year of the implementation of Retirement Manager following the determination of the number of Vendors.

Notwithstanding the above, this fee will be waived if all Vendors are currently sharing data with VRSCO at the start of implementation via SPARK files or if Employer decertifies for loans and hardships all Vendors not actively sending data via SPARK files. Any such Vendor may be recertified at a later date pending the Vendor's meeting the data sharing requirements.

2. An annual Vendor maintenance fee of \$500 for each Vendor in excess of 10, due 60 days after January 1st of each subsequent calendar year.

Fee Calculation: Based on the highest number of Vendors under any of Employer's Retirement Plans as determined on the first day of each calendar year.

Notwithstanding the above, this fee will be reduced to \$0 for the year if Employer decertifies for loans and hardships all Vendors not actively sending data via SPARK files. Any such Vendor may be recertified at a later date pending the Vendor's meeting the data sharing requirements.



Board Agenda Backup

Item No: 12.1

Date: January 20, 2010

Item: Budget Update

Overview: Report and Discussion pertaining to the Governor's budget and its affect on the Pajaro Valley Unified School District's budget for the current and future years.

Recommendation: Report and Discussion.

Budget Considerations:

Funding Source: NA

Budgeted: Yes: No:

Amount:

**Associate
Superintendent:**

Mary Hart
Mary Hart

Superintendent's Signature:

Dorinda Bol

The FISCAL REPORT *an informational update*

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Volume 30

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No. 1

Governor's Proposals for the 2010-11 State Budget and K-12 Education

The Words Don't Match the Music

As California and the nation begin year three of the deepest recession since the Great Depression, the State Budget continues to be problematic. Revenues have fallen, even while caseloads, workloads, and the attendant costs of government services have continued to grow. The Governor's Budget Proposals for 2010-11 reflect those realities. However, the Governor proclaimed in his State-of-the-State Address that education funding would be protected. As we review the details behind the Governor's Budget plan for California in 2010-11, there is evidence of effort to protect education, but some of the details don't fully match the Governor's State-of-the-State yodel.

Positive evidence of the protection that the Governor provides for education includes the avoidance of midyear district-level cuts to K-14 education in spite of a \$6.6 billion Budget gap in 2009-10. There are reductions to the appropriation for K-14 education in 2009-10, but the reduction comes from sweeping up unexpended resources, such as balances in the K-3 Class-Size Reduction (CSR) program.

The Governor provides additional evidence of protecting education by fully funding the Proposition 98 guarantee in 2009-10 and 2010-11. While it is true that Proposition 98 funding remains relatively stable—at around \$50 billion for 2008-09 through 2010-11—this will necessitate cuts of nearly \$2 billion from Proposition 98 funded activities in 2010-11. So, on one hand, K-14 education is protected when the level of funding is considered, but when the level of commitments required from K-14 education is considered, real cuts must be made. To be fair, considering that there is a projected Budget gap of \$12.3 billion for 2010-11, the proposed cuts could have been far worse; one need look no further than the cuts proposed to health and human services to see examples of this.

Higher Costs and Lost One-Time Dollars

The Governor has recognized that 2010-11 will be much more difficult for schools and other public agencies than 2009-10. While school funding has been reduced dramatically from 2007-08 levels, in both 2008-09 and 2009-10, a variety of sources of one-time dollars were made available by the state and the federal government to soften the blow. For 2010-11 and beyond, the one-time dollars have been largely expended, but the ongoing loss of state funds persists.

As a result, leaders in education will find it challenging to explain why, in an economy that is forecast to be improving, and with the assertion of no additional education cuts from the state, it is necessary to continue past cost savings measures and make even deeper cuts for the next year. And—make no mistake—it will definitely be necessary for most districts to reduce their spending further for next year.

Room for Improvement—Remember Local Flexibility

But we also think there is room for improvement in the Governor's Budget. The Governor has proposed, for the first time in three years, to "fully fund" the statutory cost-of-living adjustment (COLA); unfortunately, the COLA is actually negative and results in a funding loss—not a gain. In addition, the Governor proposes

targeted reductions to education funding aimed at administrative costs. The Governor's rationale is to keep cuts farthest from the classroom, but such a proposal presumes that districts, without being required to, will not make adequate cuts to noninstructional areas. Such a proposal takes a step back from the valuable flexibility that was introduced by the Governor in 2008-09.

On the other hand, the Governor proposes a variety of reforms to laws governing teacher seniority, layoff, and overall teacher quality as a means to expand on flexibility options added last year. We applaud the recognition that, during difficult times, management should be given much more flexibility to set priorities and to protect programs for students and hope this spirit will guide the refinement of the Governor's Budget. While we would like to avoid cuts, to the extent they are necessary, we think it's best to trust the judgment of our local educational leaders over statewide directives.

Long-Term Solutions

This Budget again seeks to treat the symptoms of a prolonged economic downturn. We are frequently asked what we think is the cure to the structural fiscal problems the state seems to have year after year. Do we need higher taxes? Do we need less spending? Is federal help going to solve our problems? What about borrowing? We think the answers to these questions can be simplified a bit.

For California, as compared to the average of other states, both revenues and expenditures per capita are higher. But the distribution of revenue sources and the amounts allocated to various types of expenditures are far different. On the revenue side, California is far too dependent on the most volatile taxes—sales and income—and does not benefit from the greater stability provided by less volatile property taxes. Even in this difficult year for property values, property taxes have been much more stable than sales and income taxes. We would like to see more of the tax burden shifted toward property taxes rather than a higher overall tax level.

On the expenditure side, California's expenditures are skewed toward entitlement programs that, once granted, take on a life of their own. We spend less per capita on education, but as the Governor pointed out, more than other large states on prisons, health and welfare, and social services.

We think that, long-term, it is all about priorities. In order to invest in education at the same level as other states, we need to be closer to the average of the other states in other categories of expenditures as well. At the same time, we need to recognize that, in many states, the fact that local property taxes stay in local schools makes property owners more willing to invest in education through higher property taxes.

That helpless feeling we get from time to time comes from ceding control of our schools to the state. We have seen that state money means state control, and federal money means federal control. We believe local money would lead to local control and that any true financial reform needs to deal not only with the level of funding but with the sources and control issues as well.

Remember that the Governor's Budget is not the end of the Budget process; it is the beginning. In yet another difficult year in a series of difficult years, we can expect many of these proposals to change and some to fall away. We will keep you abreast of developments throughout the cycle. All of us at School Services of California, Inc., wish you the very best as we embark together on what we expect to be yet another difficult year.

RON BENNETT

President and CEO

Economy and Revenues

One year ago, the state and national economies were rapidly deteriorating, as the collapse of the nation's financial sector threatened the entire credit market. The effects of the federal government's intervention—the Troubled Asset Relief Program (TARP)—had yet to take hold and great uncertainty gripped the nation, with similar problems emerging throughout the industrial world.

In January 2010, a full two years after the onset of the recession, the key question is whether the economy has hit bottom. Some signs of a turnaround are emerging, such as stabilizing home prices, a 60% rebound in the stock market from the March 2009 lows, and strengthening exports. However, considerable uncertainty remains. On Friday, January 8, 2010, the U.S. Bureau of Labor Statistics reported that, for the month of December 2009, the country lost 85,000 jobs and the unemployment rate remained at 10%. In December 2007, the U.S. unemployment rate stood at 5%. (The December employment report for California will be available on January 15, 2009.) This latest report disappointed many economists who had hoped for an upturn in the jobs market by the end of 2009.

Economic Outlook

In this environment of economic uncertainty, the Governor's Budget for 2010-11 paints a cautiously optimistic picture. The Budget does not assume a continuation of the slide that was underway one year ago. Instead, the Budget assumes that the national and state economies are stabilizing and forecasts tepid growth for 2010 and 2011. Department of Finance (DOF) economists forecast California personal income, the broadest gauge of state economic activity, to increase 2.4% in 2010 and 3.6% in 2011. This compares to a 2.8% decrease in the year just past. Similarly, the housing sector is expected to strengthen, with the number of housing permits increasing from 36,300 in 2009 to 60,800 in 2010. By 2011, the state's housing sector is expected to have rebounded, with permits reaching 101,000, almost three times the 2009 low.

The outlook for job seekers, however, will remain bleak for at least the next two years. The DOF projects the unemployment rate to average 12% in 2010 and drop only slightly to 11.2% in 2011. As of November 2009, California's unemployment rate was 12.3%, which was among the highest in the nation.

Revenue Forecast

The Administration's forecast of an anemic economic recovery in turn translates into a weak outlook for state revenues. The Governor's Budget projects that current year General Fund revenues will be \$88.084 billion—\$1.457 billion down from the \$89.541 billion assumed in the 2009-10 Budget Revision. For the Budget year, the Governor's Budget anticipates General Fund revenues of \$89.322 billion, a 1.4% increase over the revised current-year level. The Governor is not proposing any new or higher taxes to help solve the \$19.9 billion State Budget gap.

In fact, one of the Governor's major revenue proposals is to repeal the sales tax on gasoline and substitute that tax with a fee. The result would be a loss of state tax revenues, but a corresponding increase in fee revenues. The Administration explains that this change is being sought in response to a prior court decision that disallowed the state's redirection of gas tax revenues to retire transportation bonds. The Governor's Budget asserts that fee revenues are more flexible and can be targeted to numerous transportation-related expenditures, including debt service on bonds.

This change, however, also affects the minimum funding guarantee under Proposition 98 as discussed below.

Proposition 98

Proposition 98 sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 education and the community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee, plus (1) workload changes as measured by the

change in average daily attendance (ADA) and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. Under certain circumstances, the minimum level is set by a fixed percentage of General Fund revenues. Through a series of manipulations, fund shifts, and new interpretations of the constitutional measure, Proposition 98 is becoming even more complex and providing an even less certain guarantee of funding for K-12 education and the community colleges.

The Governor's Budget projects that the Proposition 98 guarantee for 2009-10 will be \$49.9 billion, a drop of \$568 million from the \$50.4 billion assumed in the 2009-10 Budget Revision. For the budget year, the minimum guarantee is projected at \$50 billion, essentially unchanged from 2009-10. In both years, the guarantee is determined by Test 1—a fixed share of General Fund revenues—which is set at 41.2%.

The current-year drop in the guarantee will not result in midyear cuts to funding received by local educational agencies (LEAs). Instead, the state will capture overbudgeted amounts in the K-3 Class-Size Reduction program and other programs for which local entitlements and claims are lower than initially assumed.

Two significant issues emerge with regard to Proposition 98 in the Governor's Budget. First, the proposal to eliminate the state tax on gasoline has the effect of reducing General Fund revenues by \$1.6 billion, which drives the calculation of the minimum guarantee. The proposal to substitute this loss with an increase in the excise tax on gasoline, however, cannot be counted as an offsetting adjustment because these revenues do not flow through the General Fund. As a result, the minimum guarantee will be lower than what it would have been absent this proposal.

Second, in prior years, when state tax revenues were weak and funding was determined by Test 3—per capita General Fund revenue growth plus $\frac{1}{2}$ percent—the state tracked an amount owed to K-14 education known as the Maintenance Factor. Last year, a dispute arose between the DOF and the education community regarding whether a Maintenance Factor amount is generated in a Test 1 year, with the DOF asserting that it was not. Ultimately, this issue was resolved legislatively, with the 2009-10 Budget Revision including a provision to pay K-14 education \$11.2 billion over a number of years, commencing in 2010-11.

For 2010-11, the Governor's Budget indicates that funding will again be determined by Test 1. However, there is no recognition in the Budget that any additional amount is owed under the negotiated Maintenance Factor repayment. In fact, the Governor's Budget proposes to postpone payment of \$110 million owed in 2010-11. Thus, it appears that K-14 education is no longer automatically entitled to a Maintenance Factor amount when funding is determined by either Test 1 or Test 3. Instead, public education must rely upon annual negotiations to establish the amount owed and the repayment schedule.

Revenue Limits

Revenue limits provide about two-thirds of school districts' revenues and the vast majority of general purpose funding. For the current year, the Governor's Budget proposes no change in revenue limit funding, with the deficit factor remaining at 18.355%.

For 2010-11, the Governor's Budget projects the statutory COLA at a negative 0.38% and proposes to "fund" the negative COLA. In other words, the Governor's Budget assumes that revenue limits are reduced pursuant to statute. For the budget year, we estimate these negative COLAs to be \$23 per ADA for elementary districts, \$28 per ADA for high school districts, and \$24 per ADA for unified districts (see table below).

	<u>2009-10</u>	<u>2010-11</u>
Statutory COLA	4.25%	-0.38%
COLA Amounts		
Elementary	\$250	-\$23

High School	\$300	-\$28
Unified	\$261	-\$24
Deficit Factor	18.355%	18.355%
Deficit Due to COLA	9.215%	9.215%
Deficit Due to Revenue Limit Cuts	10.068%	10.068%

The Governor's Budget proposes to leave the deficit factor unchanged at 18.355%, which automatically implements the negative COLA.

In addition to the negative COLA and the continuation of the 18.355% deficit factor, the Governor's Budget proposes an ongoing targeted cut of \$1.5 billion in 2010-11, comprising \$1.2 billion aimed at "school district administrative costs" and recaptured savings of \$300 million assumed to follow from the "elimination of barriers to contracting out." The Governor's Budget provides no details on how local school districts would achieve these savings nor does it describe how the state would cut school funding related to these savings.

However, discussions with the DOF indicate that the Administration intends to reduce revenue limit funding by \$1.5 billion in the budget year. The details of how this would be implemented have not yet been worked out. Based on information provided by the DOF to School Services of California, we estimate that revenue limits could be reduced by an additional \$191 per ADA for elementary districts, \$231 per ADA for high school districts, and \$201 per ADA for unified districts on top of the negative COLA and deficit factor. (These estimates were calculated after adjusting for the COLA and deficit factor.)

Reducing School Year Length and Collective Bargaining Contracts

The Governor's Budget continues to authorize school districts to reduce the statutorily required school year from 180 days to 175 days. It is important to note that, while the Governor has changed the law to allow for a shorter school year, the fact remains that, for LEAs to alter the length of their school year calendars, collective bargaining units must agree to a shorter calendar and a commensurate reduction in compensation.

County Office of Education (COE) Revenue Limits

County offices of education (COEs) receive a -0.38% (est.) COLA for their Form "O" revenue limit calculations with an 18.621% revenue limit deficit. Like school district revenue limits, COE revenue limits are funded based on ADA. As the statewide ADA continues to decline, COEs have funding reductions in proportion to ADA served. Unlike school districts, COEs are funded on current-year ADA only and do not have the option of receiving funding based on prior-year ADA.

The Governor's Budget includes a \$45 million reduction targeted to COE administrative costs. The Governor is proposing that COEs across the state form consortiums for central administration to consolidate multiple functions and services, with the expectation that economies of scale will reduce administrative costs. It will be very difficult to implement this reduction given the increased workload of COEs—especially for oversight of school agencies in the county.

Special Education

The Governor's Budget Proposal includes \$3.2 billion for special education in 2010-11, which includes funding for growth, but a downward adjustment for the -0.38% COLA.

There is also a revived proposal to fund the agreement related to the Positive Behavioral Intervention Plan (BIP) settlement. In 2008-09, following a 14-year court process, the Governor and the education community finally reached a settlement agreement for this disputed mandate claim. The negotiated agreement between the DOF and school agencies includes \$510 million in one-time funds and \$65 million in ongoing funds in lieu of

filing ongoing BIP mandate claims. Attempts were made in 2008-09 and 2009-10 to add funding for BIP, but it has yet to be funded. The Governor's Budget proposes \$65 million in ongoing funds effective in 2010-11, which amounts to approximately \$10.92 per ADA, to the AB 602 base.

Under the original settlement agreement, which has yet to be passed into law, school districts would receive \$85 million annually, from 2011-12 through 2016-17, and SELPAs would receive \$65 million annually on an ongoing basis. The first year of the ongoing payments was to be 2009-10, which clearly has been delayed by one year. The Governor has presumed the settlement will be ratified and included the \$65 million as part of the proposed Budget.

The Governor's Budget includes special education among the programs for which additional federal funding will be pursued. The Budget identifies \$1 billion for special education support from the federal government to meet the 40% level of contribution required by the federal Individuals with Disabilities Act (IDEA) provisions. Presumably, if this funding were to be received, it would result in an increased base using the AB 602 funding model.

Categorical Programs

There are no new changes proposed to categorical program flexibility. The Governor's proposed Budget presumes that the categorical flexibility introduced in 2008-09 will continue, including the change introduced to K-3 CSR, school year length, ending balance sweeps, and ongoing flexibility for 42 state categorical programs.

However, the Governor's proposed Budget includes a reduction in funding of -0.38% for the COLA, which affects the programs included in the Tier II and Tier III categories. The rates for K-3 CSR remained unchanged (\$1,071/student for full-day/Option 1, \$535/student for half-day/Option 2).

The Governor's Budget does not propose any changes to the After School Education and Safety Program (Proposition 49) or Quality Education Investment Act (QEIA). In the case of QEIA, this would mean that the program returns to the funding structure in place as of 2008-09 with no federal funding relied upon to support the program.

The Governor's Budget includes \$29.5 million to provide categorical funding for new schools established in 2008-09 or thereafter that are impacted by the base year established for Tier III categorical programs and/or the limits placed on K-3 CSR incentive funding. The proposal provides the same level of funding to such schools as they would have received had they been in existence prior to the introduction of Tier III categorical programs or K-3 CSR flexibility.

Child Care

The Governor's Budget proposes several measures that would reduce funding for early child care and education programs. The Budget proposes to seek approval from voters to redirect \$550 million of Proposition 10 funding for the California Children and Families Commission to existing state programs serving children. In addition, the Governor proposes decreasing CalWORKs child care funding by \$13.8 million based on eligibility changes, applying the -0.38% COLA to child care programs (a reduction of \$5.9 million), and phasing out \$5 million in one-time funding added in 2009-10 to minimize a cut to extended day/latchkey programs.

Charter Schools

The table below reflects estimated 2010-11 charter school funding rates under the Governor's Budget Proposal.

The General Purpose Rates are based on statewide average revenue limits—and thus reflect the -0.38% COLA that is then reduced by the deficit factor. The rates also reflect changes in the statewide cost of the revenue limit adjustments for unemployment insurance and the Public Employees' Retirement System (PERS) Reduction, as well as the per-ADA targeted cut of \$1.5 billion statewide. These rates will be recalculated by the California Department of Education (CDE) at each apportionment during 2010-11 and can fluctuate up or down by more than \$20 per ADA.

2010-11 ESTIMATED CHARTER SCHOOL RATES

**Caution: The General Purpose Rates are rough estimates;
actual rates may change considerably**

	K-3	4-6	7-8	9-12
General Purpose Block Grant	\$4,983	\$5,058	\$5,203	\$6,040
	-191*	-191*	-191*	-231*
Categorical Block Grant	\$399	\$399	\$399	\$399
Total	\$5,191	\$5,266	\$5,411	\$6,208

Source: Department of Finance

*This reduction to the general purpose block grant represents the same ongoing per-ADA targeted cut of \$1.5 billion as applied to school district revenue limits.

The Governor's Budget includes \$57.9 million in one-time funds for the charter school facilities grant program, often called the Senate Bill (SB) 740 program after the initial implementing legislation. Under this program, charter schools that serve primarily low-income students are eligible to receive up to \$750 per ADA for their rent. The amended 2009 Budget Act included language that changed this program from a reimbursement program to an annual grant program.

Mandate Reimbursements

Under current statutory and constitutional law, the state may direct local agencies to provide new services to the public, but must also reimburse those agencies for costs incurred in providing those services. Over the years, the state generally honored this pact until it faced a Budget gap commencing in 2001-02. In that year—and in every year since, with the exception of 2006-07—the state has elected to sidestep its obligation to reimburse local agencies for mandated costs and instead has deferred payments to some unspecified future fiscal year. During this period, school districts were not freed of the obligation to provide the mandated service, but instead were required to maintain services and fund them from existing resources.

Court Ruling Invalidates State's Mandate Deferrals

In response to the ongoing practice of deferring mandate reimbursements, a coalition of school districts and the California School Boards Association (CSBA) filed suit against the state, arguing that the state's policy violated the California Constitution by denying school districts funding for costs imposed by state law and regulation. In December 2008, the Superior Court in San Diego County agreed with the petitioners and invalidated the state's practice of deferring mandate reimbursements. The court ruled that the Legislature must "comply with the Constitutional requirements of Article XIIIB, Section 6, by fully funding state mandated programs and thereby foregoing the practice of deferring payment to school districts and county offices of education." The Administration has filed an appeal of this decision.

Governor's Budget Proposal

In prior years, the Governor's Budget proposed and the Legislature enacted a Budget that provided a token \$1,000 for each of 38 education mandates. This policy triggered the requirement to provide the mandated services, but provided essentially no funding for cost reimbursements. The Governor's Budget for 2010-11 proposes to fund only two education mandates: \$7.7 million for mandated costs related to interdistrict and intradistrict attendance and \$6.8 million for costs related to the California High School Exit Exam (CAHSEE). The proposal to fund only two mandates mirrors last January's Budget Proposal funding only two mandates.

Under the Governor's proposal, no funding is proposed for the remaining mandates and they would be suspended for 2010-11. These mandates include, among others, collective bargaining, criminal background checks, removal of chemicals, and COE fiscal accountability reporting. The following is a list of all education mandates as reported by the State Controller's Office:

School District and COE Mandates

Proposed for Funding in 2010-11

- Chapter 1/1999—High School Exit Exam
- Chapter 161/1993—Interdistrict and Intradistrict Attendance

Proposed for Suspension in 2010-11

- Chapter 77/1978—Absentee Ballots
- Chapter 893/2000—Agency Fee Arrangements
- Chapter 818/1991—AIDS Prevention Instruction II
- Chapter 98/1994—Caregiver Affidavits
- Chapter 34/1998—Charter Schools
- Chapter 34/1998—Charter Schools III
- Chapter 917/1987—COE Fiscal Accountability Reporting
- Chapter 961/1975—Collective Bargaining
- Chapter 736/1997—Comprehensive School Safety Plans
- Chapter 448/1975—Consolidation of Annual Parent Notification
- Chapter 594/1998—Criminal Background Checks II
- Chapter 30/1998—Differential Pay and Reemployment
- Chapter 650/1994—Employee Benefits Disclosure
- Chapter 1253/1975—Expulsion Transcripts
- Chapter 36/1977—Financial and Compliance Audits
- Chapter 498/1983—Graduation Requirements
- Chapter 1184/1975—Habitual Truant
- Chapter 1120/1996—Health Benefits for Survivors of Peace Officers & Firefighters
- Chapter 1176/1977—Immunization Records
- Chapter 325/1998—Immunization Records: Hepatitis B
- Chapter 1011/1984—Juvenile Court Notices II
- Chapter 1117/1989—Law Enforcement Agency Notification
- Chapter 249/1986—Missing Children Reports
- Chapter 828/1997—National Norm-Referenced Achievement Test
- Chapter 498/1983—Notification of Truancy
- Chapter 1306/1989—Notification to Teachers: Pupils Subject to Suspension or Expulsion
- Chapter 1284/1988—Parent Classroom Visits
- Chapter 465/1976—Peace Officers Procedural Bill of Rights
- Chapter 875/1985—Photographic Record of Evidence
- Chapter 640/1997—Physical Education Reports
- Chapter 975/1995—Physical Performance Tests
- Chapter 965/1977—Pupil Classroom Suspension: Counseling

- Chapter 668/1978—Pupil Exclusions
- Chapter 965/1977—Pupil Health Screenings
- Chapter 100/1981—Pupil Promotion and Retention
- Chapter 309/1995—Pupil Residency Verification and Appeals
- Chapter 1253/1975—Pupil Suspensions, Expulsions, and Expulsion Appeals
- Chapter 1107/1984—Removal of Chemicals
- Chapter 1463/1989—School Accountability Report Cards
- Chapter 100/1981—School District Fiscal Accountability Reporting
- Chapter 1192/1980—School District Reorganization
- Chapter 1347/1980—Scoliosis Screening
- Chapter 828/1997—Standardized Testing and Reporting
- Chapter 331/1998—Teacher Incentive Program
- Chapter 1249/1992—Threats Against Peace Officers

One existing mandate, Science Graduation Requirements (Chapter 498/1983—Graduation Requirements), is specifically highlighted in the proposal. Funding is not included for the science graduation requirement and the assertion from the Administration is that the requirement is not a reimbursable state mandate because other funding offsets the cost of the requirement. This contradicts actions the Commission on State Mandates (CSM) took to adopt the reimbursement rate methodology for calculating the costs of the science graduation requirement. The Governor's Budget proposal intends to seek a court decision to reject the reimbursement rate methodology adopted by the CSM.

If the Legislature adopts the Governor's mandate proposal, LEAs would not be required to implement the suspended mandates nor would state reimbursement be provided for costs incurred during the year of suspension. From a practical standpoint, however, districts will likely continue to implement many of these activities, although not necessarily in conformity with the level specified in statute.

State School Facilities Program

There continues to be a need for more funding for modernization and new construction of school facilities, and in December 2009, at the Senate Select Committee on School Facilities hearing, State Superintendent of Public Instruction Jack O'Connell cited the need for a new school bond to meet the needs of California students in the 21st century.

The Office of Public School Construction (OPSC) reports that, as of November 4, 2009, the following amounts have been apportioned and remain to be apportioned from the following state facilities bonds:

(\$ in millions)	
Proposition 1D—2006	
Remaining Proposition 1D Funds	\$3,899.5
Proposition 55—2004	
Remaining Proposition 55 Funds	\$1,081.2
Proposition 47—2002	
Remaining Proposition 47 Funds	\$869.8

Over a year ago, on December 17, 2008, the state's Pooled Money Investment Board (PMIB) took action to halt disbursing cash from the state's Pooled Money Investment Account (PMIA) for capital projects, including public school construction, given the current Budget and cash flow issues at the state level. The OPSC uses cash from the PMIA to release funds for projects that have been approved by the State Allocation Board (SAB).

During this time, the OPSC continued to process applications and make unfunded approvals on a "first in, first

out" basis in an attempt to keep project paperwork flowing.

Early in October 2009, the California State Treasurer's Office conducted a general obligation bond sale that resulted in more than \$4.1 billion in bonds being sold. The State School Facilities Program received approximately \$478 million to fund apportionments made by the SAB prior to December 17, 2008.

Projects approved after December 17, 2008, remain unfunded and LEAs will need contingency plans for cash flow as they wait their turn for state funding.

The Budget proposal includes an increase of \$51 million to fully fund the 2008-09 appropriation for the Emergency Repair Program.

Future State Bond Proposals

In the current legislative session, Assembly Bill (AB) 220 (Brownley [D-Santa Monica]), would authorize the sale of state General Obligation Bonds to provide funds for the construction and modernization of K-University facilities. At this time, AB 220 is a placeholder for a public education facilities bond and, as it currently exists, does not include a specific dollar amount for the bonds.

Deferred Maintenance

On November 4, 2009, the SAB approved the annual item to distribute \$255,344,942 in Deferred Maintenance Program (DMP) funding to school districts and COEs. One hundred percent of the funding available was proportionately distributed to all participating school districts and COEs based on a funding baseline established by the SAB on April 22, 2009, for the 2008-09 through 2012-13 funding cycles. The funding is provided to LEAs for the unrestricted General Fund and as part of the provision in the 2009-10 Budget Revision, which allows the funds to be used for "any educational purpose."

The Governor is proposing to fund the state's contribution with \$250.9 million in the 2010-11 State Budget. LEAs are not required to make a match to receive the funds and this flexibility continues through 2012-13.

Routine Restricted Maintenance Account

Based on the flexibility provisions in the 2009-10 Budget Revision, LEAs are not required to contribute to the Routine Restricted Maintenance Account; however, the requirements to maintain functional facilities in good repair remain intact and agencies must, as with all flexibility, review their options and utilize the flexibility provisions as reasonable and applicable.

Lottery Funding

The Lottery has provided LEAs with more than \$1 billion annually for each of the past ten years. Lottery funding continues to be a volatile source of revenues for school agencies, but appreciated nonetheless. The 2008-09 fiscal year ended with a 5% drop in funding followed by a 1.2% increase for the 2009-10 fiscal year. No adjustments have been made to the original budget adopted by the Lottery Commission in June 2009.

In the first quarter of 2009-10, the per-ADA amount distributed by the State Controller's Office was approximately 10% higher than the first quarter apportionment of 2008-09. The 2009-10 first quarter Lottery payment was \$33.74 per ADA (unrestricted), which was an increase of \$3.22 per-ADA. The Lottery Commission is not expected to make any adjustments for 2009-10, unless there are indications of material changes in Lottery ticket sales.

While we are beginning to see signs of a turnaround in the economy, generally, we are maintaining the

projections for the 2010-11 fiscal year at \$110 per Annual ADA (unrestricted) and \$13 per Annual ADA (restricted), unchanged from the 2009-10 level.

Federal Funding

The Governor's Budget includes proposals to pursue approximately \$6.9 billion in additional federal funding that, as the Governor stated, represents "fairness" for California. Of this amount, as noted in the Special Education section, \$1 billion would provide additional funding to that program, which is not presumed in his proposed Budget. The Governor shared, as part of his press conference, that additional one-time money is not what California needs and that his efforts will be put into gaining ongoing funding for California.

Earlier the week of January 4, the Governor signed two bills aimed at positioning California to win a federal grant in the Race to the Top (RTTT) funding competition. Senate Bill 4 of the Fifth Extraordinary Session (SBX5 4 [Romero, D-Los Angeles]) and SBX5 1 (Steinberg, D-Sacramento) add new requirements for schools, including defining the "persistently lowest achieving schools," expanding school choice options, and encouraging parent involvement in schools. The state expects to submit its application by January 19, 2010, in hopes of securing \$350 million to \$700 million for K-12 education.

A bill is working its way through Congress that would provide \$23 billion to states to save education jobs, but at this point the Governor does not include any assumptions regarding the funding associated with this bill.

In late December 2009, the Senate and House adopted the fiscal year 2010 Subcommittee on Labor, Health and Human Services education appropriations bill that increases funding for Title I programs, teacher performance incentive funding, and other programs aimed at bolstering President Obama's education reform agenda. While the majority of the federal education programs, including IDEA funding, were funded at prior-year levels, House Resolution (HR) 3288 included a \$1.5 billion restoration of the President's proposed reduction to Title I grants, which may also be used to support early childhood education activities. Additionally, funding for the Teacher Incentive Fund program, earmarked for funding compensation systems that reward high-need schools for raising student achievement, increases from \$97 million nationally in 2009 to \$400 million. This funding will be part of the state's 2010-11 budget building process and estimates for California's share—generally 10%—have not yet been finalized and therefore are not reflected in the Governor's proposals.

The final package also included a national increase of \$40 million above 2009 to support the startup of 1,300 new charter schools in fiscal year 2010. The bill also includes new accountability measures. Additionally, the Striving Readers program is funded at \$250 million as a new comprehensive literacy initiative from pre-K through grade 12 to help struggling students build their literacy skills and improve the integration of reading initiatives across the Department of Education. The bill also includes \$50 million for the President's proposal for a new High School Graduation Initiative targeted at assisting high schools that have disproportionately high dropout rates.

Now that the 2010 levels are known, the President is poised to propose his fiscal year 2011 spending plan in late January or early February 2010, and Congress will spend most of next year debating the merits of his proposal. Efforts are already underway to ensure IDEA funding continues to be funded at the federal stimulus funding level and Title I programs are reauthorized, modified, and appropriately funded.

Personnel and Administrative Reforms

The Governor's Budget Proposal offers a series of cost-saving measures in the certificated personnel area aimed at protecting classroom spending by building on the reforms embodied in RTTT and breaking down bureaucracy. While many proposals lack specificity regarding proposed changes in law, it is clear that the Administration recognizes that, beyond the changes made by SBX5 4 and SBX5 1, there are numerous

statutory rights and protections afforded certificated employees that create barriers to school reform. Additionally, there is some recognition that the resulting lack of flexibility directly impacts LEA budgets. The Governor's Budget Proposal calls for statutory relief that would change the seniority rights of certificated employees, layoff notifications and timelines, the rights of laid-off teachers, and student achievement reforms linked to teacher and principal quality.

Substitute Costs

Under Education Code Section (E.C.) 44956(a)(5), permanent certificated employees who have been laid off have a right to substitute service. If a laid-off teacher works more than 20 days in a 60-school day period, he or she is entitled to per-diem pay at the rate he or she would receive if he or she were reinstated. This provision of the law has had a profound impact on LEA budgets this year and, without a change, the Governor's Budget Proposal predicts a need for additional layoffs and cuts to classroom spending in 2010-11. The Governor's Budget proposes to eliminate the regulations giving laid off teachers first priority for substitute assignment and requiring that they be paid at their per diem rate.

Staffing Notification Process

We know all too well the challenges the March 15 layoff notice provision creates for LEAs. The Administration's proposal acknowledges the problems inherent in a process that requires the LEA to make important personnel and budget decisions with insufficient data and with little or no opportunity to make changes once that data is known. If adopted as written, the proposal would move the March 15 notice to 60 days after adoption or amendment of the State Budget.

Comprehensive School Reforms

In the spirit of reform, the Administration proposes the elimination of statutory and regulatory barriers to student achievement. The proposal provides few clues into the specific changes it is seeking; however, an education briefing document does. *Putting Children's Education Ahead of Special Interests and Protecting Classroom Spending: Education Reforms in the 2010-2011 Budget*, a two-page education budget-briefing document, characterizes the laws governing teacher dismissals as unnecessarily bureaucratic and states that the Commission on Professional Competence, commonly known as the three-member dismissal panel, unduly limits the ability of local governing boards to terminate teachers. Based on the Governor's Budget Proposal and the education briefing document, we expect to see proposed changes in certificated dismissal laws and other proposals that would restore management rights, such as the right to transfer and reassign employees.

Teacher Seniority

The proposal calls for changes in law that would allow the LEA to lay off, assign, reassign, transfer, and rehire teachers without regard to seniority in the interest of retaining the best teachers and minimizing impacts on struggling schools in low-income neighborhoods. While changes in the law would not supersede existing local collective bargaining agreements in these areas, it would provide LEAs with the ability to negotiate changes in successor agreements.

posted 01/09/2010

Hart, Mary

From: csba@csba.org
Sent: Friday, January 08, 2010 5:27 PM
To: Hart, Mary
Subject: CSBA state budget alert

Having trouble viewing this mailing? Click here to [view the web version](#).
To ensure receipt of this mailing, please add csba@csba.org to your address book.



January 8, 2010

Notwithstanding pledge to protect education, governor's proposed budget reduces Proposition 98 funding

Gov. Arnold Schwarzenegger's 2010-11 budget proposal, released today, addresses an estimated \$19.9 billion gap between revenues and expenditures. Of the total, \$6.6 billion is attributed to the current year (2009-10) and \$12.3 billion is attributed to the budget year (2010-11). The total also includes funding to restore a \$1 billion reserve. The gap resulted from the following factors:

- revenue decline (\$3.4 billion)
- federal and state court litigation (\$4.9 billion)
- erosion of other, previously enacted solutions (\$2.3 billion)
- population and caseload growth (\$1.4 billion)

The governor's proposed solutions to the projected gap include:

- expenditure reductions (\$8.5 billion)
- increased federal funds (\$6.9 billion)
- alternative funding (\$3.9 billion)
- fund shifts and other revenues (\$0.6 billion)

If increased federal funding is not realized, the governor proposes triggers that would result in one dollar of additional cuts or revenue for every one-dollar shortfall in budgeted federal funding. The trigger list includes eliminating CalWORKS (\$1 billion); eliminating Healthy Families (\$126 million); reducing Medi-Cal eligibility to the federal minimum and eliminating optional benefits (\$532 million); and eliminating the In-Home Supportive Services Program (\$495 million).

These would be in addition to other health and human services cuts proposed by the governor, including:

- eliminating Medi-Cal benefits for certain immigrants
- eliminating Adult Day Health Care benefits
- reducing Healthy Families eligibility and benefits
- reducing CalWORKS grant payments
- reducing Supplemental Security Income/State Supplementary Payment grants
- eliminating the California Food Assistance Program

Many of these cuts would negatively affect public school students and their families.

Proposition 98

The governor proposes a number of complicated maneuvers to reduce the Proposition 98 guarantee. While the budget does not provide complete details on all of these machinations, it is specific on one point—the net result would be a reduction to the guarantee of \$892.6 million in 2009-10 and \$1.5 billion in 2010-11 from what it would otherwise be under current law.

Achieving these reductions relies partly on revising a major part of last year's budget agreement relating to the certification of the minimum guarantee in 2008-09. The administration now estimates that the guarantee was \$2.3 billion lower than certified for that year, resulting in a \$2.3 billion "overappropriation." The governor is proposing to apply some of that overappropriation to restoration of a Maintenance Factor. This would reduce the minimum guarantee in 2009-10 and subsequent years by \$800 million per year, according to the Department of Finance.

Another proposal with implications for Proposition 98 relates to transportation funding. Here the governor proposes to eliminate the sales tax on gasoline and increase the fuel excise tax from 18 cents per gallon to 28.8 cents per gallon. This is at least partly in reaction to recent court decisions that restrict the use of revenue from the fuel sales tax. Shifting to the excise tax gives the state more flexibility over the use of revenues.

However, it also reduces the proceeds of taxes into the state general fund. According to the administration, this shift will reduce general fund revenue by \$836 million in 2010-11, which contributes to the \$1.5 billion total reduction to the Proposition 98 guarantee.

In the past, the governor and Legislature have manipulated the minimum funding guarantee to ever lower levels and then claimed to have "protected" schools by funding them at the new, artificially reduced level. This year, the governor promised to "protect" school funding in the State of the State speech, but his proposed budget is consistent with past manipulations.

Reduction to district and county office administration

The budget proposal includes a 10 percent reduction for school district and county office of education administration that is designed to reduce "overhead and other non-instruction related spending" to offset increases in workload. This reduction of \$1.5 billion for districts and \$45 million for county offices would be a cut to their revenue limits, which would be re-benched. Further, districts and counties would be limited in the areas in which they could make the reductions to central office expenses. Specifically, the governor proposes to achieve this reduction by:

Reducing school district administration funding: \$1.2 billion reduction in funding for school district administration. Additionally, the proposal would establish limits on the portion of funding that can be spent on central administration "to prevent [districts] from using future funding increases to augment central administration at the expense of classroom funding." Districts will also be "prevented from shifting central administration costs to school sites." It is safe to say that this is an attack on school administration, which is essential for a school to provide the support and services students, teachers and classrooms need to meet the academic goals the state has set.

Increasing contracting out (amend SB 1419): \$300 million reduction for districts and county

offices and further proposes to “eliminate barriers to contracting out to enable school districts to achieve cost reductions.” There are no details on how such a level of reductions could be achieved by contracting out services, which have likely been significantly eliminated over the last few rounds of budget cuts.

Consolidating county office administration: \$45 million reduction for county office administrative cost. County offices will be required to “consolidate services and functions, which may include county offices of education forming regional consortia to provide these services. This consolidation of county offices will achieve economies of scale and reduce administrative costs.” How this would be implemented and yet still maintain existing levels of support and services for students remains a serious question.

Teachers

The governor also proposes significant changes to the current teacher seniority and lay-off process which, in his view, would “build on the reforms embodied” in the federal Race to the Top initiative.

Teacher seniority: Changes would be made to state law that would give local school districts “the flexibility to lay off, assign, transfer and rehire teachers based on skill and subject matter needs without regard to seniority.”

Substitute costs: Eliminates the provisions in state law that relate to the requirement that teachers who have been laid off have first priority for substitute assignments and that their rate of pay be the same as they received before they were laid off if they work more than 20 days in a 60-day period.

Certificated lay-off notice: Establishes a 60-day clock for districts to notify teachers that they may be laid off, which begins when the state budget is adopted. It appears that this would replace the Aug. 15 lay-off option and be in addition to the March 15 process.

Mandates

The governor once again proposes to suspend all but a couple of mandates, citing CSBA’s Education Legal Alliance lawsuit regarding the constitutionality of deferring mandates. He also notes that there is no funding provided for the mandate for the additional science course requirement for high school graduation, as his administration is challenging the reimbursement rate methodology adopted by the Commission on State Mandates.

On a positive note, there is \$65 million for the annual ongoing costs related to mandated Behavioral Intervention Plans that CSBA negotiated with the Department of Finance. It is uncertain if the budget includes the amount owed districts for prior years.

Additional provisions

The budget reduces funding for the Class Size Reduction Program in 2010-11 by \$550 million due to anticipated lower participation rates by school districts.

The proposal also transfers the following amounts from the Proposition 98 reversion account,

which is money unspent within Proposition 98:

- Emergency Repair Program (established in the Williams lawsuit): \$51 million
- Charter School Facilities Grant Program: \$18.4 million
- new school categorical funding: \$20 million

CSBA Forecast Webcast

To learn more about the budget and the state of the economy, participate in CSBA's complimentary Forecast Webcast from 1-3 p.m Thursday, Jan. 14. Leading and governing your schools during complex times has become increasingly challenging. And that is why CSBA is offering its complimentary annual Forecast Webcast for board members and superintendents. Sign up for today for this live Forecast Webcast. Featured presenters include Christopher Thornberg, Beacon Economics; Janelle Kubinec, School Services of California; Frank Pugh, CSBA president; Scott P. Plotkin, CSBA executive director; and Rick Pratt, CSBA assistant executive director of Governmental Relations. Join this education team as they provide updates on the economic outlook for the new year and explain how the newly released state budget will impact your schools. This interactive Webcast allows you to participate from the convenience of your own computer, including the ability to ask questions during the live Webcast. No travel or lodging required.

Register [here](#).

California School Boards Association

3100 Beacon Blvd, West Sacramento, CA 95691

Phone - 800.266.3382 | Fax - 916.371.3407

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Board Agenda Back-up

Item # 13.1

Date: January 20, 2010

Item: Naming the Media Center of the Bradley School Library -- Nancy Walker

Overview: Naming the Media Center of the Bradley School Library in honor of Nancy Walker is supported by the school staff, including teachers, classified personnel, administration and community. The Bradley staff and Site Council feel that naming the media center in Nancy Walker's honor is a small way to recognize her for the contributions and commitment to the students and staff of Bradley School and to the Bradley community.

Recommendation: Approve naming the Media Center of the Bradley School Library in honor of Nancy Walker.

Budget Considerations: N/A

Prepared by: Ylda Nogueta, Assistant Superintendent

Superintendent's Signature: Domino Bol



A California Distinguished School

Bradley Elementary School

321 Corralitos Road, Watsonville, CA 95076 (831) 728-6366
www.bradley.pvusd.net

Kathy Arola, Principal
Heather Gorman, Assist. Principal

DATE: January 11, 2010
TO: Ylda Nogueta
FROM: Kathy Arola
SUBJECT: Information on Nancy Walker

Nancy Walker was a dedicated teacher in PVUSD for many years. She attended college in Maryland and Pennsylvania and received a Master's Degree in Special Education. Throughout her long career as a teacher, she excelled at teaching children with disabilities to read. She taught children the love of reading by sharing read-alouds and books from her personal library. Former students often surprised her in stores or restaurants, telling "Mrs. Walker" how much she had meant to them. Her dedication to literacy and offering new experiences to children through books was the joy of her professional life.

Nancy moved to California and taught at Linscott and Radcliff Elementary Schools in Watsonville, and from 1974 to 1989 at Bradley Elementary School in Corralitos. She loved the community at Bradley where she taught for 15 years, remaining close friends with many of her colleagues. She always insisted that students were so lucky to have such a spirited and creative groups of teachers and administrators. She worked with Principals Keith Bryant, Ted Leach, and Gil Hayward. After retiring from Bradley, she remained close to colleagues Arlene Hash, Jeanine (Kretchmer) Swanson, Sandy (Nethercutt) Christianson, Floy Sakata, Merle Splitter, and Celmi Williams.

The naming of the Media Center in the Bradley School Library in honor of Nancy Walker is supported by all of the school staff including teachers, classified personnel, and the administration. The School Site Council and the Student Council support the dedication as well. We feel that naming the media center in her honor will be just a small way of recognizing Nancy Walker for her years of service to the students and families of Bradley Elementary School.



Board Agenda Backup

Item No: 13.2

Date: January 20, 2010

Item: Review of Annual Audit

Overview: The District is required to have an annual audit by an independent Auditor who examines the records of the district and the procedures used in processing fiscal transactions and maintaining financial records. The Audit of the 2008/2009 fiscal year was performed by Vavrinek, Trine, Day & Co. and is presented to the Board for review pursuant to Education Code Section 41020.3

41020.3. "By January 31 of each year, the governing body of each local education agency shall review, at a public meeting, the annual audit of the local education agency for the prior year, any audit exceptions identified in that audit, the recommendations or findings of any management letter issued by the auditor, and any description of correction or plans to correct any exceptions or management letter issue. This review shall be placed on the agenda of the meeting pursuant to Section 35145."

Opinions of the Auditor

The audit indicates the following:

- In the opinion of the Auditor, the District's financial records represent the true financial condition of the District and that there are no material weaknesses in the internal control over financial reporting
- In the opinion of the Auditor, the District has complied, in all material respects, with State laws and regulations and with the requirements of each of the Federal programs operated

Findings and Recommendations

The Auditor identified 1 finding for 08/09.

1. The finding reports weaknesses in AJHS ASB documentation. Revenue potential forms were not prepared, some disbursements did not have proper purchase orders and approvals were missing on some of the disbursements. The District has provided to each site an outline of what is required and will meet with all sites to verify compliance.

Recommendation: The administration recommends that the Board accept the Audit for the 2008/2009 Fiscal Year.

PREPARED BY SIGNATURE: _____

Heidi Bellonzi

SUPERINTENDENT SIGNATURE: _____

Domna Bell

**PAJARO VALLEY UNIFIED
SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2009**

PAJARO VALLEY UNIFIED SCHOOL DISTRICT
OF SANTA CRUZ COUNTY
WATSONVILLE, CALIFORNIA

JUNE 30, 2009

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Leslie De Rose	President	2010
Libby Wilson	Vice President	2010
Doug Keegan	Member	2010
Karen Osmundson	Member	2012
Sandra Nichols	Member	2012
Willie Yahiro	Member	2010
Kim Turley	Member	2012

ADMINISTRATION

Dorma Baker	Superintendent
Mary Hart	Associate Superintendent, Business

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS JUNE 30, 2009

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets	13
Statement of Activities	14
Fund Financial Statements	
Governmental Funds - Balance Sheet	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	16
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balance	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	18
Proprietary Fund - Statement of Net Assets	20
Proprietary Fund - Statement of Revenues, Expenses, and Changes in Fund Net Assets	21
Proprietary Fund - Statement of Cash Flows	22
Fiduciary Funds - Statement of Net Assets	23
Fiduciary Funds - Statement of Changes in Net Assets	24
Notes to Financial Statements	25

REQUIRED SUPPLEMENTARY INFORMATION

General Fund - Budgetary Comparison Schedule	52
Schedule of Other Postemployment Benefits (OPEB) Funding Progress	53

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards	54
Local Education Agency Organization Structure	56
Schedule of Average Daily Attendance	57
Schedule of Instructional Time	58
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements	59
Schedule of Financial Trends and Analysis	60
Schedule of Charter Schools	61
Charter Schools Schedule of Changes in Fund Balances	62
First 5 Monterey Grant Schedule of Grant Revenues and Expenditures	63
Non-Major Governmental Funds - Combining Balance Sheet	64
Non-Major Governmental Funds - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	65
Note to Supplementary Information	66

INDEPENDENT AUDITOR'S REPORTS

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	68
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	70
Report on State Compliance	72

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results	74
Financial Statement, Federal and State Compliance Findings	75
Summary Schedule of Prior Audit Findings	78

FINANCIAL SECTION



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT

Governing Board
Pajaro Valley Unified School District
Watsonville, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pajaro Valley Unified School District (the "District") as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2008-09*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Pajaro Valley Unified School District, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

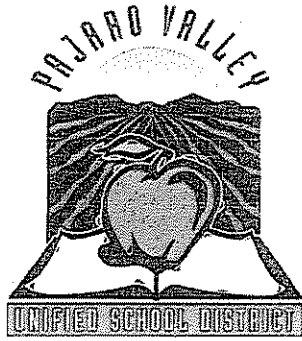
In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The required supplementary information, such as management's discussion and analysis and budgetary comparison and other postemployment information, is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards which is required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, the Combining Statements – Non-Major Governmental Funds is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavrinck, Trine, Day & Co. LLP

Palo Alto, California
December 15, 2009



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

294 Green Valley Road, Watsonville, CA 95076
(831) 786-2100

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Pajaro Valley Unified School District's (The District) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the Pajaro Valley Unified School District (the District) using the integrated approach as prescribed by GASB Statement Number 34.

The *Government-Wide Financial Statements* present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities. These statements include all assets of the District (including capital assets) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary.

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Proprietary Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fiduciary Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The Primary unit of the government is the Pajaro Valley Unified School District. The District also has five component unit charter schools, Linscott Elementary, Watsonville School of Arts, Pacific Coast Charter School, Alianza Elementary, and Academic Vocational. The charter schools are included in the special revenue, charter school fund of the District. Separately issued financial statements for the charter schools are not prepared.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

FINANCIAL HIGHLIGHTS OF THE PAST YEAR

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. Net assets are the difference between assets and liabilities, one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be an important component in this evaluation.

In the *Statement of Net Assets* and the *Statement of Activities*, we include the District activities as follows:

Governmental activities - All of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, user fees, interest income, federal, state and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

Governmental funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Fund Net Assets. We use internal service funds to report activities that provide supplies and services for the District's other programs and activities - such as the District's Self-Insurance Fund. The internal service fund is reported with governmental activities in the government-wide financial statements.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for associated student body activities, scholarships, employee retiree benefits. The District's fiduciary activities are reported in the Statements of Fiduciary Net Assets. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

THE DISTRICT AS A WHOLE

Net Assets

The District's net assets were \$148.6 million and \$156 million for the fiscal years ended June 30, 2009 and 2008, respectively. Of this amount, \$.9 million and (\$0.5) million were unrestricted for fiscal years ending June 30, 2009 and 2008, respectively. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities 2009	Governmental Activities 2008
Current and other assets	\$ 66,968,166	\$ 60,474,233
Capital assets	183,547,303	191,816,278
Total Assets	250,515,469	252,290,511
Current liabilities	22,684,876	22,299,166
Long-term debt	79,195,939	79,109,996
Total Liabilities	101,880,815	101,409,162
Net assets		
Invested in capital assets, net of related debt	116,654,287	133,080,607
Restricted	31,107,932	23,552,891
Unrestricted	872,435	(572,149)
Total Net Assets	\$ 148,634,654	\$ 156,061,349

The \$.9 million in unrestricted deficit in net assets of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our non-capital liabilities (compensated absences as an example), we would have \$.9 million left over.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

Changes in Net Assets

The results of this year's operations for the District as a whole are reported in the Statement of Activities. Table 2 takes the information from the Statement and rearranges them slightly so you can see our total revenues and expenses for the year.

TABLE 2

	Governmental Activities 2009	Governmental Activities 2008
Revenues		
Program revenues		
Charges for services	\$ 1,414,770	\$ 1,565,001
Operating grants and contributions	80,906,832	85,186,214
Capital grants and contributions	11,337	874,843
General revenues:		
Federal and state sources	69,972,737	69,244,898
Property taxes	54,413,840	54,238,678
Other general revenues	8,282,299	10,270,147
Total Revenues	215,001,815	221,379,781
Expenses		
Instruction related	166,521,395	174,244,742
Student support services	25,413,037	27,240,666
Administration	2,557,649	9,282,914
Maintenance and operations	18,451,061	17,992,354
Other	4,305,368	5,329,211
Total Expenses	217,248,510	234,089,887
Change in Net Assets	\$ (2,246,695)	\$ (12,710,106)

Governmental Activities

As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$217.3 million. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only \$54.4 million because \$82.3 million of the cost was paid by those who benefited from the programs or by other governments and organizations who subsidized certain programs with grants and contributions. We paid for the remaining "public benefit" portion of our governmental activities with \$80.6 million in State and Federal funds and with other revenues, like interest and general entitlements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

In Table 3, we have presented the net cost of each of the District's largest functions - (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

TABLE 3

	Net Cost of Services 2009	Net Cost of Services 2008
Instruction and instruction related	\$ 104,799,869	\$ 108,400,719
Pupil services	10,597,278	11,030,737
General administration	(556,933)	6,468,720
Maintenance and operations	17,536,035	16,454,427
Other	2,539,322	4,109,226
Totals	\$ 134,915,571	\$ 146,463,829

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$38.6 million, which is an increase of \$2.2 million from last year.

The primary reasons for these changes are:

1. Our General Fund is our principal operating fund. The fund balance in the General Fund increased \$6.7 million to \$23.3 million. The primary reason for the increase is due to Federal Stimulus Funds and freezing expenditures to build a larger reserve for the future years. In 08/09, the State of California continues its struggles with balancing the budget. This in essence continues to affect our school district, the district has made multi million dollars in expenditure cuts to mitigate the crisis.
2. Adult Education (a non major fund) reduced its fund balance by \$919K due to the districts need to sweep \$500K of the funds to support the districts mission of K-12 education under the State Fiscal Crisis. This sweeping was authorized by the State to relieve the impact on K-12 education. In addition, the state in turn reduced funding to Adult Education programs in the same manner as Regular Education.
3. The Building fund (a non major fund) has a increase in fund balance of \$2.2 million. This decrease is due to District Bond projects in process. Over the past year the existing bond projects have had some phases completed and others are well underway and expected to be complete in the 09/10 fiscal year. Each year until completion we will show a decrease in fund balance in the fund. At the end of 08/09 fiscal year, one bond project had not been started. This is the E.A. Hall Gym.
4. Our Non-Major funds decreased by \$1.3 million. The largest components of this net decrease of \$1.3 million were:
 - a. The Capital Facilities Fund decreased by \$665K due to use of the funds for modernization project matches and on-going lease payments for portables. The fees that have been collected over the

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

past year due to the National fiscal crisis and the lack of development has decreased significantly and in fact in this year barely covered the districts obligations.

- b. The County School Facilities Fund decreased by \$55K as projects in the fund are being finished. The only project outstanding and in process is the Watsonville High modernization project.
- c. Other Miscellaneous Funds (i.e.: Charter, Cafeteria, Child Development) had a net decrease of \$735K.

General Fund Budgetary Highlights

Our original adopted budget projected an ending fund balance of \$16.1 million and our final budget projected an ending balance of \$13.0 million. Our actual ending balance at year-end was \$23.3 million, a positive variance of \$10.3 from our final budget. Actual revenues exceeded final budgeted revenues by \$7.0 million excluding on behalf payments. Actual expenditures were \$3.5 million lower than the final budgeted amounts excluding on behalf payments. Other financing sources (uses) generated a negative variance of approximately \$158,125 when comparing actual to final budget.

Our final budget revenues were \$171.2 million; however, actual revenues were \$178.2 million. The variance, \$7.0 million, is primarily due to the change in the States budget for revenue limit. After developing the district's budget for acceptance in July the State presented their budget which required districts to record higher revenue limit funds in the 08-09 year and lower revenue limits in the 09/10 year. In addition, higher categorical expenditures in grants than anticipated which in turn has the district recognize the revenue in the current year as opposed to deferring it to the subsequent year to be spent as carryover.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2009 and 2008, the District had \$183.5 million and \$191.8 million, net of depreciation in a broad range of capital assets including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of just under \$8.3 million, or 4.3 percent, from last year.

TABLE 4

	Governmental Activities 2009	Governmental Activities 2008
Land	\$ 17,055,144	\$ 17,055,144
Construction in progress	840,702	57,166,180
Buildings and improvements	253,272,400	192,694,747
Equipment	4,086,270	4,006,536
Accumulated depreciation	(91,707,213)	(79,106,329)
Totals	\$ 183,547,303	\$ 191,816,278

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

This year's additions to capital assets of \$4.3 million are primarily from the completion of the Aptos High School Bond project (gym and water tanks) and finishing additional Watsonville High School Bond projects (tennis courts).

Long-Term Debt

At the end of this year, the District had \$59.2 million in bonds outstanding. The District's long-term debt is summarized below.

TABLE 5

<i>Years ending</i>	2009	2008
Certificates of participation	\$ 2,920,000	\$ 3,015,000
General obligation bonds	59,198,722	59,446,187
Bond premium	828,017	889,129
Accumulated vacation - net	1,605,269	1,554,959
Supplemental employees retirement plan	6,004,176	8,399,208
Capital leases	1,281,437	1,693,746
Other post employment benefits	6,995,958	3,554,227
Other	362,360	557,540
Totals	\$ 79,195,939	\$ 79,109,996

The State limits the amount of general obligation debt that District's can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries.

Other obligations include compensated absences payable, certificates of participation, capital leases and other long-term debt. We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2008-2009 ARE NOTED BELOW:

Even with all the turmoil with the State and National budgets the district was able to meet its financial obligations as well as continue to support the students in the district with their individual educational goals. The district was required to cut expenditures by \$14 million in 2008/2009, the task was daunting yet the Board of Trustees were able to identify these reductions and keep the district moving forward.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

Other outstanding accomplishment of 2008/2009:

Finance monitored the budget in an ever changing environment where adjustments were the norm due to the States instability.

Maintenance and Operations maintained all 33 sites. Risk Management helped the district avoid large claims, Transportation transported 4000+ students to school each day driving 1.1 million miles, Food Service served 2.0 million breakfast and lunch meals, Technology maintained 8500+ computers connected to the network for use of office work, Student Information system, libraries, technology labs and classroom use. In addition, purchasing processed approximately 6000 purchase orders.

Accounting paid on all the purchase orders as well as reconciled and paid all credit card statements. Payroll processed pay for 4,500+ individuals equating to approximately 42,000+ checks. They also maintained the staff health and welfare accounts, worker compensation claims, section 125 applicants and retirement accounts including 403B's

Human Resources hired outstanding employees and monitored all the changes that resulted in the layoffs due to lost funding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2009/2010 year, the District Board and management used the following criteria:

The key assumptions in our revenue forecast are:

1. Projections of revenue limit income include a COLA of 4.25% with a deficit of 18.355%
2. In addition to the COLA and deficit the revenue limit contains a reduction of \$252 per student
3. State grants received an additional reduction of 4.46% excluding Special Education
4. The sweeping of most State grants in Tier III
5. The use of most of the Federal Stimulus funding
6. Developer fee collections have been reduced substantially due to a decrease in development in the surrounding area.
7. The District's ADA has been projected 100 less than prior year due to the fact Ceiba College Preparatory Academy (newest Charter School) continues to grow.
8. Employee benefits will be increased by 5%.
9. Step and Column increases are reflected.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact:

Mary Hart, Associate Superintendent, Business
294 Green Valley Road, Watsonville, CA 95076

Helen Bellonzi, Director of Fiscal Services
294 Green Valley Road, Watsonville, CA 9507

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

STATEMENT OF NET ASSETS JUNE 30, 2009

	Governmental Activities
ASSETS	
Deposits and investments	\$ 38,399,155
Receivables	27,504,186
Prepaid expenses	653,548
Stores inventories	411,277
Capital assets not depreciated	17,895,846
Capital assets, net of accumulated depreciation	165,651,457
Total Assets	250,515,469
LIABILITIES	
Accounts payable	5,163,964
Interest payable	969,024
Deferred revenue	5,432,749
Claim liabilities	11,119,139
Current portion of long-term obligations	3,879,706
Noncurrent portion of long-term obligations	75,316,233
Total Liabilities	101,880,815
NET ASSETS	
Invested in capital assets, net of related debt	109,658,329
Restricted for:	
Debt service	1,672,914
Capital projects	966,332
Special revenues	6,783,197
Self-Insurance	6,486,254
Legally restricted	15,199,235
Unrestricted	7,868,393
Total Net Assets	\$ 148,634,654

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 128,369,270	\$ 72,379	\$ 42,942,379	\$ 11,337	\$ (85,343,175)
Instruction-related activities:					
Supervision of instruction	19,492,458	10,065	16,874,164	-	(2,608,229)
Instructional library, media, and technology	3,248,130	1,744	1,093,860	-	(2,152,526)
School site administration	15,411,537	15,915	699,683	-	(14,695,939)
Pupil services:					
Home-to-school transportation	7,118,734	69,505	3,616,387	-	(3,432,842)
Food services	7,544,205	1,150,836	5,882,424	-	(510,945)
All other pupil services	10,750,098	1,913	4,094,694	-	(6,653,491)
Administration:					
Data processing	1,699,493	-	-	-	(1,699,493)
All other administration	858,156	62,971	3,051,611	-	2,256,426
Plant services	18,451,061	5,837	1,036,929	-	(17,408,295)
Ancillary services	1,020,858	209	83,587	-	(937,062)
Community services	973	-	-	-	(973)
Interest on long-term obligations	3,236,292	-	-	-	(3,236,292)
Other outgo	47,245	23,396	1,531,114	-	1,507,265
Total Governmental Activities	\$ 217,248,510	\$1,414,770	\$ 80,906,832	\$ 11,337	(134,915,571)
General revenues and subventions:					
Property taxes, levied for general purposes					50,810,451
Property taxes, levied for debt service					3,348,763
Taxes levied for other specific purposes					254,626
Federal and State aid not restricted to specific purposes					69,972,737
Interest and investment earnings					305,621
Miscellaneous					7,976,678
Subtotal, General Revenues					132,668,876
Change in Net Assets					(2,246,695)
Net Assets - Beginning					150,881,349
Net Assets - Ending					\$ 148,634,654

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2009

	General Fund	Cafeteria Fund	Non Major Governmental Funds	Total Governmental Funds
ASSETS				
Deposits and investments	\$ 3,887,143	\$ 1,201,754	\$ 15,062,016	\$ 20,150,913
Receivables	25,285,325	318,675	1,732,823	27,336,823
Due from other funds	2,082,232	-	325,422	2,407,654
Prepaid expenses	652,414	1,134	-	653,548
Stores inventories	236,159	175,118	-	411,277
Total Assets	\$32,143,273	\$ 1,696,681	\$ 17,120,261	\$ 50,960,215
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,076,273	\$ 37,303	\$ 1,040,155	\$ 4,153,731
Due to other funds	336,964	1,299,281	1,138,793	2,775,038
Deferred revenue	5,392,536	-	40,213	5,432,749
Total Liabilities	8,805,773	1,336,584	2,219,161	12,361,518
Fund Balances:				
Reserved for:				
Grant reservations	14,079,410	-	-	14,079,410
Other reservations	943,573	176,252	-	1,119,825
Unreserved:				
Designated	1,759,167	-	-	1,759,167
Undesignated, reported in:				
General Fund	6,555,350	-	-	6,555,350
Special revenue funds	-	183,845	6,599,352	6,783,197
Debt service funds	-	-	2,641,938	2,641,938
Capital projects funds	-	-	5,659,810	5,659,810
Total Fund Balance	23,337,500	360,097	14,901,100	38,598,697
Total Liabilities and Fund Balances	\$32,143,273	\$ 1,696,681	\$ 17,120,261	\$ 50,960,215

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS JUNE 30, 2009

Amounts Reported for Governmental Activities in the Statement
of Net Assets are Different Because:

Total Fund Balance - Governmental Funds \$ 38,598,697

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported as assets in governmental
funds.

The cost of capital assets is	\$ 275,254,516	
Accumulated depreciation is	(91,707,213)	
Net Capital Assets		183,547,303

In the governmental funds, the receipt of the special education mandate
settlement is reported as revenue in the year received. On the
statement of net assets, the settlement amount is recorded as a
receivable and payment received in the current year reduces the
receivable amount.

167,363

In governmental funds, unmatured interest on long-term debt is
recognized in the period when it is due. On the government-wide
statements, unmatured interest on long-term debt is recognized
when it is incurred.

(969,024)

An internal service fund is used by the District's management to charge
the costs of the self insurance programs to the individual funds. The
assets and liabilities of the internal service fund are included with
governmental activities.

6,486,254

Long-term liabilities, including bonds payable, are not due and payable in
the current period and, therefore, are not reported as liabilities in the
funds.

Long-term liabilities at year end consist of:

Bonds payable	59,198,722	
Unamortized bond premium	828,017	
Certificates of participation	2,920,000	
Capital leases payable	1,281,437	
Compensated absences (vacations)	1,605,269	
Supplemental employee retirement plan	6,004,176	
OPEB obligations	6,995,958	
Energy service contract	362,360	
Total Long-Term Liabilities		(79,195,939)
Total Net Assets - Governmental Activities		\$ 148,634,654

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2009

	General Fund	Cafeteria Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Revenue limit sources	\$ 97,647,768	\$ -	\$ 7,816,931	\$ 105,464,699
Federal sources	33,452,552	5,721,035	6,350,997	45,524,584
Other State sources	47,086,633	395,413	6,971,761	54,453,807
Other local sources	3,543,566	1,219,088	4,772,675	9,535,329
Total Revenues	181,730,519	7,335,536	25,912,364	214,978,419
EXPENDITURES				
Instruction	105,463,240	-	13,626,990	119,090,230
Instruction-related activities:				
Supervision of instruction	15,914,886	-	2,128,915	18,043,801
Instructional library, media and technology	2,537,659	-	469,074	3,006,733
School site administration	10,300,450	-	3,965,719	14,266,169
Pupil services:				
Home-to-school transportation	6,589,678	-	-	6,589,678
Food services	18,745	6,944,575	20,208	6,983,528
All other pupil services	9,121,699	-	829,464	9,951,163
Administration:				
Data processing	1,575,935	-	-	1,575,935
All other administration	5,580,613	343,606	609,158	6,533,377
Plant services	14,756,996	-	1,465,305	16,222,301
Facility acquisition and construction	1,308,684	-	3,939,313	5,247,997
Ancillary services	928,193	-	14,019	942,212
Community services	900	-	-	900
Other outgo	47,245	-	-	47,245
Debt service				
Principal	643,908	-	1,349,693	1,993,601
Interest and other	91,101	-	2,197,427	2,288,528
Total Expenditures	174,879,932	7,288,181	30,615,285	212,783,398
Excess (Deficiency) of Revenues Over Expenditures	6,850,587	47,355	(4,702,921)	2,195,021
Other Financing Sources (Uses)				
Transfers in	526,801	-	693,088	1,219,889
Transfers out	(693,088)	-	(500,000)	(1,193,088)
Net Financing Sources (Uses)	(166,287)	-	193,088	26,801
NET CHANGE IN FUND BALANCES	6,684,300	47,355	(4,509,833)	2,221,822
Fund Balance - Beginning	16,653,200	312,742	19,410,933	36,376,875
Fund Balance - Ending	\$ 23,337,500	\$ 360,097	\$ 14,901,100	\$ 38,598,697

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009

Total Net Change in Fund Balances - Governmental Funds \$ 2,221,822

Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:

Capital outlays to purchase or build capital assets are reported in
governmental funds as expenditures; however, for governmental activities,
those costs are shown in the statement of net assets and allocated over
their estimated useful lives as annual depreciation expenses in the
statement of activities.

This is the amount by which depreciation exceed capital outlays in the period.

Depreciation expense

\$ (12,600,884)

Capital outlays

4,331,909

Net Expense Adjustment

(8,268,975)

In the governmental funds, the receipt of the special education mandate
settlement is reported as revenue in the year received. On the statement of
net assets, the settlement amount is recorded as a receivable and payment
received in the current year reduces the receivable amount and does not
affect the statement of activities.

(82,775)

In the statement of activities, certain operating expenses, such as
compensated absences (vacations) are measured by the amounts earned
during the year. In the governmental funds, however, expenditures for
these items are measured by the amount of financial resources used
(essentially, the amounts actually paid). Vacation used was less than
the amounts earned by \$50,310.

(50,310)

Amortization of bond premium is a revenue source in the statement of
activities, but is not recognized in the governmental funds.

61,112

Payment of capital leases is an expenditure in the governmental funds,
but it reduces long-term liabilities in the statement of net assets and
does not affect the statement of activities.

412,309

Payment of the principal of certificates of participation is an expenditure
in the governmental funds, but reduces the long-term liabilities in the
statement of net assets and does not affect the statement of activities.

95,000

Payment of the principal of general obligation bonds is an expenditure
in the governmental funds, but reduces the long-term liabilities in the
statement of net assets and does not affect the statement of activities.

1,230,000

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Payment of principal on energy service contract is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.	181,180
Payment of principal on State school building loan is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.	14,000
Interest on long-term debt is recorded as an expenditure in the funds when it is due; however, in the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. 34	,771
Accreted interest on capital appreciation bonds is not recorded in the governmental funds, but it increases the bond principals in the statement of net assets and increases interest expense in the statement of activities.	(982,535)
Contributions to the retiree benefit trust fund are recorded as an expense in the governmental funds when paid. However, the difference between the annual required contribution and the actual contribution made, if less, is recorded in the statement of activities as an expense. The actual amount of the contribution was less than the annual required contribution.	(3,441,731)
Supplemental employee retirement plan payment is an expenditure in the governmental funds, but it decreases the long-term liabilities in the statement of net assets and does not affect the statement of activities.	2,395,032
An internal service fund is used by the District's management to charge the costs of the various insurance programs to the individual funds. The net revenue of the internal service fund is reported with governmental activities.	3,934,405
Change in Net Assets of Governmental Activities	<u>\$ (2,246,695)</u>

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUND
STATEMENT OF NET ASSETS
JUNE 30, 2009**

	<u>Governmental Activities - Internal Service Fund</u>
ASSETS	
Current Assets	
Deposits and investments	\$ 18,248,242
Due from other funds	130,452
Total Current Assets	<u>18,378,694</u>
LIABILITIES	
Current Liabilities	
Accounts payable	741,643
Due to other funds	31,658
Claim liabilities	11,119,139
Total Current Liabilities	<u>11,892,440</u>
NET ASSETS	
Unrestricted	6,486,254
Total Net Assets	<u>\$ 6,486,254</u>

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
In-district contributions	<u>\$ 36,715,076</u>
OPERATING EXPENSES	
Payroll costs	174,950
Other operating cost	<u>32,685,091</u>
Total Operating Expenses	<u>32,860,041</u>
Operating Income	<u>3,855,035</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	106,171
Transfers out	<u>(26,801)</u>
Total Nonoperating Revenues (Expenses)	<u>79,370</u>
Change in Net Assets	<u>3,934,405</u>
Total Net Assets - Beginning	<u>2,551,849</u>
Total Net Assets - Ending	<u><u>\$ 6,486,254</u></u>

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from user charges	\$ 40,924,741
Cash payments for insurance claims	(33,489,241)
Net Cash provided by Operating Activities	<u>7,435,500</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers Out	<u>(26,801)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>106,171</u>
Net increase in Cash and Cash Equivalents	7,514,870
Cash and Cash Equivalents - Beginning	10,733,372
Cash and Cash Equivalents - Ending	<u>\$ 18,248,242</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 3,855,035
Changes in assets and liabilities:	
Receivables	340,117
Due from other funds	3,869,548
Accrued liabilities	(660,858)
Due to other fund	31,658
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 7,435,500</u>

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

FIDUCIARY FUNDS STATEMENT OF NET ASSETS JUNE 30, 2009

	Retiree Benefits Trust	Scholarship Trust	Agency Funds
ASSETS			
Deposits and investments	\$ 2,210,269	\$ 2,050,614	\$ 651,390
Due from other funds	263,090	5,500	-
Total Assets	<u>2,473,359</u>	<u>2,056,114</u>	<u>\$ 651,390</u>
LIABILITIES			
Accounts payable	-	232,775	\$ -
Due to student groups	-	-	651,390
Total Liabilities	<u>-</u>	<u>232,775</u>	<u>\$ 651,390</u>
NET ASSETS			
Unreserved	2,473,359	1,823,339	
Total Net Assets	<u>\$ 2,473,359</u>	<u>\$ 1,823,339</u>	

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

FIDUCIARY FUNDS

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009**

	Retiree Benefits Trust	Scholarship Trust
ADDITIONS		
Private donations	\$ -	\$ 172,683
District contributions	3,568,233	-
Investment income (loss)	(184,102)	37,590
Total Additions	<u>3,384,131</u>	<u>210,273</u>
DEDUCTIONS		
Benefit payments	3,176,532	-
Scholarships awarded	-	189,666
Total Deductions	<u>3,176,532</u>	<u>189,666</u>
Change in Net Assets	207,599	20,607
Net Assets - Beginning	<u>2,265,760</u>	<u>1,802,732</u>
Net Assets - Ending	<u>\$ 2,473,359</u>	<u>\$ 1,823,339</u>

The accompanying notes are an integral part of these financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Pajaro Valley Unified School District was unified in 1964 under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates sixteen elementary, six middle, three high school, two community day schools, one continuation high school, an adult education school, three childcare centers, a migrant center and five charter schools.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Pajaro Valley Unified School District, this includes general operations, food service, and student related activities of the District.

Component Units – Charter Schools

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component units have a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and thus are included in the financial statements of the District. The component units, although legally separate entities, are reported in the financial statements using the blended presentation method as if they were part of the District's operations because the governing board of the component units is essentially the same as the governing board of the District and because their purpose is to operate charter schools authorized by the District.

The District has approved Charters for Academic Vocational, Alianza Elementary, Linscott Elementary, Watsonville School of Arts and Pacific Coast Charter School pursuant to Education Code Section 47605. All Charter Schools are operated by the District and their financial activities are accounted for in the charter school special revenue fund.

Joint Powers Agencies and Public Entity Risk Pools The District is associated with Schools Association For Excess Risk (SAFER), School Alliance for Workers' Compensation Excess II (SAWCXII), public entity risk pools Benefit Liability Excess Fund (BeLiEF) that provides insurance coverages to the District. The organization does not meet the criteria for inclusion as component unit of the District. The District also participates in the Henry J. Mello Center for the Performing Arts Administration Agency (the JPA), through a joint powers agreement with the City of Watsonville and the District. Each member's board appoints three directors. The JPA was established for the purpose of administering all functions necessary for the operation and maintenance of the Performing Arts Center (the Center). On August 2, 1994, the JPA entered into a management, operation and maintenance agreement with the Pajaro Valley Performing Arts Association (PVPAA), a tax exempt, nonprofit public benefit corporation. The agreement was for a period of ten years and has been reviewed and continued annually, whereby, PVPAA shall operate the Center and perform all services reasonably required in connection with the management and operation of the Center. PVPAA shall pay costs and operating expenses of every kind pertaining to the Center's operation by PVPAA.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into three broad fund categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all Districts. It is used to account for the ordinary operations of a District. All transactions except those required or permitted by law to be in another fund are accounted for in this fund.

Cafeteria Fund The Cafeteria Fund is used to account separately for federal, State, and local resources to operate the food service program (*Education Code* sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code* Sections 38091 and 38100).

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue Funds are established to account for the proceeds from specific revenue sources (other than trusts or for major capital projects) that are restricted to the financing of particular activities:

Charter Schools Fund This fund may be used by authorizing Districts to account separately for the activities of District-operated charter schools that would otherwise be reported in the authorizing District's General Fund.

Adult Education Fund The Adult Education Fund is used to account separately for federal, State, and local revenues for adult education programs and is to be expended for adult education purposes only.

Child Development Fund The Child Development Fund is used to account separately for federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

Deferred Maintenance Fund The Deferred Maintenance Fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code* sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

Debt Service Funds The Debt Service Funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a District (*Education Code* sections 15125-15262).

Tax Override Fund The Tax Override Fund is used for the repayment of voted indebtedness (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levies.

Capital Project Funds The Capital Project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* sections 17620-17626. Expenditures are restricted to the purposes specified in *Government Code* sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

County School Facilities Fund The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The District applies all GASB pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Proprietary funds are classified as enterprise or internal service. The District has only one internal service fund, which is Self-Insurance fund.

Self-Insurance Fund Self-Insurance funds may be used to account for any activity for which goods or services are provided to other funds of the District in return for a fee to cover the cost of operations. The District operates workers' compensations, health, dental and vision programs that are accounted for in the Self-Insurance fund.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The district's fiduciary fund category is split into three classifications: retiree benefit trust funds, private-purpose scholarship trust funds and student body agency funds. Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the District's own programs. The District's trust funds are Retiree Benefits Trust and Private Purpose Scholarship Trust. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each governmental function and excludes fiduciary activity. Direct expenses are those that are specifically associated with a service, program, or department and are therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the Statement of Activities, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other activities result from special revenue funds and the restrictions on their net asset use.

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

Governmental Funds All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Proprietary Funds Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net assets. The statement of changes in fund net assets presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Fiduciary Funds Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 45 or 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose restrictions. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Revenue Deferred revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Certain grants received before the eligibility requirements are met are recorded as deferred revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as deferred revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

Investments

Investments held at June 30, 2009, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation.

Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures over the benefiting period.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental type funds and expenses in the proprietary type funds when used.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets of the District. The District maintains a capitalization threshold of \$25,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized, but are expensed as incurred.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide statement of net assets. The valuation basis for capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental column of the statement of net assets.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Compensated Absences

Accumulated unpaid vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide and proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and other long-term obligations are recognized as liabilities in the governmental fund financial statements when due.

Deferred Issuance Costs, Premiums and Discounts

In the government-wide financial statements, long-term debt obligations and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

Fund Balance Reserves and Designations

The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for revolving cash accounts, stores inventories, prepaid expenditures (expenses), and legally restricted grants and entitlements.

Designations of fund balances consist of that portion of the fund balance that has been designated (set aside) by the governing board to provide for specific purposes or uses.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are interfund insurance premium. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

Interfund Activity

Transfers between governmental and business-type activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental columns of the statement of activities.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1st of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on-behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Santa Cruz bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

New Accounting Pronouncements

In March 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The requirements of this Statement are effective for the financial statements for periods beginning after June 15, 2010. Early implementation is encouraged.

In April 2009, the GASB issued GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for State and local governments into the GASB authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of State and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles. GASB Statement No. 55 is effective immediately.

In April 2009, the GASB issued GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles – related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature. GASB Statement No. 56 is effective immediately.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2009, are classified in the accompanying financial statements as follows:

Governmental activities	\$20,150,913
Proprietary fund	18,248,242
Fiduciary funds	4,912,273
Total Deposits and Investments	<u>\$43,311,428</u>

Deposits and investments as of June 30, 2009, consist of the following:

Cash on hand and in banks	\$ 3,527,781
Cash in revolving	55,000
Investments	39,728,647
Total Deposits and Investments	<u>\$43,311,428</u>

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the county pool, U.S. Government bonds and mutual funds are not required to be rated, nor have they been rated as of June 30, 2009.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the county pool.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investment by maturity:

Investment Type	Cost	Fair Value	Weighted Average Maturity in Years
U.S. Government	\$ 19,900	\$ 27,388	0.00
Mutual Funds	1,616,040	1,616,040	0.00
County Pool	38,092,707	38,073,661	0.57
Total	<u>\$ 39,728,647</u>	<u>\$ 39,717,089</u>	

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2009, the District's bank balance of \$2,429,318 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District is exposed to custodial credit risk related to investments in the Santa Cruz County pool and the District's investments in mutual funds related to the trust fund of the retiree benefits because these investments are held by the counter party's name and not registered in the name of the District.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

NOTE 3 - RECEIVABLES

Receivables at June 30, 2009, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Cafeteria Fund	Non-Major Governmental Funds	Total
Federal Government				
Categorical aid	\$ 10,848,665	\$ 318,675	\$ 531,983	\$ 11,699,323
State Government				
Apportionment	10,868,105	-	605,449	11,473,554
Categorical aid	1,788,608	-	367,643	2,156,251
Lottery	1,105,895	-	75,463	1,181,358
Other Local Sources	674,052	-	152,285	826,337
Total	<u>\$ 25,285,325</u>	<u>\$ 318,675</u>	<u>\$ 1,732,823</u>	<u>\$ 27,336,823</u>

Additional long-term receivables include \$167,363 for a special education settlement with payments expected to be received annually over the next two years.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 17,055,144	\$ -	\$ -	\$ 17,055,144
Construction in Progress	57,166,180	3,596,155	59,921,633	840,702
Total Capital Assets Not Being Depreciated	74,221,324	3,596,155	59,921,633	17,895,846
Capital Assets Being Depreciated:				
Buildings and Improvements	192,694,747	60,577,653	-	253,272,400
Furniture and Equipment	4,006,536	79,734	-	4,086,270
Total Capital Assets Being Depreciated	196,701,283	60,657,387	-	257,358,670
Less Accumulated Depreciation:				
Buildings and Improvements	76,797,583	12,249,730	-	89,047,313
Furniture and Equipment	2,308,746	351,154	-	2,659,900
Total Accumulated Depreciation	79,106,329	12,600,884	-	91,707,213
Capital Assets Being Depreciated, Net	117,594,954	48,056,503	-	165,651,457
Governmental Activities Capital Assets, Net	<u>\$ 191,816,278</u>	<u>\$ 51,652,658</u>	<u>\$ 59,921,633</u>	<u>\$ 183,547,303</u>

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities

Instruction	\$ 7,288,360
Supervision of Instruction	1,137,869
Instructional Library & Media	189,609
School Site Administration	899,646
Home to School Transportation	415,555
Food Services	440,392
All Other Pupil Services	627,535
Ancillary Services	59,417
Community Services	57
All General Administration	412,005
Data Processing Services	99,381
Plant Services	1,031,058
Total Depreciation Expense - All Activities	<u>\$ 12,600,884</u>

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2009, between major and non-major governmental funds, proprietary funds and fiduciary funds are as follows:

Due From	Due To				Total
	General Fund	Non-Major Governmental Funds	Proprietary Funds	Fiduciary Funds	
General Fund	\$ -	\$ 92,990	\$ -	\$ 243,974	\$ 336,964
Cafeteria Fund	1,294,307	45	174	4,755	1,299,281
Non-Major Governmental Funds	756,267	232,387	130,278	19,861	1,138,793
Proprietary Funds	31,658	-	-	-	31,658
Total	<u>\$ 2,082,232</u>	<u>\$ 325,422</u>	<u>\$ 130,452</u>	<u>\$ 268,590</u>	<u>\$ 2,806,696</u>

The balances are resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Operating Transfers

Interfund transfers for the year ended June 30, 2009, consisted of the following:

Transfer From	Transfer To		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 693,088	\$ 693,088
Non-Major Governmental Funds	500,000	-	500,000
Internal Service Funds	26,801	-	26,801
Total	<u>\$ 526,801</u>	<u>\$ 693,088</u>	<u>\$ 1,219,889</u>

The General Fund transferred to the Charter Schools for Supplemental School Counseling Programs.

\$ 303,251

The General Fund transferred to the Adult Fund for contributions

101,160

The General Fund transferred CalSafe funds to the Child Development Fund

22,212

The General Fund transferred to the Deferred Maintenance Fund for State Match.

266,465

The Adult Fund transferred to the General Fund for allowable transfers under the State's Flexibility Options

500,000

The Self Insurance Fund transferred to the General Fund for cost reimbursement.

26,801

Total

\$ 1,219,889

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2009, consisted of the following:

	General Fund	Cafeteria Fund	Non-Major Governmental Funds	Total	Proprietary Funds	Fiduciary Funds
Vendor payables	\$ 2,080,739	\$ 28,423	\$ 555,107	\$ 2,664,269	\$ 741,643	\$ 232,775
State apportionment	56,926	-	-	56,926	-	-
Salaries and benefits	938,608	8,880	485,048	1,432,536	-	-
Total	<u>\$ 3,076,273</u>	<u>\$ 37,303</u>	<u>\$ 1,040,155</u>	<u>\$ 4,153,731</u>	<u>\$ 741,643</u>	<u>\$ 232,775</u>

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 7 - DEFERRED REVENUE

Deferred revenue at June 30, 2009, consists of the following:

	General Fund	Non-Major Governmental Funds	Total
Federal financial assistance	\$ 4,041,260	\$ -	\$ 4,041,260
State categorical aid	152,542	-	152,542
Other local	1,198,734	40,213	1,238,947
Total	\$ 5,392,536	\$ 40,213	\$ 5,432,749

NOTE 8 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the year consisted of the following:

	Balance June 30, 2008	Accretion/ Additions	Deductions	Balance June 30, 2009	Due in One Year
General obligation bonds	\$59,446,187	\$ 982,535	\$1,230,000	\$ 59,198,722	\$ 1,385,000
Bond premium	889,129	-	61,112	828,017	61,112
State school building loans	14,000	-	14,000	-	-
Certificates of participation	3,015,000	-	95,000	2,920,000	100,000
Accumulated vacation - net	1,554,959	50,310	-	1,605,269	-
Capital leases	1,693,746	-	412,309	1,281,437	393,158
Energy service contract	543,540	-	181,180	362,360	181,180
Other Post Employment Benefits	3,554,227	3,441,731	-	6,995,958	-
Supplemental employees retirement benefits	8,399,208	-	2,395,032	6,004,176	1,759,256
Total	\$79,109,996	\$ 4,474,576	\$4,388,633	\$ 79,195,939	\$ 3,879,706

Payments on the general obligation bonds are made by the bond interest and redemption fund with local revenues. Certificate of Participation payments are made by capital facilities fund. Payments on the capital leases are paid by the general fund, the charter school fund and the capital facilities funds. The state building loan and the energy service contract payments are made by the general fund. Accumulated vacation and supplemental employees retirement benefits are paid by the funds for which the employees worked.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds		Redeemed	Bonds
				Outstanding June 30, 2008	Accreted/ Issued		Outstanding June 30, 2009
2005	2023	3-5.31%	\$ 40,215,000	\$ 38,565,000	\$ -	\$ 1,170,000	\$ 37,395,000
2005	2030	3-5.31%	18,254,288	20,881,187	982,535	60,000	21,803,722
				<u>\$ 59,446,187</u>	<u>\$ 982,535</u>	<u>\$ 1,230,000</u>	<u>\$ 59,198,722</u>

Debt Service Requirements to Maturity

The bonds mature through 2030 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2010	\$ 1,385,000	\$ 2,051,201	\$ 3,436,201
2011	1,560,000	1,990,382	3,550,382
2012	1,755,000	1,912,976	3,667,976
2013	1,970,000	1,822,251	3,792,251
2014	2,200,000	1,720,626	3,920,626
2015-2019	15,085,000	6,575,971	21,660,971
2020-2024	19,696,513	5,827,625	25,524,138
2025-2029	10,062,776	20,027,224	30,090,000
2030	1,874,998	4,790,002	6,665,000
Sub Total	55,589,287	<u>\$ 46,718,258</u>	<u>\$ 102,307,545</u>
Accretion to date	3,609,435		
Total general obligation bonds	<u>\$ 59,198,722</u>		

State and Public School Building Loans

The Watsonville Charter School received \$70,000 in loans from the State with an interest rate of 1.61 percent. State school building loans was paid off as of June 30, 2009.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Certificates of Participation

In October 1, 2000, the Pajaro Valley Unified School District issued certificates of participation in the amount of \$13,000,000 with interest rates ranging from 2.9 to 4.5 percent, of which \$11,000,000 was redeemed in fiscal year ending June 30, 2003. At June 30, 2009, the principal balance outstanding was \$1,450,000. During the current year the District redeemed \$35,000 of the outstanding certificates.

In April 5, 2005, the Pajaro Valley Unified School District issued certificates of participation in the amount of \$1,645,000 to finance construction related to the Adult Education Center. At June 30, 2009, the principal balance outstanding was \$1,470,000. During the current year the District redeemed \$60,000 of the outstanding certificates.

The certificates mature through 2033 as follows:

Year Ending June 30,	Principal	Interest	Total
2010	\$ 100,000	\$ 115,996	\$ 215,996
2011	100,000	112,614	212,614
2012	105,000	109,009	214,009
2013	110,000	105,088	215,088
2014	110,000	100,994	210,994
2015-2019	650,000	431,359	1,081,359
2020-2024	815,000	281,597	1,096,597
2025-2029	630,000	112,575	742,575
2030-2033	300,000	18,400	318,400
Subtotal	<u>\$ 2,920,000</u>	<u>\$ 1,387,632</u>	<u>\$ 4,307,632</u>

Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2009, amounted to \$1,605,269.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

Capital Leases

The District's liability on lease agreements with options to purchase are summarized below:

	Porter Building	Bus and SIS System	VoIP	Cafeteria Portables	7 Year Portable	Total
Balance, July 1, 2008	\$ 646,571	\$ 911,150	\$ 288,300	\$ 57,292	\$ 38,709	\$ 1,942,022
Payments	92,368	204,679	144,150	14,323	38,709	494,229
Balance, July 1, 2009	<u>\$ 554,203</u>	<u>\$ 706,471</u>	<u>\$ 144,150</u>	<u>\$ 42,969</u>	<u>\$ -</u>	<u>\$ 1,447,793</u>

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2010	\$ 455,520
2011	311,370
2012	311,370
2013	184,802
2014	92,368
2015	92,363
Total	<u>1,447,793</u>
Less: Amount Representing Interest	<u>166,356</u>
Present Value of Minimum Lease Payments	<u>\$ 1,281,437</u>

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Energy Service Contract

The Energy Service Contract has minimum lease payments as follows:

Year Ending June 30,	Payment
2010	\$ 181,180
2011	181,180
Total	<u>\$ 362,360</u>

Supplemental Employees Retirement Plan (SERP)

The Supplemental Employees Retirement Plan balances outstanding as of June 30, 2009, are as follows:

Year Ending June 30,	2006 Plan	2007 Plan	Total
2010	\$ 516,424	\$ 1,242,832	\$ 1,759,256
2011	516,424	1,242,832	1,759,256
2012	-	1,242,832	1,242,832
2013	-	1,242,832	1,242,832
Subtotal	<u>\$ 1,032,848</u>	<u>\$ 4,971,328</u>	<u>\$ 6,004,176</u>

Defeased Debt

In 2005, The District defeased the 2002, Series A bond in the amount of \$39,995,542 by creating an irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the District's Long Term Obligations. As of June 30, 2009, the amount on deposit to service the defeased debt outstanding that was removed from the Long Term Debt Obligations amounted to \$37,708,061

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 9 - FUND BALANCES

Fund balances with reservations and designations are composed of the following elements:

	General Fund	Cafeteria Fund	Non-Major Governmental Funds	Total
Reserved				
Revolving cash	\$ 55,000	\$ -	\$ -	\$ 55,000
Stores inventory	236,159	175,118	-	411,277
Prepaid expenditures	652,414	1,134	-	653,548
Restricted programs	14,079,410	-	-	14,079,410
Total Reserved	15,022,983	176,252	-	15,199,235
Unreserved				
Designated				
Other designation	1,759,167	-	-	1,759,167
Undesignated	6,555,350	183,845	14,901,100	21,640,295
Total Unreserved	8,314,517	183,845	14,901,100	23,399,462
Total	\$ 23,337,500	\$ 360,097	\$ 14,901,100	\$ 38,598,697

NOTE 10 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

Plan Description

The Postemployment Benefit Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Pajaro Valley Unified School District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 239 retirees and beneficiaries currently receiving benefits and 2,032 active plan members. The Plan is presented in these financial statements as the Retiree Benefits Trust Fund. Separate financial statements are not prepared for the Trust.

Contribution Information

The contribution requirements of plan members and the District are established and may be amended by the District and the Teachers Association (PVFT), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District, PVFT, CSEA and the unrepresented groups. For fiscal year 2008-09, the District contributed \$2,835,897 to the plan, all of which was used for current premiums (approximately 100% percent of total premiums incurred by retirees plus one eligible dependent).

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Plan:

Annual required contribution	\$ 5,591,273
Interest on net OPEB obligation	686,321
Annual OPEB cost (expense)	6,277,594
Contributions made	2,835,863
Increase in net OPEB obligation	3,441,731
Net OPEB obligation, beginning of year	3,554,227
Net OPEB obligation, end of year	<u>\$ 6,995,958</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 was as follows:

Year Ended June 30, 2009	Annual Required Contribution	Amount Contributed	Percentage Contributed	Net OPEB Obligation
2009	\$ 5,591,273	\$ 2,835,863	50.72%	\$ 6,995,958

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

In the March 1, 2009, actuarial valuation, the Entry age normal actuarial cost method was used. The actuarial assumptions included a 7% percent investment rate of return (net of administrative expenses), based on the plan being funded in an irrevocable employee benefit trust invested in a combined equity and fixed income portfolio. Healthcare, dental, and vision cost trend rates were averaged at 4% percent. The UAAL is being amortized at a level dollar method. The remaining amortization period at July 1, 2009, was 28 years. The actuarial value of assets as of March 1, 2009 was \$2,473,359.

NOTE 11 - RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2009, the District contracted with Schools Association For Excess Risk for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

The District's worker's compensation activities are recorded in the Internal Service Fund. The purpose of the fund is to administer workers' compensation on a cost reimbursement basis. The program accounts for the risk financing activities of the District.

Coverage provided by the Schools Excess Liability Fund for Excess Property and Liability and the Pajaro Valley Unified School District Worker's Compensation Self-Insurance Program is as follows:

Insurance Program / Company Name	Type of Coverage	Limits
Pajaro Valley Unified School District Workers' Compensation Self-Insurance Program	Workers' Compensation	\$ 500,000
School Alliance Workers' Compensation Excess	Excess Workers' Compensation	State Statutory Limit
Benefit Liability Excess Fund	Excess Medical	\$ 260,000
Schools Association For Excess Risk	Excess Liability	\$ 24,000,000
Schools Association For Excess Risk	Excess Property	\$ 250,000,000

Claims Liabilities

The District records an estimated liability for workers' compensation, health care, dental and vision. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred, but not reported based on historical experience.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

Unpaid Claims Liabilities

The fund establishes a liability for both reported and unreported events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represent the changes in approximate aggregate liabilities for the District from July 1, 2007 to June 30, 2009:

Liability Balance, July 1, 2007	\$ 7,677,815
Claims and changes in estimates	37,415,921
Claims payments	(33,230,705)
Liability Balance, June 30, 2008	11,863,031
Claims and changes in estimates	33,604,022
Claims payments	(34,347,914)
Liability Balance, June 30, 2009	\$ 11,119,139
Assets available to pay claims at June 30, 2009	\$ 17,605,393

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

CalSTRS

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7667 Folsom Blvd., Sacramento, CA 95826.

Funding Policy

Active plan members are required to contribute 8.0 percent of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2008-2009 was 8.25 percent of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalSTRS for the fiscal years ending June 30, 2009, 2008, and 2007, were \$6,424,847, \$6,831,967, \$6,589,272, respectively, and equal 100 percent of the required contributions for each year.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

CalPERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Funding Policy

Active plan members are required to contribute 7.0 percent of their salary. At Pajaro Valley Unified School District, the district contributes the 7.0 percent on their behalf. The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2008-2009 was 9.428 percent of covered payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2009, 2008, and 2007, were \$2,727,014, \$2,694,851, and \$2,467,327, respectively, and equal 100 percent of the required contributions for each year.

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the Social Security as its alternative plan.

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to STRS in the amount of \$3,514,843, \$3,737,435 and \$3,604,560, respectively, for 2009, 2008 and 2007 (4.517 percent of annual payroll for 2009, 2008 and 2007, respectively). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures, however, guidance received from the California Department of Education advises local educational agencies not to record these amounts in the Annual Financial and Budget Report. These amounts have not been included in the actual amounts reported in the General Fund Budgetary Comparison Schedule. These amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2009.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the district at June 30, 2009.

Construction Commitments

As of June 30, 2009, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Aptos High	\$ 31,286	8/30/2010
E.A. Hall Middle School	2,290,845	4/30/2011
Aptos High	455,451	8/30/2010
Watsonville High	1,909,598	8/30/2010
	<u>\$ 4,687,180</u>	

NOTE 14 PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District is a member of the Schools Association For Excess Risk (SAFER), School Alliance for Workers' Compensation Excess II (SAWCXII), Benefit Liability Excess Fund (BeLiEF) public entity risk pools. The District pays an annual premium to the applicable entity for its property and liability coverage, excess workers' compensation and excess medical insurance. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

The JPA has a budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. During the year ended June 30, 2009, the District made payments of \$290,417 to SAWCXII for excess workers' compensation insurance, \$1,545,443 to BeLiEF for excess medical insurance and \$736,570 to SAFER for excess property and liability insurance.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009

NOTE 15 – SUBSEQUENT EVENT

On July 28, 2009 Governor Schwarzenegger signed a package of bills amending the 2008-09 and 2009-10 California State budgets. The budget amendments were designed to address the State's budget gap of \$24 billion that had developed as a result of the deepening recession since the State's last budget actions in February 2009.

The July budget package reduced, on a State-wide basis, \$1.6 billion in 2008-09 Proposition 98 funding through a reversion of undistributed categorical program balances. The budget language identified 51 specific programs and required the amounts associated with these programs that were "unallocated, unexpended, or not liquidated as of June 30, 2009 to revert to the State's General Fund. The July budget package also provided an appropriation in 2009-10 to backfill \$1.5 billion of these cuts to repay the 2008-09 reversion of the undistributed categorical program balances.

The District recorded the revenue and related receivables associated with the District's portion of the categorical program balances identified in the July 2009 State Budget package. In accordance with the requirements of Governmental Accounting Standards Board Statement No. 33, because these amounts are considered to be re-appropriated to fiscal year 2009-10, these amounts were removed from State revenues and related receivables in the amount of \$4,609,282, \$920,553, \$131,192, \$251,656 and \$23,856 in the General Fund, Charter School Fund, Adult Education Fund, Child Development Fund and the Cafeteria Fund, respectively. However, the adjustment to the General Fund reduced the unrestricted fund balance by \$4,341,745 because there was \$267,537 available in fund balances in these categorical programs.

REQUIRED SUPPLEMENTARY INFORMATION

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

GENERAL FUND BUDGETARY COMPARISON SCHEDULE FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Variances-Favorable (Unfavorable)	
	(GAAP Basis)		Actual (GAAP Basis)	Final to Actual
	Original	Final		
REVENUES				
Revenue limit sources	\$ 98,365,884	\$ 92,092,146	\$ 97,647,768	\$ 5,555,622
Federal sources	20,884,745	28,230,480	33,452,552	5,222,072
Other State sources	46,367,169	47,424,941	43,571,790	(3,853,151)
Other local sources	2,082,396	3,456,937	3,543,566	86,629
Total Revenues ¹	167,700,194	171,204,504	178,215,676	7,011,172
EXPENDITURES				
Instruction	102,342,614	103,575,085	101,948,397	1,626,688
Instruction-related activities:				
Supervision of instruction	14,409,151	17,699,314	15,914,886	1,784,428
Instructional library, media, and technology	1,684,822	2,666,585	2,537,659	128,926
School site administration	10,473,994	10,363,455	10,300,450	63,005
Pupil services:				
Home-to-school transportation	7,076,259	6,412,840	6,589,678	(176,838)
Food services	18,349	23,432	18,745	4,687
All other pupil services	9,353,077	9,027,579	9,121,699	(94,120)
Administration:				
Data processing	1,023,983	1,349,075	1,575,935	(226,860)
All other administration	5,865,286	5,725,377	5,580,613	144,764
Plant services	14,284,502	15,104,567	14,756,996	347,571
Facility acquisition and construction	232,011	1,331,456	1,308,684	22,772
Ancillary services	753,102	846,589	928,193	(81,604)
Community services	-	-	900	(900)
Other outgo	50,000	47,245	47,245	-
Debt service				
Principal	515,937	549,024	643,908	(94,884)
Interest	89,955	147,127	91,101	56,026
Total Expenditures ¹	168,173,042	174,868,750	171,365,089	3,503,661
Excess (Deficiency) of Revenues Over Expenditures	(472,848)	(3,664,246)	6,850,587	10,514,833
Other Financing Sources (Uses)				
Transfers in	50,000	2,980,166	526,801	(2,453,365)
Transfers out	(101,160)	(2,988,328)	(693,088)	2,295,240
Net Financing Sources (Uses)	(51,160)	(8,162)	(166,287)	(158,125)
NET CHANGE IN FUND BALANCES	(524,008)	(3,672,408)	6,684,300	10,356,708
Fund Balance - Beginning	16,653,200	16,653,200	16,653,200	-
Fund Balance - Ending	<u>\$ 16,129,192</u>	<u>\$ 12,980,792</u>	<u>\$ 23,337,500</u>	<u>\$ 10,356,708</u>

¹ On behalf payments of \$3,514,843 in the General Fund are excluded in the actual revenues and expenditures, but have been included in the basic financial statements.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING
PROGRESS
FOR THE YEAR ENDED JUNE 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
June 30, 2009	\$ 2,473,359	\$ 65,626,213	\$ 51,938,570	3.77%	\$ 114,434,798	45.39%

SUPPLEMENTARY INFORMATION

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through California Department of Education (CDE):			
Adult Education Act:			
Adult Basic Education & ESL	84.002A	14508	\$ 129,437
Priority 5, Adult Secondary Education	84.002	13978	12,695
English Literacy & Civics Education	84.002A	14109	74,632
No Child Left Behind Act:			
Title I-Basic Grants Low-Income and Neglected	84.010	14329	4,245,165
Title I- Part A, Program Improvement LEA Corrective Action, Extensive Performance Problems	84.010	14955	415,949
Title I-Reading First Program	84.357	14328	1,133,106
Title I-Migrant Ed (Regular and Summer Program)	84.011	14326	5,027,137
Title I-Even Start Migrant Ed	84.214	14768	298,139
Title II-Teacher Quality	84.367	14341	1,142,735
Title II-Enhancing Education Through Technology			
Formula Grants	84.318	14334	16,505
Competitive Grants	84.318	14368	234,031
Title II-CA Mathematics and Science Partnerships	84.366	14512	581,180
Title III-Limited English Proficiency Student	84.365	10084	1,176,860
Title IV-Drug-Free Schools	84.186	14347	80,798
Title IV-21st Century Community Centers Learning	84.287	14535	2,878,881
Title V-Innovative Education Strategies	84.298A	14354	33,745
Title X McKinney-Vento Homeless Assistance	84.196	14332	130,000
Safe and Drug Free Schools	84.186	14378	2,145,758
LEA	84.000	1	319,313
Individuals with Disability Act:			
Basic Local Assistance Entitlement	84.027	13379	3,288,677
Preschool Grants	84.173	13430	181,132
Preschool Local Entitlement	84.027A	13682	345,842
Preschool Staff Development	84.173A	13431	1,218
Early Intervention Grants	84.181	23761	246,523
Workability II	84.158	10006	202,019
California Preschool Instructional Network	84.173	14530	7,247
ARRA: Basic Assistance	84.391	15003	768,243
Title III-Bilingual Education Discretionary Grants	84.290	10008	119,993
Vocational Programs (Carl Perkins Act)			
Vocational and Applied Sex Bias	84.048	13923	14,354
Vocational and Applied Tech Secondary	84.048	13924	138,984
Subtotal			<u>25,390,298</u>

See accompanying note to supplementary information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Education:			
Child Development			
School-Age Child Care Resource Contracts	93.575	13941	2,025
Head Start	93.600	10016	6,124,961
Medi-Cal Billing Option	93.778	10013	384,788
Subtotal			<u>6,511,774</u>
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education:			
Child Nutrition Act:			
National School Lunch Program	10.555	13396	4,317,628
National School Breakfast	10.553	13390	3,082
Meal Supplements	10.553	13390	442,622
Especially Needy Breakfast	10.553	13526	673,084
Child and Adult Care Food Program	10.558	23165	214,936
Fresh Fruits and Vegetables	10.558	14968	69,677
Commodity grants at fair market value ²	10.555	13396	303,195
Subtotal			<u>6,024,224</u>
Total Expenditures of Federal Awards			<u>\$37,926,296</u>

¹ Pass-Through Entity Identifying Number not available

² Not recorded in the financial statements

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE JUNE 30, 2009

ORGANIZATION

The Pajaro Valley Unified School District was established in 1964 and consists of an area comprising approximately 150 square miles. The District operates sixteen elementary, six middle, three high schools, two community day school, one continuation high school, an adult education school, three childcare centers, a migrant center and five charter schools.

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Leslie De Rose	President	2010
Libby Wilson	Vice President	2010
Doug Keegan	Member	2010
Karen Osmundson	Member	2012
Sandra Nichols	Member	2012
Willie Yahiro	Member	2010
Kim Turley	Member	2012

ADMINISTRATION

Dorma Baker	Superintendent
Mary Hart	Associate Superintendent, Business

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2009

	Second Period Report	Annual Report
ELEMENTARY		
Kindergarten	1,420	1,420
First through third	4,085	4,084
Fourth through sixth	3,743	3,749
Seventh and eighth	2,447	2,443
Home and hospital	4	4
Special education	299	302
Total Elementary	11,998	12,002
SECONDARY		
Regular classes	4,626	4,579
Continuation education	170	173
Home and hospital	2	2
Community day schools	72	64
Special education	164	164
Total Secondary	5,034	4,982
Total K-12	17,032	16,984
CLASSES FOR ADULTS		
Concurrently enrolled	9	9
Not concurrently enrolled	1,170	1,131
Adults in correctional facilities	45	41
Total Classes for Adults	1,224	1,181
CHARTER SCHOOL		
Classroom based	1,432	1,430
Non-classroom based	89	88
Total Charter Schools	1,521	1,518
Grand Total	19,777	19,683
SUMMER SCHOOL		Hours of Attendance
Elementary		737,307
High school		234,815
Total Hours		972,122

See accompanying note to supplementary information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME FOR THE YEAR ENDED JUNE 30, 2009

Grade Level	1982-83 Actual Minutes	1986-87 Minutes Requirement	2008-2009 Actual Minutes	Number of Days Traditional Calendar	Status
Kindergarten	31,500	36,000	36,000	180	In Compliance
Grades 1 - 3					
Grade 1	42,000	50,400	50,520	180	In Compliance
Grade 2	42,000	50,400	50,520	180	In Compliance
Grade 3	42,000	50,400	50,520	180	In Compliance
Grades 4 - 6					
Grade 4	52,500	54,000	54,068	180	In Compliance
Grade 5	52,500	54,000	54,068	180	In Compliance
Grade 6	52,500	54,000	54,068	180	In Compliance
Grades 7 - 8					
Grade 7	52,500	54,000	55,800	180	In Compliance
Grade 8	52,500	54,000	55,800	180	In Compliance
Grades 9 - 12					
Grade 9	64,800	64,800	65,134	180	In Compliance
Grade 10	64,800	64,800	65,134	180	In Compliance
Grade 11	64,800	64,800	65,134	180	In Compliance
Grade 12	64,800	64,800	65,134	180	In Compliance

See accompanying note to supplementary information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2009

Summarized below are the fund balance reconciliations between the Unaudited Actual Financial Report and the audited financial statements. With regards to the adjustments to State Categorical Receivables, the District recorded the revenue and related receivable associated with its portion of the 2008-09 un-liquidated categorical program. These balances were identified in the 2009-10 State budget as an over apportionment that will be reduced from the District's revenue limit calculation for 2010 fiscal year. In accordance with Governmental Accounting Standards Board Statement No. 33, an adjustment to reduce revenues and the related receivable have been included in these financial statements. See Note 15, Subsequent Events.

	General Fund	Charter Schools Fund	Adult Education Fund
FUND BALANCE: Proprietary Funds			
Balance, June 30, 2009, Unaudited Actuals	\$ 25,939,172	\$2,331,375	\$ 487,267
Decrease in:			
Accounts Receivable - Categoricals	(4,609,282)	(920,553)	(131,192)
Accounts Receivable - Apportionment	1,779,945	-	-
Accounts Receivable - CSR	495,794	-	-
Accounts Payable	(56,926)	-	-
Due To/From Other Funds	(211,203)	-	-
Balance, June 30, 2009, Audited Financial Statements	<u>\$ 23,337,500</u>	<u>\$1,410,822</u>	<u>\$ 356,075</u>

	Child Development Fund	Cafeteria Fund	Internal Service Fund
FUND BALANCE: Proprietary Funds			
Balance, June 30, 2009, Unaudited Actuals	\$ 270,877	\$ 383,953	\$5,742,272
Decrease in:			
Accounts Receivable - Categoricals	(251,656)	(23,856)	-
Claim Liabilities	-	-	743,982
Balance, June 30, 2009, Audited Financial Statements	<u>\$ 19,221</u>	<u>\$ 360,097</u>	<u>\$6,486,254</u>

See accompanying note to supplementary information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

	(Budget) 2010 ¹	2009	2008	2007
GENERAL FUND				
Revenues	\$ 156,306,490	\$ 181,730,519	\$ 185,110,526	\$ 181,652,641
Other sources and transfers in	7,768,533	526,801	30,000	1,367,466
Total Revenues and Other Sources	164,075,023	182,257,320	185,140,526	183,020,107
Expenditures	164,531,977	174,879,932	184,871,556	179,845,494
Other uses and transfers out	11,233,817	693,088	894,929	1,070,536
Total Expenditures and Other Uses	175,765,794	175,573,020	185,766,485	180,916,030
INCREASE (DECREASE) IN FUND BALANCE	\$ (11,690,771)	\$ 6,684,300	\$ (625,959)	\$ 2,104,077
ENDING FUND BALANCE	\$ 11,646,729	\$ 23,337,500	\$ 16,653,200	\$ 17,279,159
AVAILABLE RESERVES ^{2,5}	\$ 4,103,818	\$ 10,897,095	\$ 6,977,985	\$ 7,263,611
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO ³	2.33%	6.33%	3.83%	4.09%
LONG-TERM DEBT	\$ 75,316,233	\$ 79,195,939	\$ 79,109,996	\$ 71,478,750
K-12 AVERAGE DAILY ATTENDANCE AT P-2 ⁴	16,982	17,063	17,011	16,816

The General Fund balance has increased by \$6,058,341 over the past two years. The fiscal year 2009-2010 budget projects a decrease of \$11,690,771. For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred two operating surpluses in the past three years and one operating deficit, but anticipates incurring an operating deficit during the 2009-2010 fiscal year. Total long-term obligations have increased by \$7,717,189 over the past two years.

Average daily attendance has increased by 247 over the past two years. Decline of 81 ADA is anticipated during fiscal year 2009-2010.

¹ Budget 2010 is included for analytical purposes only and has not been subjected to audit.

² Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund.

³ On-behalf payments of \$3,514,843, \$3,344,622 and \$3,204,400 in the General Fund have been excluded from the calculation of available reserves percentage for fiscal years ending June 30, 2009, 2008, and 2007, respectively.

⁴ Excludes Adult Education and Charter Schools ADA.

⁵ Included in available reserves, as allowed by State Guidelines, were \$4,341,745 for categorical receivables that were adjusted out in the current year. See Note 15 for further information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2009

<u>Name of Charter School</u>	<u>Included in Audit Report</u>
Academic Vocational	Yes
Alianza Elementary	Yes
Linscott Elementary	Yes
Pacific Coast Charter School	Yes
Watsonville School of Arts	Yes
Ceiba Charter School	No

See accompanying note to supplementary information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

CHARTER SCHOOLS SCHEDULE OF CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2009

	Linscott Elementary	Watsonville School of Arts	Pacific Coast Charter School	Alianza Elementary	Academic Vocational	Total
Fund balance, beginning	\$ 191,343	\$ (29,552)	\$ 604,316	\$1,126,046	\$ 596	\$1,892,749
Revenues *	1,463,062	1,935,629	1,869,987	4,176,280	537,574	9,982,532
Expenditures	(1,329,633)	(1,889,263)	(1,704,247)	(3,988,433)	(632,330)	(9,543,906)
Fund balance, ending	<u>\$ 324,772</u>	<u>\$ 16,814</u>	<u>\$ 770,056</u>	<u>\$1,313,893</u>	<u>\$ (94,160)</u>	<u>\$2,331,375</u>

* Excluded from this schedule is the adjustment related to the State categoricals in the amount of \$920,553

See accompanying note to supplementary information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

FIRST 5 MONTEREY GRANT
SCHEDULE OF GRANT REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

Grantor/Program	Revenue	Expenditures
First 5 Monterey	\$ 110,557	\$ 110,557

See accompanying note to supplementary information.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

**NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2009**

	Charter School Fund	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund
ASSETS				
Deposits and investments	\$ 871,521	\$ 783,429	\$ 275,169	\$ 4,817,971
Receivables	680,912	388,624	663,287	-
Due from other funds	92,990	172,931	9,409	-
Total Assets	\$ 1,645,423	\$ 1,344,984	\$ 947,865	\$ 4,817,971
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 48,238	\$ 309,057	\$ 666,857	\$ 3,825
Due to other funds	186,363	668,223	233,202	913
Deferred revenue	-	11,629	28,584	-
Total Liabilities	234,601	988,909	928,643	4,738
Fund Balances:				
Unreserved:				
Undesignated, reported in:				
Special revenue funds	1,410,822	356,075	19,222	4,813,233
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Total Fund Balance	1,410,822	356,075	19,222	4,813,233
Total Liabilities and Fund Balances	\$ 1,645,423	\$ 1,344,984	\$ 947,865	\$ 4,817,971

See accompanying note to supplementary information

Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Tax Override Fund	Total Non-Major Governmental Funds
\$ 4,647,848	\$ 498,842	\$ 525,298	\$ 2,610,893	\$ 31,045	\$ 15,062,016
-	-	-	-	-	1,732,823
50,092	-	-	-	-	325,422
<u>\$ 4,697,940</u>	<u>\$ 498,842</u>	<u>\$ 525,298</u>	<u>\$ 2,610,893</u>	<u>\$ 31,045</u>	<u>\$ 17,120,261</u>
\$ 4,462	\$ 7,716	\$ -	\$ -	\$ -	\$ 1,040,155
-	-	50,092	-	-	1,138,793
-	-	-	-	-	40,213
<u>4,462</u>	<u>7,716</u>	<u>50,092</u>	<u>-</u>	<u>-</u>	<u>2,219,161</u>
-	-	-	-	-	6,599,352
-	-	-	2,610,893	31,045	2,641,938
4,693,478	491,126	475,206	-	-	5,659,810
<u>4,693,478</u>	<u>491,126</u>	<u>475,206</u>	<u>2,610,893</u>	<u>31,045</u>	<u>14,901,100</u>
<u>\$ 4,697,940</u>	<u>\$ 498,842</u>	<u>\$ 525,298</u>	<u>\$ 2,610,893</u>	<u>\$ 31,045</u>	<u>\$ 17,120,261</u>

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2009

	Charter School Fund	Adult Education Fund	Child Development Fund	Deferred Maintenance Fund
REVENUES				
Revenue limit sources	\$ 7,816,931	\$ -	\$ -	\$ -
Federal sources	-	216,764	6,134,233	-
Other State sources	858,614	2,668,014	2,809,305	608,846
Other local sources	39,650	239,310	327,743	86,940
Total Revenues	8,715,195	3,124,088	9,271,281	695,786
EXPENDITURES				
Current				
Instruction	5,701,732	1,871,515	6,053,743	-
Instruction-related activities:				
Supervision of instruction	123,707	480,733	1,524,475	-
Instructional library, media, and technology	205,243	66,532	197,299	-
School site administration	3,153,199	735,198	77,322	-
Pupil services:				
Food services	-	-	20,208	-
All other pupil services	3,633	14,241	811,590	-
Administration:				
All other administration	-	142,399	466,759	-
Plant services	253,371	121,081	419,494	208,718
Facility acquisition and construction	16,948	-	23,721	713,754
Ancillary services	14,019	-	-	-
Debt service				
Principal	24,693	95,000	-	-
Interest and other	3,828	117,939	-	-
Total Expenditures	9,500,373	3,644,638	9,594,611	922,472
Excess (Deficiency) of				
Revenues Over Expenditures	(785,178)	(520,550)	(323,330)	(226,686)
Other Financing Sources (Uses)				
Transfers in	303,251	101,160	22,212	266,465
Transfers out	-	(500,000)	-	-
Net Financing Sources (Uses)	303,251	(398,840)	22,212	266,465
NET CHANGE IN FUND BALANCES	(481,927)	(919,390)	(301,118)	39,779
Fund Balance - Beginning	1,892,749	1,275,465	320,340	4,773,454
Fund Balance - Ending	\$ 1,410,822	\$ 356,075	\$ 19,222	\$ 4,813,233

See accompanying note to supplementary information

Building Fund	Capital Facilities Fund	County School Facilities Fund	Bond Interest and Redemption Fund	Tax Override Fund	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,816,931
-	-	-	-	-	6,350,997
-	-	-	26,982	-	6,971,761
113,354	607,834	11,337	3,346,507	-	4,772,675
113,354	607,834	11,337	3,373,489	-	25,912,364
-	-	-	-	-	13,626,990
-	-	-	-	-	2,128,915
-	-	-	-	-	469,074
-	-	-	-	-	3,965,719
-	-	-	-	-	20,208
-	-	-	-	-	829,464
-	-	-	-	-	609,158
-	462,641	-	-	-	1,465,305
2,308,209	810,337	66,344	-	-	3,939,313
-	-	-	-	-	14,019
-	-	-	1,230,000	-	1,349,693
(22,402)	-	-	2,098,062	-	2,197,427
2,285,807	1,272,978	66,344	3,328,062	-	30,615,285
(2,172,453)	(665,144)	(55,007)	45,427	-	(4,702,921)
-	-	-	-	-	693,088
-	-	-	-	-	(500,000)
-	-	-	-	-	193,088
(2,172,453)	(665,144)	(55,007)	45,427	-	(4,509,833)
6,865,931	1,156,270	530,213	2,565,466	31,045	19,410,933
\$ 4,693,478	\$ 491,126	\$ 475,206	\$ 2,610,893	\$ 31,045	\$ 14,901,100

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2009

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the United States Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures and Changes in Fund Balance and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues that have not been expended by June 30, 2009. The unspent balances are reported as legally restricted ending balances within the General Fund.

Description	CFDA Number	Amount
Total Federal Revenues per Statement of Revenues, Expenditures and Changes in Fund Balance:		\$45,524,584
Less: Unspent proceeds of State Fiscal Stabilization Funds	84.394	(8,014,067)
Add: Expenditures for Medi-Cal Billing in excess of amounts received	93.778	112,584
Add: Fair Market Value of Commodities not recorded in the financial statements	10.555	303,195
Total Schedule of Expenditures of Federal Awards		<u>\$37,926,296</u>

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION JUNE 30, 2009

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46200 through 46206.

Districts must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirement, whichever is greater, as required by Education Code Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the School District, and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

Charter School Statement of Changes in Fund Balances

The charter school schedule of changes in fund balances provides information about the changes in fund balance in each of the five charter schools operated by the District.

First 5 Monterey Grant Schedule of Revenues and Expenditures

The First 5 Monterey grant schedule of revenues and expenditures provides information about the current year revenues and expenses of the grant program operated by the District.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balance is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board
Pajaro Valley Unified School District
Watsonville, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pajaro Valley Unified School District as of and for the year ended June 30, 2009, which collectively comprise Pajaro Valley Unified School District's basic financial statements and have issued our report thereon dated December 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Pajaro Valley Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pajaro Valley Unified School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Pajaro Valley Unified School District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pajaro Valley Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, Federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinek, Trine, Day & Co. LLP

Palo Alto, California
December 15, 2009



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Governing Board
Pajaro Valley Unified School District
Watsonville, California

Compliance

We have audited the compliance of Pajaro Valley Unified School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2009. Pajaro Valley Unified School District's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of Pajaro Valley Unified School District's management. Our responsibility is to express an opinion on Pajaro Valley Unified School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*², issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about Pajaro Valley Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Pajaro Valley Unified School District's compliance with those requirements.

In our opinion, Pajaro Valley Unified School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Pajaro Valley Unified School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered Pajaro Valley Unified School District's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Pajaro Valley Unified School District's internal control over compliance.

A control deficiency in a district's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis.

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinck, Trine, Day & Co. LLP

Palo Alto, California
December 15, 2009



INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Pajaro Valley Unified School District
Watsonville, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pajaro Valley Unified School District as of and for the year ended June 30, 2009, and have issued our report thereon dated December 15, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Standards and Procedures for Audits of California K-12 Local Educational Agencies 2008-09*, issued by the California Education Audit Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Compliance with the requirements of laws, regulations, contracts, and grants listed below is the responsibility of Pajaro Valley Unified School District's management. In connection with the audit referred to above, we selected and tested transactions and records to determine the Pajaro Valley Unified School District's compliance with the State laws and regulations applicable to the following items:

	Procedures in Audit Guide	Procedures Performed
Attendance Accounting:		
Attendance reporting	8	Yes
Independent study	23	Yes
Continuation education	10	Yes
Adult education	9	Not Applicable ¹
Regional occupational centers and programs	6	Not Applicable ¹
Instructional Time:		
School districts	6	Yes
County offices of education	3	Not Applicable
Community day schools	9	No ²
Morgan-Hart Class Size Reduction	7	Not Applicable ¹
Instructional Materials:		
General requirements	12	¹
K-8 only	1	Not Applicable ¹
9-12 only	1	Not Applicable ¹
Ratios of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes

	Procedures in Audit Guide	Procedures Performed
Early retirement incentive	4	Not Applicable
Gann limit calculation	1	Yes
School Accountability Report Card	3	Yes
Mathematics and Reading Professional Development	4	Not Applicable ¹
Class Size Reduction Program (including in Charter Schools):		
General requirements	7	Yes
Option one classes	3	Yes
Option two classes	4	Not Applicable
District or charter schools with only one school serving K-3	4	Yes
After School Education and Safety Program		
General requirements	4	Yes
After school	4	Yes
Before school	5	Yes
Charter Schools:		
Contemporaneous records of attendance	1	Yes
Mode of instruction	1	Not Applicable
Non classroom-based instruction/independent study	15	Yes
Determination of funding for non classroom-based instruction	3	Yes
Annual instruction minutes classroom based	3	Yes

¹ This program is not required to be audited per flexibility provisions in SBX3 4.

² The number of procedures to be performed was reduced per flexibility provisions in SBX3 4. Section 19825 procedures (e) and (g) were not performed.

³ The number of procedures to be performed was reduced per flexibility provisions in SBX3 4. Section 19828.3 procedures (b), (c), and (e) were not performed.

We did not perform testing for Community Day School because the amount of ADA generated was not significant enough for testing.

Based on our audit, we found that for the items tested, the Pajaro Valley Unified School District complied with the State laws and regulations referred to above. Further, based on our audit, for items not tested, nothing came to our attention to indicate that the Pajaro Valley Unified School District had not complied with the laws and regulations. Our audit does not provide a legal determination on Pajaro Valley Unified School District's compliance with the State laws and regulations referred to above.

This report is intended solely for the information and use of the governing board, management, the California Department of Education, the State Controller's Office, the California Department of Finance, Federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Vavrinck, Trine, Day & Co. LLP

Palo Alto, California
December 15, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SUMMARY OF AUDITOR'S RESULTS FOR THE YEAR ENDED JUNE 30, 2009

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>No</u>
Identification of major programs:	

<u>84.010</u>	<u>Title I - Basic Grants</u>
<u>84.011</u>	<u>Title I - Migrant Education</u>
<u>84.027, 84.173, 84.391</u>	<u>Special Education</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 1,137,789</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over State programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditor's report issued on compliance for State programs:	<u>Unqualified</u>

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

The following finding represents instance of noncompliance related to the financial statements that is required to be reported in accordance with *Government Auditing Standards*. The finding has been coded as follows:

	<u>Five Digit Code</u>	<u>AB 3627 Finding Type</u>
2009-1	30000	Internal Control
Code		

Criteria or Specific Requirements

Management is responsible for establishing and maintaining internal controls, including those related to the prevention and detection of fraud, and monitoring activities of those controls. This responsibility extends to the activities of the associated student body accounts (ASB).

Condition

During our visit at Aptos Junior High School, we noted that weaknesses in internal control.

- No revenue potential forms were prepared.
- Instances of disbursements were noted without having the proper purchase orders.
- Approvals were missing on some of the disbursements.

Questioned costs

None.

Context

All cash collections made through fund raising activities and all purchases made using the Aptos Junior High student body funds.

Effect

Revenue potentials enable the ASB to control their cash collections insuring that all items sold have been collected in cash or returned back to the ASB's inventory. If those calculations were not performed, sales and related cash collections could be misstated. In addition, having disbursements supported by proper purchase orders and authorization from the student minutes is necessary to ensure that all disbursements were properly approved by the student council.

Recommendation

We recommend that the ASB prepare revenue potential/sale analysis for fund raising events. We also recommend that all purchases are supported by the proper documents.

District Response

The District has notified the site of the findings and will follow up to ensure the proper forms are completed in a timely manner. An outline has been provided to every school site that has an ASB. This outline informs the ASB staff and advisors of the proper procedures to follow. Also sample forms have been provided to make compliance easier. The District will meet with all sites to verify that the sites are in compliance. Trainings are also provided to the sites.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

None Reported.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

**STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009**

None Reported.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of financial statement findings.

Financial Statement Findings

2008-1 Code 30000

Title Internal Control

Finding

During our visit at Watsonville High School, we noted that no revenue potentials/sales analysis was prepared. Revenue potential and sales analysis enables the ASB to track cash collections for all items sold. It is a simple calculation that compares the amounts that should have been collected to the cash deposited in the bank.

Recommendation

We recommend that the ASB prepare revenue potential/sale analysis for fund raising events.

Current Status

See current year's finding related to the student body

Federal Awards Findings

None reported.

State Award Findings

2008-2 Code 40000

Title State Compliance

Finding

We were unable to confirm students' release from the sites because the District did not maintain records showing early release from the program. The District indicated that the records have been shredded and therefore we were unable to conclude as to whether certain students were released before 6:00 PM in accordance with the early release policy were in compliance with that policy.

Recommendation

We recommend the district to review requirements for ASES to ensure that they are in compliance with such requirements.

Current Status

Implemented.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009**

2008-3 Code 40000

Title State Compliance

Finding

During our testing of specific requirements related to instructional minutes, we noticed that Watsonville High School did not meet the minimum required instructional minutes. We recalculated 64,746 instructional minutes for the site, which is short of the minimum requirement by 54 minutes.

Recommendation

We recommend that administrators become familiar with the instructional minutes requirements for each grade level and insure that schools meet the minimum requirement before school is initiated.

Current Status

Implemented



Board Agenda Backup

Item No: 13.3

Date: January 20, 2010

Item: Job Description-MAA/LEA Special Projects Accountant

Overview: The MAA/LEA Special Projects Accountant is presented before the Board of Trustees in order to expand the job description duties to include special projects pertaining to the position. The MAA/LEA duties encompass roughly 80% of the position, so adding the additional special projects would allow the District to fill the position at 100%.

It is recommended that the Board of Trustees approve the job description with expanded duties for the currently vacant MAA/LEA Special Projects Accountant position to permit the District to continue recruitment efforts to attract qualified applicants.

The revised job description was approved by the Personnel Commission on December 17, 2009. The Personnel Commission did not recommend a change in range placement (remains at Range 53).

Recommendation: Approve the revised job description.

Budget Considerations:

Funding Source: MAA/LEA Billings

Budgeted: Yes: ☒ No: ☐

Amount:

Prepared By: Pam Shanks, Director Classified Human Resources

Superintendent's Signature: Dennis Bat



PAJARO VALLEY UNIFIED SCHOOL DISTRICT
POSITION DESCRIPTION

Position: MAA/LEA/Special Projects Accountant

Department: Assigned Department

Reports To: Director of Assigned Department

SUMMARY

Under general direction of assigned Director, oversees Medi-Cal Administrative Activities (MAA) and LEA Medi-Cal Billing Option (LEA) programs; provides training and technical support to District personnel regarding MAA/LEA fiscal and reporting requirements; performs reconciliation, auditing, and reporting of data; maintains knowledge of current legislation related to MAA/LEA to ensure compliance. Work on Special Projects assigned to the position.

NATURE AND SCOPE

Incumbents in this classification perform independent technical and analytical functions related to the administration and coordination of the MAA/LEA programs and other Special Projects as assigned. Duties include maximizing income from both funding sources. Performance of the assigned duties requires interface with regulatory agencies, contractors, and vendors. Work is performed in various settings and may include oversight of work assignments to other classified positions.

DISTINGUISHING CHARACTERISTICS

This position requires independent and advanced analytical, technical and professional knowledge and skills. The MAA/LEA/Special Projects Accountant represents the District in communications and interactions with contractors, vendors, community agencies, and regulatory agencies.

ESSENTIAL TYPES OF DUTIES Duties may include but are not limited to the following:

- Oversees development and completion of vendor contracts
- Arranges for and participates in annual MAA/LEA trainings
- Develop complex data reports with the use of electronic sources
- Provides individual and small group training and technical assistance to program personnel including administrators, certificated and classified staff regarding program requirements in order to maximize funding
- Identifies eligibility for new and continuing claimants; collects, maintains, and submits job descriptions and/or duty statements for all claimants
- Notifies staff of each claiming period and/or reporting period; follows-up on any missing claims or other information with relevant staff

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Board Approved: 3/14/07; Title change 8/12/09

Personnel Commission Approved: 3/15/07; Title Change August 27, 2009; Revised 12/17/09

Range 53

- Coordinates the collection and analysis of all data required by the District, regulatory agencies, and other agencies and submits as appropriate
- Maintains a complete set of records of financial transactions including annual budgets for MAA/LEA and Special Projects
- Prepares periodic performance reports by determining revenues; computing cost-of-service by allocating labor, materials and services to funds and accounts; and comparing operating data.
- Conducts internal audits and works with outside agencies conducting audits.
- Analyzes and interprets existing, newly-enacted and proposed legislation and regulations under Medicaid and Medi-Cal system for policy and financial impact on the district
- Assists in the development and updating of specific program systems, policies, procedures, and related forms and notices.
- Represents District on appropriate and related committees
- Work with contractors, vendors, community agencies, and regulatory agencies as needed
- Composes correspondence; maintains records and files
- Attends conferences and trainings related to assigned programs
- Performs related duties as required to accomplish the objectives of the position

QUALIFICATIONS

Knowledge and Skills: Requires knowledge of general accounting principles, theories, and practices; auditing procedures; financial analysis; projection techniques; and specific accounting practices and procedures of the organization. Requires knowledge of legislation specific to assigned programs such as the *California School-Based Medi-Cal Administrative Activities Manual*, applicable sections of *State Education Code*, and other applicable laws. Requires knowledge of computer software such as Microsoft Access, Excel, Power Point, and Word programs.

Abilities: Must be able to plan, develop, implement, and evaluate integrated, comprehensive programs. Requires the ability to collect and analyze data objectively and prepare related recommendations and reports. Must be able to effectively conduct surveys and organizational studies. Requires the ability to develop and implement relevant training programs. Must have the ability to communicate technical concepts to others. Requires the ability to communicate using patience and courtesy, and in a manner that reflects positively on the District. Requires ability to work well independently and as part of a team.

Physical Abilities: Position involves standing, walking, stooping, and occasional carrying and lifting of lightweight materials (up to 20 pounds). May be required to sit for extended periods of time. Requires visual acuity and depth perception to recognize words and numbers; and hand and finger dexterity and hand/eye coordination to use a computer keyboard and common office equipment. Requires speaking and hearing ability sufficient to hear over a phone and carry on conversations.

Board Approved: 3/14/07; Title change 8/12/09

Personnel Commission Approved: 3/15/07; Title Change August 27, 2009; Revised 12/17/09
Range 53

Board Approved: 3/14/07; Title change 8/12/09

Personnel Commission Approved: 3/15/07; Title Change August 27, 2009; Revised 12/17/09
Range 53

Minimum Qualifications (Education and/or Experience): This is the minimum experience and education/training standards which will be used to admit or reject applicants for examination as approved on August 27, 2009.

High School Diploma or completion of GED and two (2) years of college level coursework in accounting and three (3) years of experience in accounting/auditing capacity.

OR

High School Diploma or completion of GED and five (5) years of experience in responsible accounting.

Board Approved: 3/14/07; Title change 8/12/09

Personnel Commission Approved: 3/15/07; Title Change August 27, 2009; Revised 12/17/09
Range 53

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 13.4

Date: January 20, 2010

Item: New Course Proposal for Pajaro Valley High School-Environmental Science-WATCH

Overview:

Each year a high school may propose a new course for the following year. The proposed course goes through a process, which includes approval of the administration, principal, cabinet, and department.

The following Pajaro Valley High School course is being submitted for approval:

- Environmental Science-WATCH

The course was developed to expand the curricular offerings in science. This course will also be sent to U.C. for college entrance requirements approval by the U.C. system. The complete course outline is attached as backup.

Recommendation: Yes

Budget Considerations: N/A

Funding Source:

Budgeted: Yes: ☐

No: ☒

Amount: N/A

Prepared By: Cathy Stefanki, Assistant Superintendent of Secondary and Educational Services

Superintendent's Signature:

Dom Bost

Course Description

A. COVER PAGE

Date of Submission (Please include Month, Day and Year)	
1. Course Title Environmental Science Elective - WATCH	9. Subject Area <input type="checkbox"/> History/Social Science <input type="checkbox"/> English <input type="checkbox"/> Mathematics <input type="checkbox"/> Laboratory Science <input type="checkbox"/> Language other than English <input type="checkbox"/> Visual & Performing Arts <input type="checkbox"/> Intro <input type="checkbox"/> Advanced <input checked="" type="checkbox"/> College Prep Elective
2. Transcript Title(s) / Abbreviation(s) ESE	
3. Transcript Course Code(s) / Number(s) 3650	
4. School Pajaro Valley High School	
5. District Pajaro Valley Unified School District	
6. City Watsonville, CA	10. Grade Level(s) for which this course is designed <input type="checkbox"/> 9 <input checked="" type="checkbox"/> 10 <input checked="" type="checkbox"/> 11 <input checked="" type="checkbox"/> 12
7. School / District Web Site www.pvhs.pvUSD.net	11. Seeking "Honors" Distinction? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
8. School Course List Contact Name: Alison Niizawa Title/Position: Assistant Principal Phone: 831-728-8102 Ext.: 1021 E-mail: Alison_Niizawa@pvUSD.net	12. Unit Value <input type="checkbox"/> 0.5 (half year or semester equivalent) <input checked="" type="checkbox"/> 1.0 (one year equivalent) <input type="checkbox"/> 2.0 (two year equivalent) <input type="checkbox"/> Other: _____
13. Is this an Internet-based course? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes", who is the provider? <input type="checkbox"/> UCCP <input type="checkbox"/> PASS/Cyber High <input type="checkbox"/> Other _____	
14. Complete outlines are not needed for courses that were previously approved by UC. If course was previously approved, indicate in which category it falls. <input type="checkbox"/> A course reinstated after removal within 3 years. Year removed from list? _____ Same course title? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, previous course title? _____ <input type="checkbox"/> An identical course approved at another school in same district. Which school? _____ Same course title? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, course title at other school? _____ <input type="checkbox"/> Year-long VPA course replacing two approved successive semester courses in the same discipline <input type="checkbox"/> Approved Advanced Placement (AP) or International Baccalaureate (IB) course <input type="checkbox"/> Approved UC College Prep (UCCP) Online course <input type="checkbox"/> Approved CDE Agricultural Education course <input type="checkbox"/> Approved P.A.S.S./Cyber High course <input type="checkbox"/> Approved ROP/C course. Name of ROP/C? _____ <input type="checkbox"/> Approved A.V.I.D. course <input type="checkbox"/> Approved C.A.R.T. course <input type="checkbox"/> Approved Project Lead the Way course <input type="checkbox"/> Other. Explain: _____	

<p>15. Is this course modeled after an UC-approved course from another school <u>outside</u> your district? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If so, which school(s)? _____</p> <p>Course title at other school _____</p>
<p>16. Pre-Requisites</p> <p>Successful completion of 9th grade general science</p> <p>Successful participation of the summer program</p>
<p>17. Co-Requisites</p>
<p>18. Is this course a resubmission? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, date(s) of previous submission? _____</p> <p>Title of previous submission? _____</p>
<p>19. Brief Course Description</p> <p>Students will learn about the environmental issues surrounding the Pajaro River Watershed under the mentorship of local environmental professionals and agencies. Through hands-on, inquiry-based activities, students will research an issue in depth and then utilize critical thinking and analytical skills to generate projects that enhance their scientific understanding of the issue and create positive community impact on the environment. The course culminates in student presentations to their peers, their families and community members.</p>

B. COURSE CONTENT

Please refer to instructions

20. Course Goals and/or Major Student Outcomes

- A. This course will provide the students with the opportunity to research a local environmental issue and create an action based project to disseminate their findings. Specific student outcomes are:
- i. Students will develop a deep understanding of the nature of science, the scientific method, research techniques and basic themes in environmental science as a launching point for a year long project through direct experiences in the Pajaro River Watershed.
 - ii. With the guidance of local science mentors, students will identify a specific environmental issue facing the Pajaro Community. They will design their own year-long project. Students will collect and analyze relevant scientific and sociological data to determine an effective conservation action and design the appropriate vehicle for dissemination of the content to a target audience.
 - iii. As students implement their project plan and collect long-term primary data, they will also be provided with lessons on relevant science content, skills and technology
 - iv. Students will communicate their findings in various ways including public presentations, web postings and scientific posters.
 - v. Students will complete a project with the goal of communicating their research project and creating an impact in the community. As a result of their findings, students will develop community-based, service learning experience for their peers and/or members of the community.

21. Course Objectives

- A. By participating in the WATCH Environmental Science Elective, students will:
- i. Develop a basic understanding of the ecology of the Pajaro River Watershed
 - ii. Develop a deeper understanding of their connection to the ocean via the watershed
 - iii. Analyze current environmental issues concerning the watershed.
 - iv. Develop an action based year long project focusing on an environmental issue in the watershed.
 - v. Apply project management strategies to implement a year long plan of action.

- vi. Use appropriate scientific protocols to collect valid data focused on an environmental issue in the watershed.
- vii. Determine an effective method for disseminating the information to the appropriate audience within the community.
- viii. Develop communication skills, both written and oral to communicate project content

22. Course Outline

The WATCH Course contains equal parts of environmental science content, project development, and skill building. This outline has been divided per quarter, and then further divided into “Science Content Delivered”, “Project Development” and Skill Building”.

First Quarter: Theme “Science and Values”

SCIENCE CONTENT DELIVERED:

What is science?

- Knowledge gained through the analysis of testable questions
- Observation skills and inference
- Quantitative vs. qualitative data

Scientific Method – General intro do be reinforced throughout year:

- Developing a testable question
- Experimental design
- Collecting results
- Analyzing results
- Developing a scientific conclusion

Earth as a system and biogeochemical cycles:

- Water cycle
- The basic properties of water and water chemistry
- Carbon cycle
- Nitrogen cycle
- Phosphorus cycle
- Conservation of mass and energy

PROJECT DEVELOPMENT

- Brainstorming project ideas
- Defining a project
- Determining work groups
- Defining schedule and staff mentor
- Background research
- Creating a testable question

SKILL BUILDING:

- Communication skills
 - Large group communication
 - Small group communication
 - Interpersonal communication
- Accountability
- Respecting different work and learning styles
- Valuing team members
- Resource management
- Goal setting
- Organizing calendars
- Creating task lists

Second Quarter: Theme “People in Nature and Populations”

SCIENCE CONTENT DELIVERED:

Ecosystems:

- Definition – System of interacting abiotic and biotic factors
- Trophic relationships/energy transfer

- Ecological communities
- Major biomes (type of ecosystem) on earth and how they interact

Biodiversity:

- Evolution and natural selection
- Definition of biological diversity
 - Genetic diversity
 - Habitat diversity
 - Species diversity
- Competitive exclusion
- Ecological niches
- Island biogeography

Invasive species

Population dynamics (brief overview):

- What is a population?
- Carrying capacity and limiting factors Human population
 - Demography

Historic/projected population growth

PROJECT DEVELOPMENT

- Background research continued
- Experimental design
- Meeting community mentors
- Timeline and project proposal
- Introduction to evaluation of project impact
- Data collection

SKILL BUILDING:

- Communication skills
 - Modes of communication
 - Public speaking
 - PowerPoint
- Team dynamics
- Peer feedback
- Conflict resolution
- Honoring diverse opinions
- Consensus building
- Critical thinking
- Reflection
- Giving and receiving feedback

Third Quarter: Theme “Sustainability”

SCIENCE CONTENT DELIVERED:

Energy and resource consumption based on project topics

- Review of laws of thermodynamics
- Energy consumption/demand
- Fossil fuels – carbon footprint
- Alternative energy sources – integrated energy management

Environmental Health and Justice

- Sources of pollution
- Analysis and critical thinking of local issues
- What do we value?
 - Identifying stakeholders
 - Seeing different perspectives

Sustainability – topics based on project themes

- Agriculture
- Fisheries
- Land use and urban planning

Data Analysis and Statistics

- T-tests

- Analyzing qualitative data
- Graphing

PROJECT DEVELOPMENT

- Complete data collection
- Analyze data
- Write project conclusions
- Identify community impact and environmental behavior to change
- Identify and understand the audience
- Create community impact plan

SKILL BUILDING:

- Communication skills
 - Writing an abstract
 - Creating a poster
 - Incorporating feedback
- Analytical thinking
- Project evolution
- Career awareness
- Media Production

Fourth Quarter: Theme “Urban World”

SCIENCE CONTENT DELIVERED:

Global warming and climate change:

- Definitions
- Potential impacts of increased carbon dioxide
 - Historic climate patterns
 - Climate change projections
 - Acidification of the ocean
- What we can do to decrease carbon dioxide in the atmosphere?
- Audience – now that we know about global warming, how are we creating change in our communities?

Environmental Policy:

- How are laws made?
- How change is created from a legal perspective
- What can you do to influence environmental politics?

PROJECT DEVELOPMENT

- Bringing project results to the community
- Implementing community impact plan
- Project reflection
- Project evaluation
 - Impact of the project on the audience
 - Effectiveness of project plan
- Final poster and PowerPoint presentations
- Planning for next steps/project continuation

SKILL BUILDING:

- Communication skills
 - Bringing your message to the community
- Action thinking

Texts & Supplemental Instructional Materials

Primary Text:

Title: Environmental Science: Earth as a Living Planet

Edition: Sixth

Publication Date: 2007

Publisher: John Wiley & Sons, Inc.

Author(s): Daniel B. Botkin and Edward A. Keller

Usage: Primary Text - read almost in entirety and used as a general resource

Supplemental Instructional Materials:

Variety of journal articles and media provided by project mentors.

Bossard, Carla C. (2000). *Invasive Plants of California*. University of California Press Ltd. London, England

Dugan, Patrick (2005). *Guide to Wetlands*. Firefly Books Ltd. Buffalo, NY.

Beidleman, Linda H. (2003). *Plants of the San Francisco Bay Region: Mendocino to Monterey*. University of California Press Ltd. London, England

Pickart, Andrea J. (1998). *Ecology and Restoration of Northern California Coastal Dunes*. California Native Plant Society. Sacramento, CA

Peterson Field Guide Series (Mammals, Western Birds, Amphibians and Reptiles, Pacific Coast Fishes, Rocks and Minerals. Houghton Mifflin Co. New York, NY

Caffrey, Jane et al (2002). *Changed in a California Estuary: A Profile of Elkhorn Slough*. Elkhorn Slough Foundation. Moss Landing, CA

Rigsby, Michael (1999) *A Natural History of the Monterey Bay National Marine Sanctuary*. Monterey Bay Aquarium Foundation. Monterey, CA

Mitsch, William J. and James G. Gosselink. *Wetlands Third Edition* (2000) John Wiley & Sons, Inc. New York, NY

23. Key Assignments

- A. Significant Background Research and Field Observation Notebook
- B. Environmental Science Readings with Cornell Notes
- C. Project Proposal/Description
- D. Project Timeline/Action Plan
- E. Collection and Analysis of Data
- F. Completion of Project Abstract
- G. Presentation of Project Poster at Local Research Symposium
- H. Community Impact Action Plan
- I. Evaluation of Community Impact/Results
- J. End of year Presentation

24. Instructional Methods and/or Strategies

- A. Research Readings – including text and scientific articles with Cornell Notes
- B. Discussions
- C. Presentations - with peer feedback
- D. Homework Assignments
- E. Group and Individual Activities
- F. Data Collection
- G. Laboratory Analysis/Activities
 - i. Properties of Water
 - ii. Water Quality Parameters
 - iii. Biodiversity Assessments and Comparison
 - iv. Population Dynamics
 - v. Specific to Independent Research Projects: Students will be working in small groups on year long projects. Each project is required to have primary scientific research. The type of laboratory analysis and activities will be determined by the topic chosen. All must follow the scientific method and have sound experimental design, and each will be written up as a project poster and presented at the end of the year.
- H. Guest Speakers
- I. Meetings with Scientists and Community Members
- J. Field Trips
 - i. Biodiversity and Habitat Assessments
 - ii. Photography Workshops
 - iii. Goal Setting Activities
 - iv. Habitat Restoration Events

- v. Presenting at/Attending Scientific Symposiums
- K. Internet Exploration
- L. Use of a Collaborative Website
- M. Peer Teaching
- N. Service Learning
- O. Lecture
- P. Audio Visual Materials

25. Assessment Methods and/or Tools

- A. Journal Assignments
- B. Critical Thinking Activities
- C. Review of Field Observations and Notes
- D. Review of Written Assignments
- E. Peer Review of Participation and Process
- F. Project Rubric with 4 categories (see attached)
 - a. Project
 - b. Process
 - c. Community Impact
 - d. Presentation

C. HONORS COURSES ONLY

Please refer to instructions

G. Indicate how this honors course is different from the standard course.

D. OPTIONAL BACKGROUND INFORMATION

Please refer to instructions

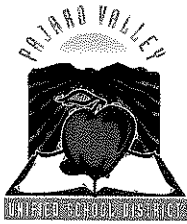
H. Context for Course (optional)

The WATCH Course was developed through a partnership between the Pajaro Valley High School and the Monterey Bay Aquarium. As an environmental science magnet school, Pajaro Valley High School strives to provide meaningful environmental education for its student population focusing on conservation of local habitats. The course meets the needs of the Monterey Bay Aquarium by helping to achieve the goal of inspiring the next generation of ocean conservationists and encouraging stewardship of one of the watersheds leading to the Monterey Bay. This course is a supplemental course intended to give students the skills to incorporate environmental science content into a year long, student driven project. The students are required to participate in a three week summer program, that involves hands-on inquiry based activities throughout the Pajaro River Watershed, meetings with local scientists, and participation in restoration events. The experiences in the field during the summer spark the ideas for the year-long project. Through the WATCH Course, students will be empowered to make a difference in their community, and will develop projects that will have a lasting effect on the community of Watsonville and the Pajaro Valley High School. Students that participate in the WATCH Course will also be better prepared for open ended, research based study they will experience in college and beyond.

I. History of Course Development (optional)

The WATCH Course has been developed over a period of 4 years through the collaboration of the Monterey Bay Aquarium Education Department, the Pajaro Valley High School Science Department and teachers from the Watsonville High School. The course is aligned with the current California standards for Biology, but also includes standards for Earth Science, Chemistry, Physics, Mathematics, Language Arts, History and Social Studies, and English Language Development. Local universities and research institutes, including University of California Santa Cruz, Moss Landing Marine Laboratories, and the Monterey Bay Aquarium Research Institute, amongst other community organizations, are aware of the program and have provided guest speakers and mentors for year long projects.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 13.5

Date: January 20, 2010

Item: New Course Proposal for Watsonville High School-Environmental Science

Overview:

Each year a high school may propose a new course for the following year. The proposed course goes through a process, which includes approval of the administration, principal, cabinet, and department.

The following Watsonville High School course is being submitted for approval:

- Environmental Science

The course was developed to expand the curricular offerings in science. This course will also be sent to U.C. for college entrance requirements approval by the U.C. system. The complete course outline is attached as backup.

Recommendation: Yes

Budget Considerations: N/A

Funding Source:

Budgeted: Yes: ☐

No: ☒

Amount: N/A

Prepared By: Cathy Stefanki, Assistant Superintendent of Secondary and Educational Services

Superintendent's Signature:

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PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Division of Secondary Education

NEW COURSE PROPOSAL – HIGH SCHOOL

from Watsonville High School

(Please use this format in proposing new courses or revising courses already approved)

School: Watsonville High Date: 11/20/09

Proposer: Daniel Johnston Department: Science

Title of Proposed (or Revised) Course: Environmental Science

I. STATEMENT OF NEED

Why is this course appropriate and necessary?

This is the senior level course for the Environmental Science and Natural Resource California Partnership Academy. The course will involve ES content and collaboration with other institutions, including UCSC.

II. STUDENTS INVOLVED

a. Grade level and other particulars

12th grade

b. Strategies and activities that support the continued learning and success of English Language Learner (ELL) students.

Course will emphasize science literacy development and graduate student support to almost exclusively ELs. Class will include academic reporting and presentation of real scientific research and monitoring.

III. PREREQUISITES

Required: Biology, Recommended: Agriculture and Natural Resources, Chemistry

IV. STAFF REQUIRED

Formula or special funding

In addition to Academy staff, course will be mentored by UCSC graduate students, most of which are bilingual, and evaluated by EAOP and UCSC's EPC. Course will continue to serve EL students in the ESNR Academy.

V. PROGRAM LENGTH AND CREDIT

a. Length of course and number of credits

Two semesters, Five credits per semester

b. Subject area requirement which will be satisfied with this course

Area G science elective

VI. OBJECTIVES

- a. General – Describe the broad goals of the course.

The course adheres to the objectives of Environmental Science as a discipline. Emphasis is placed on the scientific principles, concepts, and methodologies required for understanding the interrelationships of the natural world, to identify and analyze environmental problems both natural and human-made, to evaluate the relative risks associated with these problems, and to examine alternative solutions for resolving and/or preventing them.

- b. Behavioral – Describe, in behavioral terms, what the student is expected to accomplish.

All students who are enrolled in Environmental Science are required to participate in hands-on, long-term scientific investigations under the supervision of the instructor and mentors provided by the UCSC Environmental Science department. They must obtain and organize laboratory data, conduct laboratory research according to safety rules, and present data and conclusions to laboratory research as assigned. They are expected to complete the assigned readings (approximately a chapter every two weeks plus supplemental readings and case studies) with periodic chapter quizzes and major tests covering two to three chapters.

- c. Frameworks – State how the course contributes to the continuum of skills outlined in the appropriate district framework, State Framework and/or State Standards.

Ecology

6. Stability in an ecosystem is a balance between competing effects. As a basis for understanding this concept:

- a. Students know biodiversity is the sum total of different kinds of organisms and is affected by alterations of habitats.
- b. Students know how to analyze changes in an ecosystem resulting from changes in climate, human activity, introduction of nonnative species, or changes in population size.
- c. Students know how fluctuations in population size in an ecosystem are determined by the relative rates of birth, immigration, emigration, and death.
- d. Students know how water, carbon, and nitrogen cycle between abiotic resources and organic matter in the ecosystem and how oxygen cycles through photosynthesis and respiration.
- e. Students know a vital part of an ecosystem is the stability of its producers and decomposers.
- f. Students know at each link in a food web some energy is stored in newly made structures but much energy is dissipated into the environment as heat. This dissipation may be represented in an energy pyramid.
- g. Students know how to distinguish between the accommodation of an individual organism to its environment and the gradual adaptation of a lineage of organisms through genetic change.

VII. COURSE OUTLINE

- a. Major Concepts – Outline the skills and concepts, which will be covered in the course.

Week	Chapter	Topics
1	1	Science & the Environment
2	2	Tools of ES
3	3	Geology
4	4	Life: An Overview
5	4	Life: An Overview
6	5	Ecosystems
7	5	Ecosystems
8	6	Biomes
9	6	Biomes
10	7	Aquatic Ecosystems
11	7	Aquatic Ecosystems
12	8	Populations
13	9	Human Population
14	9	Human Population
15	10	Biodiversity
16	10	Biodiversity
17	1-10	Review
18	1-10	Review/Finals
19	11	Water
20	12	Air
21	13	Atmosphere
22	14	Land
23	15	Agriculture
24	15	Agriculture
25	16	Mining
26	17	Nonrenewable Resources
27	17	Nonrenewable Resources
28	18	Renewable Resources
29	18	Renewable Resources
30	19	Waste
31	19	Waste
32	20	Human Health
33	20	Human Health
34	11-20	Review/Presentations
35	11-20	Review/Presentations
36	All	Finals

- b. Activities – Describe the activities that will be included in the course.
Students will spend approximately one quarter to one third of the total class time collecting, analyzing, and presenting data from their work on selected ongoing environmental monitoring projects. These primarily include collaboration with the UCSC Environmental Science Department, but also Elkhorn Slough and other Watsonville area watersheds through the Monterey Bay Aquarium's W.A.T.C.H. program.

VIII. TEACHING METHODS INVOLVED

Describe the primary methods of instruction, which will be used in accomplishing course objectives.

Students will participate in interactive science literacy development through in-class and home reading assignments. Group discussions and mini-lectures, pair-sharing, interactive software-based ES lessons, and multimedia presentation will be the foundation of the content area portion of the course. In addition to the topics noted above, students will view and analyze several relevant films, read case studies, and guest speakers will give presentations from specialty environmental science related industries.

IX. INSTRUCTIONAL MATERIALS AND EQUIPMENT

Please indicate the textbooks or other books, which will be used special equipment needed or other special requirements of this course. Do textbooks match the State Framework, district framework, and published State Standards (if applicable) in this subject area?

Arms, Karen. *Environmental Science*. Holt, Rinehart, and Winston. 2008.
(Matching N/A)

Many relevant science tools, equipment, and resources will be used in the laboratory portion of the course, using existing science department resources and UCSC equipment.

X. EVALUATION

How will the effectiveness of this course be evaluated?

Quarter grades will be determined on a total point scale and will include:

Chapter review assignments including review questions, text interaction, and written responses to case studies

Warm-up/focus questions

Several chapter/section quizzes and unit exams

Reports and multimedia presentations of data/analysis of ongoing research projects

Semester Grades will incorporate above quarter grades (80%) with final grades (20%). Final grades will reflect performance on a comprehensive final exam and may include research projects.

Principal's Signature

Department Chairperson's Signature

Director of Curriculum's Signature

CHECK LIST: PROCESS FOR COURSE PROPOSAL

In proposing a high school course, any course, the following steps should be taken:

_____ 1. General outline of course initiated by high school department.

_____ 2. Cabinet Recommends to Governing Board.

_____ 3. Governing Board approves proposal.

2/2/16

Revised 9/14/86

Revised 10/1/86

Revised 10/18/00

Revised 2/21/01

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 13.6

Date: January 20, 2010

Item: Appoint Members to Board Standing Committees and Organizations

Overview: Attached for your information is the list of the current members attending each standing committee.

The following committees are in place:

1. *Community Advisory Committee – SELPA*
2. *District English Learners Advisory Committee (DELAC)*
3. *Fringe Benefits*
4. *GATE Advisory Committee*
5. *Governmental Relations*
6. *Mello Center JPA*
7. *Migrant Head Start Policy Advisory*
8. *Pajaro Valley Prevention and Student Assistance (PVPSA)*
9. *Safety Committee*
10. *SPECTRA*

Recommendation: Appoint members to Board standing committees.

Prepared By: Dorma Baker, Superintendent

Superintendent's Signature:

Dorma Baker



BOARD STANDING COMMITTEE APPOINTMENTS 2010

COMMITTEE	NAMES	Dates/Times
Board Agenda Committee (Elected/Appointed Officers) Superintendent's Office	Libby Wilson (President) Karen Osmundson (VP) Willie Yahiro (Appointed)	Tuesdays of week prior to Board meeting, 9:00 am, Superintendent's Office
Community Advisory Committee SELPA (CAC) (Debbie Wexler, SELPA, 688-7327)		Once/Month Days Vary 6:30 pm
District English Learner Advisory Committee (ELAC) (Ruby Vasquez 786-2100 x2614)		Once/Month Tuesday 7:00 pm
Fringe Benefits (Maria Burnett 786-2100 x2550)		See calendar for time and place
GATE Advisory Committee (Lynn Olson, Coordinator 786-2100 x 2580)		Three meetings per year Tuesday, 7:00 pm
Inter-Governmental Relations (City Library, 2 nd Floor, Elizabeth 768-3010)		Once Every Two Months First Monday 4:30 pm
Mello Center JPA (City of Watsonville) (City Library, 2 nd Floor, Elizabeth 768-3010)		Once/Quarter Third Monday 5:30 pm
Migrant Head Start Policy Advisory (Carole Clarke 786-2186)		See calendar for time and place
Pajaro Valley Prevention Student Assistance (PVPSA) (Monica Torres - 728-6300 x 302)		Once/Month 3 rd Tuesday @ 4 pm
Safety (Peggy Bumatay - 786-2100 x2532)		Once/Month 4 th Tuesday 3:30 - 5:30 pm
Arts Education Advisory Committee - SPECTRA (Cultural Council of SCZ County, Sonia Deetz, 475-9600 x20 e-mail: artsedcoord@ccscc.org)		Quarterly 4:30 pm



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

BOARD STANDING COMMITTEE APPOINTMENTS 2009

COMMITTEE	NAMES	Dates/Times
Board Agenda Committee (Elected Officers) Superintendent's Office	Leslie De Rose Libby Wilson Karen Osmundson (1 st 1/2) Willie Yahiro (2 nd 1/2)	Tuesdays of week prior to Board meeting, 9:00 am, Superintendent's Office
Community Advisory Committee SELPA (CAC) (Debbie Wexler, SELPA, 688-7327)	Sandra Nichols Karen Osmundson	Once/Month Days Vary 6:30 pm
District English Learner Advisory Committee (ELAC) (Ruby Vasquez 786-2100 x2614)	Doug Keegan Kim Turley Karen Osmundson	Once/Month Tuesday 7:00 pm
Fringe Benefits (Maria Burnett 786-2100 x2550)	Leslie De Rose Willie Yahiro	See calendar for time and place
GATE Advisory Committee (Lynn Olson, Coordinator 786-2100 x 2580)	Libby Wilson Kim Turley	Three meetings per year Tuesday, 7:00 pm
Inter-Governmental Relations (City Library, 2 nd Floor, Elizabeth 768-3010)	Willie Yahiro Sandra Nichols	Once Every Two Months First Monday 4:30 pm
Mello Center JPA (City of Watsonville) (City Library, 2 nd Floor, Elizabeth 768-3010)	Doug Keegan Willie Yahiro	Once/Quarter Third Monday 5:30 pm
Migrant Head Start Policy Advisory (Carole Clarke 786-2186)	Karen Osmundson Sandra Nichols	See calendar for time and place
Pajaro Valley Prevention Student Assistance (PVPSA) (Alison Liszewski - 728-6300 x 302)	Doug Keegan Libby Wilson	Once/Month 3 rd Tuesday @ 4 pm
Safety (Peggy Bumatay - 786-2100 x2532)	Libby Wilson Willie Yahiro	Once/Month 4 th Tuesday 3:30 - 5:30 pm
Arts Education Advisory Committee - SPECTRA (Cultural Council of SCZ County, Sonia Deetz, 475-9600 x20 e-mail: artsedcoord@ccscc.org)	Leslie De Rose Kim Turley	Quarterly 4:30 pm



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Board Agenda Backup

Item No:

13.7

Date: January 20, 2010

Item: Joint Community Safety Meeting

Overview and Rationale: Watsonville City Council has approached the District about scheduling a joint meeting with the possible topic of "Safe School Communities". After attending a County meeting at the SCCOE that included representation from law enforcement and support services from throughout the County, I would propose a similar more broad, joint meeting structure, emphasizing the successful coordination and partnerships that currently exist that benefit both district communities and district schools. A list of the agencies involved in the County meeting is included as an example.

Recommendation: Approve the scheduling of a joint community/city/district meeting.

Budget Considerations:

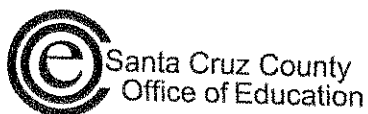
Funding Source:

Budgeted: N/A

Prepared By: Dorna Baker, Superintendent

Superintendent's Signature:

Dorna Baker



Santa Cruz County Superintendents' Council Agenda

Date: January 14, 2009, noon to 2:00 p.m.

Place: County Office of Education, Pacific/Ocean Room

Facilitator: Michael Watkins

TOPIC	Presented by:
1. Additions/changes to agenda	
2. AMGEN Bicycle Tour	Matt
3. Professional Development Opportunity: Together for Kindergarten	Carole Mulford
4. Safe Schools and Communities Guests: Superior Court Commissioner Irwin H. Joseph Probation Dept.: Yolanda Perez-Logan, Assist Director Probation Dept.: Kathy Martinez Juvenile Delinquency Court: Irwin Joseph, Commissioner Scotts Valley Police Dept.: John Weiss, Chief Santa Cruz City Police Dept.: Patty Sapone, Deputy Chief Santa Cruz City Police Dept.: Steve Clark, Captain Watsonville City Police Dept.: Manny Solano, Chief Watsonville City Police Dept.: David McCartney, Lt. Watsonville City Police Dept.: Jason Koehler, Resource Officer, WHS Capitola City Police Dept.: Michael Card, Chief Santa Cruz County Sheriff's Ofc: Bob Paine, Chief Santa Cruz County Superior Court: Judge Denine Guy	All
5. CTE Summit	Susan
6. Proposed Survey	Dorma
7. PacTIN Grants for K-12 Teachers	Michael
8. Educator Workshop and Parent Workshop Series	Michael



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Board Agenda Backup

Item No: 13.8

Date: January 20, 2010

Item: Revisions of Job Description – Associate Superintendent

Overview and Rationale: After reviewing the current job description for our Finance Position and after reviewing the titles of like positions throughout the State, I am proposing to change the title of our current position from Associate Superintendent to Chief Business Officer. Looking at the current job description, the first sentence under the Scope, the proposed change in title would be a match for the current wording. This change in title would also make us more “current” with other districts. This is the only revision being proposed at this time.

Recommendation: Approve Revised Job Description Changing the Title to “Chief Business Officer”

Budget Considerations:

Funding Source:

Budgeted: N/A

Prepared By: Dorma Baker, Superintendent

Superintendent's Signature: *Dorma Baker*

PAJARO VALLEY UNIFIED SCHOOL DISTRICT**POSITION DESCRIPTION**

Position: Associate Superintendent, Business Services

Department: Business Services

FLSA: Exempt

Reports To: Superintendent

SUMMARY

Plans, directs, administers, and controls the business affairs of the District. Manages the financial resources available to the District in a manner leading to a maximization of resources devoted to providing educational services. Integrates business and administrative support functions such as Finance, Transportation, Maintenance, Risk Management, Purchasing, Construction, and Information Systems.

NATURE AND SCOPE

This position is effectively the Chief Operating and Administrative Officer of the District, responsible for integrating a complex array of services that support the delivery of education. Under the general direction of the Superintendent, this position is regularly involved in developing strategies and action plans for effective use of funds and other resources to assure viable operations of the District. The position is in continuous and high level contact with other administrators, advisory boards, and external agencies to accomplish the objectives of the position.

ESSENTIAL TYPES OF DUTIES (Examples)

- Administers, through the Director of Purchasing, all District purchasing, management of supplies and equipment, the warehouse and distribution of supplies and equipment, and required inventory control.
- Administers, through the Director of Transportation, the student transportation program and the maintenance of the District fleet.
- Administers, through the Director of Food and Nutrition Services, the school lunch program, snack bar, and food concession operations in schools and stadiums.
- Administers, through the Director of Finance, the preparations, development and monitoring for the District Budget; the District payroll, accounts payable, accounts receivable, and other financial-related services.
- Directs and assists, as needed, in the District's capital construction and related development programs including contractual arrangements, bidding, financial planning, arrangements for bond elections and sales.
- Assists the Superintendent and Board, in developing the District's long-range financial program.

- Interprets the business area of educational programs to the community at large, including public information for elections, and review of legislation.
- Administers the District's Risk Management and Loss Prevention programs.
- Prepares and recommends all business-related policies.
- Provides for and develops in-service programs for business personnel.
- Attends regular and special meetings of the Governing Board.
- Performs such other tasks and assumes other responsibilities as the Superintendent may assign from time to time.
- Serves as District Administrator for the staff on the District's employee benefit programs, including group health insurance, disability insurance and other related or emerging employee benefit plans.
- Performs other duties as required to accomplish the objectives of the position.

QUALIFICATIONS

Knowledge and Skills: Requires advanced understanding of modern business management for non-profit entities, including the principles and practices associated with integrating related, yet dissimilar business functions. In-depth knowledge of the regulations governing finance and operation within a school District, including the California Education Code. Requires skill at solving complex problems that involve consideration of tradeoffs, risks, and effects on services and people. Requires sufficient written and oral interpersonal skills to prepare extremely complex and decisive reports, prepare and deliver formal presentations to large and diverse audiences, to complete difficult negotiations, and to build productive and effective work teams.

Abilities: Requires the ability to carry out the duties of the position and accomplish its objectives. Requires the ability to integrate a wide variety of sub-functions. Requires the ability to organize, train, direct, and motivate staff to achieve high levels of productivity.

Physical Abilities: Requires sufficient visual acuity to recognize words and numbers; speech and auditory abilities to carry on conversations in large audience, personal, and phone conversations.

Education and Experience: Requires a Masters degree in business or public administration and over eight years of progressively responsible experience in financial management and oversight of business support.