



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.

June 12, 2013 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.

Please Note that Reporting out of Closed Session will Take Place AFTER Action Items.

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 Pending Litigation
- 2.6 Anticipated Litigation
 - a. Approval of Settlement Agreement for Classified Employee
- 2.7 Real Property Negotiations
- 2.8 3 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 Kim De Serpa, Leslie DeRose, Maria Orozco, Karen Osmundson, Lupe Rivas, Jeff Ursino and President Willie Yahiro.
- 3.3 Superintendent Comments
 - Aptos High School Congressional Art Competition
- 3.4 Governing Board Comments/Reports (Limit to 1 minute per trustee)
 - Report on Standing Committees Meetings
- 3.5 Jacob Young Financial - Teacher of the Month Award
May 2013
 - *Kathy Corcoran, Pajaro Middle School*
- 3.6 Jacob Young Financial – Classified Employee of the Month Award
March 2013
 - *Denee Sereano, Librarian, Starlight Elementary School*
 - April 2013
 - *Janet Linney, Senior Buyer, Purchasing Department*
 - May 2013
 - *Gigi Rodriguez, Office Manager, Transportation Department*

4.0 APPROVAL OF THE AGENDA

5.0 APPROVAL OF MINUTES

- a) Minutes for May 22, 2013

Board President closes regular Board meeting and opens Public Hearing.

6.0 Public Hearing (Public Disclosure) on the Long Term Financial Impact of the Tentative Agreement for Classified Bargaining Unit employees as required by AB1200 and Certification of the district's ability to meet the costs of the 2013-14 "phase one" collective bargaining agreement with CSEA.

6.1 *Report by Brett McFadden, CBO*

6.2 *Public comment*

6.3 *Board questions and comments*

Board President closes Public Hearing and resumes Board meeting.

7.0 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. Trustees may ask questions for clarity but cannot take action on these matters. (Please complete a card if you wish to speak.)

8.0 EMPLOYEE ORGANIZATIONS COMMENTS – PVFT, CSEA, PVAM, CWA 3 Min. Each

9.0 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).

9.1 Purchase Orders May 16 – June 5, 2013

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

9.2 Warrants May 16 – June 5, 2013

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

9.3 Approve Memorandum of Understanding (MOU) with the United States Fish and Wildlife Service (USFWS) and Aptos High School Campus.

9.4 Approve Solar Consultant Contract.

9.5 Approve Ceiba Settlement Agreements for Facility Use, Memorandum of Understanding, and Special Education.

9.6 Approve Use of School Project for Utility Rate Reduction (SPURR) Piggyback Contract for Cabling Project for Bradley Elementary School Data Network Upgrade.

9.7 Approve Fagen, Friedman & Fulfroost LLP Legal Services Agreement for 2013-14.

9.8 Approve Carl Perkins Grant Application for 2013-14.

9.9 Approve Resolution 12-13-27, Authorized Signatures List.

The administration recommends approval of the Consent Agenda.

10.0 DEFERRED CONSENT ITEMS

11.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

- 11.1 Report, discussion and possible action to Approve Tentative Agreement with Classified State Employees Association.
Report by Sharon Roddick, Assistant Superintendent, HR. 2 min. report; 5 min. discussion.
- 11.2 Report, discussion and possible action to Approve Management and Confidential Employee Salary Increase.
Report by Sharon Roddick, Assistant Superintendent, HR. 2 min. report; 5 min. discussion.
- 11.3 Report, discussion and possible action to Adopt Declaration of Need for Fully Qualified Educators.
Report by Sharon Roddick, Assistant Superintendent, HR. 2 min. report; 2 min. discussion.

12.0 REPORT AND DISCUSSION ITEMS

- 12.1 Report and discussion on District's Budget and Fiscal Matters.
Report by Brett McFadden, CBO. 5min. report; 5 min. discussion
- 12.2 Report and discussion on Measure L Bond Update.
Report by Brett McFadden, CBO. 5min. report; 5 min. discussion

13.0 ACTION ON CLOSED SESSION

14.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2013

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 |
|-----------|-------------------------------|--|
| June | ▪ 26 | ▪ 13-14 Budget Adoption |
| July | ▪ | ▪ No Meetings Scheduled |
| August | ▪ 14 ▪ 28 | |
| September | ▪ 11 ▪ 25 | ▪ Unaudited Actuals |
| October | ▪ 9 ▪ 23 | |
| November | ▪ 13 | ▪ |
| December | ▪ 11 Annual Organization Mtg. | ▪ Approve 1 st Interim Report |

15.0 ADJOURNMENT

PAJARO VALLEY UNIFIED SCHOOL DISTRICT
CLOSED SESSION AGENDA
June 12, 2013

- 2.1 Public Employee Appointment/Employment, Government Code Section 54957
a. Certificated Employees
b. Classified Employees

| | |
|------------------------------------|--------------------------------------|
| New Hires – Probationary | |
| 1 | Teacher |
| 1 | Academic Coordinator |
| 1 | Interpreter Tutor/Sign Language |
| New Hires | |
| | None |
| New Substitutes | |
| | None |
| Promotions | |
| | None |
| Administrative Appointments | |
| | None |
| Transfers | |
| 1 | Teacher |
| Other | |
| 1 | Academic Coordinator |
| Extra Pay Assignments | |
| 14 | Coach |
| Extra Period Assignments | |
| | None |
| Leaves of Absence | |
| 7 | Teachers |
| 1 | Bus Driver |
| 1 | Cafeteria Assistant |
| 1 | Instructional Assistant II |
| 1 | Instructional Assistant – General Ed |
| 1 | Lead Custodian I |
| 1 | Warehouse Worker II |
| Retirements | |
| | None |

| | |
|--|--|
| Resignations/Terminations | |
| | None |
| Supplemental Service Agreements | |
| 16 | Teachers |
| Miscellaneous Actions | |
| 1 | Workers Compensation Coordinator |
| Separations From Service | |
| 3 | Teachers |
| 1 | Counselor |
| 1 | English Learner Specialist |
| 1 | Resource Specialist |
| 1 | Instructional Assistant I |
| 2 | Instructional Assistant II |
| 1 | Maintenance Specialist |
| Limited Term – Projects | |
| 1 | Behavior Tech |
| 2 | Cafeteria Assistant |
| 6 | Campus Safety Coordinator |
| 1 | Career Development Specialist I |
| 1 | Custodian I |
| 1 | Enrichment Specialist |
| 15 | Instructional Assistant Migrant/Child Center |
| 1 | Lead Custodian II |
| 2 | Office Assistant II |
| 1 | Office Assistant III |
| 2 | Parent Education Specialist |
| Exempt | |
| 7 | Childcare |
| 1 | Migrant OWE |
| 13 | Pupil |
| 5 | Safety Monitors |
| 1 | Yard Duty |
| Provisional | |
| | None |
| Limited Term - Substitute | |
| 1 | Cafeteria Assistant |

| | |
|---|--|
| 1 | Custodian I |
| 1 | Instructional Assistant II |
| 7 | Instructional Assistant Migrant/Child Center |
| 1 | Office Assistant II |



May 22, 2013
REGULAR BOARD MEETING
UNADOPTED MINUTES

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

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

1.1 Call to Order

President Yahiro called the meeting of the Board to order at 6:04 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

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 Pending Litigation

2.6 Anticipated Litigation

2.7 Real Property Negotiations

2.8 6 Expulsions

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

President Yahiro called the meeting of the Board in public to order at 7:00 pm.

3.1 Pledge of Allegiance

Trustee Rivas led the Board in the Pledge of Allegiance.

3.2 Welcome by Board President

Trustees Kim De Serpa, Maria Orozco, Karen Osmundson, Lupe Rivas, Jeff Ursino and President Willie Yahiro were present. Trustee Leslie DeRose was absent.

3.3 Superintendent Comments

Superintendent Dorna Baker stated that she was glad to have attended the Aptos High School Distinguished School celebration. She deferred comments to Assistant Superintendent Sharon Roddick to briefly speak about the negotiations process.

Ms. Roddick stated that the district was looking forward to negotiations with both unions on May 28th and 29th. She added that the district has been diligently analyzing financial information to be able to make adequate proposals.

3.4 Governing Board Comments/Reports (Limit to 1 minute per trustee)

- Report on Standing Committees Meetings

Trustee Osmundson reported she attended the Seal of Biliteracy ceremony, a DELAC meeting, the migrant students graduation and banquet and the TedEX student conference at the Mello Center.

Trustee Rivas reported she attended a DELAC meeting, the Seal of Biliteracy ceremony, Lakeview's breakfast to kick off testing and visited some schools.

Trustee Orozco reported that she attended the migrant students graduation and banquet, Cesar Chaves' back to school night and the Seal of Biliteracy ceremony. She commented that the middle school summit at UCSC was success and looks forward to more summits and more schools attending.

3.5 Amesti School Student Choir Presentation

Students delighted the Board with musical presentations.

-Teacher: Catherine Espinoza

5th graders

Daniel Ceballos, Anjana Koshy, Fabian Mendoza, Jose Angel Mendoza, Jake Parker, Evelyn Pulido, Evelyn Pulido, Adam Tangonan and Carlos Vasquez

4th graders

Estrella Andrade, Arianna Angeles, Lizet Arias, Satiya Chavez, Jackie Gomez, Kellie Reid and Alexsia Valdez

3rd graders

Aleyda Alvarez, Juan Manuel Arevalo, Oswaldo Contreras, Melissa Garcia, Sofia Ortiz and Miriam Ramirez

2nd graders

Jesus Cabrera and Kaylani Trout-Lacy

3.6 Student Recognition

Staff, family and friends recognized the accomplishment of the following students:

- Hayden Mennie – Bradley Elementary*
- Savannah Billings – Linscott Charter School*
- Katharine Basile – Watsonville Charter School of the Arts*
- Immanuel Briones Melecio – Pacific Coast Charter School*

Jeanie Johnson of the Registered Pajaronian gave each student a token of appreciation on behalf of the newspaper and of McDonald's.

4.0 APPROVAL OF THE AGENDA

Public comment:

Francisco Rodriguez, PVFT president, commented that PVFT's chief negotiator had asked for time on the agenda to talk about the budget and has not had the opportunity yet. He expressed his concern over the reduction of the traditional 5 minutes to 3 minutes for union comments without any notification to unions; he requested that the 5 minutes be reinstated.

Trustee Ursino moved to approve the agenda. Trustee De Serpa seconded the motion. The motion passed 6/0/1 (DeRose absent).

5.0 APPROVAL OF MINUTES

a) Minutes for May 8, 2013

Trustee De Serpa moved to approve the minutes for May 8, 2013. Trustee Orozco seconded the motion. The motion passed 5/0/1/1 (Rivas abstained; DeRose absent)

b) Minutes for Special Meeting, Negotiations Update/Planning, May 16, 2013

Trustee De Serpa moved to approve the minutes for May 13, 2013. Trustee Ursino seconded the motion. The motion passed 5/0/1/1 (Rivas abstained; DeRose absent)

6.0 HIGH SCHOOL STUDENTS BOARD REPRESENTATIVES REPORT

Adam Ledesma of Watsonville High School reported on a successful prom, a fun junior against senior girls event, and said ASB elections will soon be taking place. He stated that students would like to have better food options during school and after school.

Luke Rossi and Sarah Jeffery of Aptos High School reported on AP testing, on the success of the musical Guys and Dolls, on the first K-9 search, and noted that AHS is ranked at the top 10% in California and top 5% of the U.S. They also stated that the prom had taken place and was successful, on current art shows in place, and reported that the school received the Distinguished School Award and would celebrate this accomplishment on Friday.

7.0 POSITIVE PROGRAM REPORT (10 minutes each)

7.1 Positive Program Report on Valencia Student Green Team: Ryan McFadden, Matthew Morse, Beck Escalante, Sam Bach, Addie Breen, Mia Chaney, Julia Johnson, Alexis Garner, Jake Galster, Julia Da Silva, Lauren Heffner, Jenna Galasso, Nico Lehner, Lila Berman and Indra De Serpa-Lyons.

Report by Kelley Didion, Principal, and Students

Students reported on how uneaten and wasted food impacts the environment and how it can be improved. They offered possible solutions to solve the problem of discarded food. Students also requested that food served to students be healthier.

7.2 Positive Program Report on Science Fair Participation and Recognition for PVUSD Students

Report by Assistant Superintendents

Don Brown, Watsonville High teacher, Dr. Greg Gilbert of UCSC, UCSC graduate students and Watsonville High students presented on their experience at the Santa Cruz Science Fair. Students spoke specifically about their projects and how they enjoyed the awards ceremony. Students earned the following recognition: Cesar Avila, 1st place in environmental science with *Impacts of urban runoff on rocky intertidal biodiversity*; Danny Ortiz, Anthony Glum and Rene Gonzalez, 1st place in botany *Eucalyptus globulus trees on native plants*; Isabel Torres, 2nd place in microbiology with *effects of ocean acidification on marine calcifying invertebrates*; Emily Hernandez, 3rd place in botany, women in geosciences special award with *Nutrient content beneath native and non-native plants*; and Maria Yerena, 3rd place, microbiology with *Effect of a commonly used "organic" fungicide on a freshwater plankton community*.

Public comment:

Rhea DeHart, community member, stated she was glad to see the success of the students at the science fair and noted that the effort to ensure students participated in the science fair was started by Migration and Adaptation in the Americas (MAIA).

Trustees congratulated students and staff for a wonderful job.

President Yahiro closed the regular meeting and opened the Public Hearing.

8.0 PUBLIC HEARING: DEVELOPER FEES

8.1 Report on Approving Annual Developer Fee Justification Analysis and Adoption of Resolution #12-13-18 for level 1 and Resolution #12-13-26 for Level 2/3 Developer Fees Pursuant to Government Code Sections 65995.5 and 65995.7.
Report by Brett McFadden, CBO.

Mr. McFadden introduced Rick Mullikin who reported that the law requires conducting a justification study for developer fees. Mr. Mullikin offered a brief overview of developer fees. He stated that the fee is recommended to be \$5.50 fee for next two years with a possible increase to \$5.91, depending on the economy. He noted that funds from developer fees are used for growth.

8.2 Public Comment
None.

8.3 Board Comments/Questions
None.

President Yahiro closed the public hearing and resumed regular board meeting.

9.0 VISITOR NON-AGENDA ITEMS

Sean Henry, school psychologist, offered a brief background and his support for special education public law (PL)94-142, which guarantees an adequate public education to students with a disability.

Pam Swift, teacher, spoke in support of PL 94-142 and commented on the challenges of autism.

Martha Serrano, Migrant Advisory Council, read a letter on behalf of the council, regarding the benefits of class size reduction and more competitive salaries.

Dan Hernandez, community member, spoke about special education and the importance of providing opportunities for students who need it.

Roisin Fahey, parent and teacher, spoke of her concern with the high number of students in kindergarten classes and her observation of behavioral issues. She spoke in favor of smaller class sizes as well as more adequate social studies and science classes.

Antonio Vivo, teacher and parent, spoke in favor of smaller class sizes as well as equity and justice for teachers.

Bill Beecher, community member, spoke about special education and his perception that the district's poor performance pulls down special education students.

10.0 EMPLOYEE ORGANIZATIONS COMMENTS – PVFT, CSEA, PVAM, CWA 3 Min. Each

Jack Carroll, PVFT, reported that the Governor issued his May budget revision and staff as well as union leaders have attended information sessions. He added that School Services has said that they would allow use a 5.8 inflation number on budget preparation. He said that an 11% salary increase is a possibility with plenty of leftover funds.

Leticia Oropeza, CSEA president, stated that classified employees deserve fair negotiations.

Esther Morillo, CSEA executive member, asked for the reinstatement of some office positions that were eliminated to reduce the excessive workload of site offices.

11.0 CONSENT AGENDA

Trustee Ursino moved to approve the consent agenda. Trustee De Serpa seconded the motion. The motion passed 6/0/1 (DeRose absent).

11.1 Purchase Orders May 2 - 15, 2013

- 11.2 Warrants May 2 - 15, 2013
- 11.3 Approve PVUSD Representation for California Interscholastic Federation.
- 11.4 Approve Resolution #12-13-24, Establishing Measure L School Bond Citizens' Oversight Committee.
- 11.5 Approve Aptos High School Stadium Visitor Bleachers and Sound System Project.
- 11.6 Approve Amesti Elementary School Additional Modular Classroom Project.
- 11.7 Approve Aptos High School Water Tank Replacement Project, Package #1.
- 11.8 Approve Construction Management Amendments.
- 11.9 Approve CAHSEE Passage Waiver for Student #12-13-20, Mathematics, Watsonville High School.
- 11.10 Approve CAHSEE Passage Waiver for Student #12-13-21, English Language Arts, Pajaro Valley High School.
- 11.11 Approve CAHSEE Passage Waiver for Student #12-13-22, Mathematics, Watsonville High School.
- 11.12 Approve CAHSEE Passage Waiver for Student #12-13-23, Mathematics, Watsonville High School.
- 11.13 Approve Student Data Management System Contract with Illuminate Education, Inc.
- 12.0 DEFERRED CONSENT ITEMS
None.
- 13.0 REPORT AND DISCUSSION ITEMS
 - 13.1 Report and discussion on Update on Governor's May Revision and District Budget.
Report by Brett McFadden, CBO and Helen Bellonzi, Finance Director.
 Brett McFadden reported that the May Revision is the governor's proposals for a balanced budget. It includes April tax information as well as any changes to the governor's initial proposal. The revision leaves two versions of the Local Control Funding Formula, one is the Governor's proposal and the second is the state senate's version; the final will come from within these two proposals. The LCFF proposed by the governor has much less local control with added restrictive accountability, stipulations on supplemental funds and grants, and substantial reporting and penalties guidelines. The adult education shift is delayed for two years as districts and colleges develop local consortiums. May revision includes \$4.5 billion in revenue increases but there is uncertainty as to how those funds will be distributed locally. In addition, the revision includes one-time funding for common core standards at about \$170 per student for instructional materials, IT and professional development, it offsets loss of federal special education funding and provides some new funding. Mr. McFadden explained the LCFF accountability system as well as reporting guidelines and showed a breakdown of how the LCFF would look. In summary, Mr. McFadden stated among other things that fiscal situation is stabilizing and that K-3 class size reduction will be required at a maximum of 24:1 within 7 years. Recovery of the district's financial health will take place in phases. There is a sense of optimism for the district and there will be a phased-in reinvestment plan beginning with 2013-14. In terms of next steps, Mr. McFadden stated that negotiations with both unions are scheduled and the district will finalize the 2013-14 district budget to present to the board no later than June 30th.

Public comment:

Rhea DeHart, community member, is concerned about the number of essential school programs that can be swept into the general fund.

The following advocated for better salaries and class size reduction: Kristina Carter, parent and teacher; Rita Ramirez, teacher; and Gail Wallace, teacher.

Kenneth Janke, teacher and parent, asked the board to spend down the surplus budget to support kids and improve working conditions for teachers.

Kristi Dunning, teacher, spoke of her disappointment for the lack of respect for staff.

Jack Carroll, teacher, said that since the expected reduction to funding through sequestration and implementation of common core standards is not significant, there should be a plan to reinstate programs, adding that Adult Education funds do not need to be swept.

Anne Twitchell, teacher, asked about the ability to hire and retain qualified teachers with the challenges of the district, including so much testing for students, managing behavior rather than teaching due to larger class sizes, and the upcoming implementation of common core standards.

Sean Henry, school psychologist, spoke of the FCMAT report in reference to SELPA, which indicates that special services staffing affects program delivery. The district is outsourcing because salary is not competitive.

Pam Swift, teacher, and Freja Rasmussen, teacher, spoke about the negative effects to students and teachers caused by reduction of standard time of instruction for special education students and higher case loads.

Jenny Nathan, teacher, expressed her disappointment at the district's building up revenues at the cost of student learning and teacher working conditions.

Leslie Gaebe, teacher, is disappointed about the lack of response from the district to PVFT's proposal.

Board participated with questions and comments.

At 10:30 trustee De Serpa moved to continue the meeting until 11:30 PM. Trustee Ursino seconded the motion. The motion passed 6/0/1 (DeRose absent).

13.2 Report and discussion on Early Childhood Education Department Preparing English Language Learners for Language and Literacy Success.

Report by Kathy Lathrop, Director, Child Development Department.

Kathy Lathrop reported that the district has 5 centers for migrant and seasonal head start serving 117 preschoolers, all of which are English Language Learners. The child development in addition has 11 centers and serves a total of 426 students. She addressed the state and federal requirements in language and literacy. Ms. Lathrop spoke of the desired results in development in early childhood, which includes self and social development, language and literacy development, English language development, cognitive development, mathematical development, physical development and health habits. She presented comparison data on Fall and Spring results for 3 and 4 year olds and noted that data shows that students who attend the preschool programs are better prepared for kindergarten.

The board participated with comments and questions and thanked staff for their work.

13.3 Report and discussion on District-wide Benchmark Assessments.

Report by Susan Perez, Director of Educational and English Language Learner Services.

Susan Perez introduced this item and presenting staff members Frances Basich Whitney, Research, Accountability and Assessment Coordinator; Francine Holland, Language Arts Coordinator; and Denise Henry, Mathematics Coordinator. Ms. Perez stated that the district's four benchmark assessments are formative measures know how students are performing in mathematics and language arts; the pacing guide is broken down to 4 instructional cycles. This helps teachers monitor student progress and modify instruction as needed to ensure student success. Ms. Holland and Ms. Henry explained how the growth model is used to identify student performance and the correlation between benchmark results and how students perform in the California State Test. This information also helps teachers give instruction and indicates if students have mastered the standards.

The board participated with comments and questions and thanked staff for the presentation.

14.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

14.1 Report, discussion and possible action to approve Resolution #12-13-25, Declaring May 19 – 25, 2013 Classified Employees Week.

Report by Sharon Roddick, Assistant Superintendent.

Trustee Rivas moved to approve this resolution. Trustee Orozco seconded the motion. The motion passed 6/0/1 (DeRose absent).

14.2 Possible Action to Approve Resolution #12-13-18, to Index Level 1 Developer Fees Pursuant to State Law.

Report given under item 7.0.

Trustee Rivas moved to approve this resolution. Trustee Orozco seconded the motion. The motion passed 5/1/1 (Ursino dissented; DeRose absent).

14.3 Possible Action to Approve Resolution #12-13-26, to Levy Level 2 and 3 Developer Fees Pursuant to State Law.

Report given under item 7.0.

Trustee De Serpa moved to approve this resolution. Trustee Rivas seconded the motion. The motion passed 5/1/1 (Ursino dissented; DeRose absent).

15.0 ACTION ON CLOSED SESSION

2.1 Public Employee Appointment/Employment, Government Code Section 54957

a. Certificated Employees

Trustee De Serpa moved to approve the certificated employee report as presented. Trustee Ursino seconded the motion. The motion passed 6/0/1 (DeRose absent).

b. Classified Employees

Trustee De Serpa moved to approve the certificated employee report as presented. Trustee Ursino seconded the motion. The motion passed 6/0/1 (DeRose absent).

2.8 6 Expulsions

Action on Expulsions:

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

12-13-069

Trustee Ursino seconded the motion. The motion passed 6/0/1 (DeRose absent).

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

12-13-078

Trustee Ursino seconded the motion. The motion passed 6/0/1 (DeRose absent).

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

12-13-079

Trustee Ursino seconded the motion. The motion passed 6/0/1 (DeRose absent).

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

12-13-080

Trustee Orozco seconded the motion. The motion passed 6/0/1 (DeRose absent).

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

12-13-082

Trustee Orozco seconded the motion. The motion passed 6/0/1 (DeRose absent).

The following expulsion was pulled:

12-13-81

16.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2013

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 |
|-----------|---|---|
| June | <ul style="list-style-type: none">1226 | <ul style="list-style-type: none">13-14 Budget Adoption |
| July | <ul style="list-style-type: none"> | <ul style="list-style-type: none">No Meetings Scheduled |
| August | <ul style="list-style-type: none">1428 | |
| September | <ul style="list-style-type: none">1125 | <ul style="list-style-type: none">Unaudited Actuals |
| October | <ul style="list-style-type: none">923 | |
| November | <ul style="list-style-type: none">13 | <ul style="list-style-type: none"> |
| December | <ul style="list-style-type: none">11 Annual Organization Mtg. | <ul style="list-style-type: none">Approve 1st Interim Report |

17.0 ADJOURNMENT

There being no further business to discuss, the meeting of the Board was adjourned at 11:17 pm.

Dorma Baker, Superintendent

PAJARO VALLEY UNIFIED SCHOOL DISTRICT
CLOSED SESSION AGENDA
May 22, 2013

- 2.1 Public Employee Appointment/Employment, Government Code Section 54957
a. Certificated Employees
b. Classified Employees

| | |
|--|----------------------------|
| New Hires – Probationary | |
| 1 | Instructional Assistant I |
| New Hires | |
| | None |
| New Substitutes | |
| | None |
| Promotions | |
| | None |
| Administrative Appointments | |
| 1 | Athletic Director |
| Other | |
| 1 | Assistant Principal |
| Extra Pay Assignments | |
| 15 | Coach |
| Extra Period Assignments | |
| | None |
| Leaves of Absence | |
| 5 | Teachers |
| 1 | Instructional Assistant II |
| 1 | Maintenance Specialist |
| 1 | Behavior Technician |
| Retirements | |
| | None |
| Resignations/Terminations | |
| | None |
| Supplemental Service Agreements | |
| 42 | Teachers |
| Miscellaneous Actions | |
| | None |
| Separations From Service | |

| | |
|----------------------------------|---|
| 4 | Teachers |
| 1 | School Psychologist |
| 1 | School Nurse |
| Limited Term – Projects | |
| 1 | Behavior Technician |
| 1 | Cafeteria Assistant |
| 5 | Campus Safety Coordinator |
| 2 | Career Development Specialist I |
| 1 | Career Development Specialist II |
| 1 | Custodian II |
| 1 | Enrichment Specialist |
| 1 | Instructional Assistant II |
| 2 | Instructional Assistant Migrant/Children Center |
| 1 | Instructional Support Clerk |
| 1 | Language Support Liaison I |
| 1 | Lead Custodian II |
| 1 | Lead Custodian III |
| 1 | Library Media Technician |
| 1 | Occupational Therapist |
| 1 | Office Manager |
| 1 | Translator |
| Exempt | |
| 3 | Migrant OWE |
| 3 | Pupil |
| 6 | Safety Monitor |
| 2 | Spectra Artist |
| 1 | Student Helper |
| Provisional | |
| 1 | Library Media Technician |
| Limited Term - Substitute | |
| 1 | Attendance Specialist |
| 1 | Bus Driver |
| 1 | Cafeteria Assistant |
| 2 | Instructional Assistant II |
| 7 | Instructional Assistant Migrant/Children Center |
| 1 | Registration Specialist |



PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 6.0

Date: June 12, 2013

Item: Public Hearing (Public Disclosure) on the Long Term Financial Impact of the Tentative Agreement for Classified Bargaining Unit employees as required by AB1200 and Certification of the district's ability to meet the costs of the 2013-14 "phase one" collective bargaining agreement with CSEA

Overview: Government Code Section 3547.5 requires school district to certify that they can meet the costs of collective bargaining agreements with employee unions. The code requires completion of a comprehensive analysis and documentation detailing the multi-year costs of any collective bargaining agreement prior to final ratification of an agreement. County offices of education are required by law to review, comment, and certify this public disclosure.

Attached is the district's public disclosure package for the tentative agreement reached with its classified employee union two weeks ago. The documentation analyses the agreement's impact on all major funds. County offices have a maximum of ten days to review and comment on the report. This report was completed and submitted to COE staff on June 3rd. The COE will provide comments on the report prior to the board's June 12 meeting.

District staff has worked closely with the COE detailing aspects of the tentative agreement. Staff analysis finds that the district can meet the costs associated with this specific agreement. The analysis assumes that additional state Proposition 98 funding will materialize associated with a final budget agreement in Sacramento by the end of June. Should this not occur, the district has sufficient reserves and policy options to address potential negative budget impacts associated with this agreement within the multi-year timeframe.

Recommendation: Conduct the Public Hearing and accept public input on the Public Disclosure for the proposed Tentative Agreement with CSEA.

Prepared By: Brett W. McFadden, Chief Business Officer

Superintendent's Signature:

Dorm Bell

**Santa Cruz County Office of Education
Business Services Department**

**PUBLIC DISCLOSURE OF COLLECTIVE BARGAINING AGREEMENT
in Accordance with AB 1200 (Chapter 1213/1991), GC 3547.5, and CCR, Title V, Section 15449**

Name of School District: Pajaro Valley Unified School District
 Name of Bargaining Unit: CSEA
 Certificated or Classified: Classified

July 1, 2013 (with 1

The proposed agreement covers the period beginning: time pmt in June) and ending: June 30, 2014
 (date) (date)

The Governing Board will act upon this agreement on: June 12, 2013
 (date)

Note: This form, along with a copy of the proposed agreement, must be submitted to the county office at least ten (10) working days prior to the date the governing board will take action.

A. Proposed Change in Compensation

| Compensation | Annual Cost Prior to Proposed Agreement FY 13/14 | Fiscal Impact of Proposed Agreement | | |
|--|---|---|---|---|
| | | Year 1 Increase/(Decrease) FY 13/14 | Year 2 Increase/(Decrease) FY 14/15 | Year 3 Increase/(Decrease) FY 15/16 |
| 1 Salary Schedule Increase (Decrease) | \$17,804,946 | \$712,158 | \$740,665 | \$770,931 |
| | | 4.00% | 4.00% | 4.00% |
| 2 Step and Column - Increase (Decrease) Due to movement plus any changes due to settlement | | | \$112,386 | \$81,825 |
| | | 0.00% | 0.58% | 0.41% |
| 3 Other Compensation - Increase (Decrease)(Stipends, Bonuses, Longevity, Overtime, etc.) | \$1,463,317 | \$46,365 | \$47,468 | \$43,276 |
| | | \$300,973 | | |
| Description of other compensation \$500 one time payment to each CSEA member prorated by FTE | | | | |
| 4 Statutory Benefits - STRS, PERS, FICA, WC, UI, Medicare etc. | \$5,933,573 | \$233,605 | \$235,280 | \$236,576 |
| | | 3.94% | 3.82% | 3.70% |
| 5 Health/Welfare Plans | \$14,064,871 | \$26,731 | \$26,934 | \$27,080 |
| | | 0.19% | 0.19% | 0.19% |
| 6 Total Compensation - Increase (Decrease) (Total Lines 1-5) | \$39,266,707 | \$1,319,832 | \$1,162,733 | \$1,159,688 |
| 7 Total Number of Represented Employees (Use FTEs if appropriate) | 601.95 | | | |
| 8 Total Compensation <u>Average</u> Cost per Employee | \$ 65,232.51 | \$ 2,192.59 | \$ 1,931.61 | \$ 1,926.55 |
| | | 3.36% | 2.86% | 2.78% |

9. What was the negotiated percentage increase approved? For example, if the increase in "Year 1" was for less than a full year, what is the annualized percentage of that increase for "Year 1"?

Percentage Increase is 4% on-going and one time payment of \$500 per CSEA members pro-rated by FTE (included in 13/14 Increase but will be paid out June 30, 2013)

10. Were any additional steps, columns, or ranges added to the schedules? (If yes, please explain.)

No

11. Please include comments and explanations as necessary.

Note that both parties will return to negotiations once State Budget is enacted to negotiate for possible additional 3% on salary schedule, classified and management only. Final determination of any additional salary increase will be based on affordability and additional ongoing state funding

12. Does this bargaining unit have a negotiated cap for Health and Welfare benefits? Yes ☐ No ☒

If yes, please describe the cap amount.

B. Proposed Negotiated Changes in Noncompensation Items (i.e., class size adjustments, etc.)

N/A

C. What are the specific impacts on instructional and support programs to accommodate the settlement?

Please indicate the status of these changes: 1) planning stage, 2) in-progress, or 3) adopted. Include the impact of changes such as staff reductions or increases, program reductions or increases, elimination or expansion of other services or programs (i.e., counselors, librarians, custodial staff, etc.)

N/A

D. What contingency language is included in the proposed agreement? Include specific areas identified reopeners, applicable fiscal years, and specific contingency language.

"This is offered as a partial, first phase resolution of current negotiations with CSEA with the understanding that salary negotiations will continue in the fall of 2013 as well as negotiations on any unresolved articles."

E. Will this agreement create, increase or decrease deficit spending in the current or subsequent year(s)?

"Deficit spending" is defined to exist when a fund's expenditures and other financing uses exceed its revenues and other financing sources in a given year. If yes, explain the amounts and justification for doing so.

We continue to deficit spend and use existing fund balances. At 15/16, our unappropriated reserve is approximately \$2.6 million less than the estimates at 2nd Interim based on changes to Revenue Limit based on current law.

F. Describe other major provisions that do not directly affect the district's costs, such as binding arbitrations, grievance procedures, etc. Please disclose any other components of the agreement which may or may not affect the district's fund balance in future years.

Layoff - changed annual date for written notice to April 29th or 60 days prior to effective layoff date. Re-employment - will be in seniority order and preference given to employees on 39 month re-employment list before outside applicants. Organizational Rights - grant leave of absence to members to attend CSEA organizational activities. CSEA will reimburse district for cost of leave.

G. Source of Funding for Proposed Agreement

1. Current Year

All funds and programs

2. If this is a single year agreement, how will the on-going cost of the proposed agreement be funded in subsequent years (i.e., what will allow the district to afford this contract)?

With the state's improved financial situation, the district is anticipating increases in revenue limit/local control funding formula revenue over the multi-year forecast.

3. If this is a multiyear agreement, what is the source of funding, including assumptions used, to fund these obligations in subsequent years? (Remember to include compounding effects in meeting obligations.)

Revenue limit/local control funding formula - based on dartboard for current law revenue limit, the increases will cover the obligations. Assumptions for 13/14 - ADA - 17,200.85, RL COLA 1.565%, deficit factor 18.997%. For 14/15 - ADA 17160.85 (loss of 40 ADA to Ceiba), RL COLA 1.8%, deficit factor 18.997%. For 15/16 - ADA 17,120.85 (loss of 40 ADA to Ceiba - Ceiba will be thru 12th grade), RL COLA 2.2%, deficit factor 18.997%.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

Pajaro Valley Unified School District

Unrestricted General Fund

Bargaining Unit:

CSEA

| | Column 1 | Column 2 | Column 3 | Column 4 |
|---|--|--|-----------------|---|
| | Latest Board- Approved Budget Before Settlement (As of 3/13/13) | Adjustments as a Result of Settlement | Other Revisions | Total Current Budget (Columns 1+2+3) |
| REVENUES | | | | |
| Revenue Limit Sources (8010-8099) | \$ 88,207,297.00 | | \$ 3,025,423.00 | \$ 91,232,720.00 |
| Remaining Revenues (8100-8799) | \$ 21,416,770.00 | | | \$ 21,416,770.00 |
| TOTAL REVENUES | \$ 109,624,067.00 | \$ - | \$ 3,025,423.00 | \$ 112,649,490.00 |
| EXPENDITURES | | | | |
| Certificated Salaries (1000-1999) | \$ 46,972,237.00 | | \$ 1,088,287.00 | \$ 48,060,524.00 |
| Classified Salaries (2000-2999) | \$ 10,088,264.00 | \$ 492,770.00 | \$ 251,602.00 | \$ 10,832,636.00 |
| Employee Benefits (3000-3999) | \$ 31,199,778.00 | \$ 95,229.00 | \$ 608,715.00 | \$ 31,903,722.00 |
| Books and Supplies (4000-4999) | \$ 1,546,216.00 | | | \$ 1,546,216.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 7,850,241.00 | | | \$ 7,850,241.00 |
| Capital Outlay (6000-6599) | \$ - | | | \$ - |
| Other Outgo (7100-7299) (7400-7499) | \$ 375,245.00 | | | \$ 375,245.00 |
| Direct Support/Indirect Cost (7300-7399) | \$ (2,184,614.00) | | | \$ (2,184,614.00) |
| Other Adjustments | | | | |
| TOTAL EXPENDITURES | \$ 95,847,367.00 | \$ 587,999.00 | \$ 1,948,604.00 | \$ 98,383,970.00 |
| OPERATING SURPLUS (DEFICIT) | \$ 13,776,700.00 | \$ (587,999.00) | \$ 1,076,819.00 | \$ 14,265,520.00 |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | \$ 76,049.00 | | | \$ 76,049.00 |
| TRANSFERS OUT & OTHER USES (7610-7699) | \$ 568,382.00 | \$ 6,351.00 | | \$ 574,733.00 |
| CONTRIBUTIONS (8980-8999) | \$ (19,912,067.00) | \$ (248,217.00) | | \$ (20,160,284.00) |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (6,627,700.00) | \$ (842,567.00) | \$ 1,076,819.00 | \$ (6,393,448.00) |
| BEGINNING BALANCE | \$ 34,485,064.00 | | | \$ 34,485,064.00 |
| Prior-Year Adjustments/Restatements (9793/9795) | | | | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ 27,857,364.00 | \$ (842,567.00) | \$ 1,076,819.00 | \$ 28,091,616.00 |
| COMPONENTS OF ENDING BALANCE: | | | | |
| Reserved Amounts (9711-9740) | | | | \$ - |
| Reserved for Economic Uncertainties (9770) | \$ 5,220,005.00 | \$ 18,759.00 | \$ 58,458.00 | \$ 5,297,222.00 |
| Designated Amounts (9775-9780) | \$ 3,153,013.00 | | | \$ 3,153,013.00 |
| Unappropriated Amount (9790) | \$ 19,484,346.00 | \$ (861,326.00) | \$ 1,018,361.00 | \$ 19,641,381.00 |

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

Pajaro Valley Unified School District

Restricted General Fund

Bargaining Unit:

CSEA

| | Column 1 | Column 2 | Column 3 | Column 4 |
|---|--|--|-----------------|---|
| | Latest Board- Approved Budget Before Settlement (As of 3/13/13) | Adjustments as a Result of Settlement | Other Revisions | Total Current Budget (Columns 1+2+3) |
| REVENUES | | | | |
| Revenue Limit Sources (8010-8099) | \$ 3,627,797.00 | | | \$ 3,627,797.00 |
| Remaining Revenues (8100-8799) | \$ 53,735,755.00 | | | \$ 53,735,755.00 |
| TOTAL REVENUES | \$ 57,363,552.00 | \$ - | \$ - | \$ 57,363,552.00 |
| EXPENDITURES | | | | |
| Certificated Salaries (1000-1999) | \$ 21,921,890.00 | | \$ 130,946.00 | \$ 22,052,836.00 |
| Classified Salaries (2000-2999) | \$ 15,429,541.00 | \$ 566,726.00 | \$ 16,280.00 | \$ 16,012,547.00 |
| Employee Benefits (3000-3999) | \$ 23,738,765.00 | \$ 165,107.00 | \$ 28,937.00 | \$ 23,932,809.00 |
| Books and Supplies (4000-4999) | \$ 6,046,679.00 | \$ (239,204.00) | \$ (176,163.00) | \$ 5,631,312.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 8,592,136.00 | \$ (237,041.00) | | \$ 8,355,095.00 |
| Capital Outlay (6000-6599) | | | | \$ - |
| Other Outgo (7100-7299) (7400-7499) | \$ 155,633.00 | | | \$ 155,633.00 |
| Direct Support/Indirect Cost (7300-7399) | \$ 1,699,776.00 | | | \$ 1,699,776.00 |
| Other Adjustments | | | | |
| TOTAL EXPENDITURES | \$ 77,584,420.00 | \$ 255,588.00 | \$ - | \$ 77,840,008.00 |
| OPERATING SURPLUS (DEFICIT) | \$ (20,220,868.00) | \$ (255,588.00) | \$ - | \$ (20,476,456.00) |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | | | | \$ - |
| TRANSFERS OUT & OTHER USES (7610-7699) | | | | \$ - |
| CONTRIBUTIONS (8980-8999) | \$ 19,912,067.00 | \$ 248,217.00 | | \$ 20,160,284.00 |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (308,801.00) | \$ (7,371.00) | \$ - | \$ (316,172.00) |
| BEGINNING BALANCE | \$ 316,172.00 | | | \$ 316,172.00 |
| Prior-Year Adjustments/Restatements (9793/9795) | | | | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ 7,371.00 | \$ (7,371.00) | \$ - | \$ - |
| COMPONENTS OF ENDING BALANCE: | | | | |
| Reserved Amounts (9711-9740) | | | | \$ - |
| Reserved for Economic Uncertainties (9770) | | | | \$ - |
| Designated Amounts (9775-9780) | \$ 7,371.00 | \$ (7,371.00) | | \$ - |
| Unappropriated Amount (9790) | \$ - | \$ - | \$ - | \$ - |

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

| Pajaro Valley Unified School District | | Combined General Fund | | |
|---|--|--|-----------------|---|
| Bargaining Unit: | | CSEA | | |
| | Column 1 | Column 2 | Column 3 | Column 4 |
| | Latest Board- Approved Budget Before Settlement (As of 3/13/13) | Adjustments as a Result of Settlement | Other Revisions | Total Current Budget (Columns 1+2+3) |
| REVENUES | | | | |
| Revenue Limit Sources (8010-8099) | \$ 91,835,094.00 | \$ - | \$ 3,025,423.00 | \$ 94,860,517.00 |
| Remaining Revenues (8100-8799) | \$ 75,152,525.00 | \$ - | \$ - | \$ 75,152,525.00 |
| TOTAL REVENUES | \$ 166,987,619.00 | \$ - | \$ 3,025,423.00 | \$ 170,013,042.00 |
| EXPENDITURES | | | | |
| Certificated Salaries (1000-1999) | \$ 68,894,127.00 | \$ - | \$ 1,219,233.00 | \$ 70,113,360.00 |
| Classified Salaries (2000-2999) | \$ 25,517,805.00 | \$ 1,059,496.00 | \$ 267,882.00 | \$ 26,845,183.00 |
| Employee Benefits (3000-3999) | \$ 54,938,543.00 | \$ 260,336.00 | \$ 637,652.00 | \$ 55,836,531.00 |
| Books and Supplies (4000-4999) | \$ 7,592,895.00 | \$ (239,204.00) | \$ (176,163.00) | \$ 7,177,528.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 16,442,377.00 | \$ (237,041.00) | \$ - | \$ 16,205,336.00 |
| Capital Outlay (6000-6599) | \$ - | \$ - | \$ - | \$ - |
| Other Outgo (7100-7299) (7400-7499) | \$ 530,878.00 | \$ - | \$ - | \$ 530,878.00 |
| Direct Support/Indirect Cost (7300-7399) | \$ (484,838.00) | \$ - | \$ - | \$ (484,838.00) |
| Other Adjustments | | | | |
| TOTAL EXPENDITURES | \$ 173,431,787.00 | \$ 843,587.00 | \$ 1,948,604.00 | \$ 176,223,978.00 |
| OPERATING SURPLUS (DEFICIT) | \$ (6,444,168.00) | \$ (843,587.00) | \$ 1,076,819.00 | \$ (6,210,936.00) |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | \$ 76,049.00 | \$ - | \$ - | \$ 76,049.00 |
| TRANSFERS OUT & OTHER USES (7610-7699) | \$ 568,382.00 | \$ 6,351.00 | \$ - | \$ 574,733.00 |
| CONTRIBUTIONS (8980-8999) | \$ - | \$ - | \$ - | \$ - |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (6,936,501.00) | \$ (849,938.00) | \$ 1,076,819.00 | \$ (6,709,620.00) |
| BEGINNING BALANCE | \$ 34,801,236.00 | | | \$ 34,801,236.00 |
| Prior-Year Adjustments/Restatements (9793/9795) | \$ - | | | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ 27,864,735.00 | \$ (849,938.00) | \$ 1,076,819.00 | \$ 28,091,616.00 |
| COMPONENTS OF ENDING BALANCE: | | | | |
| Reserved Amounts (9711-9740) | \$ - | \$ - | \$ - | \$ - |
| Reserved for Economic Uncertainties (9770) | \$ 5,220,005.00 | \$ 18,759.00 | \$ 58,458.00 | \$ 5,297,222.00 |
| Designated Amounts (9775-9780) | \$ 3,160,384.00 | \$ (7,371.00) | \$ - | \$ 3,153,013.00 |
| Unappropriated Amount - Unrestricted (9790) | \$ 19,484,346.00 | \$ (861,326.00) | \$ 1,018,361.00 | \$ 19,641,381.00 |
| Unappropriated Amount - Restricted (9790) | \$ - | \$ - | \$ - | \$ - |
| Reserve for Economic Uncertainties Percentage | 14% | | | 14% |

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

| Enter Fund: | Fd 09 - Charter | | | |
|---|--|--|-----------------|---|
| Enter Bargaining Unit: | CSEA | | | |
| | Column 1 | Column 2 | Column 3 | Column 4 |
| | Latest Board- Approved Budget Before Settlement (As of 3/13/13) | Adjustments as a Result of Settlement | Other Revisions | Total Current Budget (Columns 1+2+3) |
| REVENUES | | | | |
| Revenue Limit Sources (8010-8099) | \$ 7,757,590.00 | | | \$ 7,757,590.00 |
| Remaining Revenues (8100-8799) | \$ 1,820,389.00 | | | \$ 1,820,389.00 |
| TOTAL REVENUES | \$ 9,577,979.00 | \$ - | \$ - | \$ 9,577,979.00 |
| EXPENDITURES | | | | |
| Certificated Salaries (1000-1999) | \$ 4,496,861.00 | | \$ 14,370.00 | \$ 4,511,231.00 |
| Classified Salaries (2000-2999) | \$ 614,865.00 | \$ 17,639.00 | | \$ 632,504.00 |
| Employee Benefits (3000-3999) | \$ 2,607,729.00 | \$ 5,898.00 | \$ 2,368.00 | \$ 2,615,995.00 |
| Books and Supplies (4000-4999) | \$ 208,702.00 | | | \$ 208,702.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 1,933,577.00 | | | \$ 1,933,577.00 |
| Capital Outlay (6000-6599) | | | | \$ - |
| Other Outgo (7100-7299) (7400-7499) | | | | \$ - |
| Direct Support/Indirect Cost (7300-7399) | \$ 1,234.00 | | | \$ 1,234.00 |
| Other Adjustments | | | | |
| TOTAL EXPENDITURES | \$ 9,862,968.00 | \$ 23,537.00 | \$ 16,738.00 | \$ 9,903,243.00 |
| OPERATING SURPLUS (DEFICIT) | \$ (284,989.00) | \$ (23,537.00) | \$ (16,738.00) | \$ (325,264.00) |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | \$ 284,989.00 | \$ 2,039.00 | \$ 4,312.00 | \$ 291,340.00 |
| TRANSFERS OUT & OTHER USES (7610-7699) | | | | \$ - |
| CONTRIBUTIONS (8980-8999) | | | | \$ - |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ - | \$ (21,498.00) | \$ (12,426.00) | \$ (33,924.00) |
| BEGINNING BALANCE | \$ 2,632,587.00 | | | \$ 2,632,587.00 |
| Prior-Year Adjustments/Restatements (9793/9795) | | | | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ 2,632,587.00 | \$ (21,498.00) | \$ (12,426.00) | \$ 2,598,663.00 |
| COMPONENTS OF ENDING BALANCE: | | | | |
| Reserved Amounts (9711-9740) | | | | \$ - |
| Reserved for Economic Uncertainties (9770) | | | | \$ - |
| Designated Amounts (9775-9780) | | | | \$ - |
| Unappropriated Amount - Unrestricted (9790) | \$ 2,632,587.00 | \$ (21,498.00) | \$ (12,426.00) | \$ 2,598,663.00 |
| Unappropriated Amount - Restricted (9790) | | | | \$ - |
| Reserve for Economic Uncertainties Percentage | | | | |

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

| Enter Fund: | Fund 11 - Adult Education | | | |
|---|---|---|------------------------------------|--|
| Enter Bargaining Unit: | CSEA | | | |
| | Column 1 Latest Board- Approved Budget Before Settlement (As of 3/13/13) | Column 2 Adjustments as a Result of Settlement | Column 3 Other Revisions | Column 4 Total Current Budget (Columns 1+2+3) |
| REVENUES | | | | |
| Revenue Limit Sources (8010-8099) | | | | \$ - |
| Remaining Revenues (8100-8799) | \$ 1,176,582.00 | | | \$ 1,176,582.00 |
| TOTAL REVENUES | \$ 1,176,582.00 | \$ - | \$ - | \$ 1,176,582.00 |
| EXPENDITURES | | | | |
| Certificated Salaries (1000-1999) | \$ 938,878.00 | | \$ 7,955.00 | \$ 946,833.00 |
| Classified Salaries (2000-2999) | \$ 326,141.00 | \$ 12,401.00 | | \$ 338,542.00 |
| Employee Benefits (3000-3999) | \$ 695,762.00 | \$ 4,207.00 | \$ 1,243.00 | \$ 701,212.00 |
| Books and Supplies (4000-4999) | \$ 54,488.00 | | | \$ 54,488.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 173,714.00 | | | \$ 173,714.00 |
| Capital Outlay (6000-6599) | | | | \$ - |
| Other Outgo (7100-7299) (7400-7499) | | | | \$ - |
| Direct Support/Indirect Cost (7300-7399) | \$ 40,191.00 | | | \$ 40,191.00 |
| Other Adjustments | | | | |
| TOTAL EXPENDITURES | \$ 2,229,174.00 | \$ 16,608.00 | \$ 9,198.00 | \$ 2,254,980.00 |
| OPERATING SURPLUS (DEFICIT) | \$ (1,052,592.00) | \$ (16,608.00) | \$ (9,198.00) | \$ (1,078,398.00) |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | \$ 331,790.00 | | | \$ 331,790.00 |
| TRANSFERS OUT & OTHER USES (7610-7699) | | | | \$ - |
| CONTRIBUTIONS (8980-8999) | | | | \$ - |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (720,802.00) | \$ (16,608.00) | \$ (9,198.00) | \$ (746,608.00) |
| BEGINNING BALANCE | \$ 323,204.00 | | | \$ 323,204.00 |
| Prior-Year Adjustments/Restatements (9793/9795) | | | | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ (397,598.00) | \$ (16,608.00) | \$ (9,198.00) | \$ (423,404.00) |
| COMPONENTS OF ENDING BALANCE: | | | | |
| Reserved Amounts (9711-9740) | | | | \$ - |
| Reserved for Economic Uncertainties (9770) | | | | \$ - |
| Designated Amounts (9775-9780) | | | | \$ - |
| Unappropriated Amount - Unrestricted (9790) | \$ (397,598.00) | \$ (16,608.00) | \$ (9,198.00) | \$ (423,404.00) |
| Unappropriated Amount - Restricted (9790) | | | | \$ - |
| Reserve for Economic Uncertainties Percentage | | | | |

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

| Enter Fund: | Fund 12 - Child Development | | | |
|---|--|--|-----------------------------|---|
| Enter Bargaining Unit: | CSEA | | | |
| | Column 1 Latest Board- Approved Budget Before Settlement (As of 3/13/13) | Column 2 Adjustments as a Result of Settlement | Column 3 Other Revisions | Column 4 Total Current Budget (Columns 1+2+3) |
| REVENUES | | | | |
| Revenue Limit Sources (8010-8099) | | | | \$ - |
| Remaining Revenues (8100-8799) | \$ 9,543,360.00 | | | \$ 9,543,360.00 |
| TOTAL REVENUES | \$ 9,543,360.00 | \$ - | \$ - | \$ 9,543,360.00 |
| EXPENDITURES | | | | |
| Certificated Salaries (1000-1999) | \$ 2,631,909.00 | | \$ 21,437.00 | \$ 2,653,346.00 |
| Classified Salaries (2000-2999) | \$ 1,272,459.00 | \$ 14,950.00 | \$ 9,775.00 | \$ 1,297,184.00 |
| Employee Benefits (3000-3999) | \$ 2,454,761.00 | \$ 5,069.00 | \$ 6,957.00 | \$ 2,466,787.00 |
| Books and Supplies (4000-4999) | \$ 600,045.00 | \$ (20,019.00) | \$ (38,169.00) | \$ 541,857.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 2,386,884.00 | | | \$ 2,386,884.00 |
| Capital Outlay (6000-6599) | | | | \$ - |
| Other Outgo (7100-7299) (7400-7499) | | | | \$ - |
| Direct Support/Indirect Cost (7300-7399) | \$ 172,090.00 | | | \$ 172,090.00 |
| Other Adjustments | | | | |
| TOTAL EXPENDITURES | \$ 9,518,148.00 | \$ - | \$ - | \$ 9,518,148.00 |
| OPERATING SURPLUS (DEFICIT) | \$ 25,212.00 | \$ - | \$ - | \$ 25,212.00 |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | | | | \$ - |
| TRANSFERS OUT & OTHER USES (7610-7699) | | | | \$ - |
| CONTRIBUTIONS (8980-8999) | | | | \$ - |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ 25,212.00 | \$ - | \$ - | \$ 25,212.00 |
| BEGINNING BALANCE | \$ 699.00 | | | \$ 699.00 |
| Prior-Year Adjustments/Restatements (9793/9795) | | | | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ 25,911.00 | \$ - | \$ - | \$ 25,911.00 |
| COMPONENTS OF ENDING BALANCE: | | | | |
| Reserved Amounts (9711-9740) | | | | \$ - |
| Reserved for Economic Uncertainties (9770) | | | | \$ - |
| Designated Amounts (9775-9780) | | | | \$ - |
| Unappropriated Amount - Unrestricted (9790) | \$ 25,911.00 | \$ - | \$ - | \$ 25,911.00 |
| Unappropriated Amount - Restricted (9790) | | | | \$ - |
| Reserve for Economic Uncertainties Percentage | | | | |

* Please see question on page 7.

H. IMPACT OF PROPOSED AGREEMENT ON CURRENT YEAR OPERATING BUDGET

| Enter Fund: | Fund 13 - Food Services | | | |
|---|--|--|-----------------|---|
| Enter Bargaining Unit: | CSEA | | | |
| | Column 1 | Column 2 | Column 3 | Column 4 |
| | Latest Board- Approved Budget Before Settlement (As of 3/13/13) | Adjustments as a Result of Settlement | Other Revisions | Total Current Budget (Columns 1+2+3) |
| REVENUES | | | | |
| Revenue Limit Sources (8010-8099) | | | | \$ - |
| Remaining Revenues (8100-8799) | \$ 9,221,070.00 | | | \$ 9,221,070.00 |
| TOTAL REVENUES | \$ 9,221,070.00 | \$ - | \$ - | \$ 9,221,070.00 |
| EXPENDITURES | | | | |
| Certificated Salaries (1000-1999) | | | | \$ - |
| Classified Salaries (2000-2999) | \$ 2,299,585.00 | \$ 69,112.00 | \$ 8,449.00 | \$ 2,377,146.00 |
| Employee Benefits (3000-3999) | \$ 2,956,700.00 | \$ 22,934.00 | \$ 2,827.00 | \$ 2,982,461.00 |
| Books and Supplies (4000-4999) | \$ 4,302,269.00 | | | \$ 4,302,269.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 131,566.00 | | | \$ 131,566.00 |
| Capital Outlay (6000-6599) | | | | \$ - |
| Other Outgo (7100-7299) (7400-7499) | | | | \$ - |
| Direct Support/Indirect Cost (7300-7399) | \$ 271,323.00 | | | \$ 271,323.00 |
| Other Adjustments | | | | |
| TOTAL EXPENDITURES | \$ 9,961,443.00 | \$ 92,046.00 | \$ 11,276.00 | \$ 10,064,765.00 |
| OPERATING SURPLUS (DEFICIT) | \$ (740,373.00) | \$ (92,046.00) | \$ (11,276.00) | \$ (843,695.00) |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | | | | \$ - |
| TRANSFERS OUT & OTHER USES (7610-7699) | | | | \$ - |
| CONTRIBUTIONS (8980-8999) | | | | \$ - |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (740,373.00) | \$ (92,046.00) | \$ (11,276.00) | \$ (843,695.00) |
| BEGINNING BALANCE | \$ 2,289,793.00 | | | \$ 2,289,793.00 |
| Prior-Year Adjustments/Restatements (9793/9795) | | | | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ 1,549,420.00 | \$ (92,046.00) | \$ (11,276.00) | \$ 1,446,098.00 |
| COMPONENTS OF ENDING BALANCE: | | | | |
| Reserved Amounts (9711-9740) | | | | \$ - |
| Reserved for Economic Uncertainties (9770) | | | | \$ - |
| Designated Amounts (9775-9780) | \$ 207,783.00 | | | \$ 207,783.00 |
| Unappropriated Amount - Unrestricted (9790) | \$ 1,341,637.00 | \$ (92,046.00) | \$ (11,276.00) | \$ 1,238,315.00 |
| Unappropriated Amount - Restricted (9790) | | | | \$ - |
| Reserve for Economic Uncertainties Percentage | | | | |

* Please see question on page 7.

I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**Pajaro Valley Unified School District****MYP - Unrestricted General Fund**

Enter Bargaining Unit:

CSEA

| | 2013-14 | 2014-15 | 2015-16 |
|---|--|---|--|
| | Total Current Budget After Settlement | First Subsequent Year After Settlement | Second Subsequent Year After Settlement |
| REVENUES | | | |
| Revenue Limit Sources (8010-8099) | \$ 91,232,720.00 | \$ 92,657,624.00 | \$ 94,475,191.00 |
| Remaining Revenues (8100-8799) | \$ 21,416,770.00 | \$ 19,119,218.00 | \$ 19,461,839.00 |
| TOTAL REVENUES | \$ 112,649,490.00 | \$ 111,776,842.00 | \$ 113,937,030.00 |
| EXPENDITURES | | | |
| Certificated Salaries (1000-1999) | \$ 48,060,524.00 | \$ 48,885,020.00 | \$ 49,545,667.00 |
| Classified Salaries (2000-2999) | \$ 10,832,636.00 | \$ 10,396,788.00 | \$ 10,439,389.00 |
| Employee Benefits (3000-3999) | \$ 31,903,722.00 | \$ 34,029,494.00 | \$ 36,313,042.00 |
| Books and Supplies (4000-4999) | \$ 1,546,216.00 | \$ 1,546,216.00 | \$ 1,546,216.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 7,850,241.00 | \$ 7,894,975.00 | \$ 6,915,019.00 |
| Capital Outlay (6000-6999) | \$ - | | |
| Other Outgo (7100-7299) (7400-7499) | \$ 375,245.00 | \$ 375,245.00 | \$ 282,877.00 |
| Direct Support/Indirect Cost (7300-7399) | \$ (2,184,614.00) | \$ (2,202,968.00) | \$ (2,223,269.00) |
| Other Adjustments | | | |
| TOTAL EXPENDITURES | \$ 98,383,970.00 | \$ 100,924,770.00 | \$ 102,818,941.00 |
| OPERATING SURPLUS (DEFICIT) | \$ 14,265,520.00 | \$ 10,852,072.00 | \$ 11,118,089.00 |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | \$ 76,049.00 | \$ 76,049.00 | \$ 76,049.00 |
| TRANSFERS OUT & OTHER USES (7610-7699) | \$ 574,733.00 | \$ 573,767.00 | \$ 590,915.00 |
| CONTRIBUTIONS (8980-8999) | \$ (20,160,284.00) | \$ (20,814,637.00) | \$ (21,557,747.00) |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (6,393,448.00) | \$ (10,460,283.00) | \$ (10,954,524.00) |
| BEGINNING BALANCE | \$ 34,485,064.00 | \$ 28,091,616.00 | \$ 17,631,333.00 |
| CURRENT-YEAR ENDING BALANCE | \$ 28,091,616.00 | \$ 17,631,333.00 | \$ 6,676,809.00 |
| COMPONENTS OF ENDING BALANCE: | | | |
| Reserved Amounts (9711-9740) | \$ - | | |
| Reserved for Economic Uncertainties - Unrestricted (9770) | \$ 5,297,222.00 | \$ 5,393,411.00 | \$ 5,494,220.00 |
| Reserved for Economic Uncertainties - Restricted (9770) | | | |
| Board Designated Amounts (9775-9780) | \$ 3,153,013.00 | \$ 3,653,013.00 | \$ 4,153,014.00 |
| Unappropriated Amounts - Unrestricted (9790) | \$ 19,641,381.00 | \$ 8,584,909.00 | \$ (2,970,425.00) |
| Unappropriated Amounts - Restricted (9790) | | | |

I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**Pajaro Valley Unified School District****MYP - Restricted General Fund**

Enter Bargaining Unit:

CSEA

| | 2013-14 | 2014-15 | 2015-16 |
|---|--|---|--|
| | Total Current Budget After Settlement | First Subsequent Year After Settlement | Second Subsequent Year After Settlement |
| REVENUES | | | |
| Revenue Limit Sources (8010-8099) | \$ 3,627,797.00 | \$ 3,733,747.00 | \$ 3,816,128.00 |
| Remaining Revenues (8100-8799) | \$ 53,735,755.00 | \$ 54,307,202.00 | \$ 54,947,865.00 |
| TOTAL REVENUES | \$ 57,363,552.00 | \$ 58,040,949.00 | \$ 58,763,993.00 |
| EXPENDITURES | | | |
| Certificated Salaries (1000-1999) | \$ 22,052,836.00 | \$ 22,206,507.00 | \$ 22,347,658.00 |
| Classified Salaries (2000-2999) | \$ 16,012,547.00 | \$ 15,397,309.00 | \$ 15,317,879.00 |
| Employee Benefits (3000-3999) | \$ 23,932,809.00 | \$ 25,257,958.00 | \$ 26,845,821.00 |
| Books and Supplies (4000-4999) | \$ 5,631,312.00 | \$ 5,937,611.00 | \$ 5,814,008.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 8,355,095.00 | \$ 8,186,197.00 | \$ 8,110,110.00 |
| Capital Outlay (6000-6999) | \$ - | | |
| Other Outgo (7100-7299) (7400-7499) | \$ 155,633.00 | \$ 155,633.00 | \$ 155,633.00 |
| Direct Support/Indirect Cost (7300-7399) | \$ 1,699,776.00 | \$ 1,714,371.00 | \$ 1,730,631.00 |
| Other Adjustments | | | |
| TOTAL EXPENDITURES | \$ 77,840,008.00 | \$ 78,855,586.00 | \$ 80,321,740.00 |
| OPERATING SURPLUS (DEFICIT) | \$ (20,476,456.00) | \$ (20,814,637.00) | \$ (21,557,747.00) |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | \$ - | | |
| TRANSFERS OUT & OTHER USES (7610-7699) | \$ - | | |
| CONTRIBUTIONS (8980-8999) | \$ 20,160,284.00 | \$ 20,814,637.00 | \$ 21,557,747.00 |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (316,172.00) | \$ - | \$ - |
| BEGINNING BALANCE | \$ 316,172.00 | \$ - | \$ - |
| CURRENT-YEAR ENDING BALANCE | \$ - | \$ - | \$ - |
| COMPONENTS OF ENDING BALANCE: | | | |
| Reserved Amounts (9711-9740) | \$ - | | |
| Reserved for Economic Uncertainties - Unrestricted (9770) | | | |
| Reserved for Economic Uncertainties - Restricted (9770) | \$ - | | |
| Board Designated Amounts (9775-9780) | \$ - | | |
| Unappropriated Amounts - Unrestricted (9790) | | | |
| Unappropriated Amounts - Restricted (9790) | \$ - | \$ - | \$ - |

I. IMPACT OF PROPOSED AGREEMENT ON SUBSEQUENT YEARS**Pajaro Valley Unified School District****MYP - Combined General Fund**

Enter Bargaining Unit:

CSEA

| | 2013-14 | 2014-15 | 2015-16 |
|---|--|---|--|
| | Total Current Budget After Settlement | First Subsequent Year After Settlement | Second Subsequent Year After Settlement |
| REVENUES | | | |
| Revenue Limit Sources (8010-8099) | \$ 94,860,517.00 | \$ 96,391,371.00 | \$ 98,291,319.00 |
| Remaining Revenues (8100-8799) | \$ 75,152,525.00 | \$ 73,426,420.00 | \$ 74,409,704.00 |
| TOTAL REVENUES | \$ 170,013,042.00 | \$ 169,817,791.00 | \$ 172,701,023.00 |
| EXPENDITURES | | | |
| Certificated Salaries (1000-1999) | \$ 70,113,360.00 | \$ 71,091,527.00 | \$ 71,893,325.00 |
| Classified Salaries (2000-2999) | \$ 26,845,183.00 | \$ 25,794,097.00 | \$ 25,757,268.00 |
| Employee Benefits (3000-3999) | \$ 55,836,531.00 | \$ 59,287,452.00 | \$ 63,158,863.00 |
| Books and Supplies (4000-4999) | \$ 7,177,528.00 | \$ 7,483,827.00 | \$ 7,360,224.00 |
| Services, Other Operating Expenses (5000-5999) | \$ 16,205,336.00 | \$ 16,081,172.00 | \$ 15,025,129.00 |
| Capital Outlay (6000-6999) | \$ - | \$ - | \$ - |
| Other Outgo (7100-7299) (7400-7499) | \$ 530,878.00 | \$ 530,878.00 | \$ 438,510.00 |
| Direct Support/Indirect Cost (7300-7399) | \$ (484,838.00) | \$ (488,597.00) | \$ (492,638.00) |
| Other Adjustments | | \$ - | \$ - |
| TOTAL EXPENDITURES | \$ 176,223,978.00 | \$ 179,780,356.00 | \$ 183,140,681.00 |
| OPERATING SURPLUS (DEFICIT) | \$ (6,210,936.00) | \$ (9,962,565.00) | \$ (10,439,658.00) |
| TRANSFERS IN & OTHER SOURCES (8910-8979) | \$ 76,049.00 | \$ 76,049.00 | \$ 76,049.00 |
| TRANSFERS OUT & OTHER USES (7610-7699) | \$ 574,733.00 | \$ 573,767.00 | \$ 590,915.00 |
| CURRENT YEAR INCREASE (DECREASE) IN FUND BALANCE | \$ (6,709,620.00) | \$ (10,460,283.00) | \$ (10,954,524.00) |
| BEGINNING BALANCE | \$ 34,801,236.00 | \$ 28,091,616.00 | \$ 17,631,333.00 |
| CURRENT-YEAR ENDING BALANCE | \$ 28,091,616.00 | \$ 17,631,333.00 | \$ 6,676,809.00 |
| COMPONENTS OF ENDING BALANCE: | | | |
| Reserved Amounts (9711-9740) | \$ - | \$ - | \$ - |
| Reserved for Economic Uncertainties - Unrestricted (9770) | \$ 5,297,222.00 | \$ 5,393,411 | \$ 5,494,220 |
| Reserved for Economic Uncertainties - Restricted (9770) | \$ - | \$ - | \$ - |
| Board Designated Amounts (9775-9780) | \$ 3,153,013.00 | \$ 3,653,013 | \$ 4,153,014 |
| Unappropriated Amounts - Unrestricted (9790) | \$ 19,641,381.00 | \$ 8,584,909 | \$ (2,970,425) |
| Unappropriated Amounts - Restricted (9790) | \$ - | \$ - | \$ - |

J. IMPACT OF PROPOSED AGREEMENT ON UNRESTRICTED RESERVES

1. State Reserve Standard

| | | 2013-14 | 2014-15 | 2015-16 |
|----|--|-------------------|-------------------|-------------------|
| a. | Total Expenditures, Transfers Out, and Uses (Including Cost of Proposed Agreement) | \$ 176,798,711.00 | \$ 180,354,123.00 | \$ 183,731,596.00 |
| b. | State Standard Minimum Reserve Percentage for this District: | 3.00% | 3.00% | 3.00% |
| c. | State Standard Minimum Reserve Amount for this District (For districts with less than 1,001 ADA, this is the greater of Line a, times Line b. OR \$60,000.) | \$ 5,303,961 | \$ 5,410,624 | \$ 5,511,948 |

2. Budgeted **Unrestricted** Reserve (After Impact of Proposed Agreement)

| | | | | |
|----|---|------------------|------------------|-------------------|
| a. | General Fund Budgeted Unrestricted Designated for Economic Uncertainties (9770) | \$ 5,297,222.00 | \$ 5,393,411.00 | \$ 5,494,220.00 |
| b. | General Fund Budgeted Unrestricted Unappropriated Amount (9790) | \$ 19,641,381.00 | \$ 8,584,909.00 | \$ (2,970,425.00) |
| c. | Special Reserve Fund (Fund 17) Budgeted Designated for Economic Uncertainties (9770) | \$ - | \$ - | \$ - |
| d. | Special Reserve Fund (Fund 17) Budgeted Unappropriated Amount (9790) | \$ | \$ | \$ |
| g. | Total Available Reserves | \$ 24,938,603.00 | \$ 13,978,320.00 | \$ 2,523,795.00 |
| h. | Reserve for Economic Uncertainties Percentage | 14.11% | 7.75% | 1.37% |

3. Do unrestricted reserves meet the state minimum reserve amount?

2013-14

Yes



No



2014-15

Yes



No



2015-16

Yes



No



4. If not, how do you plan to restore your reserves?

The district is anticipating increases to ongoing revenues resulting from adoption of a final Local Control Funding Formula effective 13-14. In addition, the Governor's May Revise calls for approximately \$170 per ADA for implementation of Common Core academic standards. The district has a \$2.9 million set aside in 13-14 for instructional material adoption post Tier 3 flexibility. The amount is budgeted to increase an additional \$500k in 14-15 and 15-16 respectively. The district could utilize this set aside (via Tier 3) to restore reserves in MYP prior to elimination of Tier 3 flexibility. One-time common core funding would be utilized for textbook adoption instead of this reserve. Finally, the district would, if necessary, enact program reductions/layoffs to make up the difference required to meet minimum reserve levels for the MYP.

5. Total

Compensation Increase in Section A, Line 6, Page 1 (i.e., increase was partially budgeted), explain the variance below:

Compensation is being increased by an on-going 4% increase to the Classified Unit plus a one-time payment of \$500/FTE prorated plus the increase in statutory benefits.

6. Please include any additional comments and explanations of Page 4 as necessary or any other information that you want to provide to assist us in our analysis.

Included in other revisions on page 4 are increases to management of 4% on-going plus restoration of the following positions/stipends: Middle School Counselors increased to 1.0 FTE from 0.5 FTE, Activities Directors at the Comprehensive High Schools, Office Assistant III's increased to 1.0 FTE from 3.5 hours at each elementary, Coaching Stipends.

K. SALARY NOTIFICATION REQUIREMENT

The following section is applicable and should be completed when any salary and benefit negotiations are settled after the district's final budget has been adopted.

COMPARISON OF PROPOSED AGREEMENT TO CHANGE IN DISTRICT BASE REVENUE LIMIT

| | Prior Fiscal Year | 2013-14 | 2014-15 | 2015-16 |
|---|-------------------|---------------|---------------|---------------|
| a. Prior-Year Base Revenue Limit (BRL) per ADA: | \$ 6,527 | \$ 6,739 | \$ 6,845 | \$ 6,968 |
| Plus: COLA (enter amount per ADA) | \$ 212.00 | \$ 106.00 | \$ 123.00 | \$ 153.00 |
| Plus: 2004-05 Equalization Aid (enter amount per ADA) | \$ - | | | |
| b. Current Year BRL per ADA: | \$ 6,739 | \$ 6,845 | \$ 6,968 | \$ 7,121 |
| c. Change in BRL per ADA: (b) minus (a) | \$ 212.00 | \$ 106.00 | \$ 123.00 | \$ 153.00 |
| d. Percentage Change in BRL per ADA: (c) divided by (a) | 3.248% | 1.573% | 1.797% | 2.196% |
| The Current-Year BRL per ADA is reduced (deficit) beginning in 2003-04 | | | | |
| e. Less: Deficit (percentage) | 22.272% | 18.997% | 18.997% | 18.997% |
| f. Current-Year BRL per ADA with Deficit: (b) minus (e * | \$ 5,238 | \$ 5,544 | \$ 5,644 | \$ 5,768 |
| g. Change in BRL per ADA with Deficit: (f) minus (a) | \$ (1,288.84) | \$ (1,194.29) | \$ (1,200.65) | \$ (1,199.72) |
| h. Percentage Change in BRL per \$ | -24.606% | -21.540% | -21.273% | -20.800% |
| i. Total Compensation Percentage Increase (enter from Page 1, Section A, Line 5) | 0.00% | 3.36% | 2.86% | 2.78% |
| j. Proposed agreement is within/(exceeds) change in deficiated BRL: (h) minus (i) | -24.61% | -24.90% | -24.14% | -23.58% |

L. CERTIFICATION NO. 1: CERTIFICATION OF THE DISTRICT'S ABILITY TO MEET THE COSTS OF COLLECTIVE BARGAINING AGREEMENT

The disclosure document must be signed by the district Superintendent and Chief Business Officer at the time of public disclosure.

In accordance with the requirements of Government Code Section 3547.5, the Superintendent and Chief Business Officer of Pajaro Valley Unified School District (District), hereby certify that the District can meet the costs incurred under the Collective Bargaining Agreement between the District and the Classified (CSEA) Bargaining Unit, during the term of the agreement from July 1, 2013 (with 1 time pmt in June) to .

The budget revisions necessary to meet the costs of the agreement in each year of its term are as follows:

| <u>Budget Adjustment Categories:</u> | <u>Budget Adjustment Increase (Decrease)</u> |
|--|--|
| <u>Unrestricted Revenues/Other Financing Sources</u> | <u>\$ (248,217.00)</u> |
| <u>Unrestricted Expenditures/Other Financing Uses</u> | <u>\$ 587,999.00</u> |
| <u>Unrestricted Ending Balance Increase (Decrease)</u> | <u>\$ (842,567.00)</u> |
| <u>Restricted Revenues/Other Financing Sources</u> | <u>\$ 248,217.00</u> |
| <u>Restricted Expenditures/Other Financing Uses</u> | <u>\$ 255,588.00</u> |
| <u>Restricted Ending Balance Increase (Decrease)</u> | <u>\$ (7,371.00)</u> |

N/A (No budget revisions necessary)

Dorrm Bor
District Superintendent
(Signature)

6-4-13
Date

B. W. M.
Chief Business Officer
(Signature)

6/4/13
Date

M. CERTIFICATION NO. 2

The disclosure document must be signed by the district Superintendent or designee at the time of public disclosure and by the President or Clerk of the Governing Board at the time of formal board action on the proposed agreement.

The information provided in this document summarizes the financial implications of the proposed agreement and is submitted to the Governing Board for public disclosure of the major provisions of the agreement (as provided in the "Public Disclosure of Proposed Bargaining Agreement") in accordance with the requirements of AB 1200 and Government Code Section 3547.5.

District Superintendent (or Designee)
(Signature)

Date

Helen Bellonzi, Director of Finance

Contact Person

831-786-2304

Phone

After public disclosure of the major provisions contained in this summary, the Governing Board at its meeting on June 12, 2013, took action to approve the proposed Agreement with the Classified (CSEA) Bargaining Unit.

President (or Clerk), Governing Board
(Signature)

Date

Special Note: The Santa Cruz County Office of Education may request additional information, as necessary, to review the district's compliance with requirements.



Board Agenda Backup

Item No: 9.3

Date: June 12, 2013

Item: **Approval Memorandum of Understanding (MOU) with the United States Fish and Wildlife Service (USFWS) and Aptos High School Campus**

Overview: In April 2012, the Aptos High School Sports Foundation contacted the PVUSD regarding the feasibility of constructing a practice soccer field on a vacant area along Mariner Way, below the main campus of Aptos High School. This area of the school campus has historically been underutilized and never improved.

The PVUSD contacted the County Planning Department, the County Public Works Department, and the California Department of Education, on behalf of the Sports Foundation, to determine the viability of this proposed project and whether permits or other forms of authorization would be required to move forward. There were no restrictions or requirements placed on the proposed project at that time.

Simultaneously, members of the Foundation were in discussions with the CalTrans general contractor responsible for the Highway 1/Soquel to Morrissey Auxiliary Lane project regarding the disposal of the excess dirt generated during that project. As a result of these discussions, the contractor agreed to transport approximately 12,000 cubic yards of surplus material from the highway project and to perform the necessary fill and grading operations for the proposed project. This construction activity occurred during an approximately 3-week period between May–June 2012.

Upon the completion of the fill and grading operations, a group of Aptos High School neighbors residing on Freedom Boulevard contacted the PVUSD and the County of Santa Cruz Planning Department with complaints about the project scope; its compliance with the requirements of the California Environmental Quality Act (CEQA); and whether it satisfied the Santa Cruz County permitting authority. Upon further review of the State Education Code of Regulations and the County Code, the County concluded that it indeed had the authority to require a grading permit for public school projects and a “Stop Work” notice was issued.

The PVUSD and the County of Santa Cruz then held several meetings in an effort to resolve all issues relating to the scope of the proposed project and the submittal requirements for a grading permit. As a result of these meetings, the County allowed the PVUSD to complete the winterization of the project site and to install perimeter fencing. In addition, the County staff requested that the consulting biologist for the PVUSD document the pre-project site conditions for purposes of developing an environmental baseline for the site and that the biologist reviews the drainage plans for the proposed project. A Biologic Assessment was required by Santa Cruz County to accompany the grading permit request.

Staff researched what we had related to our original CEQA.

A Biological Assessment prepared in 2004 (John Gilchrist and Associates) and incorporated into the environmental documents prepared and certified for the new construction and facility modernization project, established that habitat for endangered animal species and special plant species are not present on the school campus.

The Aptos High School campus is within the vicinity of known habitat of the Federally and State of California listed endangered Santa Cruz long-toed salamander. The species typically live in oak woodlands, except during the rainy winter months when they travel to breed in areas with ponding water, lasting at least 6 months, which support their early life cycle. Oak woodlands border the east and southeast quadrant of the high school campus. The vegetation to the north and west, also contain oak trees but is also heavily forested with Eucalyptus trees and other non-native and invasive vegetation.

The PVUSD contacted Chad Mitcham of the local U.S. Fish and Wildlife Service (USFWS) in the fall of 2012 as an out-reach effort. The California Department of Fish and Wildlife (CDW) staff has authorized Mr. Mitcham to act on its behalf. The District's purpose of the outreach to these agencies is in recognition of the existence of the endangered species habitat and breeding areas in the vicinity of Aptos High School.

District has committed to working with US Fish and Wildlife Service and other partners to develop a comprehensive restoration plan for the area around Freedom Field and the original re-vegetation area by the water tanks on the Aptos High School Campus. When that plan is completed it will be presented to the PVUSD Board for final approval

The re-vegetation plan will create upland rufugia and facilitate potential travel routes for the salamander species that may exist in the vicinity of the Aptos High School. In addition, the USFWS has agreed to assist the PVUSD in obtaining grant funding for their environmental stewardship efforts and student education of endangered species habitat. The PVUSD is committing to all elements of these collaborative efforts, to the satisfaction of the USFWS, with the adoption of a Resolution by the Board of Trustees prior the County's issuance of the Grading Permit.

Recommendation: It is recommended that the Board approve the MOU with USFWS for Revegetation Plan for the new Freedom Athletic Field at the Aptos High School Campus.

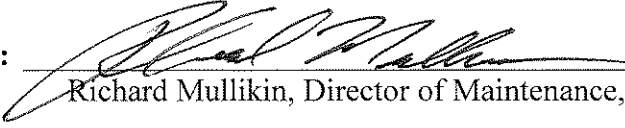
Budget Considerations:

Funding Source: Measure L Bond Funds

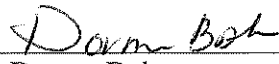
Budgeted: Yes: ☒ No: ☐

Amount: \$100,000.00

Prepared By:


Richard Mullikin, Director of Maintenance, Operations & Facilities

Superintendent's Signature:


Dorma Baker



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Board Agenda Backup

Item No: 9.4

Date: June 12, 2013

Item: Approval of Solar Consultant Contract

Overview: Measure L, approved by the voters on November 6, 2012, includes the installation of solar photovoltaic panels at six sites in the District. To prepare for the installation and to ensure that the District receives the maximum grants available for this project, a consultant is being proposed to determine the appropriate size and location for the installations and to assist the District in obtaining competitive proposals from vendors for the supply and installation of the panels.

On January 16, 2013, a Request for Qualifications was issued to 5 firms specializing in solar analysis. Statements of Qualifications were received from all 5 firms and were evaluated by Richard Mullikin, Paul Anderson, Greg Giuffre, Steve Okamura, Dennis Dunston and Gene Ely. Through this process the firm of Newcomb Anderson McCormick was selected.

A proposal was requested from the firm and the final scope of services and compensation was negotiated.

Recommendation: Approve the attached agreement for Solar Consulting Services

Budget Considerations:

Funding Source: Measure L Bond

Budgeted: Yes: ☒ No: ☐

Amount: \$279,180.00

Prepared By:

Richard Mullikin, Director, Maintenance, Operations and Facilities

Dennis L. Dunston, Bond Program Manager

Superintendent's Signature:

Dorma Baker, Superintendent

PAJARO VALLEY UNIFIED SCHOOL DISTRICT PURCHASING DEPARTMENT

294 Green Valley Rd, Watsonville, CA 95076 Ph: (831) 786-2100 x 516, Fax: (831) 728-6922



CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT made and entered into this date, May 31, 2013 by and between Pajaro Valley Unified School District hereinafter called the "District" and Newcomb Anderson McCormick

*This Agreement is not an authorization to proceed. A Purchase Order is required prior to commencement of services.

TERM (Enter Start Date - End Date or dates of performances, workshops etc): through December 31, 2014.

This agreement expires fiscal year end June 30.

SCOPE OF WORK (Description of services provided or title of workshop/performance): The Contractor will provide the services listed on Exhibit A for the analysis of solar photovoltaic installations at Aptos High School, Watsonville High School, Pajaro Valley High School, Rolling Hills Middle School, Bradley Elementary School and Hall District Elementary School.

Attach additional description, proposals or contracts if needed. All vendor contracts must be approved and signed by the Director of Purchasing prior to District commitment.

COMPENSATION

This is the Contract Limit for services performed and costs incurred for the term of the Agreement. Fees must cover all of Consultants' expenses, including supplies, travel, lodging, and meals. Consultant must return an invoice to the department/site to be signed by an administrator to verify that services have been received. Payment shall be made to the Consultant within thirty (30) days after receipt of a fully supported and detailed invoice which clearly indicates as applicable, any progress completed, milestones achieved, any reports (draft, preliminary or final) issued, dates worked, increments of hourly work (rounded to the nearest quarter hour increment), subcontract cost, etc. All services must be completed and invoiced by June 30.

A. TOTAL AMOUNT BILLED SHALL NOT EXCEED (Total PO amount): \$279,180.00

B. CHOOSE ONE PAYMENT PLAN

- ☒ Flat rate for completed project. This is PVUSD's preferred payment plan.
☐ Payment per time worked, workshop, performance, completed portion of project or person. Fee must include all expenses such as supplies, travel etc. Payment \$ _____ per Hour

AB 1610, 1612 AND 2102 COMPLIANCE

- ☐ Consultant **will** be working individually with students **unsupervised** (attach Criminal Records Check form).
☐ Consultant **will** be working individually with students **while site staff supervises**.
☒ Consultant **will not** be working individually with students.

INDEPENDENT CONTRACTOR

Consultant will provide services under this agreement as an independent contractor and not as an employee of the District. District will not withhold Federal or State Income Tax deductions from payments made to Consultant under this agreement. Consultant must provide District with his/her Social Security number or Taxpayer ID number. District will provide Consultant and the Internal Revenue Service with a statement of earnings at the conclusion of each calendar year as required by IRS.

BY ACCEPTANCE OF THIS CONSULTING AGREEMENT THE CONSULTANT:

- A. Agrees to indemnify and hold the District harmless from acts of neglect of the consultant.
B. Asserts that he or she is qualified to perform the work ordered as an independent contractor, with no conflict of interest.
C. Agrees to keep confidential all proprietary information of the District.
D. Certifies that he or she is not receiving salary or remuneration, other than vacation pay, from any other public agency for the above-specified project.
E. Certifies that he or she is not receiving salary or remuneration from the District Payroll Department (includes substitute services, after school programs, coaching etc...).
F. Early Termination – either party hereto may terminate this contract at any time by giving 30 days written notice to the other party.
G. Consultant is responsible for own expenses, which includes travel, lodging, and meals. Expenses are not reimbursable by the District.
H. Ownership: the District shall become the owner of and entitled to exclusive possession of all records, documents, graphs, photographs, or other reproductions of any kind in the scope of the services performed, and no other uses therefore will be permitted except by permission of the District. Proprietary material will be exempted from this clause.
I. Insurance: The District reserves the right to require any independent contractor to maintain general liability insurance during the term of the contract. Based on the duration and type of services to be performed, the District requires up to the amount of \$1,000,000.00. The Contractor shall obtain and furnish Proof of Worker's Compensation insurance if applicable.
J. Certifies that he or she is aware of the provisions of Education Code section 45122.1 and will comply with such provisions before commencing performance of the work of this contract.

****THIS AGREEMENT REQUIRES AN APPROVED PURCHASE ORDER PRIOR TO COMMENCEMENT OF SERVICES****

PAJARO VALLEY UNIFIED SCHOOL DISTRICT PURCHASING DEPARTMENT

294 Green Valley Rd, Watsonville, CA 95076 Ph: (831) 786-2100 x 516 Fax: (831) 728-1922
MAINT. OPERATIONS & FACILITIES

CONSULTANT SERVICES AGREEMENT

CONSULTANT INFORMATION

Please Print or Type

Check Payable to: **Newcomb Anderson McCormick, Inc**

Mailing Address **201 Mission Street, Suite 2000, San Francisco, CA 94105**

Social Security Number: _____ or Tax ID #: **73-173.1074**

Phone: **415.896.0300** Fax: **415-992-4311**

E-mail (optional): **john.newcomb@newcomb.cc**

CONSULTANT ACCEPTANCE

To the Governing board of Pajaro Valley Unified School District:

"I agree to the arrangements as stated in this contract. I certify that the information provided herein is true and accurate. I further acknowledge that during the term of my Agreement with the District, if I learn of additional information which differs from the responses provided above, I promise to forward this additional information to the District immediately."

Consultant Signature: _____

Date 5/28/13

*This Agreement is not an authorization to proceed. A signed copy of this agreement will accompany the Purchase Order authorizing services to begin.

CERTIFICATION OF STRS COMPLIANCE

The following certificate must be completed by individual consultants (consultant firms should disregard it):

I certify that I am _____, I am not X (check one) drawing pay as a retired member of the California State Teachers' Retirement System (STRS). If an employee of a federal, state, or local government agency, I certify that all services for which payment is now being claimed were rendered at time other than my regular assigned workday for that agency.

Consultant Signature _____

Date 5/28/13

SITE/DEPARTMENT ACCEPTANCE

Site/Department: **Maintenance, Operations & Facilities Department**

Site/Department Contact: **Richard Mullikin** Phone: **(831) 786-2380**

Principal/Manager Signature: _____

Date _____

*This Agreement is not an authorization to proceed. The original signed Agreement must be received in Purchasing prior to issuing a Purchase Order.

DISTRICT ACCEPTANCE

Rich Buse, Director of Purchasing Signature: _____

Date _____

* Signature required prior to issuing a Purchase Order.

TO BE COMPLETED BY SITE/DEPARTMENT

ATTACHMENTS SENT TO PURCHASING DEPARTMENT:

- ☐ **Requisition #** _____
- ☐ **Independent Contractor Agreement**
Only required for POs made out to individuals (not a Firm). To be completed and signed by Principal/Manager. Please contact HR to hire individuals who do not qualify as Independent Contractors.
- ☐ **Criminal Records Check**
Only required for Consultants working unsupervised with students present.
- ☐ **Proposal/Additional Description/Unsigned Vendor Contract**
The Director of Purchasing will sign vendor contracts in compliance with District policies and send with PO
- ☐ **W-9 Form Taxpayer Identification**

Note to Purchasing Department:

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 9.5

Date: June 12, 2013

Item: Ceiba Settlement Agreement – Facilities Use, MOU, and Special Education

Overview: In May 2013, the district and Ceiba Charter School reached a settlement pertaining to the district's Proposition 39 facilities obligation for the charter school. The settlement agreement is for ten years. The attached Facilities Use Agreement, Memorandum of Understanding, and Special Education Agreement encompass the operational elements of the settlement. These documents are the enabling components necessary to administer and comply with the overall agreement during its term.

The City of Watsonville's Planning Commission approved Ceiba's use permit for their prospective facility located at 260 W. Riverside. The board's adoption of these agreements is the final step in addressing Ceiba's Proposition 39 facility rights and the district's obligation therein.

Recommendation: Adopt the Facilities Use Agreement, Memorandum of Understanding, and Special Education Agreement between Ceiba Charter School and the district as submitted.

Prepared By: Brett W. McFadden, Chief Business Officer

Superintendent's Signature: Dom Br

**FACILITIES USE AGREEMENT
BETWEEN
THE PAJARO VALLEY UNIFIED SCHOOL DISTRICT
AND
CEIBA PUBLIC SCHOOLS REGARDING
CEIBA COLLEGE PREPARATORY ACADEMY**

This Facilities Use Agreement ("Agreement"), effective as of July 1, 2012 and ending on June 30, 2014, is entered into by and between the Pajaro Valley Unified School District ("District"), a California public school district, and Ceiba Public Schools ("Ceiba" or "Non-Profit"), a nonprofit public benefit corporation that operates Ceiba College Preparatory Academy ("Charter School"), a public charter school chartered by the District. The Charter School and the District shall be individually referred to herein as a "Party" and collectively as the "Parties." This Agreement shall be enforceable only following execution by both Parties and ratification or approval by the governing boards of the District and the Charter School.

RECITALS

- A. The Charter School's charter ("Charter") was granted by the District in October 2007, and the Charter School's first year of operation was 2008-2009. The Charter was renewed by the District's Board of Trustees on February 23, 2011 for a five year term, ending on June 30, 2016.
- B. The District owns a facility currently known as the Adult Education Institute of Language & Culture ("ILC Building"), located at 320 Rodriguez Street in Watsonville, California. The District also leases certain real property located at 280 Main Street in Watsonville, California, known as the Porter Building ("Porter Building"), from the City of Watsonville ("City"). Together, the ILC Building and the Porter Building constitute the Facilities ("Facilities"). A copy of the site plan of the ILC Building is attached hereto at **Exhibit A**, and a copy of the site plan of the Porter Building is attached hereto at **Exhibit B**.
- C. In response to the Charter School's request for facilities pursuant to Proposition 39 for the 2008-2009 school year (Ed. Code § 47614; Cal. Code Regs., tit. 5, §§ 11969.1-11969.9; "Prop 39"), the District offered the Charter School the use of the Porter Building, and the Charter School has occupied the Porter Building since August 2008.
- D. Pursuant to the Charter School's request for facilities pursuant to Prop 39, the District has offered the Charter School the following facilities for use by the Charter School during the 2012-2013 and 2013-2014 school years: (1) exclusive use of the Porter Building to serve grades 6 through 8; and (2) exclusive use of the ILC Building to serve grades 9 and 10. The Charter School has accepted the District's offer, but has asserted it is non-compliant.

- E. The Parties have separately entered into a Special Education Services Agreement (“Special Education Agreement”), which outlines the Parties’ obligations to provide special education and related services to eligible Charter School students, and an operational Memorandum of Understanding (“MOU”) which outlines the Parties’ agreements governing their respective fiscal, operational, and administrative responsibilities, their legal relationship, and other matters of mutual interest not otherwise addressed or resolved in the terms of the Charter.
- F. The Charter School is operated by Non-Profit. All obligations imposed hereby on the Charter School are equally imposed on Non-Profit.

NOW THEREFORE, in consideration of the covenants and conditions of this Agreement, the District and the Charter School hereby agree as follows:

- 1. Use of Facilities. Because the Charter School submitted a timely and complete Proposition 39 request for the 2013-2014 school year, for the term of this Agreement, from July 1, 2013 to June 30, 2014, the Charter School shall have the exclusive use of the Facilities, as depicted on the site plans attached hereto as **Exhibit A** and **Exhibit B**. The Charter School waives any right to seek any other facilities pursuant to Prop 39 for the term of this Agreement.
- 2. Term. Unless earlier terminated as provided in this Agreement, this Agreement shall expire on June 30, 2014.
- 3. Pro Rata Share Charge. The Charter School shall owe to the District a charge equal to \$1.50 per square foot of space at the Facilities (“Pro Rata Share Charge”) for the Charter School’s past use of the Facilities during the 2011-2012 school year, and for its use of the Facilities during the Term of this Agreement. The Pro-Rata Share Charge shall be paid quarterly as set forth in the MOU between the Parties.

The Pro Rata Share Charge includes the cost of custodial services and routine maintenance of the Facilities provided by the District as set forth herein. The Pro Rata Share Charge excludes the Oversight Charge assessed by the District pursuant to the MOU, the cost of such services as the Charter School has elected to purchase from the District by the MOU, the cost of utilities, as discussed below in Section 10, and the cost of insurance for the Facilities as described below in Section 12. The Charter School may terminate custodial services any time during the term of this Agreement with 30 days advance written notice to the District. The District and the Charter School shall negotiate a commensurate reduction in the pro rata share charges. Should the Charter School maintain District provided custodial services, any concern regarding service quality not resolved by direct communication between the Ceiba CEO and the District Superintendent or designee shall be resolved through the Charter School’s dispute resolution clause.

Payment of the Pro Rata Share Charge shall also entitle the Charter School to use the services of the District's Construction Department as necessary to for purposes of assisting with the Charter School's preparations to construct a permanent site. The Charter School may consult with the Construction Department as reasonably necessary on such matters as site planning, design, permits, and utilities for any such future permanent site.

4. Conditions of Use.

- 4.1 *Public Charter School.* The Facilities shall be used and occupied by the Charter School for the sole purpose of operating a California public charter school and its related activities and for no other purpose without the prior written consent of the District.
- 4.2 *Insurance Risk.* The Charter School shall not do or permit anything to be done in or about the Facilities nor bring or keep anything therein which will in any way increase the existing insurance rate or affect any fire or other insurance upon the Facilities or any of their contents (unless the District gives its prior approval and the Charter School pays any increased premium as a result of such use or acts), or cause a cancellation of any insurance policy covering said Facilities or any part thereof or any of its contents, nor shall the Charter School sell or permit to be kept, used, or sold in or about the Facilities any articles which may be prohibited by a standard form policy of fire insurance.
- 4.3 *Rights of the District.* The Charter School shall not do or permit anything to be done in or about the Facilities that will in any way obstruct or interfere with the rights of the District as lessee of the Porter Building and owner of the ILC Building or allow the Facilities to be used for any unlawful purpose, nor shall the Charter School cause, maintain or permit any nuisance in or about the Facilities. The Charter School shall not commit or suffer to be committed any waste in or upon the Facilities.
- 4.4 *Illegal Uses.* The Charter School shall not use the Facilities or permit anything to be done in or about the Facilities that will in any way conflict with any applicable law.
- 4.5 *District Responsibility.* The District has ensured that the Facilities comply with all applicable laws governing charter school facility use (for example, ADA, CEQA, State and local building codes, environmental laws including asbestos, lead, etc.). If any portion of the Facilities is found to be out of compliance with any such applicable law, the District shall ensure, within reasonable time limits, that such Facilities are brought into compliance with such applicable law, except to the extent that the Facilities' noncompliance with applicable law are a direct result of the Charter School's modification or alteration of the Facilities after the effective date of this Agreement, in which case the Charter School, at its sole cost and expense, will make any and all alterations, improvements, additions and/or repairs to the Facilities necessary to ensure such compliance with applicable law. The District agrees to perform any and all repairs, at its sole cost and expense, to ensure that the Porter Building is in compliance with applicable fire codes, and to ensure that the HVAC system on the site is functioning

properly within six (6) months after this Agreement is executed.

- 4.6 *Compliance with City Parking Regulations.* Attached hereto as **Exhibit C** and incorporated herein by this reference is the First Amendment (“Lease Amendment”) to that certain lease agreement between the District as lessee and the City of Watsonville (“City”) as lessor of the Porter Building. The Charter School hereby agrees to abide by the conditions of its use of the Porter Building as set forth in the Lease Amendment, including the parking regulations set forth at **Exhibit C** thereof, and such reasonable parking or pick-up/drop-off rules as the City may from time to time hereafter promulgate.

For the use of staff and parents or visitors to the ILC Building, the District will purchase and provide to the Charter School twenty (20) daily parking passes from the City for use of the City parking lot, which is located one block from the ILC Building. The Charter School will ensure that its staff and other users do not park in the lot adjacent to the ILC Building, and will facilitate drop-off and pick-up of students so as to not interfere with the use of such parking lot.

- 4.7 *District and Charter School Representatives.* All issues arising under this Agreement or the Charter School’s use or occupation of the Facilities during the Term shall be addressed between the Ceiba CEO and the District Superintendent or designee.
5. Furnishings and Fixtures. The District has furnished and will continue for the term of this Agreement to furnish the Facilities with grade-appropriate furniture, fixtures, and equipment consistent with the obligations of a school district under Education Code section 47614 and implementing regulations. The replacement of furnishings and equipment supplied by the District in accordance with District schedules and practices shall remain the responsibility of the District. The Charter School shall return all such furniture, fixtures and equipment to the District in like condition to that upon receipt, ordinary wear and tear excepted (or replacements therefor purchased by in consultation with and subject to the approval of the District), at the expiration or earlier termination of this Agreement. The Charter School shall promptly notify the District of any changes in the inventory of District furnishings and equipment..
6. Routine Maintenance.
- 6.1 *Custodial Services.* The District shall provide routine custodial and maintenance services for the Facilities consistent with the custodial and maintenance services provided for the District’s facilities. The cost of such services is included in the Pro Rata Share Charge owed by the Charter School to the District, but which the Parties have agreed to waive for the 2011-1212 school year and the Term of this Agreement, as set forth herein at Section 4. Requests for maintenance beyond the services ordinarily provided for the District’s facilities shall be processed on a case by case basis, and may be subject to additional charges.
- 6.2 *Charter School Responsibility.* The Charter School shall be responsible for maintaining

the Facilities in a clean and hygienic state at all times and shall ensure that all rubbish is placed in trash containers and/or dumpsters at the end of each school day and that all foodstuffs are stored or sealed in such a manner so as to not be an attractant to mice, rats, and other vermin. The Charter School shall be responsible for immediately notifying the District Superintendent or designee if any signs of mice, rats, or other vermin are observed in the Facilities and the District shall be responsible for any extermination services necessary to eradicate mice, rats, or other vermin. The District reserves the right to charge the Charter School for the costs of any extermination services necessary to eradicate mice, rats, or other vermin if Charter School fails to make such timely notification; if the District observes that rubbish and/or foodstuffs are not disposed of or secured as set forth in this Section; or if the District observes that the Charter School has otherwise failed to maintain the Facilities in a clean and hygienic condition at all times.

- 6.3 *Surrender of Facilities.* Upon the expiration or earlier termination of this Agreement, the Charter School shall surrender the Facilities, and any mutually agreed upon improvements or modifications, in the same condition as received, ordinary wear and tear excepted. If during the term of this Agreement any projects eligible to be included in the District's deferred maintenance plan established pursuant to Education Code section 17582 are identified at the Facilities, such projects shall remain the responsibility of the District.

7. Major Facilities Maintenance Costs. The District shall bear all major facilities maintenance costs with respect to the Facilities, except to the extent major facilities maintenance is required as a result of the Charter School's negligent or intentional acts occurring during its occupancy of the Facilities, in which case the Charter School shall directly reimburse the District for such major facilities maintenance costs. "Major facilities maintenance" include all non-routine maintenance, replacement and repair services, including major maintenance and replacement of the roof, mechanical systems (heat, ventilation, air conditioning, electrical, plumbing), and other major maintenance and upgrades and any projects identified during the term of this Agreement that the District deems eligible to be included in its deferred maintenance plan established pursuant to Education Code section 17582, at a level comparable with other District schools, and includes all such major facilities maintenance for which the District normally utilizes funding from the State or local facilities bond proceeds, developer fees, redevelopment agency revenue, and other non-operational sources not provided to the Charter School. To the extent that in any fiscal year the District's necessary major facilities maintenance costs for the Facilities are not funded by the State or other non-operational sources or are underfunded, during that fiscal year the District shall undertake major facilities maintenance at the Facilities only to the extent and on the same level that the District undertakes such maintenance at its other facilities.

8. Alterations and Additions. The Charter School shall add no fixtures, as that term is defined in Civil Code section 660 ("Fixtures"), to the Facilities or any part thereof without obtaining the prior written consent of the District Superintendent or designee and, with respect to the Porter Building, the appropriate representative of the City. Any such

Fixtures at the Facilities requested by the Charter School shall be paid for by the Charter School, and shall be contracted for and performed in accordance with all applicable law. The District may impose as a condition to the aforesaid consent such requirements as the District may deem necessary in its sole discretion, including without limitation, the manner in which the work is done, a right of approval of the contractor by whom the work is to be performed, and the times during which it is to be accomplished. Title to all Fixtures, with the exception of those purchased by Charter under terms of e-Rate contract submitted through the District, shall vest in the District or, at the District's request, any or all Fixtures shall be removed from the Facilities upon the expiration or earlier termination of this Agreement. If approved by the District Superintendent or designee and with respect to the Porter Building only, the appropriate representatives of the City, the Charter School shall be allowed to place signage on the Porter Building.

9. Entry by District. The District may enter the Facilities at any time to inspect the Facilities, to supply any service to be provided by the District to the Charter School hereunder, to alter, improve or repair the Facilities, or in the case of emergency. The District will attempt to avoid unreasonable interference with the Charter School's activities and shall attempt to give reasonable notice where practicable prior to entry. The District may erect scaffolding and other necessary structures where reasonably required by the character of the work to be performed so long as the Charter School's operations do not suffer unreasonable interference. The Charter School waives any claim for damages for any inconvenience to or interference with the Charter School's business and any loss of occupancy or quiet enjoyment of the Facilities, and any other loss occasioned by the District's entry for the purposes identified by this section. The Charter School shall provide the District with keys to unlock all doors in the Facilities, excluding the Charter School's vaults and safes.
10. Utilities. The Charter School shall bear the annual cost of utilities at \$15,000 per year, which amount includes water, garbage, sewer, phone, gas and electric power, for the Facilities. The cost for the Facilities' utilities is not included in the monthly Pro Rata Share Charge owed by the Charter School to the District. The Charter School agrees to comply with District policy regarding energy conservation and energy management, including but not limited to recommendations and regulations for the Facilities promulgated by the District's energy manager.
11. Indemnity. The Charter School shall indemnify, defend, and hold harmless the District, its trustees, officers, employees and agents against and from any and all claims, demands, actions, suits, losses, liability, expenses and costs including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment is rendered, that may be asserted or claimed by any person, firm or entity arising out of any injury, death or damage to any person or property arising from the Charter School's use of the Facilities or from the conduct of its business or from any activity, work, or other things done, permitted or suffered by the Charter School in or about the Facilities, excepting those claims, demands, actions, suits, losses, liability, expenses and costs arising out of the negligent or intentional acts of the District, its trustees, officers,

employees and agents.

The District shall indemnify, defend, and hold harmless the Charter School, its directors, officers, employees and agents against and from any and all claims, demands, actions, suits, losses, liability, expenses and costs including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment is rendered, that may be asserted or claimed by any person, firm or entity arising out of any injury, death or damage to any person or property arising from the District's actions or omissions in carrying out its obligations under this Agreement, excepting those claims, demands, actions, suits, losses, liability, expenses and costs arising out of the negligent or intentional acts of the Charter School, its directors, officers, employees and agents.

Upon becoming aware of any casualty or accident in or on the Facilities, each party to this Agreement shall give prompt written notice thereof to the other party.

12. Insurance. In addition to any other insurance coverage as may be required pursuant to the terms of the Charter, or the Operational Memorandum of Understanding ("MOU") and the Special Education Services Agreement entered into between the Parties, the Charter School shall, at all times during the term of this Agreement, and at its own cost and expense procure and continue in force the following insurance coverage: Bodily Injury and Property Damage Liability insurance with a combined single limit for bodily injury and property damage of not less than One Million Dollars (\$1,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate combined single limit (CSL). Such minimum limits of policies shall in no event limit the liability of the Charter School hereunder. Such insurance shall name the District as an additional insured. Insurance shall be with a JPA or companies having a rating of not less than A- in "Best's Insurance Guide". In the event of coverage through a JPA, the Best's Insurance Rating requirement is not applicable. The Charter School shall furnish from the insurance companies or cause the insurance companies to furnish certificates of coverage to the District. No such policy shall be cancelable or subject to reduction of coverage or other modification or cancellation except after thirty (30) days prior written notice to the District by the insurer and with the consent of the District thereto.

In the event of property damage to the Facilities or the District or Charter School property, or in the event of personal injury caused by the Charter School, its officers, employees or agents, all such Charter School policies shall be considered primary policies not contributing with and not in excess of the coverage that the District must carry. In the event property damage, damage to the Facilities, or personal injury is caused by the District, its officers, employees or agents, or any unaffiliated third party, the Charter School policies shall be secondary and in excess of the coverage that the District may carry. The Charter School shall, at least twenty (20) days prior to the expiration of such policies, furnish the District with renewals or binders. The Charter School agrees that if the Charter School does not take out and maintain such insurance, then the District may (but shall not be required to) procure said insurance on the Charter School's behalf and charge the Charter School the premiums together with a 15% handling charge, payable

upon demand.

The Charter School shall have the right to provide such insurance coverage pursuant to blanket policies obtained by the Charter School provided such blanket policies expressly afford coverage to the Facilities and to the Charter School as required by this Agreement.

During the term of this Agreement, the District shall continue to maintain insurance against claims for injuries to persons or damages to property (real and personal, including any personal property of the District in amounts equal to that maintained by the District prior to the Charter School's occupancy.

Third-Party Claims. District's insurance shall be primary for claims for damage to the School Site's physical structures caused by the actions of third parties, except to the extent that the third party's actions arose as a result of the negligence, intentional disregard or malfeasance of the Charter School.

13. Damage to or Destruction of Facilities. If any of the Facilities are damaged by any casualty for which the District is insured and the Charter School still has access to at least 80% of the classroom space at the Porter Building (if the Porter Building is damaged) or 80% of the classroom space at the ILC Building (if the ILC Building is damaged), then the District shall promptly restore the damaged Porter Building or damaged ILC Building to the condition existing before such damage. Such restoration shall be performed in such a way that will cause the least disruption to the Charter School's educational program, and the District shall provide temporary facilities to house that portion of the Charter School's program displaced by the damage. If the Facilities are damaged or destroyed by any casualty for which the District is not insured and the Charter School still has access to at least 80% of the classroom space at Porter Building (if the Porter Building is damaged) or 80% of the classroom space at the ILC Building (if the ILC Building is damaged), then the District shall have the option to either promptly restore the damaged Porter Building or damaged ILC Building to the condition before such damage (such restoration to be performed in such a way that will cause the least disruption to the Charter School's educational program and the District shall provide temporary facilities to house that portion of the Charter School's program displaced by the damage) or to provide the Charter School with alternative classroom space reasonably equivalent to space made unavailable. If such Facilities are damaged or destroyed by any casualty and the Charter School has access to less than 80% of the classroom space at Porter Building (if the Porter Building is damaged) or 80% of the classroom space at the ILC Building (if the ILC Building is damaged), then the District shall have the option to either promptly restore the damaged Porter Building or damaged ILC Building to the condition before such damage (such restoration to be performed in such a way that will cause the least disruption to the Charter School's educational program and the District shall provide temporary facilities to house that portion of the Charter School's program displaced by the damage) or to terminate this Agreement and provide the Charter School with alternative facilities consistent with the District's obligations under Prop 39.

The cost of restoring any Facilities under this section shall be borne by the Charter School if the cause of the casualty is the negligence or intentional act of the Charter School, its employees, agents, students or invitees. The cost of restoring any Facilities under this section shall be borne by the District if the cause of the casualty is the negligence or intentional act of the District, its employees, agents, or invitees. The Parties shall tender the cost of restoring any Facilities to their respective insurance carriers if the casualty is caused by a third party or by force majeure.

14. Liens. The Charter School shall keep the Facilities free from any liens arising out of any work performed, materials furnished or obligations incurred by or on behalf of the Charter School.
15. Holding Over. The Charter School shall not remain in possession of the Facilities or any part thereof after the expiration of this Agreement or after termination thereof without the express written consent of District. Notwithstanding the foregoing, if the Charter School holds over, the Charter School shall pay the Pro Rata Share Charge during the time the Charter School holds over plus all other charges payable required by this Agreement. Any holdover by the Charter School requires the Charter School to comply with all terms of this Agreement. A holdover by the Charter School shall not trigger any additional term. The District shall have the right to remove the Charter School at any time after the expiration of the term or termination of this Agreement.
16. Dispute Resolution. The Parties agree to attempt to resolve all disputes regarding this Agreement pursuant to the dispute resolution process identified in the Charter. The Parties further agree that District shall not be obligated by the terms of the dispute resolution procedure set out in the Charter as a precondition to revocation.
17. Assignment and Subletting. The Charter School may not assign its rights under this Agreement or sublet or license any portion of the Facilities without the prior written consent of the District. Requests for use of the Facilities pursuant to the Civic Center Act shall be processed through the District's business office and, with respect to the Porter Building, may be subject to consent by the City.
18. Rules, Regulations and Law. The Charter School and the Charter School's officers, agents, servants, employees, visitors and licensees shall observe and comply fully and faithfully with all reasonable and nondiscriminatory rules and regulations adopted by the District for the care, protection, cleanliness and operation of the Facilities and shall comply with all applicable laws.
19. Smoking. The Facilities shall be non-smoking and no smoking shall be allowed in or on the Facilities, including but not limited to all balconies, courtyards, walkways, and parking areas.
20. Default by Charter School. The occurrence of any one or more of the following events shall constitute a default and material breach of this Agreement by the Charter School:

- a. The failure by the Charter School to utilize the Facilities for the sole purpose of operating of a charter school, where such failure continues for thirty (30) days after receipt of written notice thereof by the District to the Charter School.
- b. The failure by the Charter School to make timely payment of required charges under this Agreement, where such failure continues for thirty (30) days after receipt of written notice thereof by the District to the Charter School.
- c. The failure by the Charter School to observe or perform any of the express covenants, conditions or provisions of this Agreement, where such failure continues for thirty (30) days after receipt of written notice thereof by the District to the Charter School.
- d. Revocation or nonrenewal of the Charter School's Charter after the Charter School has exhausted all avenues of appeal under Education Code section 47607 or until the time for the Charter School to seek such appeal under Education Code section 47607 has expired, whichever occurs later.

In the event of any uncured material default or breach by the Charter School, the District may, but shall not be obligated to, terminate this Agreement and the Charter School's right to possession of the Facilities upon thirty (30) days' notice thereof to the Charter School if the default is not cured within the thirty (30) day period, provided, however, that if the nature of the Charter School's obligation is such that more than thirty (30) days are required for performance, the Charter School shall not be in default if the Charter School commences performance within such thirty (30) day period and thereafter prosecutes the same to completion. Upon termination, the District shall retain the right to recover from the Charter School, without limitation, any amounts due under this Agreement or applicable law. Unpaid Pro Rata Share Charges shall bear interest from the date due. In the event of termination by the District by reason of the Charter School's default or breach of this Agreement, the District shall not be obligated to provide facilities to the Charter School pursuant to Proposition 39 during the term of this Agreement.

21. Default by District. The District shall be in material breach and default if the District fails to perform any obligation required of the District within a reasonable time, but in no event later than thirty (30) days after receipt of written notice by the Charter School to the District specifying wherein the District has failed to perform its obligations; provided, however, that if the nature of the District's obligation is such that more than thirty (30) days are required for performance, the District shall not be in default if the District commences performance within such thirty day period and thereafter prosecutes the same to completion. In the event of any uncured material default or breach by the District, the Charter School may, but shall not be obligated to, terminate this Agreement and the Charter School's right to possession of the Facilities, and may exercise any other right or remedy at law or in equity that the Charter School may have by reason of such default or breach. Upon termination, the Charter School shall retain the right to recover from the

District, without limitation, any amounts due under this Agreement or applicable law. Pro Rata Share Charges paid for periods of time during which the Charter School did not occupy the Facilities due to the District's breach and which have not been refunded shall bear interest from the date due. In the event of termination by the Charter School by reason of the District's default or breach of this Agreement, the Charter School may request facilities from the District pursuant to Proposition 39 during the term of this Agreement.

22. Miscellaneous.

- 22.1 *Construction.* This Agreement is to be construed as a whole according to its fair meaning and not in favor of or against any of the Parties as draftsman or otherwise.
- 22.2 *Venue.* Any action or proceeding by any Party to enforce the terms of this Agreement shall be brought solely in the Superior Court of the State of California for the County of Santa Cruz, subject to any motion for transfer of venue.
- 22.3 *Applicable Law.* This Agreement shall be governed by and interpreted under the laws of the State of California applicable to instruments, persons, transactions and subject matter that have legal contacts and relationships exclusively within the State of California.
- 22.4 *Severability.* If any provision or any part of this Agreement is for any reason held to be invalid and or unenforceable or contrary to public policy, law, or statute and/or ordinance, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.
- 22.5 *Prevailing Authority.* In the event of a conflict between the law and the terms of this Agreement, the law shall prevail, and any such conflicting terms shall be severed from this Agreement and nullified. In the event of a conflict between the Charter and this Agreement, the terms of this Agreement shall prevail.
- 22.6 *No Admission.* Except as expressly agreed in this Agreement, nothing contained in this Agreement shall constitute an admission of fact or law.
- 22.7 *Amendment.* This Agreement may be amended or renewed only by a writing duly authorized and executed by both Parties.
- 22.8 *Integrated Agreement.* This Agreement is intended by the Parties as the final expression of their agreement with respect to such terms as are included herein and as the complete and exclusive statement of its terms and may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement, nor explained or supplemented by evidence of consistent additional terms. Each of the Parties acknowledges that no one has made any promise,

representation or warranty whatsoever, express or implied, written or oral, not contained herein to induce them to execute this Agreement, and that this Agreement is not executed in reliance upon any such promise, representation or warranty.

- 22.9 *Notices.* All notices required by this Agreement may be sent by United States mail; postage pre-paid, to the Parties as follows:

District:

Pajaro Valley Unified School District
294 Green Valley Road
Watsonville, CA 95076
Attention: Superintendent
Facsimile: (831) 728-8189

Charter School:

Ceiba College Preparatory Academy
315 Main Street, Suite 206
P.O. Box 1449
Watsonville, CA 95077
Attention: Chief Executive Officer
Email: tom.brown@ceibaprep.org

Any notices required by this Agreement sent by facsimile transmission or electronic mail to the facsimile and electronic mail addresses above shall be considered received on the business day they are sent, provided they are sent during in the receiving Party's business hours and provided receipt is confirmed by telephone, facsimile, or electronic mail, and further provided the original is promptly placed into the United States mail, postage pre-paid, and addressed as indicated above.

- 22.10 *Non-Assignability.* This Agreement may not be assigned by the Parties.
- 22.11 *Binding Effect.* This Agreement is binding upon the successors and assigns of the Parties, subject to the non-assignability restrictions set forth above.
- 22.12 *Execution in Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall constitute an original of the Agreement.
- 22.13 *Warrant of Authority.* Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the Party indicated.

By: _____
Tom Brown, President
Ceiba Public Schools

By: _____
Dorma Baker, Superintendent
Pajaro Valley Unified School District

Date: _____

Date: _____

EXHIBIT A

[SITE PLAN OF ILC BUILDING]

EXHIBIT B

[SITE PLAN OF PORTER BUILDING]

EXHIBIT C

[FIRST AMENDMENT TO CITY LEASE]

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE PAJARO VALLEY UNIFIED SCHOOL DISTRICT
AND
CEIBA PUBLIC SCHOOLS REGARDING CEIBA COLLEGE PREPARATORY
ACADEMY**

This Memorandum of Understanding ("Agreement") is entered into as of April 19, 2013 ("Effective Date"), by and between the Pajaro Valley Unified School District ("District"), a California public school district, and Ceiba Public Schools, a nonprofit public benefit corporation ("Non-Profit") operating Ceiba College Preparatory Academy ("Charter School"), a public charter school chartered by the District. The Charter School and the District shall be individually referred to herein as a "Party" and collectively as the "Parties." This Agreement shall be enforceable only following execution by both Parties and ratification or approval by the governing boards of each of the Parties.

RECITALS:

- A. On February 23, 2011, the District's Board of Trustees renewed the Charter School's charter petition ("Charter") for a five year term, commencing on July 1, 2011 and ending on June 30, 2016.
- B. By renewing the Charter, the District assumes supervisory oversight of the Charter School consistent with the Charter Schools Act. This Agreement is intended to outline the Parties' agreements governing their respective fiscal, operational, and administrative responsibilities, their legal relationship, and other matters of mutual interest not otherwise addressed or resolved in the terms of the Charter.
- C. The Charter School is operated by the Non-Profit in accordance with Ed Code section 47604. All obligations imposed hereby on the Charter School are equally imposed on the Non-Profit.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein set forth, including the recitals hereof, the Charter School and the District do hereby agree as follows:

- 1. Term. The term of this Agreement shall expire on June 30, 2016 ("Expiration Date"). This Agreement is subject to early termination only as set forth in the Agreement or as otherwise permitted by law.

2. Charter School Responsibilities.

2.1 *Designation of School.* The Charter School shall be known as Ceiba College Preparatory Academy. The Charter School may not change its name, nor operate under any other name, without the prior express written approval of the District. The Non-Profit shall be responsible for all functions of the Charter School, subject to the terms and conditions set forth in this Agreement and the Charter. For the 2012-2013 and 2013-2014 school years the Charter School shall not operate more than two school sites; should the Charter School need to operate out of a third site during this same period of time the Charter School shall give the District written notice of the third school site before it occupies the third school site. The Charter School shall not change locations without notification to the District of the new location; the reason for the change of location; a description of the new location; a copy of the lease or purchase agreement; appropriate permits or clearances as applicable; and revisions to the budget as applicable to reflect any change of facilities costs.

2.2 *Notification of Changes.* The Charter School shall notify the District of any significant changes in the operations or status of the Charter School as soon as practical, but in no event later than thirty (30) calendar days after the Charter School has knowledge of the change or impending change. Significant changes include (but are not limited to):

- a. Any change in contact information including but not limited to email addresses, website addresses; phone numbers and fax numbers;
- b. Any change in the Charter School's administration, including, but not limited to its principal, heads of business services and human resources; and
- c. Being named as a party in any litigation, including court and administrative proceedings.

2.3 *Corporate Name Change.* The Parties hereby agree that Non-Profit has changed its corporate name from Beacon Education Network to Ceiba Public Schools, and that such change does not constitute a change in governance and is not a material change to the Charter.

2.4 *Categorical Programs.* The Charter School shall be subject to State and federal categorical funding programs' obligations as specified in law. The Charter School shall comply with any and all reasonable requests from the District, whether mandated by law or otherwise, for information and data regarding its participation in such categorical programs.

2.5 *Documentation Required.* Within thirty (30) calendar days of the Effective Date of this Agreement, and thereafter, at least thirty (30) calendar days prior to the commencement of each school year during the

term of this Agreement, the Charter School shall provide the District with copies of the following documents. To the extent these documents have already been provided to the District for the 2012-2013 school year, the documents shall be deemed submitted to the District:

- a. Updated curriculum and educational plan for each grade level unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- b. The Charter School's grading policies unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- c. Contact information for all Charter School administrators unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- d. Roster of members and contact information for its current directors and officers unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- e. Proof of Non-Profit's status as a non-profit public benefit corporation, Articles of Incorporation and bylaws, unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- f. Copy of the Charter School's health, safety and emergency plan (and verification of staff emergency, health & safety training, and child abuse and neglect reporting training) unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- g. Copy of the Charter School's parent/student handbook unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission. Copies of any notices provided to parents in advance of school opening unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- h. Enrollment projections by grade level and proof of student-teacher ratios as set forth in the Charter unless the Charter School has already provided these documents to the District and the documents have not changed since the last date of submission;
- i. School calendar and bell schedule for the following school year, including the calculation of instructional minutes. If summer school, extended day or intersession is offered, the Charter School shall provide the school calendars and bell schedules for such programs unless the Charter School has already provided these

documents to the District and the documents have not changed since the last date of submission;

- j. If the Charter School will not be occupying District facilities, a copy of any agreement for the Charter School's facility and proof of that facility's compliance with the Field Act and/or the California Building Standards Code, as adopted and enforced by the local building enforcement agency, as well as all applicable health, fire, zoning and occupancy requirements; and
- k. To the extent the Charter School remains a member of the District SELPA and is responsible for providing special education services, fully executed contracts with appropriate providers of special education services, sufficient to cover anticipated special education needs for each year of operation.

If, during the term of this Agreement, the Charter School updates or revises any of the above-listed documents, copies of the updated or revised documents shall be provided to the District within thirty (30) calendar days.

2.6 *Charter School Policies.* In addition to the foregoing, the Charter School shall, within thirty (30) days of the Effective Date of this Agreement, provide the District with a complete set of all policies and procedures adopted by Non-Profit and Charter School, including but not limited to policies and procedures governing the following:

- a. Discipline/suspension (including special education discipline);
- b. Conflicts of interest;
- c. Health and safety (including but not limited to the administration of medication and emergency response);
- d. Sexual harassment;
- e. Mandated reporting of child abuse and neglect;
- f. Student free speech and expression as required by Education Code section 48907;
- g. Complaint procedures;
- h. Special education; and
- i. Section 504.

To the extent these documents have already been submitted to the District with the approved Charter, or have otherwise been provided to the District for the 2012-2013 school year, the documents shall be deemed submitted to the District. If, following submission of copies of the Charter School's policies and procedures to the District, the Charter School's Board adopts any new policies or procedures or revises any existing policies or procedures, copies of the new or revised policies and procedures shall be provided to the District within thirty (30) days of adoption or revision by the Charter School's Board.

If the Charter School's governing board has chosen to adopt any of the

District's current Board Policies or Administrative Regulations as its own, in lieu of the development and adoption of its own policies and procedures, then a copy of Board minutes or resolution(s) evidencing such action, and specifying the number and title of each District Board Policy or Administrative Regulation so adopted, shall be deemed as compliance with this Section 2.6.

- 2.7 *Attendance Accounting.* The Charter School shall utilize the District's attendance system to contemporaneously record and account for Average Daily Attendance ("ADA"). These records shall be auditable and shall comply with the requirements of the District's annual audit. The Charter School shall report ADA figures to the District, as appropriate, on a timely basis. The District shall timely report ADA data to the Santa Cruz County Office of Education ("COE") and/or the California Department of Education ("CDE") as necessary to enable the Charter School to receive categorical and block grant funding. The Charter School shall also obtain and work cooperatively to supply to the District in a timely and accurate fashion any other information necessary to enable the District to calculate the Charter School's entitlement to all available funding sources. The District will ensure that all data, reports and information are correctly and timely submitted, and will ensure that all funding received on behalf of the Charter School and its students is transferred to the Charter School immediately upon receipt, or as soon as possible thereafter.
- 2.8 *California Basic Education Data System (Enrollment).* The District shall submit enrollment and other demographic information, as required, through the COE, to the California Longitudinal Pupil Achievement Data System (CALPADS.)
- 2.9 *Reporting to Public Agencies.* The Charter School shall submit to the District a copy of all reports or other documents that the Charter School is required to submit to any state or other public agency in the State of California.
- 2.10 *Cumulative File Information.* The District and Charter School shall promptly forward to each other all cumulative file information, including, but not limited to, information regarding special education and related services, whenever a student transfers from a District school to the Charter School, or vice versa.
- 2.11 *Student Records; FERPA.* The Charter School shall, pursuant to Education Code Section 47604.3, promptly provide the District with all requested information and records, including pupil records protected by the Family Educational Rights and Privacy Act ("FERPA"), employee contracts, updated proof of teacher credentials and satisfaction of highly qualified teacher requirements. The Charter School and the District agree that the District is an authorized educational agency for the purposes of reviewing

pupil records from the Charter School, and is bound by FERPA to protect the confidentiality of any such records.

2.12 *Field Trips.* The Charter School agrees to comply with the policies of the Joint Powers Authority to which it belongs for risk management services, with respect to the scheduling, supervision, and approval of field trips.

3. Supervisory Oversight & Oversight Charge. The District shall perform the supervisory duties set forth in the Charter Schools Act. Those duties shall be performed by the District Superintendent or designee, who is also hereby designated as the District's contact person for the Charter School pursuant to Education Code section 47604.32, subdivision (a). The District shall, on a quarterly basis, assess a charge to the Charter School for supervisory oversight in an amount that is one percent (1%) of the Charter School's public revenue, as that term is defined in Education Code section 47613, subdivision (f) ("Oversight Charge"). Private funding, NSLP funding, and other undefined revenue raised by the charter school is not subject to the Oversight Charge.

4. Services Provided by the District. Unless otherwise terminated pursuant to the terms of this Agreement, the District and Charter School agree that the District will provide the following services to the Charter School during the term of this Agreement:

4.1 *Budget Development and Fiscal Planning.* The District will assist the Charter School to accurately identify and monitor its revenues and expenses. The District will also transfer SACS information to the State and will assist with preparing and revising long-term financial projections as needed. The Parties shall ensure that any requests for supporting data are made and fulfilled in such a manner and with sufficient time to allow each Party to comply with its statutory reporting requirements.

4.2 *Student Data Information Management.* The District will provide technical assistance in the maintenance of a student information management system that tracks the following, at a minimum: average daily attendance, enrollment, standardized and alternative assessment data, emergency contacts, race/ethnicity, age, address, parent/guardian, immunization, discipline/suspension/expulsion. The student information management system is Internet accessible and provides access to the District's network. The Charter School has full responsibility for entering data into this system to ensure timely and accurate state reporting. The Charter School must ensure timely reporting of attendance data using the District attendance criteria and based on District and State imposed reporting deadlines. The District shall prepare and file with the State appropriate attendance and related reports derived from data entered into the system by the Charter School. Upon the execution of this Agreement, and at the beginning of each fiscal year thereafter during the term of this

Agreement, the District shall state in writing to the Charter School any District-imposed reporting deadlines. Upon the execution of this Agreement, and at the beginning of each fiscal year thereafter during the term of this Agreement, the Charter School shall state in writing to the District any State-imposed reporting deadlines with which the Charter School is obligated to comply.

- 4.3 *Fingerprinting; Background Checks.* The District shall provide credentialing, background and fingerprint checks for all of the Charter School's prospective employees. All such processes shall be done in a manner consistent with the District's practices with regard to its own employees and prospective employees. The Charter School shall cooperate with the District to ensure that the District has adequate time and data to perform such services prior to the first day of instruction for any new employee.

As required by Education Code section 47605(b)(5)(F), the Charter School shall ensure that each employee of the Charter School furnishes the Charter School with a criminal record summary as described in Education section 44237, and that all parent volunteers who will be performing services that are not under the direct supervision of a certificated teacher, and onsite vendors having unsupervised contact with students, submit to background checks and fingerprinting in accordance with the provisions of Education Code section 44237.

- 4.4 *Assessment Testing.* The District shall assist the Charter School in the administration of all required statewide performance assessments.
- 4.5 *Quality and Frequency of Service; Charge for Services; Termination.* The Charter School will receive services as set forth in this Section 4 that are of the same quality and with the same frequency as provided to non-charter schools within the District. These services shall be charged to the Charter School quarterly and shall be calculated based on an hourly rate equal to the per-hour total cost to the District of the employee providing such services, including the value of salary and health and welfare benefits as well as all appropriate taxes, for each such employee.

The District reserves the right to assess a charge for any extraordinary service (above and beyond those services provided to the Charter School pursuant to this Agreement as described in this Section 4) requested by the Charter School in writing and agreed to by the District in its sole discretion at the actual cost of such extraordinary service. For the purpose of calculating the actual cost of such extraordinary service, the District shall determine an hourly rate equal to the per-hour total cost to the District of the employee providing such services, including the value of salary and health and welfare benefits as well as all appropriate taxes, and services provided by each such employee shall be charged to the Charter

School at such hourly rate multiplied by the amount of time expended by that employee, plus a one-time administrative fee of \$300 to cover the cost of administrative time spent calculating, tracking, and invoicing such charge for extraordinary service. No extraordinary services, as per this section, shall be provided or charged the Charter School absent written agreement specifically requesting such services.

The District will provide the Charter School with a quarterly statement reflecting all charges for services provided to the Charter School by the District during that quarter. In lieu of a quarterly statement, the District may provide the Charter School with an annual statement within thirty (30) calendar days after the end of the District's fiscal year. Such statement(s) shall note which, if any, of all listed charges have been waived by the District. Payment to the District for the cost of all services not otherwise waived, shall be made by the Charter School as described in this Agreement at Section 5.2.

The Charter School shall have the right to terminate one or more of the above-referenced services with written notice to the District effective at the end of the school year in which notice is given to the District (unless otherwise agreed to between the parties).

5. Funding.

- 5.1 *Basic Funding.* The Charter School has elected to receive funding from the State directly, pursuant to Education Code section 47651. The District shall comply with Education Code section 47635 in providing the Charter School with its share of local funding. The Charter School shall be responsible for providing the State and the District with all data required for funding, and the District shall comply with State-imposed deadlines for the filing of any form or application required to ensure the Charter School's funding. However, the District has not and shall not be deemed to have assumed any obligation to take any actions beyond those that may be required by law. The District shall assist the Charter School in identifying all applicable funding sources to which the charter school may receive from state and federal sources (e.g., categorical funding federal programs such as title one, e-rate etc.). The parties shall meet at least once annually to review potential charter school funding sources.
- 5.2 *Transfer of Funds; Payment of Charges.* By the fifteenth of each month (or as otherwise required by the Education Code), the District shall provide the Charter School with a warrant equal to all in-lieu property taxes owed to the Charter School for the prior month plus any portion of federal funding, including, but not limited to categorical funding generated by the students attending the Charter School, which has been allocated to the District on behalf of the Charter School during the prior month. Unless any such charges and fees owed to the District have been waived

by the Parties, the Charter School shall, by the fifteenth (15th) of each calendar quarter, provide the District with a warrant equal to the prior quarter's Pro Rata Share Charge for facilities owed to the District pursuant to the Facilities Use Agreement concurrently executed by the Parties hereto; the District's Oversight Charge for the prior quarter; and any other payment owed to the District for services purchased by the Charter School and provided by the District during the prior quarter.

- 5.3 *District Applications for Funding.* When the District applies for additional sources of funding in the form of grants and or categorical funding for the benefit of the Charter School the District shall inform the Charter School of its intent to make such an application, and the Charter School shall have the right to direct the District not to make such application. It shall also send the Charter School a copy of the application submitted. The District shall receive one percent (1%) of any funds allocated to the Charter School to compensate the District for its services in obtaining the funds for the Charter School or as otherwise set by the particular grant received. These funds shall not be considered revenue for purposes of the District's Oversight Charge.

Notwithstanding the foregoing, the Parties may separately agree that, for the term of this Agreement, payment of the one percent (1%) of the funds owed to the District as compensation for its services in obtaining said funds or grant monies for the Charter School, shall be waived in partial satisfaction of the District's obligations to the Charter School under Proposition 39. If this Agreement is renewed or extended by the Parties, the District's waiver, if any, of the one percent (1%) owed to the District as compensation for its services in obtaining said funds or grant monies for the Charter School may also be extended by mutual written agreement of the Parties.

The Charter School shall cooperate fully with the District in any application made by the District on behalf of the Charter School. The Charter School shall also obtain and work cooperatively to supply to the District in a timely and accurate fashion any other information necessary to enable the District to calculate the Charter School's entitlement to all available funding sources. The District shall transfer any such funding received on behalf of the Charter School to the Charter School immediately upon receipt, or as soon as possible thereafter.

- 5.4 *Expenditure of Funds.* The Charter School agrees to comply with all applicable statutes and regulations related to expenditures and receipt of its funds (including compliance with federal and state compliance regulations and certifications).

The Charter School shall be responsible for establishing any necessary and appropriate funds or accounts in the County Treasury or the County Office

of Education for the Charter School and for making necessary arrangements for the Charter School's participation, as appropriate, in the State Teachers' Retirement System ("STRS") or Social Security. The Charter School shall be responsible for entering into and maintaining any agreement with the COE to provide these services.

5.5 *Compliance with Procedures.* To the extent that the Charter School is required to submit records or information to the District or the COE in order to confirm funding, those records must be prepared by the Charter School in conformance with pertinent District and COE procedures.

6. Legal Relationship. Pursuant to its Charter and Education Code section 47604, the Charter School is operated by a non-profit public benefit corporation and is a separate legal entity from the District. As such, the District shall not be liable for the debts or obligations of the Charter School or the Non-Profit to the maximum extent permitted by applicable law. The Charter School may not enter into a contract or agreement to be managed or operated by any other non-profit public benefit corporation (or any other corporation or entity) without the express written prior approval of the District.
7. Fiscal Relationship. The District shall not act as fiscal agent for the Charter School. Except otherwise expressly set forth in this Agreement, the Charter School shall be responsible for all of its fiscal operations, including but not limited to such functions as payroll and purchase orders.
8. Fiscal Controls.
 - 8.1 *Fiscal Policies.* The Charter School shall adopt and meet generally accepted accounting principles and shall adopt policies to ensure the Charter School's funds are used to support the Charter School's mission and to ensure that funds are budgeted, accounted for, expended, and maintained in an appropriate fashion. Such policies will include, but not be limited to the following:
 1. Expenditures shall be made in accordance with the annual budget adopted by the Charter School's governing board;
 2. The Charter School's funds shall be managed and held in a manner that provides a high degree of protection of the Charter School's assets; and
 3. All transactions shall be recorded and documented in an appropriate manner that allows reporting to the State, the District, and/or the COE.
 - 8.2 *Financial Reports.* The Charter School shall annually prepare and submit the following reports to the District and the County Superintendent of

Schools, by the dates prescribed in law, and using accounting format acceptable to the California Department of Education:

- a. By July 1, the Charter School will provide a preliminary budget for the coming fiscal year. This submission will include a budget for all funds and accounts operated by the Charter School, all supplementary forms, and a written narrative describing the assumptions on which the budget are based.
- b. By December 15 of each school year, the Charter School shall file a First Period Interim Report for changes that have taken place through October 31.
- c. By March 15 of each school year, the Charter School shall file a Second Period Interim Report for changes that have taken place through January 31.
- d. By May 15, if requested by the District following review of the Charter School's Second Period interim Report, the Charter School shall file a Third Period Interim Report for changes that have taken place thorough March 15.
- e. By September 15 after the close of the school year, the Charter School shall file Un-audited Actuals covering July 1 through June 30 of the prior school year.

All of the required Interim Reports shall have passed a technical review and be error free. Each submission shall consist of two (2) hard copies and one (1) data file (on a portable USB drive or other appropriate medium), or an electronic copy of the data file which may be emailed to the Director of the District's Business Services Department. Each required report shall include:

1. Year to date financial activity, broken down by month, showing budgeted versus actual amounts;
2. Detailed revenue and expenditure projections for the current year, with assumptions;
3. Monthly cash flow, including up to date actuals and projects for the remainder of the current year.
4. CDE Exhibit N-J (Principal apportionment revenue calculations), with complete and up-to-date information; and
5. Updated enrollment and ADA figures.

- 8.3 *Voter Approved Measures.* If the District intends to seek a voter approved bond or parcel tax it shall provide advance notification to the charter school and shall meet with Ceiba's Chief Executive Officer in advance of finalizing a bond project list or resolution for a bond or parcel tax to be

taken to the District Board of Education. In the event that the District seeks and receives a voter approved bond or parcel tax, the Charter School shall have no entitlement to any portion of the funds unless otherwise agreed upon in writing between the Parties and approved by the District's governing board prior to the election. The Charter School agrees that it has no entitlement to funds currently being received, if any, by the District under previous parcel tax or bond elections.

- 8.4 *Loans.* The Charter School shall establish a fiscal plan for repayment of any loans received by the Charter School in advance of receipt of such loans. It is agreed that all loans sought by the Charter School shall be authorized in advance by the governing board of the Charter School and shall be the sole responsibility of the Charter School. The District shall have no obligation with respect to any loans received by the Charter School to finance its operations, and any such loan shall be the sole responsibility of the Charter School. Upon request, the Charter School will provide information regarding any such loan to the requesting agency pursuant to Education Code section 47604.3. The Charter School shall provide the District with written notice within thirty (30) days of entering into any unsecured agreement or contract that gives rise to a multiple fiscal year direct or indirect debt or other financial obligation which exceeds Fifty Thousand Dollars (\$50,000).
- 8.5 *Cash Flow and Reserve.* The Charter School shall maintain reserves at least equivalent to those required by law.
- 8.6 *Third Party Debts and Liabilities.* Assets or funds allocated or held by the Charter School for provision of its educational services shall not be used to satisfy any third party debts or liabilities. Without limitation to the foregoing, no Charter School monies shall be allocated or spent on the debts or liabilities of any party or organization that is associated with founding this Charter School. The Charter School may allocate or spend monies in conjunction with the development of a supporting organization formed to benefit the Charter School, as allowed by applicable law.
- 8.7 *Payroll.* The Charter School will prepare payroll checks, tax and retirement withholdings, tax statements and perform other payroll support functions. Upon hiring of staff, a personnel file will be established with all appropriate payroll-related documentation including a federal I-9 form, tax withholding forms and retirement data.
9. Special Education; Section 504. The District and the Charter School are concurrently entering into a Special Education Services Agreement pursuant to which the Charter School shall be responsible for providing special education and related services to its students, while remaining a public school of the District in conformity with California Education Code section 47641, subdivision (b).

The District does not provide services to the Charter School to ensure its compliance with Section 504 of the Rehabilitation Act of 1973 ("Section 504") or the Americans with Disabilities Act ("Act"). Absent agreement of the Parties to the contrary, the Charter School shall be solely responsible, subject to the terms of the Special Education Services Agreement, for compliance with Section 504 and the Act with respect to eligible students.

10. Insurance. In addition to any other insurance coverage as may be required pursuant to the terms of the Charter or the Facilities Use Agreement and Special Education Services Agreement entered into between the Parties, the Charter School shall maintain, during the term of this Agreement, insurance coverage as follows:
 - a. Property coverage to replace the Charter School's own personal property and temporary improvements if damaged;
 - b. General Liability coverage: comprehensive or commercial general liability insurance with limits not less than One Million Dollars (\$1,000,000) each occurrence combined single limit for bodily injury and property damage (whether coverage is through primary only or primary plus excess), against claims which may arise from or in connection with the operations of the Charter School; the District shall be named an additional insured and the Charter School shall provide the District with original certificates and amendatory endorsements as evidence of coverage required by this clause;
 - c. Directors and Officers/School Board Legal Liability coverage (can be "claims made");
 - d. Workers Compensation coverage as required by law;
 - e. Other coverages as may become required by law during the term of this Agreement.
11. Facilities. The Parties shall separately enter into a Facilities Use Agreement, setting forth all terms and provisions of such use.
12. Indemnification. The Charter School shall indemnify, defend, and hold harmless the District, its trustees, officers, employees and agents against and from any and all claims, demands, actions, suits, losses, liability, expenses and costs, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment is rendered, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, the Charter School's performance under the Charter or this Agreement including, but not limited to, any acts or errors or omissions by the Charter School, its governing board, administrators, employees and agents, excepting those claims, demands, actions, suits, losses, liability, expenses and costs arising out of the negligent or intentional acts of the District, its trustees, officers, employees and agents.

The District shall indemnify, defend, and hold harmless the Charter School, its directors, officers, employees and agents against and from any and all claims, demands, actions, suits, losses, liability, expenses and costs, including legal costs, attorney's fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment is rendered, that may be asserted or claimed by any person, firm or entity arising out of, or in connection with, the District's performance under this Agreement including, but not limited to, any acts or errors or omissions by the District, its governing board, administrators, employees and agents, excepting those claims, demands, actions, suits, losses, liability, expenses and costs arising out of the negligent or intentional acts of the Charter School, its directors, officers, employees and agents.

The above indemnification provision shall not apply to the relationship of the Parties with regard to special education as that relationship is described and agreed upon in a separate agreement between the Parties, which includes but is not limited to an indemnification provision.

13. Compliance with Laws Applicable to Public Agencies.

13.1 *Compliance with State and Federal Laws.* The Charter School shall at all times comply with the following laws:

- a. The Brown Act (Cal. Gov. Code §§ 54950 et seq.);
- b. The Public Records Act (Cal. Gov. Code §§ 6250 et seq.);
- c. State conflict of interest law (the Political Reform Act (Cal. Gov. Code §§ 87100 et seq.);
- d. The Child Abuse and Neglect Reporting Act (Cal. Penal Code §§ 11164 et seq.);
- e. The Individuals with Disabilities Education Improvement Act of 2004 ("IDEA") (20 U.S.C. §§ 1400 et seq.);
- f. The Americans with Disabilities Acts (42 U.S.C. §§ 12101 et seq.);
- g. The U.S. Civil Rights Acts, including Title VII of the 1964 Civil Rights Act;
- h. The California Fair Employment and Housing Act ("FEHA") (Cal.Gov. Code §§ 12900 et seq.);
- i. The Age Discrimination in Employment Act ("ADEA") 29 U.S.C. §§ 621 et seq.);
- j. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §§ 794 et seq.);
- k. Education Code sections 220 et seq.;
- l. The Uniform Complaint Procedure (5 Cal. Code Regs. §§ 4600 et seq.);
- m. The Family Educational Rights and Privacy Act ("FERPA") (20 U.S.C. §§ 1232g et seq.); and
- n. The No Child Left Behind Act ("NCLB") 20 U.S.C. §§ 6301 et seq.).

- 13.2 *Public Access.* The Charter School and the District acknowledge that the Charter School is a public school, part of our educational system and funded by public education dollars. As a public entity, it is important that the Charter School conduct its business in a manner open to the public, to which it is ultimately accountable. Accordingly, the Charter School's legally releasable records shall also be open to the public upon request, and its business shall be conducted in accordance with principles of open government. The Charter School shall comply with the Public Records Act (Gov. Code sections 6250 *et seq.*) and the Brown Act (Gov. Code sections 54950 *et seq.*)
- 13.3 *Charter School Responsibility.* The Charter School shall be solely liable for any violations of State law regarding public access to its records or to meetings of its governing board or conflicts of interest by its officials. Nothing in this Section shall render the District responsible for ensuring the Charter School's compliance with State laws regarding public access or conflicts of interest, or liable for any violation by the Charter School of such laws.

14. Miscellaneous.

- 14.1 *Dispute Resolution.* Any and all disputes arising out of the interpretation or performance of this Agreement, which cannot be resolved by the Parties acting in good faith during an initial meeting, shall be subject to the dispute resolution procedure set out in the Charter. Notwithstanding the foregoing, the Parties agree that the District Superintendent shall have the right to appoint a designee to participate in dispute resolution procedures on behalf of the District. The Parties further agree that District shall not be obligated by the terms of the procedure set out in the Charter as a precondition to revocation.
- 14.2 *Termination.* In the event that the Charter School ceases operations or the Charter is revoked by the District, this Agreement shall automatically terminate as of the date the Charter School has exhausted all avenues of appeal under Education Code section 47607 or at the time for the Charter School to seek such appeal under Education Code section 47607 has expired, whichever occurs later. This Agreement shall otherwise terminate only upon the expiration of its term, or upon the material uncured breach or default of either Party of any material term hereof and sixty (60) days' notice by the non-breaching Party of the material breach or default and opportunity to cure. If such breaching Party cures such material breach or default within sixty (60) days of receiving such notice, or longer as may be agreed upon by the Parties due to the nature of the breach, the Agreement shall not terminate.

- 14.3 *Amendments to Charter.* Changes to the Charter deemed to be material amendments may not be made without District written approval consistent with the requirements of the Education Code. Amendments to the Charter considered to be material changes include, but are not limited to, the following:
- a. Substantial changes to the educational program (including the addition or deletion of an educational program), mission, or vision;
 - b. Changing to (or adding) a non-classroom-based program, if originally approved as a classroom-based program;
 - c. Addition or deletion of grades or grade levels to be served;
 - d. Addition of new sites;
 - e. Admission preferences; and
 - f. Governance structure.
- 14.4 *Construction.* This Agreement is to be construed as a whole according to its fair meaning and not in favor of or against any of the Parties as draftsman or otherwise.
- 14.5 *Venue.* Any action or proceeding by any Party to enforce the terms of this Agreement shall be brought solely in the Superior Court of the State of California for the County of Santa Cruz, subject to any motion for transfer of venue.
- 14.6 *Applicable Law.* This Agreement shall be governed by and interpreted under the laws of the State of California applicable to instruments, persons, transactions and subject matter that have legal contacts and relationships exclusively within the State of California.
- 14.7 *Severability.* If any provision or any part of this Agreement is for any reason held to be invalid and or unenforceable or contrary to public policy, law, or statute and/or ordinance, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.
- 14.8 *Prevailing Authority.* In the event of a conflict between the law and the terms of this Agreement, the law shall prevail, and any such conflicting terms shall be severed from this Agreement and nullified. In the event of a conflict between the Charter and this Agreement, the terms of this Agreement shall prevail.
- 14.9 *No Admission.* Except as expressly agreed herein, nothing contained herein shall constitute an admission of fact or law.
- 14.10 *Amendment.* This Agreement may be amended or renewed only by a writing duly authorized and executed by both Parties.
- 14.11 *Integrated Agreement.* This Agreement is intended by the Parties as the final expression of their agreement with respect to such terms as are

included herein and as the complete and exclusive statement of its terms and may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement, nor explained or supplemented by evidence of consistent additional terms. Each of the Parties acknowledges that no one has made any promise, representation or warranty whatsoever, express or implied, written or oral, not contained herein to induce them to execute this Agreement, and that this Agreement is not executed in reliance upon any such promise, representation or warranty.

- 14.12 *Notices.* All notices required by this Agreement may be sent by United States mail; postage pre-paid, to the parties as follows:

District:

Pajaro Valley Unified School District
294 Green Valley Road
Watsonville, CA 95076
Attention: Superintendent

Facsimile: (831) 728-8189

Charter School:

Ceiba College Preparatory
Academy
315 Main Street, Suite 206
Watsonville, CA 95076
Attention: Chief Executive
Officer
Email:
tom.brown@ceibaprep.org

Any notices required by this Agreement sent by facsimile transmission or electronic mail to the facsimile and electronic mail addresses above shall be considered received on the business day they are sent, provided they are sent during in the receiving party's business hours and provided receipt is confirmed by telephone, facsimile, or electronic mail, and further provided the original is promptly placed into the United States mail, postage pre-paid, and addressed as indicated above.

- 14.13 *Non-Assignability.* This Agreement may not be assigned by the Parties.
- 14.14 *Binding Effect.* This Agreement is binding upon the successors and assigns of the Parties, subject to the non-assignability restrictions set forth above.
- 14.15 *Execution in Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall constitute an original of the Agreement.
- 14.16 *Warrant of Authority.* Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the Party indicated. This Agreement shall be executed by the Charter School prior to its submission to the District Governing Board and shall become effective immediately upon its approval by the District Governing Board.

By: _____
Tom Brown, President
Ceiba Public Schools, Inc.

By: _____
Dorma Baker, Superintendent
Pajaro Valley Unified School
District

Date: _____

Date: _____

**SPECIAL EDUCATION SERVICES AGREEMENT
BETWEEN
THE PAJARO VALLEY UNIFIED SCHOOL DISTRICT
AND
CEIBA COLLEGE PREPARATORY ACADEMY**

This Special Education Services Agreement (“Agreement”) is entered into as of _____, 2013 (“Effective Date”) by and between the Pajaro Valley Unified School District (“District”), a California public school district, and Ceiba Public Schools, a nonprofit public benefit corporation (“Non-Profit”) operating Ceiba College Preparatory Academy (“Charter School”), a public charter school chartered by the District. The Charter School and the District shall be individually referred to herein as “Party” and collectively as “Parties.” This Agreement shall be enforceable only following execution by both Parties and ratification or approval by the governing boards of each of the Parties.

- A. The Charter School operates under a charter (“Charter”) renewed by the District’s Board of Trustees (“Board”) on February 23, 2011, for a five year period commencing on July 1, 2011 and ending on June 30, 2016.
- B. The District operates its own special education local plan area (“SELPA”) for the provision of special education services to students within the District. The District and the Charter School are entering into this Agreement to set forth the responsibilities of each of the Parties with respect to the delivery and financing of special education and related services to children enrolled at the Charter School.
- C. The Charter School is operated by Non-Profit. All obligations imposed hereby on the Charter School are equally imposed on the Non-Profit.

NOW THEREFORE, in consideration of the covenants and conditions of this Agreement, the District and the Charter School hereby agree as follows, subject to approval by the governing Boards of the Charter School and the District:

- 1. Term. The initial term of this Agreement shall expire on June 30, 2015 (“Expiration Date”). If the Charter School has not been accepted for membership in another SELPA by the Expiration Date, the Agreement shall be renegotiated. The parties expressly agree that renegotiation of this Agreement shall include renegotiation of all provisions in this Agreement, including but not limited to the Charter School’s responsibility for excess costs and contribution to the District’s Encroachment as described in Section 7.3. This Agreement is subject to early termination only as set forth in the Agreement or as otherwise permitted by law.
- 2. General Provisions.
 - 2.1. *Intent of the Parties*. The Parties intend to ensure that all students with disabilities who attend the Charter School are provided a free appropriate public

education ("FAPE") in compliance with the IDEA (20 U.S.C. § 1400, *et seq.*) and California Education Code section 56000, *et seq.*

- 2.2. *Provision of Services.* A child with disabilities attending the Charter School shall receive special education and related services in the same manner as a child with disabilities who attends another public school of the District. (Ed. Code § 56145.) A full continuum of special education programs and related services shall be provided to Charter School students as required by an individual student's IEP.
- 2.3. *Nondiscrimination in Admissions.* All students shall have access to the Charter School and no student shall be denied admission due to his or her disability. (20 U.S.C. § 1412(a)(2); 34 C.F.R. § 300.209; Ed. Code § 47605(d).)
- 2.4. *Independent Study.* No Charter School student eligible for special education and related services may participate in independent study, unless his or her IEP provides for such participation. The determination regarding the appropriateness of independent study for a particular student shall be made by the IEP team acting during a legally-constituted IEP team meeting. (Ed. Code § 51745(c).)

3. Charter School Status/Participation in SELPA.

- 3.1. *Charter School is Public School of the District.* Unless and until the Charter School is accepted for membership in another SELPA, the Charter School shall be deemed a "public school" of the District in conformity with California Education Code section 47641, subdivision (b). Accordingly, for purposes of special education, the Charter School's students shall be deemed to be students of the District, and the District shall serve as the Charter School's local educational agency ("LEA").
- 3.2. *Participation in SELPA.* The District's Director of SELPA and Special Education Services or designee shall represent the Charter School at all SELPA meetings. Reports to the Charter School regarding SELPA decisions, policies, and other SELPA activities shall be communicated to the Charter School as they are to other schools within the District. The District will notify the Charter School prior to any action of the SELPA which could lead to a reduction of special education funds to the Charter School as described below under 7.1.
- 3.3. *SELPA Activities.* To the extent that the District or the SELPA provides training, professional development opportunities, and information regarding special education to site staff of District schools, such training, professional development opportunities and information shall be made available to Charter School staff.
- 3.4. *SELPA Requirements.* The Charter School agrees to adhere to all policies, regulations, and requirements of the SELPA and the SELPA Local Plan for Special Education ("Local Plan") with regard to the provision of special education and related services to Charter School students.

3.5 *Application for Membership in SELPA.* The Charter School has notified the District SELPA that it intends to apply for membership as an LEA in another SELPA, and that pending approval for membership, the Charter School intends to leave the District SELPA by no later than July 1, 2015. Pursuant to such notice, the Charter School shall consult with the District's Director of SELPA and Special Education Services to ensure the Charter School's change in SELPA status is conducted in compliance with the District SELPA Local Plan and all other applicable provisions of law. If the Charter School applies to become a member LEA of any SELPA outside the District, this Agreement, and all District obligations to the Charter School for the purposes of special education, shall automatically terminate upon the final approval of such LEA status. A full accounting of the Charter School's expenditure of all special education funds allocated to it by the SELPA or District for that fiscal year, as well as for any years for which the Charter School has not reported such expenses to the SELPA or District, shall also be due to the District within fifteen (15) days of the date that the Charter School is granted membership in any SELPA.

4. Section 504 and the ADA.

4.1 *Charter School Responsibility.* This Agreement is intended to address the responsibilities of the Parties with respect to the provision and financing of special education services under the Individuals with Disabilities Education Act ("IDEA") and does not cover services or accommodations required under Section 504 of the Rehabilitation Act of 1973 ("Section 504") (29 U.S.C. §§ 794 *et seq.*) or under the Americans with Disabilities Act of 1990 ("the ADA") (42 U.S.C. §§ 12101 *et seq.*) with the exception of any agreements made between the Parties pursuant to any applicable facilities use agreement. Absent agreement of the Parties to the contrary, the Charter School shall be solely responsible, at its own expense, for compliance with Section 504 and the ADA with respect to eligible Charter School students. The Charter School shall be solely responsible for the cost of any accommodations, devices, or services necessary to ensure such compliance.

4.2 *Compliance with Section 504 and ADA.* The Charter School shall comply with all applicable law, regulations, and its policies and procedures related to Section 504 and the ADA, and shall be responsible for the development of Section 504 plans and the implementation of appropriate services as outlined in a Section 504 plan for all eligible Charter School students. All services shall be recorded on Charter School Section 504 forms.

4.3 The Charter School shall identify a Section 504 coordinator who shall work cooperatively with a District-designated representative, to ensure eligible Charter School students are provided with Section 504 services in a manner that complies with all applicable law, regulations, and the Charter School's policies and

procedures. The District shall have the right to review all Section 504 plans developed by the Charter School to ensure compliance with applicable law.

5. Designated Representative. The District's designated representative for issues arising under this Agreement is the District's Director of SELPA and Special Education Services or designee, who shall have the authority to act on behalf of the District in accordance with the terms hereof except to the extent action by the District's Governing Board is legally required. The Charter School shall designate a representative in writing and this representative shall have the authority to act on behalf of the Charter School consistent with the terms hereof except to the extent action by the Charter School's Board of Directors is legally required.

6. Programs and Services.

- 6.1 *Division and Coordination of Responsibility.* The District and the Charter School agree that, as described herein, the SELPA shall receive state and federal funding allocated on behalf of the Charter School for special education services, and the SELPA shall reimburse or disburse funds to the Charter School for such services as provided herein.

Except as otherwise described herein, the Charter School shall have sole responsibility for ensuring that all children with disabilities enrolled in the Charter School receive special education and designated instruction and services in conformity with their individualized education plans ("IEP") and in compliance with the IDEA, its implementing regulations, and all applicable state and federal law. Such services include, but are not limited to identification, referral, assessment, determination of eligibility, IEP development and modification, provision of educational services, transportation for students whose IEPs require such transportation, and all other services associated with the placement or provision of special education or related services to eligible Charter School students.

- 6.2 *Mental Health Services.* Except by prior written approval of the District, all mental health services, including, but not limited to individual and group counseling and family therapy, will be provided to eligible Charter School students by the District.
 - 6.3 *Enrollment.* The Charter School shall include on its enrollment form(s) a question regarding whether the student seeking to enroll in the Charter School is, or may be, eligible for special education and related services. The Charter School shall provide the District with a list of special education students enrolled in the Charter School at the beginning of each school year, and shall update the list quarterly. The Charter School shall notify the District immediately of the enrollment or intended enrollment of any student with an existing IEP from another District school. The District will provide consultative assistance to the

Charter School to help with the transition of students transferring into the Charter School's program from another District school.

- 6.4 *Identification and Referral.* The Charter School shall be responsible for identifying and referring students enrolled in the Charter School who have or may have exceptional needs that qualify them to receive special education services. The Charter School will implement all SELPA policies and procedures to ensure identification and referral of students who have, or may have, such exceptional needs. A pupil shall be referred for special education and related services only after the resources of the regular education program have been considered and, where appropriate, utilized.

- 6.5 *Student Records.* As between the Charter School and the District, the Charter School shall be solely responsible for obtaining the cumulative files, prior and/or current IEP and other special education information upon the enrollment in the Charter School of any student from a non-District school. The Charter School shall forward copies of all special education files and records to the District within fifteen (15) days of receipt.

The District shall ensure that the Charter School is provided with notification and relevant files of any student transferring to the Charter School from any other District school who has an existing IEP in the same manner that it ensures the forwarding of such information between District schools.

- 6.6 *Assessment.* Except as otherwise set forth herein, the Charter School shall be responsible for conducting all necessary special education assessments, including, but not limited to initial, annual, and triennial assessments. The Charter School shall ensure that all such assessments are conducted by qualified personnel and comply with all applicable state and federal law and regulations. (20 U.S.C. § 1414(a)-(c); 34 C.F.R. §§ 300.300-305; Ed. Code § 56320; Cal. Code Regs., tit. 5, § 3023.)

Except as provided by state and federal law, the Charter School may not conduct an assessment without first obtaining the written consent of the parent/guardian. (20 U.S.C. § 1414(a)(1)(D); 34 C.F.R. § 300.300; Ed Code § 56321.) If a parent/guardian refuses to consent to an assessment that the District or the Charter School believes is required to provide a Charter School student with FAPE, the Charter School shall immediately notify the District.

The Charter School shall not refer a student for an independent educational evaluation ("IEE") without the prior written approval of the District. If a parent/guardian requests an IEE, either verbally or in writing, the Charter School shall immediately notify the District.

- 6.7 *Vision and Hearing Screenings.* In accordance with the requirements set out in the Education Code, the Charter School shall, at its own cost and expense, provide

vision and hearing screenings for Charter School students in the same manner as such screenings are provided to other District students. By separate written agreement of the Parties, the Charter School may contract with the District for the provision of vision and hearing screenings.

- 6.8 *Individualized Education Plans ("IEPs")*. Services and placements shall be provided to all eligible Charter School students in accordance with the policies, procedures and requirements of the SELPA, and all applicable state and federal laws. The Charter School shall use the SELPA forms to complete all IEPs.

Each IEP must contain all components required by federal and state law, including, but not limited to: a statement of the child's present levels of educational performance; measurable annual goals; the special education and related services and supplementary aids and services to be provided to the child; an explanation of the extent, if any, to which a child will not participate with non-disabled children; the dates, frequency, location and duration of services for the child; and a statement of how the child's progress toward his or her annual goals will be measured; a statement of individual accommodations that are necessary to measure academic achievement and performance on state and District testing; transition goals and services for students 16 years or older; and a statement of how the child's progress toward his or her annual goals will be measured. (20 U.S.C. § 1414(d)(1)(A); 34 C.F.R. § 300.320; Ed. Code § 56345.)

The Charter School may not implement any portion of an IEP to which a student's parent or guardian has not provided written consent. If a student's parent or guardian consents to only part of a student's IEP, the Charter School must implement the portion of the IEP to which the parent or guardian consented. (Ed. Code § 56346(e).) Any time a parent or guardian refuses to consent to any portion of a student's IEP that the Charter School believes is required to provide a student with a FAPE, the Charter School shall immediately notify the District.

Whenever the Charter School proposes or refuses to initiate or change the identification, evaluation or educational placement of a Charter School student, the Charter School must provide the student's parent or guardian with prior written notice of such action in accordance with the requirements of all applicable state and federal laws.

- 6.9 *IEP Team Meetings; IEP Teams*. The Charter School shall have sole responsibility for scheduling and conducting all necessary IEP team meetings in accordance with SELPA general practice and procedures and applicable laws. The Charter School shall provide the District with a Notice of Meeting for each scheduled IEP team meeting and the District shall, at its sole discretion, be entitled to have a District representative in attendance at the IEP team meeting for any Charter School student.

Each eligible student's IEP team shall be composed in compliance with state and federal law. (20 U.S.C. § 1414(d) (1) (B); 34 C.F.R. § 300.34421; Ed. Code § 56341(b).) All decisions regarding a student's eligibility for special education services, goals and objectives, program design, placement in special education services, and exit from special education or related services shall be made only by the IEP team for each student, acting in a legally-constituted IEP team meeting. Should the Charter School contract with outside service providers, including those providing services remotely by Skype or any other method of video-teleconferencing, such service providers shall participate telephonically or by videoconference, as appropriate, in IEP team meetings, and shall provide written input and signatures, as necessary, on SELPA forms. Copies of said SELPA forms may be transmitted to the Charter School electronically or by facsimile.

- 6.10 *Participation in District's Web-based IEP Program.* Within ninety (90) days following execution of this Agreement, the Charter School shall begin utilizing the "SELPA System II Web IEP System" program used by the SELPA to complete all of its IEPs. If, during the term of this Agreement, the SELPA adopts another online or software program to complete IEPs, the Charter School shall adopt the same online or software program selected by the SELPA, and shall begin using the new SELPA-adopted online or software program at the same time as other District schools are required to do so.

The District shall provide Charter School staff with the same training in the use of SELPA-adopted programs and/or software as is provided to other District staff in sufficient time to allow timely implementation of the program by the Charter School. Such training shall be provided at no charge to the Charter School and according a schedule as mutually-agreed upon by the Parties. The Charter School shall be solely responsible for the cost of all computer equipment and other hardware required to implement use of any SELPA-adopted online or software program.

- 6.11 *Interim Placement.* For students with a current IEP who enroll in the Charter School from a school outside the District, the Charter School shall either implement the student's existing IEP to the extent possible, or provide the student with an interim placement, not to exceed 30 days, in accordance with all applicable state and federal law. The interim placement must be in conformity with the last signed and implemented IEP, unless the parent/guardian agrees otherwise. Before the expiration of the 30 day period, the interim placement shall be reviewed by the IEP team and final recommendations made. (Ed. Code § 56325.) The Charter School shall notify the District immediately of students who may fall into this category. The District may provide consultative assistance and necessary services to the Charter School to help transition such students.
- 6.12 *Educational Services and Programs.* The Charter School shall be responsible for providing a full continuum of special education programs and related services as may be required by an individual student's IEP. Except as otherwise expressly set

forth herein, the Charter School shall have sole responsibility for hiring, funding and overseeing all private service providers, placement in nonpublic schools, and/or the costs associated with certified nonpublic agencies providing educational or related services to Charter School students.

- 6.13 *Staffing Requirements; Job Descriptions.* All special education and related services for Charter School students must be provided by qualified personnel meeting state certification, licensing, registration or other applicable requirements. Evidence of certification, licensing, registration or other applicable requirements shall be made available to the District upon request. The Charter School shall annually provide the District with a roster and contact information for all outside service providers (i.e., non-Charter School employees) providing special education or related services to Charter School students, and shall provide updated information within fifteen (15) days of any change in service providers. The Charter School shall also provide the District with copies of all job descriptions to be posted by the Charter School when hiring personnel to provide special education or related services to eligible Charter School students.
- 6.14 *Parent Concerns and Complaints.* The Charter School shall instruct parents and guardians of students enrolled at the Charter School that concerns regarding special education services, related services and rights are to be addressed to Charter School staff. The Charter School shall be responsible for investigating and, responding to, and addressing parent and guardian concerns and complaints regarding special education and related services at the Charter School, as appropriate, through its Uniform Complaint procedures, SELPA policies and procedures, and applicable law. Upon request, the Charter School shall forward a copy of all complaints related to the provision of special education to the District Superintendent or designee, and shall cooperate fully with reasonable requests from the District for information and documentation related to the Charter School's resolution of such complaints.
- 6.15 *Due Process Hearings/Complaints.* In consultation with the District, the Charter School may initiate a due process hearing on behalf of a student enrolled in Charter School as the Charter School determines is legally necessary to meet its responsibilities under federal and state law. The Charter School shall notify the District in writing as soon as it determines that it will file a due process hearing on behalf of a student enrolled in the Charter School. Following such notification, the Charter School and District shall meet to review all relevant information concerning the matter.

The Charter School shall notify the District as soon as it becomes aware that the parent or guardian of a Charter School student has filed, or intends to file, a request for a due process hearing with the Office of Administrative Hearings ("OAH") or a compliance complaint with the California Department of Education ("CDE") alleging a failure to implement a student's IEP or another violation of the IDEA.

The Charter School shall defend and/or pursue any due process hearing or CDE compliance complaint brought by a student enrolled in the Charter School. The Charter School shall retain legal counsel, as needed, to represent the Charter School and the District. In the event that the District wishes to retain separate legal counsel, the District shall be responsible for these separate legal costs. The cost of Charter School legal counsel and any settlement or hearing costs, including but not limited to compensatory damages, reimbursements, and/or attorneys' fees, shall be funded solely by the Charter School Account as described in Section 7. To the extent that the Charter School Account is insufficient to cover such costs, pursuant to Section 7, the District shall be responsible for such costs above and beyond the Charter School Account. If the District has concluded that the Charter School's decision to file for process on behalf of a Charter School student is not necessary to ensure the Charter School meets its obligations under federal and state law the parties shall resolve this dispute in accordance with the dispute resolution provision in the charter.

- 6.16 *Referral/Placement at Nonpublic or Private School.* The Charter School shall not make referrals for placement at nonpublic schools, private schools or residential placements without consultation with and prior written approval of the District. If the parent or guardian of a Charter School student unilaterally places a student at a nonpublic school, private school or in a residential placement, the Charter School shall immediately notify the District upon learning such information. Except as set forth in this Agreement, or by prior written agreement of the Parties, the Charter School shall be solely responsible for all of the costs associated with such placements.
- 6.17 *Contracts with Nonpublic Agencies.* The Charter School shall contract only with certified nonpublic agencies for the provision of special education and related services to Charter School students.
- 6.18 *Transition Services.* The Charter School shall be responsible for providing appropriate transition services to Charter School students eligible for special education or related services in conformity with applicable state and federal law.
- 6.19 *Notice of Procedural Safeguards.* The Charter School shall provide a notice of procedural safeguards to the parent or guardian of a Charter School student eligible for special education or related services in accordance with all applicable provisions of state or federal law.
- 6.20 *Transportation.* If transportation to and/or from school is required in order to provide a Charter School student with a FAPE, the Charter School shall be solely responsible for providing and funding all such transportation. All transportation, other than reimbursement for parent-provided transportation, shall comply with all applicable provisions of state and federal law.

- 6.21 *Low-Incidence Services.* During the Term of this Agreement, the District shall provide all necessary services for Charter School students with qualified “low incidence” disabilities, such as hard-of-hearing, at no cost to the Charter School.
- 6.22 *Suspension and Expulsion.* The Charter School shall comply with all SELPA policies and regulations related the discipline of students eligible for special education and related services pursuant to the IDEA or Section 504 and shall ensure that procedural and substantive due process is accorded to such students in accordance with all applicable law. If a Charter School student is suspended for more than 10 days in any school year and/or commits an expellable offense, the Charter School shall immediately notify the District.
- 6.23 *Documentation of Services.* The Charter School shall ensure students are accessing all services outlined on their IEPs. If a special education student misses 50% or more of their special education services in any calendar month, the Charter School shall contact the student’s parent or guardian. If additional special education services are missed, Charter School shall notify the District and shall convene an IEP team meeting to discuss the reasons the student is not accessing his or her special education services and to determine whether modification of the student’s program, placement, or services is appropriate. Copies of logs documenting student attendance for services shall be made available to the District upon request.

7. Funding.

- 7.1 *Calculation of Special Education Funds to Be Allocated to Charter School.* During each year of this Agreement, the SELPA shall calculate the Charter School’s per-ADA share of the SELPA’s total allocation of state and federal special education funding (“Special Education Apportionment”) in accordance with the SELPA approved allocation plan. The State and Federal Special Education Apportionment shall be allocated for the Charter School in accordance with the SELPA approved allocation plan solely for the provision of special education and related services to eligible Charter School students, except that the SELPA shall retain 10% of such total Special Education Apportionment each year as a fee for the SELPA’s oversight and monitoring in connection with the Charter School’s special education program. No additional funds shall be allocated to the Charter School from the District or SELPA for the provision of special education and related services. The District/SELPA shall allocate the Special Education Apportionment to the Charter School within thirty (30) days of receiving funds from the State.
- 7.2 *Maintenance and Use of Charter School Account.* The Special Education Apportionment shall be held and maintained by the District in a separate fund account (“Charter School Account”). As costs are incurred, the Charter School shall submit a payment request to the District, itemizing the special education and related services for which it is requesting payment or reimbursement. Copies of

invoices, service logs, or other documentation of said services shall be provided to the District upon request. Following receipt of payment requests from the Charter School, funds from the Charter School Account shall be disbursed to the Charter School for the payment or reimbursement of qualified special education expenses; if funds are available in the Charter School Account the District shall issue a reimbursement warrant to the Charter School within thirty (30) days of receipt of the request for reimbursement. The Charter School acknowledges that failure to timely submit its payment request may result in a delay in the disbursement of funds from the Charter School Account.

If at the end of the fiscal year, all funds allocated to the Charter School for the provision of special education and related services during that fiscal year have not been expended, such funds shall “roll over” and shall remain available to the Charter School in the subsequent fiscal years to be used solely for special education costs, including, but not limited to, the costs of residential placements, attorneys’ fees, settlements, hearing costs and/or remedies, and excess special education costs. Any funds in the Charter School’s account shall accrue interest at the same rate earned by the District on its pooled funds.

Within thirty (30) days of the end of each fiscal year during the term of this Agreement, the Charter School shall submit to the District an accounting of all expenditures for special education and related services provided with funds from the Special Education Apportionment during that fiscal year. The Charter School and the District shall, as necessary, meet and confer regarding the Charter School’s Special Education Apportionment, and the District shall, no later than June 30 of each year, and by January 31 of the first year of this Agreement, confirm to the Charter School in writing the amount of special education funding that shall be allocated to the Charter School as well as the method used to calculate the allocation for the next fiscal year.

Upon receipt by the District of proof of the Charter School’s successful admission as an LEA of another SELPA, the District shall transfer any remaining balance in the Charter School Account, after a full reconciliation, directly to the SELPA that has granted the Charter School membership as an LEA. .

- 7.3 *Responsibility for Excess Costs and Contribution to Encroachment.* The Charter School shall be responsible for paying all costs incurred in providing special education or related services to eligible students attending the Charter School up to the amount in the Charter School Account. The District shall be responsible for paying for all excess costs incurred in providing special education or related services to eligible students attending the Charter School after the Charter School has expended all of the funding available to the Charter School in the Charter School Account.

The Charter School shall not be required to pay a share of the District's special education costs that are unfunded by the state ("Encroachment") for the term of this Agreement.

8. Indemnification. The Charter School shall indemnify, defend, and hold harmless the District, its trustees, officers, employees and agents against and from any and all claims, demands, actions, suits, losses, liability, expenses and costs, including legal costs, attorneys' fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment is rendered, that may be asserted or claimed by any person, firm or entity, arising out of, or in connection with, the Charter School's performance of this Agreement, any other claims or litigation arising from the Charter School's obligations to provide special education and related services to Charter School students with disabilities described in this Agreement, or any litigation or claims, including but not limited to any state or federal audits, reviews, reimbursements or penalties arising from the District's transfer of the Charter School Account fund balance to the Charter School as per Section 7.2 above.

The District shall indemnify, defend, and hold harmless the Charter School, its directors, officers, employees and agents against and from any and all claims, demands, actions, suits, losses, liability, expenses and costs, including legal costs, attorneys' fees, and expert witness fees, whether or not suit is actually filed, and/or any judgment is rendered, that may be asserted or claimed by any person, firm or entity, arising out of, or in connection with, the District's performance of this Agreement and any other claims or litigation arising from the District's obligations to provide special education and related services to Charter School students with disabilities described in this Agreement.

9. Miscellaneous.

- 9.1 *Termination.* In the event that the Charter School ceases operations or its Charter is revoked by the District, this Agreement shall automatically terminate as of the date the Charter School has exhausted all avenues of appeal under Education Code section 47607 or the time for the Charter School to seek such appeal under Education Code section 47607 has expired, whichever occurs later.

The District reserves the right to terminate this Agreement upon the District's determination that the Charter School has failed to comply with any material provision of this Agreement or has otherwise failed to provide a Charter School student with a free appropriate public education, but not until the District has provided the Charter School with sixty (60) days' written notice and the Charter School has failed to cure the alleged failure to comply with a material provision of the Agreement. Moreover, a material violation of the terms of this Agreement by the Charter School may constitute grounds for revocation of the Charter or this Agreement under applicable law.

- 9.2 *District Right to Monitor Program; Consultation and Advice.* The District reserves the right to monitor the Charter School's special education program as it

deems appropriate. Such monitoring may include review of draft IEPs and assessment reports, attendance at IEP team meeting as appropriate, special education training and professional development for Charter School staff; and training of the Charter School's staff in the use of SELPA-adopted software and/or programs utilized for the development of IEPs. As the Charter School's LEA, the District shall have authority to review and audit the Charter School's special education program, policies and procedures to the extent the District determines is necessary to ensure compliance with District and SELPA policies and all applicable state and federal laws. The District further reserves the right to consult and advise the Charter School with regard to any special education matter, including but not limited to the IEP development process, appropriate placement and services, and the Charter School's response to parent concerns and complaints.

- 9.3 *Construction.* This Agreement is to be construed as a whole according to its fair meaning and not in favor of or against any of the Parties as draftsman or otherwise.
- 9.4 *Venue.* Any action or proceeding by any Party to enforce the terms of this Agreement shall be brought solely in the Superior Court of the State of California for the County of Santa Cruz, subject to any motion for transfer of venue.
- 9.5 *Applicable Law.* This Agreement shall be governed by and interpreted under the laws of the State of California applicable to instruments, persons, transactions and subject matter that have legal contacts and relationships exclusively within the State of California.
- 9.6 *Severability.* If any provision or any part of this Agreement is for any reason held to be invalid and or unenforceable or contrary to public policy, law, or statute and/or ordinance, the remainder of this Agreement shall not be affected thereby and shall remain valid and fully enforceable.
- 9.7 *Prevailing Authority.* In the event of a conflict between the law and the terms of this Agreement, the law shall prevail, and any such conflicting terms shall be severed from this Agreement and nullified. In the event of a conflict between the Charter and this Agreement, the terms of this Agreement shall prevail.
- 9.8 *No Admission.* Except as expressly agreed herein, nothing contained herein shall constitute an admission of fact or law.
- 9.9 *Amendment.* This Agreement may be amended or renewed only by a writing duly authorized and executed by both Parties.
- 9.10 *Integrated Agreement.* This Agreement is intended by the Parties as the final expression of their agreement with respect to such terms as are included herein and as the complete and exclusive statement of its terms and may not be

contradicted by evidence of any prior agreement or of a contemporaneous oral agreement, nor explained or supplemented by evidence of consistent additional terms. Each of the Parties acknowledges that no one has made any promise, representation or warranty whatsoever, express or implied, written or oral, not contained herein to induce them to execute this Agreement, and that this Agreement is not executed in reliance upon any such promise, representation or warranty.

- 9.11 *Notices.* All notices required by this Agreement may be sent by United States mail; postage pre-paid, to the parties as follows:

District:

Pajaro Valley Unified School District
294 Green Valley Road

Watsonville, CA 95076
Attention: Dorma Baker, Superintendent
Facsimile: (831) 728-8189

Charter School:

Ceiba College Preparatory Academy
315 Main Street Suite 206
PO Box 1449
Watsonville, CA 95077
Attention: Chief Executive Officer
Email: tom.brown@ceibaprep.org

Any notices required by this Agreement sent by facsimile transmission or electronic mail to the facsimile and electronic mail addresses above shall be considered received on the business day they are sent, provided they are sent during in the receiving party's business hours and provided receipt is confirmed by telephone, facsimile, or electronic mail, and further provided the original is promptly placed into the United States mail, postage pre-paid, and addressed as indicated above.

- 9.12 *Non-Assignability.* This Agreement may not be assigned by the Parties.
- 9.13 *Binding Effect.* This Agreement is binding upon the successors and assigns of the Parties, subject to the non-assignability restrictions set forth above.
- 9.14 *Execution in Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall constitute an original of the Agreement.
- 9.15 *Warrant of Authority.* Each of the persons signing this Agreement represents and warrants that such person has been duly authorized to sign this Agreement on behalf of the Party indicated. This Agreement shall be executed by the Charter School prior to its submission to the District Governing Board and shall become effective immediately upon its approval by the District Governing Board.

By: _____
Tom Brown, President

By: _____
Dorma Baker, Superintendent

Ceiba Public Schools

Pajaro Valley Unified School District

Date: _____

Date: _____



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Board Agenda Backup

Item No: 9.6

Date: June 26, 2013

Item: Approval for use of SPURR piggyback contract

Overview: Business Services is requesting the approval of the SPURR contract for the cabling project at Bradley Elementary School Data Network upgrade.

SPURR, School Project for Utility Rate Reduction, is a pre-existing contract awarded to qualified vendors. SPURR is a JPA duly formed and existing under California Government Code Sections 6500 –6536. SPURR was formed to seek reduction and control of utility rates on behalf of its members. SPURR membership is open to all California public K-12 school districts and other educational entities at desirable and discounted rate. SPURR is governed by a Board of Directors who are management-level employees of member organizations.

Bradley Elementary school will receive a complete data network upgrade which includes the replacement of their existing network hardware with Cisco networking hardware along with data cabling and wireless infrastructure.

Project is to begin July 1, 2013 and will be funded with the measure L bond funding.

Recommendation: Administration recommends the approval to use the SPURR piggyback contract with AMS.Net as the provider of services.

Budget Considerations:

Funding Source: Measure L Bond funding source

Budgeted: Yes: ☒ No: ☐

Amount: \$130,000 approximate

Prepared By: Tim Landeck, Director of Technology
Rich Buse, Director of Purchasing & Safety

Superintendent's Signature:

Dorm Bot



PAJARO VALLEY UNIFIED SCHOOL DISTRICT

Board Agenda Backup

Item No: 9.7

Date: June 12, 2013

Item: Fagen Friedman & Fulfroft LLP 2013-14 Legal Services Agreement

Overview: The district has used Fagen, Friedman & Fulfroft LLP firm primarily for Special Education legal services since 06-07. The contract is up for renewal for the 13-14 fiscal year and contains modest increases in various services offered.

Recommendation: Approve Fagen Friedman & Fulfroft 2013-14 contract.

Budget Considerations:

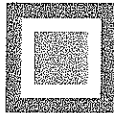
Funding Source:

Budgeted: Yes: ☒ No: ☐

Amount: \$

Prepared By: Brett W. McFadden, Chief Business Officer

Superintendent's Signature:



Fagen Friedman & Fulfroft LLP

AGREEMENT FOR LEGAL SERVICES

This agreement is by and between Pajaro Valley Unified School District ("Client") and the law firm of Fagen Friedman & Fulfroft LLP ("Attorney"). In consideration of the promises and the mutual agreements hereinafter contained, Attorney agrees to provide legal services to Client on the terms set forth below effective July 1, 2013:

1. **CONDITIONS.** This Agreement will not take effect, and Attorney will have no obligation to provide legal services, until Client returns a signed copy of this Agreement.

2. **SCOPE OF SERVICES.** Client hires Attorney as its legal representative/counsel with respect to matters Client specifically refers to Attorney. Attorney will provide those legal services reasonably required to represent Client. Attorney will take reasonable steps to keep Client informed of progress and to respond to Client's inquiries.

3. **CLIENT'S DUTIES.** Client agrees to cooperate with Attorney and to communicate with candor while keeping the Attorney apprised of any information or developments which may come to Client's attention, to abide by this Agreement, to pay Attorney's bills on time and to keep Attorney advised of Client's address and telephone number. Client will assist Attorney in providing information and documents necessary for the representation in the described matter.

4. **CONSULTANT SERVICES.** Attorney may provide consulting services in addition to or in support of the legal services provided pursuant to this Agreement, through qualified non-attorney Communication Services and Education Consultants. These services are intended to support Client with communications work or educational consultant services related to labor and employment matters, special education and student matters, high-profile litigation and settlement agreements, in addition to employee, community, inter-governmental and media relations.

5. **LEGAL FEES AND BILLING PRACTICES.** Client agrees to pay by the hour, in minimum units of one tenth (.1) of an hour, at Attorney's prevailing rates for all time spent on Client's matter by Attorney's legal personnel. Current hourly rates are noted in an attached rate schedule and the actual rate billed is based on the attorney's number of years of experience.

The rates on this schedule are subject to change on 30 days' written notice to client. If Client declines to pay any increased rates, Attorney will have the right to withdraw as Attorney for Client. The time charged will include the time Attorney spends on telephone calls relating to Client's matter, including calls with Client and other parties and attorneys. The legal personnel assigned to Client's matter may confer among themselves about the matter, as required and appropriate. When they do confer, each person will charge for the time expended, as long as the work done is reasonably necessary and not duplicative. Likewise, if more than one of the legal personnel attends a meeting or other proceeding, each will charge for the time spent.

6. COSTS AND OTHER CHARGES. (a) In general, Attorney will incur various costs and expenses in performing legal services under this Agreement. Client agrees to pay for all costs, disbursements and expenses in addition to the hourly fees. The costs and expenses commonly include fees fixed by law or assessed by public agencies, messenger and other delivery fees, postage, photocopying and other reproduction costs, travel costs including parking, mileage, transportation, meals and hotel costs, investigation expenses and consultants' fees and other similar items. Except for in-office photocopying, facsimile charges and mileage, all costs and expenses will be charged at Firm's cost.

| | |
|------------------------|-------------------|
| In office Photocopying | \$0.25/page |
| Facsimile Charges | \$1.00/page |
| Mileage | IRS Standard Rate |
| Postage | Actual Cost |

(b) Out of town travel. Client agrees to pay transportation, meals, lodging and all other costs of any necessary out-of-town travel by law firm personnel. Client will also be charged the hourly rates for the time legal personnel spend traveling.

(c) Consultants and Investigators. To aid in the representation in Client's matter, it may become necessary to hire consultants or investigators. Client agrees to pay such fees and charges.

7. BILLING STATEMENTS. Attorney will send Client monthly statements for fees and costs incurred. Each statement will be payable within thirty (30) days of its mailing date. An interest charge of one percent (1%) per month shall be assessed on balances that are more than thirty (30) days past due. Client may request a statement at intervals of less than 30 days. If Client requests a bill, Attorney will provide one within 10 days. The statements shall include the amount, rate, basis of calculation or other method of determination of the fees and costs, which costs will be clearly identified by item and amount.

8. DISCHARGE AND WITHDRAWAL. Client may discharge Attorney at any time. Attorney may withdraw with Client's consent, for good cause or as allowed or required by law upon ten (10) days written notice. Good cause includes Client's breach of this Agreement, refusal to cooperate or to follow Attorney's advice on a material matter or any fact or circumstance that would render Attorney's continuing representation unlawful or unethical. When Attorney's services conclude, all unpaid charges will immediately become due and payable. After services conclude, Attorney will, upon Client's request, deliver Client's file(s) and property in Attorney's possession, whether or not Client has paid for all services. Attorney shall transition all outstanding legal work and services to others as Client shall direct.

9. DISCLAIMER OF GUARANTEE AND ESTIMATES. Nothing in this Agreement and nothing in Attorney's statements to Client will be construed as a promise or guarantee about the outcome of the matter. Attorney makes no such promises or guarantees. Attorney's comments about the outcome of the matter are expressions of opinion only. Actual fees may vary from estimates given.

10. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties.

11. MODIFICATION BY SUBSEQUENT AGREEMENT. This Agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by both of them or an oral agreement only to the extent that the parties carry it out.

12. SEVERABILITY IN EVENT OF PARTIAL INVALIDITY. If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

13. MEDIATION CLAUSE. If a dispute arises out of or relating to any aspect of this Agreement between the Client and Attorney, or the breach thereof, and if the dispute cannot be settled through negotiation, Attorney and Client agree to use mediation before resorting to arbitration, litigation, or any other dispute resolution procedure.

14. EFFECTIVE DATE. This Agreement will govern all legal services performed by Attorney on behalf of Client commencing with the date Attorney first performed services. The date at the beginning of this Agreement is for reference only. Even if this Agreement does not take effect, Client will be obligated to pay Attorney the reasonable value of any services Attorney may have performed for Client.

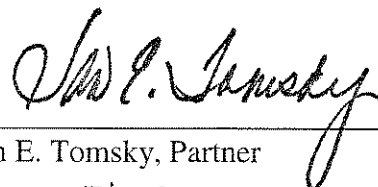
THE PARTIES HAVE READ AND UNDERSTOOD THE FOREGOING TERMS AND AGREE TO THEM AS OF THE DATE ATTORNEY FIRST PROVIDED SERVICES. THE CLIENT SHALL RECEIVE A FULLY EXECUTED DUPLICATE OF THIS AGREEMENT.

IN WITNESS WHEREOF, the parties have signed this Agreement for Legal Services.

Pajaro Valley Unified School District

Fagen Friedman & Fulfroft LLP

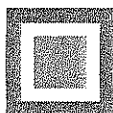
Brett McFadden
Chief Business Officer



Jan E. Tomskey, Partner

DATE: 5/15/13

DATE: _____



Fagen Friedman & Fulfroft LLP

PROFESSIONAL RATE SCHEDULE

Pajaro Valley Unified School District
(Effective July 1, 2013)

1. **HOURLY PROFESSIONAL RATES**

Client agrees to pay Attorney by the following standard hourly rate:

| | |
|-----------------------------------|------------------------|
| Associate | \$205 - \$225 per hour |
| Partner | \$250 - \$275 per hour |
| Of-Counsel | \$275 per hour |
| Paralegal/Law Clerk | \$125 - \$145 per hour |
| Education Consultant | \$160 per hour |
| Communication Services Consultant | \$210 per hour |

Travel time shall be charged only from the attorney's nearest office to the destination and shall be prorated if the assigned attorney travels for two or more clients on the same trip. If Client requests a specific attorney, Client agrees to pay for all travel time of that specific attorney in connection with the matter.

2. **ON-SITE LEGAL SERVICES**

At Client's discretion and by prior arrangement of Client and Attorney, Attorney may provide regularly scheduled on-site legal services ("Office Hours") to address legal issues that may arise in Client's day-to-day operations. **Office Hours for Client consists of eight (8) hours at the Client's administrative offices and travel to and from Client.** Office Hours shall be provided at a reduced daily rate. The rate for Office Hours shall be, and the client agrees to pay Attorney, as follows:

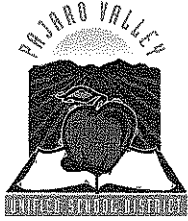
| | |
|-----------|-----------------------------------|
| Associate | \$2,030 (discounted from \$2,250) |
| Partner | \$2,480 (discounted from \$2,750) |

3. **COSTS AND EXPENSES**

| | |
|------------------------|-------------------|
| In-office Photocopying | \$0.25 per page |
| Facsimile | \$1.00 per page |
| Postage | Actual Usage |
| Mileage | IRS Standard Rate |

Other costs, such as messenger, meals, and lodging shall be charged on an actual and necessary basis.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 9.8

Date: June 12, 2013

Item: Carl Perkins Grant Application 2013-14

Overview: It is time to submit our district annual Carl Perkins Grant application for 2013-14. The grant provides direct funding for Career Technical classrooms at four of our schools – Aptos High, PVHS, WHS, and AVCI.

This year's grant totals \$150,674.00 and includes pathways from AHS, PHVS, WHS and AVCI.

The CTE Advisory Committee has visited every Perkins funded CTE class in the district. Pajaro Valley High School took a one year break and has returned to the process of applying with two new pathways, Engineering Design and Machining and Forming Technologies. (More info is available in this back up material.)

Recommendation: It is recommended that the Board of Trustees approves the completed application for Carl Perkins Funding

Budget Considerations: None

Funding Source:

Budgeted: Yes: ☐ No: ☐

Amount: \$ 150,674.00

Prepared By: Murry Schekman, Assistant Superintendent

Superintendent's Signature: Dorm B...

Section V - Sequence of Courses to Be Funded

This section is used to budget expenditures for each Pathway in an Industry Sector.

Add Program

Only those Pathways identified in an LEA's approved Local CTE Plan, or submitted in a revision to the Local Plan may be supported by Perkins IV funds.

Program Detail

| Site Name | Industry Sector | Career Pathway | Budget Amount |
|---------------------------------------|---------------------------------------|--------------------------------------|---------------------|
| Academic/Vocational Charter Institute | Arts, Media, and Entertainment | Design, Visual, and Media Arts | \$7,860.00 |
| Academic/Vocational Charter Institute | Business and Finance | Business Management | \$7,640.00 |
| Academic/Vocational Charter Institute | Engineering and Architecture | Engineering Design | \$10,500.00 |
| Aptos High | Arts, Media, and Entertainment | Design, Visual, and Media Arts | \$2,000.00 |
| Aptos High | Arts, Media, and Entertainment | Performing Arts | \$0.00 |
| Aptos High | Building and Construction Trades | Cabinetry, Millwork, and Woodworking | \$2,000.00 |
| Aptos High | Engineering and Architecture | Engineering Design | \$16,000.00 |
| Aptos High | Manufacturing and Product Development | Graphic Production Technologies | \$0.00 |
| Pajaro Valley High | Engineering and Architecture | Engineering Design | \$55,274.00 |
| Pajaro Valley High | Manufacturing and Product Development | Machining and Forming Technologies | \$0.00 |
| Watsonville High | Arts, Media, and Entertainment | Design, Visual, and Media Arts | \$24,700.00 |
| Watsonville High | Health Science and Medical Technology | Patient Care | \$3,100.00 |
| Watsonville High | Hospitality, Tourism, and Recreation | Food Service and Hospitality | \$6,600.00 |
| Watsonville High | Marketing Sales and Service | Marketing | \$15,000.00 |
| Total | | | \$150,674.00 |

Section V - CDE Review and Sign-off Section

Section VI - Budget and Expenditure Schedule

| Object Code | At Least 85% of the grant must be spent in these areas | | | | | | Not to exceed 10% of total expenditure | Not to exceed 5% of total expenditure | Total |
|-----------------------------------|---|------------------------------------|----------------------------------|---|---|--|---|---|---------------------|
| | (A) Instruction (Including Career Technical Student Organizations) | (B) Professional Development | (C) Curriculum Development | (D) Transportation and Child Care for Economically Disadvantaged Participants | (E) Special Populations Services | (F) Research Evaluation and Data Development | (G) Career and Academic Guidance and Counseling for Students Participating in CTE Programs | (H) Administration or Indirect Costs | |
| 1000 Certificated Salaries | \$400.00 | \$1,000.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$1,400.00 |
| 2000 Classified Salaries | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 3000 Employee Benefits | \$199.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$199.00 |
| 4000 Books/Supplies | \$83,120.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$83,120.00 |
| 5000 Services/ Operating Expenses | \$2,401.00 | \$11,100.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$13,501.00 |
| 6000 Capital Outlay | \$52,454.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$52,454.00 |
| 7000 Indirect Costs | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$0.00 | \$0.00 |
| Total | \$138,574.00 | \$12,100.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$150,674.00 |

☐ Section VI - Section Approved



Board Agenda Backup

Item No: 9.9

Date: June 12, 2013

Item: Update Authorized District Signatures on Record (Resolution 12-13-27)

Overview: This resolution is to update and validate the current district employees authorized to sign documents on behalf of the Pajaro Valley Unified School District for fiscal year 2013-2014 as required by the County Office of Education and Ed. Code 42633.

Rationale: Authorized signatures on record must be updated to comply with Education Code 42633 annually and to reflect the current administration and staff. Documents covered in this resolution include Bill Warrants, Checking & Savings Account documents, County documents, Reports, and Contracts.

Recommendation: Approve Resolution and Change Signatories as recorded.

Budget Considerations:

Funding Source: None

Budgeted: Yes ☐ No ☐

Amount: None

Prepared By: Helen Bellonzi

Helen Bellonzi, Director of Finance

Superintendent Signature: Dorim Bell 6-7-13

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

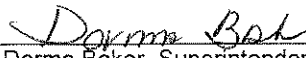
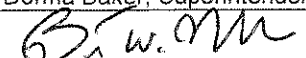
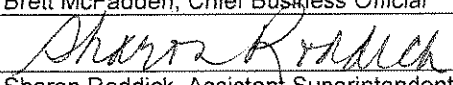

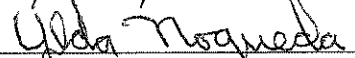

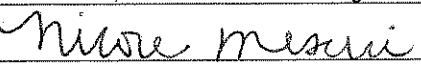

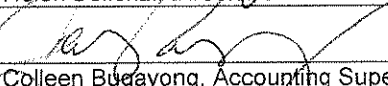

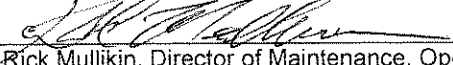
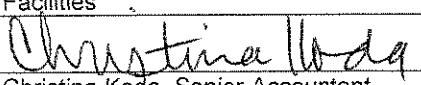
Resolution No. 12-13-27

AUTHORIZED SIGNATURES

WHEREAS, the Board of Trustees of the Pajaro Valley Unified School District, in order to comply with Education Code 42633 to delegate power to contract.

DOES HEREBY RESOLVE TO permit the officials and employees of the above-named organization in whose titles and signatures are listed below, to sign as specified below, any and all reports, documents, bank accounts and / or contracts as listed in the Resolution, provided, however, that no contract made pursuant to such delegation and authorization shall be valid or constitute an enforceable obligation against the District unless and until the same shall have been approved or ratified by the Governing Board.

NOW, THEREFORE, BE IT RESOLVED that the following are true signatures of hand of the above authorized

| Signature Name/Title | *** See Key Below *** | | | | | | | |
|--|-----------------------|---|---|---|---|---|---|---|
| | A | B | C | D | E | F | G | H |
|  Dorma Baker, Superintendent | X | X | X | X | X | X | X | X |
|  Brett McFadden, Chief Business Official | X | X | X | X | X | X | X | X |
|  Sharon Roddick, Assistant Superintendent/ Human Resources | X | X | X | X | X | X | X | X |
|  Murry Schekman, Assistant Superintendent | X | X | X | X | X | X | X | X |
|  Ylida Noguera, Assistant Superintendent | X | X | X | X | X | X | X | X |
|  Rich Buse, Director of Purchasing | | | X | | | X | | |
|  Nicole Meschi, Director of Food Services | | | X | X | | | | |
|  Helen Bellonzi, Director of Finance | X | X | X | X | X | | X | X |
|  Colleen Bugayong, Accounting Supervisor | X | X | | | X | | | |
|  Nita Black, Payroll Supervisor | X | X | | | X | | | |
|  Rick Mullikin, Director of Maintenance, Operations and Facilities | | | X | X | | | | |
|  Christina Koda, Senior Accountant | X | X | | | X | | | |

A=BILL WARRANTS (Includes Wire Transfer in lieu of a Bill Warrant)
B=CHECKING & SAVINGS
C=CONTRACTS & AGREEMENTS
D=GOVERNMENT PROJECTS

E=PAYROLL DOCUMENTS AND ACCOUNTING DOCUMENTS
F=PURCHASE & BID DOCUMENTS
G=COUNTY DOCUMENTS
H=REPORTS

PASSED AND ADOPTED by the Board of Trustees of the Pajaro Valley Unified School District, County of Santa Cruz, State of California, this 12th day of June, 2013, by the following vote:

AYES _____ NOES _____ ABSENT _____

Attest

Willie Yahiro
President, Board of Trustees

Kim DeSarpa
Vice President/Clerk, Board of Trustees



Board Agenda Backup

Item No: 11.1

Date: June 12, 2013

Item: Tentative Agreement with CSEA

Background: CSEA Chapter 132 and the District have been engaged in formal negotiations. The Tentative Agreement included in this action reflects an initial agreement reached on wages and includes a 4% increase effective July 1, 2013 ongoing plus a one-time payment of \$500 per full-time equivalent, pro-rated. This Tentative Agreement represents the first step of work together towards the completion of the collective bargaining agreement.

Recommendation: Approve Tentative Agreement with CSEA

Prepared by: Sharon Roddick, Assistant Superintendent

Superintendent's Signature:

Dorm BnL

PAJARO VALLEY UNIFIED SCHOOL DISTRICT (PVUSD)
PROPOSED TENTATIVE AGREEMENT to
CSEA CHAPTER 132

May 29, 2013

2:00 p.m.

The District proposes this Tentative Agreement as a partial resolution for current negotiations to demonstrate the District's commitment to improving salary and benefits for its classified employees. This is offered as a partial, first phase resolution of current negotiations with CSEA with the understanding that salary negotiations will continue in the fall of 2013 as well as negotiations on any unresolved articles.

1. Article XV Pay and Allowances - The salary schedule will be increased by four percent (4%) effective July 1, 2013. No longer than thirty (30) days after the 2013-14 State budget is adopted, the District will contact CSEA to resume negotiations on salary. It is the intent to negotiate toward an additional 3% ongoing salary increase, to the extent that is feasible based on the adopted budget.
2. The District shall make a one-time payment to each CSEA member in the amount of \$500 per full-time equivalent (FTE) on a pro-rated basis.
3. Article III Organizational Rights shall be amended as attached and implemented effective July 1, 2013.
4. Article XXII Layoff and Reemployment shall be amended as attached and implemented effective July 1, 2013.

For CSEA:

Catherine Lopez
Mark M. [unclear]
RJ Leticia Oropza
Liana Mathis
Jenna Gillum
Ether Morille
Manuel D. Zamaran

For PVUSD:

Shawn B. Rondick 5/29/2013
J. Kratz

PVUSD Proposal to CSEA

May 29, 2013

Article III: ORGANIZATIONAL RIGHTS

A. CSEA RIGHTS:

12. Upon written request of CSEA, the District shall grant a leave of absence to a reasonable number of classified employees to attend important organizational activities authorized by CSEA. CSEA shall reimburse the District for all compensation paid the employee on account of the leave within 10 days after receipt of the school district's certification of payment. Requests for leave shall be submitted at least ten (10) working days before the first day of the requested leave.

Handwritten notes and signatures on the right margin:
A
CSEA
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PVUSD Proposal to CSEA

May 29, 2013

Article XXII: LAYOFF AND RE-EMPLOYMENT

D. NOTICE:

1. When, as a result of the expiration of a specially funded program, the District shall give the employee(s) a written notice on or before ~~May~~ April 29th. If the termination of any specially funded program is other than June 30th, such notice shall be given not less than ~~thirty-sixty~~ (630) days prior to effective date of layoff (Ed. Code § 45117). All other employees who are laid-off shall receive ~~thirty-sixty~~ (630) calendar ~~days-noticedays'~~ notice prior to the effective date of layoff.

E. RE-EMPLOYMENT RIGHTS:

2. Re-employment shall be in seniority order in reverse order of layoff. Employees must meet all Merit System requirements and qualifications in order to qualify for re-employment in a classification not previously held and shall be hired from the re-employment list in preference to any other hiring for vacancies in classes which the employee has bumping rightsreemployed in preference to outside applicants. An employee who is placed on the 39-month re-employment list and is subsequently re-employed in a classification not previously held retains the right to be returned to the re-employment list if the employee fails to complete the probationary period in the position.



Board Agenda Backup

Item No: 11.2

Date: June 12, 2013

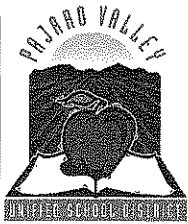
Item: Approve Management and Confidential Employee Salary Increase

Background: The District is moving forward with re-investment into the programs and employees of PVUSD. The Board is committed to update the compensation of all employee groups. Therefore, the similar increase (+4%) is sought for Management and Confidential employees in this item.

Recommendation: Approve Revised Management and Confidential Employee Salary Increase

Prepared by: Sharon Roddick, Assistant Superintendent

Superintendent's Signature: Dorm Bal



Board Agenda Backup

Item No: 11.3

Date: June 12, 2013**Item:** Adopt Declaration of Need for Fully Qualified Educators

Background: The California Legislature took action to terminate the State Board of Education's authority to use their general waiver authority to grant credential waivers after June 30, 1994. In its stead, the Legislature authorized the Commission on Teacher Credentialing to approve request to waive laws or regulations governing education preparation and licensing.

New processes and procedures developed by the Commission on Teacher Credentialing require the governing board to adopt a declaration certifying that there is an insufficient number of certified persons who meet the District's specified employment criteria.

PVUSD has an annual shortage of appropriately credentialed teachers in the following areas: Bilingual Education, Special Education, Math and Science. When shortages in the area of Special Education occur, the Department of Special Services employs a variety of means to help reduce that shortage; Teacher internship programs, waivers and emergency credentialing.

Without a Board-adopted declaration, the District will not be able to employ a sufficient number of teachers to fulfill its obligation to the students and community.

The numbers indicated are an estimate, as exact numbers will not be available until all open positions are filled.

Recommendation: Motion to Adopt a Declaration of Need for Fully Qualified Educators

Prepared by: Ian MacGregor, Director of Certificated Personnel, Human Resources

Reviewed by: Sharon Roddick, Assistant Superintendent, Human Resources

Superintendent's Signature:



DECLARATION OF NEED FOR FULLY QUALIFIED EDUCATORS

- ☐ Original Declaration of Need for year: _____
☐ Revised Declaration of Need for year: _____

FOR SERVICE IN A SCHOOL DISTRICT

Name of District: Pajaro Valley Unified School District District CDS Code: 69799
Name of County: Santa Cruz County County CDS Code: 44

By submitting this annual declaration, the district is certifying the following:

- A diligent search, as defined below, to recruit a fully prepared teacher for the assignment(s) was made
- If a suitable fully prepared teacher is not available to the school district, the district will make a reasonable effort to recruit based on the priority stated below

The governing board of the school district specified above adopted a declaration at a regularly scheduled public meeting held on 6 / 12 / 13 certifying that there is an insufficient number of certificated persons who meet the district's specified employment criteria for the position(s) listed on the attached form. The attached form was part of the agenda, and the declaration did NOT appear as part of a consent calendar.

► **Enclose a copy of the board agenda item**

With my signature below, I verify that the item was acted upon favorably by the board. The declaration shall remain in force until June 30, 2014.

Submitted by (Superintendent, Board Secretary, or Designee):

| | | |
|---|---------------------------------|----------------------------------|
| <u>Ian MacGregor</u> | | <u>Director, Human Resources</u> |
| <small>Name</small> | <small>Signature</small> | <small>Title</small> |
| <u>(831) 761-6018</u> | <u>(831) 786-2145</u> | |
| <small>Fax Number</small> | <small>Telephone Number</small> | <small>Date</small> |
| <u>294 Green Valley Road, Watsonville, CA 95076</u> | | |
| <small>Mailing Address</small> | | |
| <u>ian_macgregor@pvusd.net</u> | | |
| <small>E-Mail Address</small> | | |

FOR SERVICE IN A COUNTY OFFICE OF EDUCATION, STATE AGENCY OR NONPUBLIC SCHOOL OR AGENCY

Name of County _____ County CDS Code _____

Name of State Agency _____

Name of NPS/NPA _____ County of Location _____

The Superintendent of the County Office of Education or the Director of the State Agency or the Director of the NPS/NPA specified above adopted a declaration on ____/____/____, at least 72 hours following his or her public announcement that such a declaration would be made, certifying that there is an insufficient number of certificated persons who meet the county's, agency's or school's specified employment criteria for the position(s) listed on the attached form.

The declaration shall remain in force until June 30, 2014.

► **Enclose a copy of the public announcement**

EFFORTS TO RECRUIT CERTIFIED PERSONNEL

The employing agency declares that it has implemented in policy and practices a process for conducting a diligent search that includes, but is not limited to, distributing job announcements, contacting college and university placement centers, advertising in local newspapers, exploring incentives included in the Teaching as a Priority Block Grant (refer to www.cde.ca.gov for details), participating in state and regional recruitment centers and participating in job fairs in California.

If a suitable fully prepared teacher is not available to the school district, the district made reasonable efforts to recruit an individual for the assignment, in the following order:

- A candidate who qualifies and agrees to participate in an approved intern program in the region of the school district
- An individual who is scheduled to complete initial preparation requirements within six months

EFFORTS TO CERTIFY, ASSIGN, AND DEVELOP FULLY QUALIFIED PERSONNEL

Has your agency established a District Intern program?

☒

Yes

☐

No

If no, explain. _____

Does your agency participate in a Commission-approved college or university intern program?

☒

Yes

☐

No

If yes, how many interns do you expect to have this year? _____

If yes, list each college or university with which you participate in an intern program.

CSUMB, San Jose State University, National University, Chapman University

Bethany College

If no, explain why you do not participate in an intern program.



PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 12.1

Date: June 12, 2013

Item: Update on District's Budget and Fiscal Matters

Overview: The Board will have a brief presentation on recent updates and data regarding the District's budget.

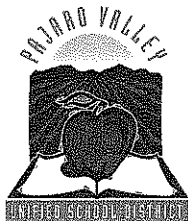
Recommendation: Informational item only.

Prepared By: Brett McFadden, CBO

Superintendent's Signature:

Dorm Bal

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 12.2

Date: June 12, 2-13

Item: Measure L Bond Update

Overview: This report will give the Board an update on the status of Measure L projects and on the expenditures incurred on those projects. The report provides an overview of Measure L and the bond projects; a review of the process used to select the Program Manager, Architects and Construction Managers; the status of projects currently under contract and a review of the bond expenditures as of May 31, 2013. The report also describe the requirements for an independent financial audit, an independent performance audit and the responsibilities of the Citizens' Oversight Committee.

Recommendation: Accept the report

Budget Considerations:

Funding Source: Measure L Bond Funds

Budgeted: Yes: ☒ No: ☐

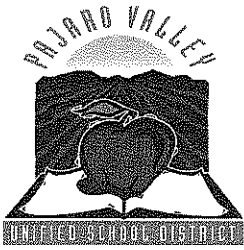
Amount: None

Prepared By:

Richard Mullikin, Director, Maintenance Operations and
Facilities

Superintendent's Signature:

Dorma Baker



MEASURE L BUILDING PROGRAM

Board Report

June 12, 2013

MEASURE L BOND

On November 6, 2012, the Pajaro Valley Unified School District submitted for voter approval, Measure L, a bond measure to authorize the sale of \$150 million in bonds to improve school facilities. This measure was submitted to voters under the terms and conditions of Proposition 39 (Article XIII of the California State Constitution), which requires a 55 percent affirmative vote for passage. Measure L passed with 69 percent of the vote.

The ballot language contained in Measure L presented the following statement of purpose and proposition:

To repair aging schools, which support quality education in the Aptos and Watsonville areas, with funding that cannot be taken by the State, shall Pajaro Valley Unified School District upgrade classrooms in all schools, repair leaking roofs and aging schools, upgrade computers and instructional technology in all schools, and construct, repair and acquire classrooms, sites and equipment, by issuing \$150,000,000 in bonds at legal rates, with independent citizen's oversight, no money for administrators, independent audits, all funds staying local?

The Measure L ballot language focused on the continued modernization, replacements, and reconstruction of District school facilities in the following facilities:

- 16 Elementary Schools
- 6 Middle Schools
- 3 High Schools
- 8 Charter/ Alternative Education Schools

AUTHORIZED MEASURE L CONSTRUCTION PROJECTS

The primary scope of construction projects authorized under the bond program was developed and prioritized in accordance to the following categories:

Modernizing classrooms and aging facilities.

Health and Safety - Includes upgrades and replacements to fire alarm systems, lockdown hardware, security fencing, dry rot mitigation, seismic issues and other structural issues.

Code Requirements - Includes upgrades to site and restroom accessibility and bringing existing facilities up to code.

Technology Upgrades

Completion of the Pajaro Valley High School Campus

The Measure L Bond facilities construction program calls for the construction of school facilities projects described in the Bond Project List attached as “Exhibit A” to the ballot measure. Based on the Bond Project List, the District developed a program schedule which identified projects according to the established needs of each of the District’s 33 schools. These schools and associated projects were grouped into the three geographic subdivisions of the District as follows:

| North Area – Aptos (including the following:) | 40 Projects |
|---|---|
| <ul style="list-style-type: none"> Aptos High School Aptos Junior High School Bradley Elementary School Mar Vista Elementary School Rio Del Mar Elementary School Valencia Elementary School Renaissance High School | |
| Central Area – Watsonville (including the following:) | 36 Projects |
| <ul style="list-style-type: none"> Watsonville High School Pajaro Middle School Hall District Elementary School MacQuiddy Elementary School Ohlone Elementary school Linscott Charter School E. A. Hall Middle School Minnie White Elementary School | |
| South Area – Pajaro (including the following:) | 48 Projects |
| <ul style="list-style-type: none"> Pajaro Valley High School Cesar Chavez Middle School Lakeview Middle School Rolling Hills Middle School Amesti Elementary school Ann Soldo Elementary School Calabasas Elementary School Freedom Elementary School H.A. Hyde Elementary School Radcliff Elementary School Starlight Elementary School Alianza Charter School AVCI Watsonville Charter School | <ul style="list-style-type: none"> 4 projects 2 projects 4 projects 7 projects 3 projects 1 project 3 projects 4 projects 4 projects 2 projects 3 projects 5 projects 3 projects 3 projects |

PROGRAM MANAGEMENT

The district issued a Request for Proposal (RFP) to prospective program management (PM) services firms and solicited proposals for program management services for the bond facilities construction program. Program management services include development and monitoring of project scope, schedules and budgets, matching expenditures with revenues, coordination of program wide issues, coordination of team efforts, and development of district standards. Twelve (12) firms submitted proposals and 8 were asked to participate in interviews. District representatives evaluated qualifications, attended presentations, and conducted interviews with each PM firm. On December 5, 2012 the Board of Trustees approved the selection of Total School Solutions to provide overall program management services for the Measure L Bond construction program.

ARCHITECTURAL AND ENGINEERING DESIGN

The District issued an RFQ to prospective architectural services firms and solicited Statements of Qualifications for architectural services for the design of projects authorized under the bond program. Architectural and engineering services include design and development of plans and construction documents. Twenty-One (21) firms submitted Statements of Qualifications and 10 firms were invited to participate in interviews. District representatives evaluated qualifications, attended presentations, and conducted interviews with each architectural firm. On December 5, 2012 the Board of Trustees approved the selection of three (3) successful architectural firms to provide services on specific groups of projects identified in the program as follows:

SELECTED ARCHITECTS

| | |
|--------------------|----------------------------|
| HMC Architects | North Area – Aptos |
| NTD Architects | Central Area – Watsonville |
| Kasavan Architects | South Area – Pajaro |

CONSTRUCTION MANAGEMENT

The district issued an RFQ to prospective construction management (CM) services firms to submit Statements of Qualifications for construction management services for the construction of projects authorized under the bond program. Construction management services include field coordination, supervision and technical support to construction contractors, inspectors, vendors, professional services consultants and others. Twelve (12) firms submitted proposals and 8 were invited to participate in interviews. District representatives evaluated qualifications, attended presentations, and conducted interviews with each CM firm. On December 5, 2012 the District selected three (3) successful CM firms and awarded each firm a contract to provide services on specific groups of projects identified in the program as follows:

SELECTED CONSTRUCTION MANAGEMENT FIRMS

Blach Construction

North Area – Aptos

Cummings Construction Management

Central Area – Watsonville

Kitchell Construction Management

South Area – Pajaro

STATUS OF CONSTRUCTION PROJECTS

North Area—Aptos

As of May 31, 2013, the area has five active projects. The status of these projects are as follows:

Aptos High School

New Water Tank

This project has been approved by the Division of the State Architect and is currently being bid. Construction is anticipated to be completed by late August or early September.

New Bleachers

This project is approved by the Division of the State Architect and has been bid. The low bidder is Earthworks Construction. Construction is anticipated to be completed prior to the commencement of classes in the fall in time for the start of football season.

Freedom Field Improvements

This project is in the process of being approved by the County of Santa Cruz. The anticipated completion is early fall, 2013.

Renaissance High School

New Well

A contract was awarded to Landino Drilling Company for the drilling of a new well at this location. The construction is anticipated to begin in mid-June and be completed prior to the commencement of classes in the fall.

Bradley Elementary School

Playground Structures Project

The project and the amendments to the Master Agreement for Architectural Services were approved by the Board on April 10, 2013. The amendments to the Master Agreement for Construction Management Services for this project was approved by the Board on May 22, 2013. The selection of the playground equipment has been completed and the project is currently being designed. The project requires approval for accessibility by the Division of the State Architect which is expected in June. Construction is anticipated to take place in July and August.

Central Area – Watsonville

As of May 31, 2013, the area has three active projects, all of which are for the installation of play-

ground equipment and accessibility to the playground equipment areas. The project budgets and the amendments to the Master Agreement for Architectural Services were approved by the Board on April 10, 2013. The amendments to the Master Agreement for Construction Management Services for these projects were approved by the Board on May 22, 2013. The selection of the playground equipment has been completed and the projects are currently being designed. The projects require approval for accessibility by the Division of the State Architect which is expected in June. Construction is anticipated in August. Installations will be at the following sites:

Hall District Elementary School.

MacQuiddy Elementary School.

Ohlone Elementary School.

South Area – Pajaro

As of May 31, 2013, the area has six active projects, all of which are for the installation of playground equipment and accessibility to the playground equipment areas. The project budgets and the amendments to the Master Agreement for Architectural Services were approved by the Board on April 10, 2013. The amendments to the Master Agreement for Construction Management Services for these projects were approved by the Board on May 22, 2013. The selection of the playground equipment has been completed and the projects are currently being designed. The projects require approval for accessibility by the Division of the State Architect which is expected in June. Construction for 5 of the 6 projects is anticipated in August. Installations will be at the following sites:

Amesti Elementary School.

Calabasas Elementary School.

Freedom Elementary School.

H. A. Hyde Elementary School.

Starlight Elementary School.

Radcliff Elementary School.

This campus requires a completely new play structure area which will take additional time to design and install. DSA approval is anticipated in August with construction to follow in September.

The District's Building Fund (Fund 21) is used to account for Measure L bond program revenue and expenditures. Revenue and expenditures from the start of the bond program thru the end of the current reporting month is presented in the succeeding tables;

MEASURE L BOND REVENUE AND EXPENDITURES

| Measure L Bond Issuance and Expenditures | |
|--|------------------------|
| Total Bond Authorization | \$150,000,000 |
| Bond Issuances: | |
| Series A, April xx, 2013 | \$68,051,376.67 |
| Series B, April xx, 2013 | <u>\$11,250,000.00</u> |
| Total Bond Issues as of May 31, 2013 | \$79,301,376.67 |
| Interest Earned | \$653.33 |
| Total Bond Funds | \$79,302,030.00 |
| Expenditures through May 31, 2013 | \$426,600.69 |
| (0.2844 percent of total authorization) | |

Measure L Expenditure Report¹ (As of May 31, 2013)

| Projects | Fiscal Year 2012-13 | Total |
|-------------------------------|------------------------|--------------|
| | | |
| Aptos High School | \$113,385.69 | \$113,385.69 |
| Aptos Junior High School | \$0.00 | \$0.00 |
| Bradley Elementary School | \$0.00 | \$0.00 |
| Mar Vista Elementary School | \$0.00 | \$0.00 |
| Rio Del Mar Elementary School | \$0.00 | \$0.00 |
| Valencia Elementary School | \$0.00 | \$0.00 |
| Renaissance High School | \$10,215.00 | \$10,215.00 |
| Sub-Total | \$123,600.69 | \$123,600.69 |

| Projects | Fiscal Year 2012-13 | Total |
|---------------------------------------|--------------------------------|---------------------|
| | | |
| Watsonville High School | \$0.00 | \$0.00 |
| Pajaro Middle School | \$0.00 | \$0.00 |
| Hall District Elementary School | \$0.00 | \$0.00 |
| MacQuiddy Elementary School | \$0.00 | \$0.00 |
| Ohlone Elementary School | \$0.00 | \$0.00 |
| Linscott Charter School | \$0.00 | \$0.00 |
| E. A. Hall Middle School | \$0.00 | \$0.00 |
| Minnie White Elementary School | \$0.00 | \$0.00 |
| Sub-Total | \$00.00 | \$00.00 |
| | | |
| Pajaro Valley High School | \$0.00 | \$0.00 |
| Cesar Chavez Middle School | \$0.00 | \$0.00 |
| Lakeview Middle School | \$0.00 | \$0.00 |
| Rolling Hills Middle School | \$0.00 | \$0.00 |
| Amesti Elementary School | \$500.00 | \$500.00 |
| Ann Soldo Elementary School | \$0.00 | \$0.00 |
| Calabasas Elementary School | \$500.00 | \$500.00 |
| Freedom Elementary School | \$500.00 | \$500.00 |
| H. A. Hyde Elementary School | \$500.00 | \$500.00 |
| Radcliff Elementary School | \$500.00 | \$500.00 |
| Starlight Elementary School | \$500.00 | \$500.00 |
| Alianza Charter School | \$0.00 | \$0.00 |
| AVCI | \$0.00 | \$0.00 |
| Watsonville Charter School | \$0.00 | \$0.00 |
| Sub-Total | \$3,000.00 | \$3,000.00 |
| Technology Expenditures | \$0.00 | \$0.00 |
| | | |
| Technology Endowment | \$0.00 | \$0.00 |
| | | |
| General Bond Expenditure ¹ | \$300,000.00 | \$300,000.00 |
| | | |
| Total | \$426,600.69 | \$426,600.69 |

¹ Expenditure associated with the administration and management of the bond program includes the cost of bond sales/issuances, debt service, program management, financial audits, performance audits, and other authorized expenses.

The District continuously explores the availability of funds from sources in addition to Measure L bond to fund the authorized construction projects:

- ♦ Developer Fees;
- ♦ State School Facility Program (SFP) funds;
- ♦ Other sources that may become available.

INDEPENDENT FINANCIAL AUDIT

Article XIII of the California State Constitution requires an annual independent financial audit of Proposition 39 bond funds. In compliance with this requirement, the District will select and engage a financial audit firm to conduct this independent financial audit on the Measure L Bond fund expenditures and report its findings to the Board of Trustees and to the independent Citizens' Bond Oversight Committee. The objective of the annual financial audit report is to verify that Measure L bond funds are expended on authorized projects only. The first annual financial audit report is due on March 31, 2014.

INDEPENDENT PERFORMANCE AUDIT

Article XIII of the California State Constitution requires an annual independent performance audit of Proposition 39 bond funds. In compliance with this requirement, the District will select and engage an audit firm to conduct this independent performance audit on the Measure L Bond expenditures and report its findings to the Board of Trustees and to the independent Citizens' Bond Oversight Committee. The objective of the annual performance audit report is to verify that funds are used appropriately and that the District is effective and efficient in the performance of the construction program. The first annual performance audit report is due on March 31, 2014.

CITIZENS BOND OVERSIGHT COMMITTEE

California Education Code Sections 15278-15282 requires that the governing board establish and appoint members to an independent citizens' bond oversight committee within 60 days of the date on which the election results are certified. It also established the duties of a school district and its duly formed citizens' oversight committee with respect to Proposition 39 bond measures.

The Board of Trustees appointed members, established a citizens' bond oversight committee and adopted bylaws on xxxxxx xx, 2013. The District created a Citizens' Bond Oversight Committee (CBOC) with initial membership representation from the Business Community, the Senior Citizens' Organization, the Taxpayers' Organization, the Parent or Guardian of a child enrolled in the District, the Parent of Guardian of a child enrolled in the District and active in a Parent-Teacher Organization, and two additional members.

As of May 31, 2013, the Committee has 12 members and presently recruiting for a representative from the Taxpayers Association to complete the committee. This newly created CBOC has already met once, on April 17, 2013, where experts presented the members with information and discussed issues relating to members roles and responsibilities under the law. Members also organized themselves and elected officers during the

meeting. Following is the current composition of the CBOC:

| | |
|------------------|--------------|
| Dan Johnson | - Chair |
| Regina Kelbert | - Vice Chair |
| William Belcher | - Member |
| Shira Coleman | - Member |
| Silvia Diaz | - Member |
| Daniel Dodge Jr. | - Member |
| Paul Henderson | - Member |
| Doug Keegan | - Member |
| Rene Paz | - Member |
| Brian Peoples | - Member |
| Juana Ponce | - Member |
| Leonard English | - Member |

The CBOC is mandated to issue an annual report designed to inform the community of the committee's findings as a result of their oversight activities, reviews and verifications of the appropriate and authorized use of Measure L bond funds. The first annual report of the CBOC is due in 2014

Director Maintenance, Operations and Facilities

Pajaro Valley Unified School District

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