



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.

September 12, 2012 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
Gutierrez v. PVUSD
DOI: February 27, 2012
- 2.5 Pending Litigation
- 2.6 Anticipated Litigation
- 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, Doug Keegan, Karen Osmundson, Jeff Ursino, Willie Yahiro and President Leslie DeRose.
- 3.3 Superintendent Comments

4.0 APPROVAL OF THE AGENDA

5.0 APPROVAL OF MINUTES

a) Minutes for August 22, 2012

6.0 HIGH SCHOOL STUDENTS BOARD REPRESENTATIVES REPORT

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. (Please complete a card if you wish to speak.)

8.0 EMPLOYEE ORGANIZATIONS COMMENTS – PVFT, CSEA, PVAM, CWA 5 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 August 16 – September 5, 2012
The PO's will be available in the Superintendent's Office.
- 9.2 Warrants August 16 – September 5, 2012
The warrants will be available in the Superintendent's Office.
- 9.3 Accept with Gratitude Donation from the Community Foundation of Santa Cruz and the Driscoll's Charitable Fund of \$4,000 to Support Transportation Costs for Athletic Program at Watsonville High School.
- 9.4 Accept with Gratitude Donation from the Community Foundation of Santa Cruz and the Driscoll's Charitable Fund of \$5,000 to Support The Pajaro Valley College Pathway and Scholarship Program.
- 9.5 Approve Use of Santa Cruz County Office of Education Grant Funds.
- 9.6 Approve Program, Facilities and Services Agreement with Pajaro Valley Prevention and Student Assistance for 2012-13.
- 9.7 Approve Resolution #12-13-02, for 2011-2012/2012-2013 GANN Limit Calculation.

The administration recommends approval of the Consent Agenda.

10.0 DEFERRED CONSENT ITEMS

11.0 REPORT AND DISCUSSION ITEMS

- 11.1 Report and discussion on the Energy Education Program and Acceptance of the Energy Excellence Award from Energy Education.
Report by Steve Okamura, Energy Education Manager. 10 min. pres.; 5 min. discussion

12.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

- 12.1 Report, discussion and possible action to Approve 2012-13 Unaudited Actuals Report.
Report by Brett McFadden, CBO and Helen Bellonzi, Director of Finance. 10 min. pres.; 5 min. discussion

13.0 ACTION ON CLOSED SESSION

14.0 GOVERNING BOARD COMMENTS/REPORTS

15.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2012

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.

September	▪ 26	
October	▪ 10 ▪ 24	
November	▪ 14	▪
December	▪ 5 Annual Organization Mtg.	▪ Approve 1 st Interim Report

16.0 ADJOURNMENT

PAJARO VALLEY UNIFIED SCHOOL DISTRICT
CLOSED SESSION AGENDA
September 12, 2012

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

New Hires – Probationary	
3	Cafeteria Assistant
1	Instructional Assistant – General Ed
1	Mental Health Clinician
1	Theatre Technician
1	Warehouse Delivery Worker
New Substitutes	
18	New Substitutes
6	Retired Teachers Substitutes
New Hires	
1	Primary Teacher
1	Secondary Teacher
Promotions	
	None
Rehires	
1	Primary Teacher
1	Secondary Teacher
Administrative Appointments	
	None
Transfers	
1	Primary Teacher
3	Special Education Teacher
2	Migrant Education
1	Secondary Teacher
Extra Pay Assignments	
20	Department Chairs
1	Athletic Director
1	Coach
Extra Period Assignments	
	None

Leaves of Absence	
6	Primary Teachers
3	Secondary Teachers
1	Administrative Assistant II
1	Behavior Technician
1	Bus Driver
3	Cafeteria Assistant
1	Community Services Liaison II
1	Instructional Assistant II
Retirements	
	None
Resignations/Terminations	
1	After School Site Coordinator
1	Teacher
1	Psychologist
1	Counselor
1	Special Education Teacher
Supplemental Service Agreements	
45	Primary Teachers
2	Secondary Teachers
4	Migrant Education Teachers
Miscellaneous Actions	
1	Career Development Specialist
1	Instructional Assistant – Migrant Children Center
1	Library Media Technician
1	Office Assistant III
1	Site Computer Support Technician
Separations From Service	
1	Cafeteria Assistant
1	Network Engineer
Limited Term – Projects	
7	Behavior Technician
2	Campus Safety Coordinators
2	Community Service Liaison I
1	Community Service Liaison II
2	Data Entry Specialist

1	Guidance Specialist
1	High School Office Manager
2	Instructional Assistant – General Education
5	Office Assistant II
1	Low Incidence Technician
5	Office Assistant III
4	Registration Specialist I
1	Translator
Exempt	
12	Childcare
1	Crossing Guard
11	Migrant Outside Work Experience
4	Safety Monitor
2	Student Worker
42	Yard Duty Supervisor
Provisional	
1	Instructional Assistant I
5	Instructional Assistant II
3	Office Assistant III
1	Office Manager
	None
Limited Term - Substitute	
1	Cafeteria Assistant
1	Instructional Assistant I
5	Instructional Assistant II
1	Instructional Assistant – Migrant Children Center
2	Office Assistant II
1	Office Assistant I
2	Warehouse Delivery Driver



August 22, 2012
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 CLOSING SESSION OPENING CEREMONY IN OPEN SESSION – 6:00 P.M.

1.1 Call to Order

President DeRose called the meeting of the Board to order at 6:07 PM at 292 Green Valley Road, Watsonville, CA.

1.2 Public comments on closed session agenda.

None.

2.0 CLOSING SESSION (AND AFTER REGULAR SESSION IF NECESSARY)

2.1 Public Employee Appointment/Employment, Government Code Section 54957

a. Certificated Employees

b. Classified Employees

New Hires – Probationary	
1	Behavior Technician
2	Cafeteria Assistant
1	Human Resources Analyst
4	Instructional Assistant I
2	Instructional Assistant II – Sign Language
1	Instructional Support Clerk
1	Office Assistant III
1	Parent Education Specialist
1	Site Computer Support Technician
New Substitutes	
	None
New Hires	
2	Nurse
1	Orthopedically Impaired Specialist
1	Psychologist
6	Primary Teacher
8	Secondary Teacher
13	Special Education Teacher

Promotions	
	None
Rehires	
9	Primary Teacher
2	Secondary Teacher
Administrative Appointments	
	None
Transfers	
	None
Extra Pay Assignments	
11	Department Chairs
1	Athletic Director
Extra Period Assignments	
	None
Leaves of Absence	
4	Primary Teacher
1	Secondary Teacher
1	Office Assistant II
1	Bus Driver
1	Campus Safety Coordinator
Retirements	
1	<i>Instructional Assistant II – Special Education</i>
2	<i>Secondary Teachers – Special Education</i>
Resignations/Terminations	
1	Secondary Teacher
1	Speech Language
2	<i>Special Education Teacher</i>
2	<i>Instructional Assistant II – Special Education</i>
1	<i>Behavior Technician</i>
Supplemental Service Agreements	
1	Special Education Teacher
10	Primary Education Teachers
64	Secondary Teacher
1	CAHSEE Tester
Miscellaneous Actions	
1	Administrative Secretary III

1	Cafeteria Assistant
1	Community Services Liaison II
1	Custodian II
1	Instructional Assistant I
1	Lead Custodian I
1	Lead Custodian II
1	Payroll Technician
Separations From Service	
1	Human Resources Analyst
Limited Term – Projects	
5	Enrichment Specialist
1	Groundskeeper
1	Instructional Assistant II
1	Office Assistant II
3	Office Assistant III
Exempt	
12	Migrant OWE
12	Crossing Guards
8	Yard Duty
Provisional	
	None
Limited Term - Substitute	
1	Instructional Assistant - Migrant Children Center

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 1 Expulsion

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

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

3.1 Pledge of Allegiance

Trustee De Serpa led the Board in the Pledge of Allegiance.

3.2 Welcome by Board President

Trustees Kim De Serpa, Doug Keegan, Karen Osmundson, Jeff Ursino, Willie Yahiro and President Leslie DeRose were present.

3.3 Superintendent Comments

Superintendent Baker commented that the beginning of the school year went very well. She said that a couple of schools had received a general donation from Driscoll's that included a pencils box for each student. Ms. Baker reported that Trustee Sandra Nichols had sent in her resignation from the Board of Trustees as she had changed her residency.

4.0 APPROVAL OF THE AGENDA

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

5.0 APPROVAL OF MINUTES

a) Minutes for August 8, 2012

Trustee Keegan moved to approve the minutes for August 8, 2012. Trustee Osmundson seconded the motion. The motion passed 5/0/1 (Yahiro abstained).

6.0 HIGH SCHOOL STUDENTS BOARD REPRESENTATIVES REPORT

Yesenia (Jessie) Pulido-Mejia, Pajaro High School student trustee, reported that new teachers and students were happy to go back to school. Fall sports are in gear and the school had a great link crew orientation with a bit over 400 students. Students are excited about November elections as the bond will include a piece to complete the school.

Nikki Hiltz and Carly Reilly, Aptos High School student trustees, reported a smooth back to school with strong students, both academically and athletically. They noted many upcoming events and activities. The school has many full class sizes, which can be challenging. They reported that a track was built in the school over the summer and the athletic field is in the process of being built.

Atziri Ortiz, Renaissance High School student trustee, reported that students are ready and motivated for the new school year; there are 181 students enrolled. The new student orientation will be taking place soon. She said that volleyball is in session at this time.

7.0 VISITOR NON-AGENDA ITEMS

Bill Beecher, community member, requested information on the result of implementation of the School Improvement Grant. He noted that approvals of new hires should not be done without consultation and approval of the board. He also requested results of the categorical programs.

8.0 EMPLOYEE ORGANIZATIONS COMMENTS – PVFT, CSEA, PVAM, CWA 5 Min. Each

Francisco Rodriguez, PVFT president, commented on a smooth beginning of the new school year. A couple of concerns he noted were related to overcrowded classrooms and ensuring that all positions are filled in a timely manner, especially for kindergarten through 3 grade classes. He announced a public forum on August 30th for candidates running for trustee areas; it will take place at 215 Main Street. He would like to begin contract negotiations and looks forward to working with the administration.

Superintendent Baker noted that enrollment is monitored daily for the first couple of weeks to ensure that staffing is adequate.

Olga de Santa Anna, PVAM president, highlighted the collaborative team work of the district. This year's leadership retreat was impressive in the show of team spirit and in keeping focus on student achievement. Ms. De Santa Anna thanked all departments for helping to ensure that all the sites are well supported. She thanked all staff for the time and energy in preparation for the first day. Board members were encouraged to visit schools to see the great work.

9.0 CONSENT AGENDA

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

9.1 Purchase Orders August 2 - 15, 2012

9.2 Warrants August 2 -1 5, 2012

9.3 Approve Student Teaching Agreements for 2012/13 School Year.

9.4 Approve Purchasing Bid #JL061512 – Towel/Tissue/Soap and Dispensers for District Use.

9.5 Approve Award of Open Purchase Order Contracts for Food and Nutritional Services Bids.

10.0 DEFERRED CONSENT ITEMS

None.

11.0 REPORT AND DISCUSSION ITEMS

11.1 Report and discussion on Transitional Kindergarten.

Report by Dorna Baker, Superintendent.

Kathy Lathrop, Director of Child Development Department, reported on the transitional kindergarten (TK) program noting that it addresses the development and readiness piece for students at this stage. The program was developed as a result of the change to student entry age, aligning California with the rest of the nation. Senate Bill 1381, TK, amends California Code of Education to change the required birthday for admission beginning in the 2012-13 school year. In 2012-13, TK child must turn 5 between November 2 and December 2. This changes to October 2 to December 2 for the 2013-14 school year and to September 2 – December 2 in 2014-15. Funding for the program will be the same as the current ADA rate. Ms. Lathrop said that TK attempts to better prepare students to be successful in school. The program calls for three levels of implementation, including cabinet-level decisions, Early Childhood Education department coordination and finally elementary site level implementation. The site is ultimately responsible for full implementation. In 2012-13, TK will have classrooms at four sites: Mar Vista, Mintie White, Landmark and Hall District, with additional classrooms each year as enrollment increases. The Child Development office is currently working on community outreach to be sure information about this program gets out. Standards for instruction in the TK program will be in accordance with current state and common core standards. Core curriculum components include school readiness skills, effective early learning environments and social and emotional development. Ms. Lathrop noted that the district is in the process of selecting teachers and building a support structure for the program. Ms. Lathrop commented on next steps, including information sessions for the community and other outreach efforts. Training for teachers is also a major component of the process.

In conclusion, Ms. Lathrop stated that the program is being implemented as quickly as possible and that she has seen a positive response to the program.

Public comment:

Bill Beecher, community member, asked about the percentage of the time that the program would dedicate to English Language Development stating that this is key to getting students ready for primary grades.

Regarding ELD, Ms. Lathrop noted that the district is looking at the 50/50 model and have ordered the materials.

Board participated with comments and questions.

11.2 Report and discussion on PVUSD Graduates' College Attendance Information.

Report by Murry Schekman, Assistant Superintendent.

Mr. Schekman reported on the students going to college, information gathered through the National Clearinghouse Data. Mr. Schekman presented data from 2008, 2009 and 2010 for Pajaro Valley High, Watsonville High, where each year over 70% of students attended college the first year after graduation. He found that percentages increase the first two years after graduation for each of the high schools. These figures are higher than state and national figures. According to the State Department of Education and the California Postsecondary Education Commission, the percentages are closer to 50%. The statistics are more impressive when the percentage of students that participate in free or reduced lunch is considered: the United State Department of Agriculture indicates that nationally the percentage is 66.6%. At PVHS and WHS, over 75% qualify for these services.

Mr. Schekman noted that the district is actively participating in programs and partnerships that encourage students to attend college. The Gear Up grant is currently back in middle schools with opportunities for students. The district is also participating in the Santa Cruz County College Commitment (S4C) with great opportunities for students to begin to think about attending college. Each high school and middle school has counselors who continue to provide the support necessary for students to be on track for college. In addition, the District has formed a scholarship committee aimed at finding financial support for students who are not able to pay for school. In conclusion, Mr. Schekman played a video taken during a recent visit of all 4th grade students to Cabrillo College campus, noting that the synergy between the community and schools is inspiring.

Public comment:

Bill Beecher, community member, spoke of the high percentage of students at Cabrillo that have to take remedial courses because they are not well prepared to attend college. We need to continue raising our expectations and provide better support systems for all students.

Board participated with comments and questions.

11.3 Report and discussion on Appointment and Terms of Commission Members (Merit Rule 3.1).

Report by Pam Shanks, Director, Human Resources.

Pam Shanks reported that Personnel Commission rules require that the board be notified of a commissioner's expiring term. This year, Gary Smith's term will expire as of noon on December 1, 2012. Mr. Smith is the joint appointee for the commission. Mr. Smith has agreed to serve an additional term, a three-year appointment. To this end, the Personnel Commission will hold a public hearing on September 22nd in the Human Resources conference room at 5:15 PM.

12.0 REPORT, DISCUSSION AND POSSIBLE ACTION ITEMS

12.1 Report, discussion and possible action to Select Board Representative to the Santa Cruz County School Boards Association.

Report by Dorna Baker, Superintendent.

President DeRose explained that at the prior meeting the Board had agreed to be part of the Association. President DeRose noted that trustee De Serpa has attended several of the meetings and expressed interest in being the board's representative.

Trustee De Serpa noted that she appreciates the information she heard when she attended the meetings and confirmed that she would like to be the Board's representative.

The position will be placed in the Board's Standing Committee.

The Board selected trustee De Serpa to represent the district at the association's meeting.

President DeRose reminded the Board that any member of the Board is welcome to attend the Association meetings. The following meeting is due to take place on Thursday, September 13th at the Aptos High School Cafeteria at 6:00 PM.

12.2 Report, discussion and possible action to Revise Superintendent's Contract.

Report by Dorma Baker, Superintendent.

President DeRose noted that the contract has a couple of items that need to be addressed. An internal audit with the fiscal department and payroll uncovered that the auto allowance that was being paid was an error but it was also discovered that there were other items that the Superintendent was not receiving as agreed. President DeRose added that verbiage in the contract allows the board to extend the contract by one year, to the end of June 2015. We need to do what we can to ensure we retain our effective leaders and this is an effort to be sure Superintendent Baker receives what she deserves.

Public comment:

Jack Carroll, teacher, disagrees with the resolution, not as a reflection of the superintendent but rather as a timing issue. Collective bargaining is due to begin and this amount, while it may not seem significant, sends the wrong message. The reason we have a healthy budget is because our district staff are not well compensated and our class size is bumping up against the contractual maximums.

Dan Hernandez, community member, express his opinion that the Board is being transparent in its operations and stated that he supports the recommended changes to the contract. He said that he appreciates the good leadership from Superintendent Baker.

Brett McFadden, CBO, stated that the district received a letter from the COE in its capacity as the fiscal oversight entity, issuing a positive certification for the next three years. The budget includes a potential loss of 8 million dollars in case the current measures fail in November. If things change, then further action can be taken to mitigate the situation at that time.

The Board participated with comments and questions.

Trustee Yahiro moved to approve this item. Trustee Ursino seconded the motion.

The Board participated with additional comments and discussion.

Trustee Yahiro amend motion to include the extension of the contract by one year and to address the compensation piece at a future meeting. Trustee Ursino withdrew his second. Trustee Osmundson seconded the motion. The motion passed 5/1/0 (DeRose dissented).

13.0 ACTION ON CLOSED SESSION

2.1 Public Employee Appointment/Employment, Government Code Section 54957

a. Certificated Employees

Trustee Keegan moved to approve the certificated report with the following additions: 2 teachers under Retirement and 1 teacher under Resignation. Trustee Osmundson seconded the motion. The motion passed unanimously.

b. Classified Employees

Trustee Keegan moved to approve the classified report with the following additions: 1 Instructional Assistant II – Special Education under Retirements; 2 Instructional Assistant II – Special Education and 1 Behavior Technician under Resignations. Trustee Ursino seconded the motion. The motion passed unanimously.

2.8 1 Expulsion

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

12-13-001

Trustee Keegan seconded the motion. The motion passed unanimously.

14.0 GOVERNING BOARD COMMENTS/REPORTS

None.

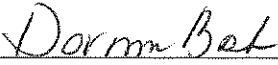
15.0 UPCOMING BOARD MEETINGS/REMAINING BOARD MEETINGS FOR 2012

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.

September	<ul style="list-style-type: none">▪ 12▪ 26	<ul style="list-style-type: none">▪ Unaudited Actuals
October	<ul style="list-style-type: none">▪ 10▪ 24	
November	<ul style="list-style-type: none">▪ 14	<ul style="list-style-type: none">▪
December	<ul style="list-style-type: none">▪ 5 Annual Organization Mtg.	<ul style="list-style-type: none">▪ Approve 1st Interim Report

16.0 ADJOURNMENT

There being no further business to discuss, the meeting of the Board was adjourned at 9.36 PM.


Dorma Baker, Superintendent

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 9.3

Date:	September 12, 2012
Item:	Accept with Gratitude Donation from the Community Foundation of Santa Cruz and the Driscoll's Charitable Fund of \$4,000 to Support Transportation Costs for Athletic Program at Watsonville High School.
Overview:	The Board acknowledges and recognizes the generosity of community members and businesses. Their commitment to education is evident through their contribution.
Recommendation:	Accept with gratitude.

Prepared By: Dorma Baker, Superintendent

Superintendent's Signature:

Dorma Baker

for Board Packet

COMMUNITY FOUNDATION
SANTA FE COUNTY
at the Jack & Peggy Baskin Center for Philanthropy

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Rowland Rebele

J. Miles Reiter

Norman Schwartz

Robert Stephens

James C. Thompson

James F. Watson

August 31, 2012

Ms. Elaine Legorreta, Principal
Watsonville High School
250 East Beach Street
Watsonville, CA 95076

Re: Grant Number 2012-0492

Dear Ms. Legorreta:

I am pleased to notify you that the Community Foundation's Board of Directors has approved a donor-advised grant to your organization in the amount of \$4,000 to support transportation costs for the athletics program.

This grant has been made possible by the donor-advisors of the Driscoll's Charitable Fund. Thank you letters are encouraged and may be sent to the donor-advisor(s) in care of the Community Foundation.

Please review this letter carefully and retain it for your records.

By depositing the enclosed check you agree to the following:

- Use grant funds only for the purposes indicated above. Substantive changes involving the reallocation of grant funds must be approved in advance by the Foundation;
- Maintain records that clearly show how grant funds were spent and make such records available to the Foundation and its auditors upon request;
- Affirm that the donor-advisors to Driscoll's Charitable Fund, and any member of their families, have not received any tangible benefit, goods, or services whatsoever as a result of this grant; and
- Certify that this donation will not be used to satisfy the payment of any pledge or other financial obligation on behalf of the donor-advisors and/or their family.

Grant Objectives:

- To safely transport our student athletes and their coaches to away games;
- Set aside funds for other necessities like uniforms, equipment, and officiating;
- To reduce some of the stress experienced by our coaches.

Final Report Due: September 30, 2013

Use the following link to access the appropriate report form:


www.cfsc.org/ReportFormA. Please note that outstanding grant reports will delay payment on future grants until the required reports have been submitted.



Confirmed in Compliance with
National Standards for

This grant may be publicly listed as being awarded from *The Driscoll's Charitable Fund at the Community Foundation of Santa Cruz County*. If you have any questions about this grant, please contact Christina Cuevas, Program Director, at ccuevas@cfsc.org.

Sincerely,



Lance Linares
Executive Director

Enclosure

Stay connected! Sign up for Foundation e-news at www.cfsc.org

CC MURRY Schekman, Asst Superintendent
and
Brad Hubbard, WHS Athletic Director



PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 9.4

Date:	September 12, 2012
Item:	Accept with Gratitude Donation from the Community Foundation of Santa Cruz and the Driscoll's Charitable Fund of \$5,000 to Support The Pajaro Valley College Pathway and Scholarship Program.
Overview:	The Board acknowledges and recognizes the generosity of community members and businesses. Their commitment to education is evident through their contribution.
Recommendation:	Accept with gratitude.

Prepared By: Dorma Baker, Superintendent

Superintendent's Signature:

Dorma Baker

COMMUNITY FOUNDATION SANTA CRUZ COUNTY

at the Jack & Peggy Baskin Center for Philanthropy

7807 Soquel Drive / Aptos, CA 95003 / 831.662.2000 / www.cfsc.org

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Caleb Baskin

Marilyn Calciano

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Dina Hoffman

Leola Lapides

Mario Maldonado

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Ralph Miljanich

Robert Ridino

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Ian McPhail

Executive Director

Lance Linares

Honorary Trustees

Georgia Brauer

Jess Brown

Nell Sesnon Cliff

Diane Porter Cooley

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James C. Thompson

James F. Watson

August 31, 2012

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

Re: Grant Number 2012-0493

Dear Ms. Baker:

I am pleased to notify you that the Community Foundation's Board of Directors has approved a donor-advised grant to your organization in the amount of \$5,000 for the Pajaro Valley College Pathway and Scholarship Program.

This grant has been made possible by the donor-advisors of the **Driscoll's Charitable Fund**. Thank you letters are encouraged and may be sent to the donor-advisor(s) in care of the Community Foundation.

Please review this letter carefully and retain it for your records.

By depositing the enclosed check you agree to the following:

- Use grant funds only for the purposes indicated above. Substantive changes involving the reallocation of grant funds must be approved in advance by the Foundation;
- Maintain records that clearly show how grant funds were spent and make such records available to the Foundation and its auditors upon request;
- Affirm that the donor-advisors to Driscoll's Charitable Fund, and any member of their families, have not received any tangible benefit, goods, or services whatsoever as a result of this grant; and
- Certify that this donation will not be used to satisfy the payment of any pledge or other financial obligation on behalf of the donor-advisors and/or their family members.

Grant Objectives

- Make sure at least 10 qualifying seniors from farm working families begin their post-secondary education at a four-year college this coming fall;
- Make sure each scholarship recipient has a mentor for the coming year;
- Make sure each mentor is monitoring their mentee's academic progress.

Final Report Due: September 30, 2013

Use the following link to access the appropriate report form: www.cfsc.org/ReportFormA. Please note that outstanding grant reports will delay payment on future grants until the required reports have been submitted.

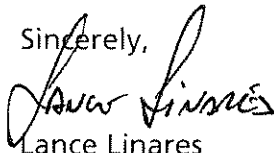


Confirmed in Compliance with
National Standard for
U.S. Community Foundations

For good. For ever.

This grant may be publicly listed as being awarded from *The Driscoll's Charitable Fund at the Community Foundation of Santa Cruz County*. If you have any questions about this grant, please contact Christina Cuevas, Program Director, at ccuevas@cfsc.org.

Sincerely,



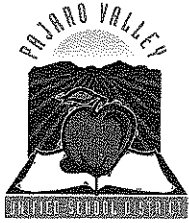
Lance Linares
Executive Director

Enclosure

Stay connected! Sign up for Foundation e-news at www.cfsc.org

CC: LORRAINE Sandoval-Vigil, Acting Advisor
Board Chair

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 9.5

Date: September 12, 2012

**Item: Use of Santa Cruz County Office of Education (SCCOE)
Grant Funds**

Overview: The Santa Cruz County Office of Education is providing "Block Grants" to the school districts in Santa Cruz County. The amount that is coming to the PVUSD is \$70,000.00. Last year SCCOE provided \$150,000.00 for the PVUSD to open six Model Technology classrooms. We requested some additional funds to continue to professional development and we were informed that the block grant approach would be used this year. This Block Grant then is a continuation of our professional development from last year. Our Model Technology classrooms will be open this school year for visitations from educators outside of our district.

We would like to use \$40,000 for continued staff development for staff members involved with our Model Technology classrooms. We would like to use the remaining \$30,000 to cover our S4C costs. As a partner district, we are required to contribute \$19,000 based on our enrollment. We also have costs based on the 4th grade trip to Cabrillo and S4C is also planning a second trip for kids in the 6th grade. This will provide for the cost of transportation for these very special field trips to local colleges.

Recommendation: Approve

Budget Considerations: No Cost to PVUSD

Funding Source: Santa Cruz County Office of Education

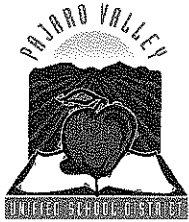
Amount: \$70,000

Prepared By: Murry Schekman, Assistant Superintendent

Superintendent's Signature:

Doranne Bot

PAJARO VALLEY UNIFIED SCHOOL DISTRICT



Board Agenda Backup

Item No: 9.6

Date: September 12, 2012

Item: Approve Program, Facilities and Services Agreement with Pajaro Valley Prevention and Student Assistance for 2012-13.

Overview:

Pajaro Valley Prevention and Student Assistance (PVPSA) is a not-for-profit public agency that works with the district to support various programs within the district for our students. The contract attached lists the various programs and services the two agencies work on collaboratively.

Recommendation: Approval of the annual agreement between the district and PVPSA

Budget Considerations: N/A

Funding Source:

Budgeted: Yes: ☐ No: ☐

Amount: \$ 364,028

Prepared By: Jenny Sarmiento

Superintendent's Signature: Doranne Bask

PROGRAM, FACILITIES AND SERVICES AGREEMENT

This AGREEMENT is made effective July 1, 2012, by and between PAJARO VALLEY UNIFIED SCHOOL DISTRICT, a California governmental entity (hereinafter "District"), and PAJARO VALLEY PREVENTION AND STUDENT ASSISTANCE, INC., a California not-for-profit public benefit corporation (hereinafter "PVPSA"), who mutually agree as follows:

1. RECITALS.

- a) PVPSA Status: PVPSA is a not-for-profit public benefit corporation which has applied and received recognition as tax exempt under Internal Revenue Code Section 501(c)(3) and comparable sections of the California Revenue & Taxation Code, Attached as Exhibit "A".
- b) Activities and Programs: The District and PVPSA wish to have PVPSA operate the following programs under a contract with the District during the fiscal year which shall begin July 1, 2012, and end on June 30, 2013.
 - 1) Secondary Student Assistance Program;
 - 2) Kid's Korner Elementary Student Assistance Program;
 - 3) California Department of Education (TUPE Competitive);
 - 4) Other programs and activities as mutually agreed upon by the parties to this agreement.
- c) In order to continue such programs and develop new programs, the parties also intend to enter into this Agreement for the furnishing of certain facilities and services which the District and PVPSA agree are essential to the successful operation of such programs.

2. CONTRACT.

Commencing July 1, 2012, PVPSA shall operate all the programs listed on Exhibit “B” hereto attached, as an independent contractor for the District, upon all of the terms and conditions set forth herein.

3. APPROVAL OF PROGRAMS.

- a) Approval of Trustees: Prior to the commencement or continuance of any program under this Agreement, its operation in the District shall have been approved by the District’s Board of Trustees (“Trustees”) or by the person or persons within the Administrative Staff of the District (“Staff”) to whom the Trustees have delegated such responsibility.
- b) Approval by Outside Agencies: In addition to approval at the District level, all programs and proposed programs subject to this Agreement that are funded by outside agencies shall be approved by such agencies prior to the commencement or continuance of their operations in the District.

4. FUNDING OF PROGRAMS.

Prior to the commencement or continuance of any program subject to this Agreement that is dependent upon funding sources from the District or controlled by the District, PVPSA shall have received funding approval from the District, either through its normal budget process or through such extra-ordinary funding processes as the District shall from time to time establish. For the fiscal year 2012-

2013, the District shall contribute \$122,518 (one hundred twenty-two thousand, five hundred eighteen dollars) as shown on Exhibit "B".

Of this amount, \$39,576 shall be paid directly to the County of Santa Cruz Mental Health Department to be used as "matching funds" required for the administration of the Early Periodic Screening, Diagnosis and Testing (EPSDT) Program conducted by PVSPA under a contract with the County Mental Health Agency.

PVPSA shall be responsible for preparation of all applications and/or grant proposals which are to be submitted to outside agencies.

5. OPERATION OF PROGRAMS

PVPSA shall keep the District informed of the operation of all programs through such reporting procedures as are agreed upon the parties to this Agreement. At least once each year, PVPSA shall prepare a formal report to the District and the Trustees concerning programs that are subject to this Agreement.

6. EVALUATION OF PROGRAMS.

All programs that are subject to evaluation shall be evaluated at the level required by any agency which funds such program. PVPSA shall be responsible for maintaining all records and preparing all reports which shall be required as part of the evaluation process.

7. CONSIDERATION.

PVUSD/PVPSA Program, Facilities and Services Agreement
Fiscal Year 2012-13

As consideration for its services hereunder, PVPSA shall receive the following compensation:

- a) Outside Agency Funding: As to programs which are subject to direct funding by outside agencies, PVPSA shall receive such funds as are or may be committed by such agencies for such program activities;
- b) District Funding: As to programs which are funded by the District from unrestricted funds, including unrestricted lottery funds, PVPSA shall receive such funds as have been agreed upon for such programs by the parties to this Agreement. For the fiscal year 2012-2013, the programs and the funding thereof shall be set forth also on Exhibit "B".
- c) PVPSA will participate in the Medi-Cal Administrative Activities (MAA) program, such as Medi-Cal outreach and planning assistance with Medi-Cal eligible participants.

In order to ensure the health and well being of the target population, PVPSA shall understand and provide basic health and benefit information and perform health advocacy with targeted individuals and families being served through an agreement with the County Health Services Agency. Outreach activities may include information about local health and Medi-Cal services that will benefit individuals and families in order to allow them to lead healthy and productive lives.

PVUSD/PVPSA Program, Facilities and Services Agreement
Fiscal Year 2012-13

PVPSA staff may explain benefits derived from accessing local health, mental health and substance abuse services and encourage/assist families to utilize these services to meet their identified needs. PVPSA staff shall be knowledgeable regarding available health and Medi-Cal services, locations of provider sites, and how families can access needed services. PVPSA staff shall assist families to understand and explain very basic Medi-Cal, Healthy Families and other insurance information or will be able to direct clients to sites where such information can be accessed. PVPSA staff may assist families where needed to apply for and access health related programs and services. Staff activities may include outreach, information, referral, access and eligibility assistance, assistance with transportation, and program planning in order for clients to access Medi-Cal related eligibility, provider services and care.

The relationship that PVPSA has with Medi-Cal eligible families is recognized and supported by the Health Services Agency. It is further recognized that PVPSA possesses expertise in identifying, assessing and case managing the health care needs of Medi-Cal eligible families and children being served. In order to take advantage of this expertise and relationship, PVPSA costs supported by this agreement may be used as the basis of participation in federal, state and local leveraging programs. Such participation may include appropriate staff training; reporting and documentation of eligible activities supported by contract funds, and associated staff and overhead costs. Reporting may include written documentation associated with service delivery and related costs, and/or the tracking of staff time through time survey instruments.

Purpose and Responsibilities

1. Bring potential eligible individuals into the Medi-Cal program for purposes of determining Medi-Cal eligibility.
2. Bring Medi-Cal enrollees into Medi-Cal services.
3. Bring the target population into health care services to include
 - a. Campaigns directed towards bringing specific high-risk populations into health care services;
 - b. Telephone, walk-in or drop-in services for the purpose of informing or referring persons, including Medi-Cal enrolled, to Medi-Cal covered services; and
 - c. Conducting Medi-Cal specific information and referral activities included as subset of a broader general health education program.
4. Assisting with the Medi-Cal/Healthy Families application process by;
 - a. Explaining the eligibility rules and process to prospective applicants;
 - b. Assisting an applicant to fill out the application;
 - c. Gathering information related to the application and eligibility determination/redetermination process; and
 - d. Providing necessary forms and packaging in preparation for actual eligibility determination.
5. Arranging or providing transportation of clients to Medi-Cal covered services, and if medically necessary, accompanying clients to these services.

6. Develop resource directories, prepare Medi-Cal data reports, conduct needs assessments and prepare proposals for expansion of Medi-Cal services.
7. Assist the agency and Local Governmental Agency (LGA) in overseeing, documenting and accounting for MAA activities.

8. TELEPHONE SYSTEM.

The programs to be operated by PVPSA under this Agreement will be conducted as part of an overall educational program of the District, in many cases directly on the school sites of the District. It is therefore understood and agreed that programs will be conducted more efficiently if the telephone system of PVPSA is integrated with the general telephone system of the District. To accomplish this, the District shall arrange within its existing telephone system to have a sufficient number of telephone lines dedicated to the use of PVPSA, in which case PVPSA shall pay directly to the carrier the cost charged for such dedicated lines.

9. TRANSFER OF FUNDS.

PVPSA is a California not-for-profit public benefit corporation which has applied for and received recognition as tax-exempt under Internal Revenue Code, Section 501(c)(3). Nothing contained herein shall relieve PVPSA from its duties as a recipient of funds to account for such funds in a manner satisfactory to the District and to the agencies or other sources of such funds.

10. ANNUAL AUDIT

PVPSA will conduct an independent financial audit as required under the U.S. Office of Management and Budget (OMB) Circular 1-133. A copy of the completed audit will be provided to the PVUSD Director of Finance.

11. OBLIGATIONS OF PVPSA.

- a) **Obligation to Perform:** PVPSA shall devote the time and efforts of such personnel as may be necessary to carry out each of the programs which are the subject of this Agreement, in accordance with the requirements of each program as established by the agency funding such program or the District or both. PVPSA shall not be required to operate any program unless PVPSA determines that the funding available for such program is sufficient in accomplishing its stated goals and objectives.
- b) **Employee Compensation and Equipment:** PVPSA shall be responsible for the compensation of all its agents, servants and employees and shall supply all tools and equipment necessary for the performance of their services hereunder.
- c) **Fingerprint and TB Clearance:** All PVPSA employees who provide direct services to students will have received fingerprint clearance and a negative TB test prior to contact with students.

12. LIMITATIONS OF LIABILITY.

- a) **Impossibility and Impracticality:** PVPSA shall not be liable for the disruption, suspension or termination of any of the services herein when such service

disruptions, suspensions or terminations are caused by illness, natural disaster(s), political insurrection(s), or other unanticipated cause(s).

- b) Defense and Indemnity: PVPSA shall not be liable for any action or inaction taken by any officer, employee, agent, or representative of the District. The District shall defend and indemnify PVPSA, its officers, servants, employees, agents or representatives in any claim brought by any third party as a result of actual or alleged actions or inactions taken, directly or indirectly, by any officer, servant, employee, agent or representative of the District.

13. LIABILITY INSURANCE.

PVPSA agrees to carry and maintain during the entire term of this Agreement comprehensive general liability insurance, professional liability insurance and automobile insurance in an amount not less than one million dollars (\$1,000,000) per occurrence. Such insurance shall be written by an insurance carrier satisfactory to the District and shall include the District as "Additional Insured." Such insurance shall not be cancelled, limited, or allowed to expire without renewal until after thirty (30) days written notice has been provided to the District.

14. WORKERS' COMPENSATION INSURANCE.

PVPSA shall carry Workers' Compensation insurance covering the employees of PVPSA under this agreement.

15. CERTIFICATE OF INSURANCE.

PVPSA shall deliver to the District evidence of insurance, as outlined in items 12, 13 and 14 of this Agreement, on an insurance industry approved form, within thirty (30) days after execution of this Agreement.

16. NON-ASSIGNABILITY.

Neither this Agreement nor any duties or obligations hereunder may be assigned by either party to this Agreement without the written consent of the other party.

17. TERM OF AGREEMENT.

This Agreement shall commence on July 1, 2012, and shall continue until June 30, 2013, unless it is terminated earlier than that date by either party or both parties to this Agreement in accordance with Part 17 as set forth below.

18. EARLY TERMINATION OF AGREEMENT.

- a) *Notice of Requirement:* Either party to this Agreement may terminate this Agreement without cause by providing the other party with prior written notice delivered in person or by first class mail no less than one hundred twenty (120) days prior to the effective date of such termination.
- b) *Compensation Upon Early Termination:* In the event of early termination by the District, the District shall compensate PVPSA for all work done by PVPSA and for all costs incurred by PVPSA prior to the effective date of said early termination and in reliance thereon.

19. PVPSA'S BOARD OF DIRECTORS.

Attached hereto as Exhibit "C" is a list of PVPSA's Board of Directors showing the category of each member, the agency which is responsible for the selection of certain members, and the names of those persons who are presently acting as such members.

20. ATTORNEY FEES.

In case any litigation is commenced with respect to this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to amounts found due and owing, costs of suit and reasonable expenses and fees, including reasonable attorney's fees, incurred by the prevailing party in such litigation, all to be taxed as costs and included in any judgment rendered.

21. ACCEPTANCE OF AGREEMENT.

This Agreement will be deemed accepted as written and work will commence upon the execution thereof when signed by the parties hereto. Any modification of or additions to this Agreement must be in writing and must be signed by the parties hereto.

22. ENTIRE AGREEMENT.

This Agreement incorporates all of the terms, conditions, restrictions and covenants between the two parties hereto. All prior and/or contemporaneous agreements between the parties hereto are hereby integrated into and included within the terms of this Agreement.

PVUSD/PVPSA Program, Facilities and Services Agreement
Fiscal Year 2012-13

Executed at Watsonville, California on _____, 2012.

PAJARO VALLEY UNIFIED SCHOOL DISTRICT	PAJARO VALLEY PREVENTION AND STUDENT ASSISTANCE, INC.
By: _____ Dorma Baker, Superintendent	By: _____ Jenny Sarmiento, Chief Executive Officer
	By: _____ Silvia Diaz, Chief Financial Officer



PVPSA Board of Directors (Exhibit C)

2012

PVUSD Superintendent or appointee:
Dorma Baker

Santa Cruz County Office of Education
Superintendent or appointee:
Michael Watkins
Superintendent
Michael Paynter, Appointee

Mayor of Watsonville or appointee:
Daniel Dodge, Sr., (appointee)
(alternate: Lowell Hurst
Council Member

PVUSD Assistant Superintendent or appointee:
Murry Schekman
Assistant Superintendent

PVUSD Board of Trustees member or appointee:
Doug Keegan
PVUSD Board of Trustees

Watsonville Chief of Police or appointee:
Manny Solano
Board President
Chief of Police

PVUSD Chief Business Officer or appointee:
Brett McFadden
Chief Business Officer

Martin Garcia, Analyst
Fourth District County Supervisor

Members of the Business Community:
Claudia Mehl-Crosetti – *Treasurer/Secretary*
Mehl's Colonial Chapel

Rodney Brooks

Rhea De Hart-*Former PVUSD Trustee/Teacher*

Arthur Dover, MD

Janet Mayou, former member



Board Agenda Backup

Item No: 9.7

Board Resolution # 12-13-02

Date: September 12, 2012

Item: 2011-2012/2012-2013 GANN Limit Calculation

Overview: November of 1997, the Gann Amendment (Article XIII) was added to the California Constitution and established maximum appropriation limitations, commonly called "Gann Limits"

Recommendation: Approve District Resolution, establish a revised Gann Limit for 2011-2012 fiscal year and a projected Gann Limit for 2012-2013

Budget Considerations:

Funding Source: N/A

Budgeted: Yes ☐ No ☐ N/A

Amount: N/A

PREPARED BY SIGNATURE: Helen Bellengi

SUPERINTENDENT SIGNATURE: Dorinda Bost

PAJARO VALLEY UNIFIED SCHOOL DISTRICT

District Resolution No. 12-13-02

On the Motion of Trustee _____

Duly Seconded by Trustee _____

RESOLUTION FOR ADOPTING THE “GANN” LIMIT

pursuant to G.C. 7902.1

WHEREAS, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

WHEREAS, the provisions of that Article establish maximum appropriation limitations, commonly called “Gann Limits,” for public agencies, including school districts; and,

WHEREAS, the District must establish a revised Gann limit for the 2011-12 fiscal year and a projected Gann Limit for the 2012-13 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law;

NOW, THEREFORE, BE IT RESOLVED that this Board does provide public notice that the attached calculations and documentation of the Gann limits for the 2011-12 and 2012-13 fiscal years are made in accord with applicable constitutional and statutory law;

AND BE IT FURTHER RESOLVED that this Board does hereby declare that the appropriations in the Budget for the 2011-12 and 2012-13 fiscal years do not exceed the limitations imposed by Proposition 4;

AND BE IT FURTHER RESOLVED that the Superintendent provides copies of this resolution along with the appropriate attachments to interested citizens of this district.

PASSED AND ADOPTED this September 12, 2012 by Governing Board of Pajaro Valley Unified School District, County of Santa Cruz, State of California, by the following vote.

AYES:

NOES:

ABSENT:

STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ

The foregoing resolution is hereby adopted by the Governing Board of Pajaro Valley Unified School District at its regular meeting held on September 14, 2011.

Secretary to the Governing Board

	2011-12 Calculations			2012-13 Calculations		
	Extracted Data	Adjustments*	Entered Data/ Totals	Extracted Data	Adjustments*	Entered Data/ Totals
A. PRIOR YEAR DATA (2010-11 Actual Appropriations Limit and Gann ADA are from district's prior year Gann data reported to the CDE)	2010-11 Actual			2011-12 Actual		
1. FINAL PRIOR YEAR APPROPRIATIONS LIMIT (Preload/Line D11, PY column)	103,903,149.51		103,903,149.51			108,353,760.91
2. PRIOR YEAR GANN ADA (Preload/Line B9, PY column)	18,685.17		18,685.17			19,009.32
ADJUSTMENTS TO PRIOR YEAR LIMIT	Adjustments to 2010-11			Adjustments to 2011-12		
3. District Lapses, Reorganizations and Other Transfers						
4. Temporary Voter Approved Increases						
5. Less: Lapses of Voter Approved Increases						
6. TOTAL ADJUSTMENTS TO PRIOR YEAR LIMIT (Lines A3 plus A4 minus A5)		0.00				0.00
7. ADJUSTMENTS TO PRIOR YEAR ADA (Only for district lapses, reorganizations and other transfers, and only if adjustments to the appropriations limit are entered in Line A3 above)						
B. CURRENT YEAR GANN ADA (2011-12 data should tie to Principal Apportionment Attendance Software reports)	2011-12 P2 Report			2012-13 P2 Estimate		
1. Total K-12 ADA (Form A, Line 10)	17,252.60		17,252.60	17,210.54		17,210.54
2. ROC/P ADA**						
3. Total Charter Schools ADA (Form A, Line 26)	1,756.72		1,756.72	1,796.72		1,796.72
4. Total Supplemental Instructional Hours**						
5. Divide Line B4 by 700 (Round to 2 decimal places)		19,009.32				19,007.26
6. TOTAL P2 ADA (Lines B1 through B3 plus B5)						
OTHER ADA (From Principal Apportionment Attendance Software)						
7. Apprentice Hours - High School						
8. Divide Line B7 by 525 (Round to 2 decimal places)		0.00				0.00
9. TOTAL CURRENT YEAR GANN ADA (Sum Lines B6 plus B8)		19,009.32				19,007.26
C. LOCAL PROCEEDS OF TAXES/STATE AID RECEIVED TAXES AND SUBVENTIONS (Funds 01, 09, and 62)	2011-12 Actual			2012-13 Budget		
1. Homeowners' Exemption (Object 8021)	389,303.13		389,303.13	389,303.00		389,303.00
2. Timber Yield Tax (Object 8022)	0.00		0.00	0.00		0.00
3. Other Subventions/In-Lieu Taxes (Object 8029)	76,970.41		76,970.41	76,970.00		76,970.00
4. Secured Roll Taxes (Object 8041)	45,296,103.16		45,296,103.16	45,296,103.00		45,296,103.00
5. Unsecured Roll Taxes (Object 8042)	1,089,670.72		1,089,670.72	1,089,671.00		1,089,671.00
6. Prior Years' Taxes (Object 8043)	120,799.27		120,799.27	144,703.00		144,703.00
7. Supplemental Taxes (Object 8044)	504,462.67		504,462.67	504,463.00		504,463.00
8. Ed. Rev. Augmentation Fund (ERAF) (Object 8045)	(115,502.84)		(115,502.84)	(115,503.00)		(115,503.00)
9. Penalties and Int. from Delinquent Taxes (Object 8048)	23,904.19		23,904.19	0.00		0.00
10. Other In-Lieu Taxes (Object 8082)	0.00		0.00	0.00		0.00
11. Comm. Redevelopment Funds (Obj. 8047 & 8625)	764,484.76		764,484.76	764,486.00		764,486.00
12. Parcel Taxes (Object 8621)	0.00		0.00	0.00		0.00
13. Other Non-Ad Valorem Taxes (Object 8622) (Taxes only)	0.00		0.00	0.00		0.00
14. Penalties and Int. from Delinquent Non-Revenue Limit Taxes (Object 8629) (Only those for the above taxes)	0.00		0.00	0.00		0.00
15. Transfers to Charter Schools in Lieu of Property Taxes (Object 8096)	(787,596.00)		(787,596.00)	(1,019,559.00)		(1,019,559.00)
16. TOTAL TAXES AND SUBVENTIONS (Lines C1 through C15)	47,362,599.47	0.00	47,362,599.47	47,130,637.00	0.00	47,130,637.00
OTHER LOCAL REVENUES (Funds 01, 09, and 62)						
17. To General Fund from Bond Interest and Redemption Fund (Excess debt service taxes) (Object 8914)	0.00		0.00	0.00		0.00
18. TOTAL LOCAL PROCEEDS OF TAXES (Lines C16 plus C17)	47,362,599.47	0.00	47,362,599.47	47,130,637.00	0.00	47,130,637.00

	2011-12 Calculations			2012-13 Calculations		
	Extracted Data	Adjustments*	Entered Data/ Totals	Extracted Data	Adjustments*	Entered Data/ Totals
EXCLUDED APPROPRIATIONS						
19. Medicare (Enter federally mandated amounts only from objs. 3301 & 3302; do not include negotiated amounts)			1,470,070.00			1,513,596.00
OTHER EXCLUSIONS						
20. Americans with Disabilities Act						
21. Unreimbursed Court Mandated Desegregation Costs						
22. Other Unfunded Court-ordered or Federal Mandates						
23. TOTAL EXCLUSIONS (Lines C19 through C22)			1,470,070.00			1,513,596.00
STATE AID RECEIVED (Funds 01, 09, and 62)						
24. Revenue Limit State Aid - Current Year (Object 8011)	46,977,231.00		46,977,231.00	47,121,554.00		47,121,554.00
25. Revenue Limit State Aid - Prior Years (Object 8019)	382,734.00		382,734.00	0.00		0.00
26. Supplemental Instruction - CY (Res. 0000, Object 8590)**		2,898,535.00	2,898,535.00		2,883,655.00	2,883,655.00
27. Supplemental Instruction - PY (Res. 0000, Object 8590)**		0.00	0.00		0.00	0.00
28. Comm Day Sch Addl Funding - CY (Res. 2430, Obj. 8311 and Res. 0000, Obj. 8590)**		357,525.00	357,525.00		357,525.00	357,525.00
29. Comm Day Sch Addl Funding - PY (Res. 2430, Obj. 8319 and Res. 0000, Obj. 8590)**		0.00	0.00		0.00	0.00
30. ROC/P Apportionment - CY (Res. 0000, Object 8590)**		0.00	0.00		0.00	0.00
31. ROC/P Apportionment - PY (Res. 0000, Object 8590)**		0.00	0.00		0.00	0.00
32. Charter Schs. Gen. Purpose Entitlement (Object 8015)	4,022,712.00		4,022,712.00	4,395,443.00		4,395,443.00
33. Charter Schs. Categorical Block Grant (Object 8590)**		1,162,976.00	1,162,976.00			0.00
34. Class Size Reduction, Grades K-3 (Object 8434)	4,715,833.00		4,715,833.00	4,717,755.00		4,717,755.00
35. Class Size Reduction, Grade 9 (Object 8590)**		364,740.00	364,740.00			0.00
36. SUBTOTAL STATE AID RECEIVED (Lines C24 through C35)	56,098,510.00	4,783,776.00	60,882,286.00	56,234,752.00	3,241,180.00	59,475,932.00
ADD BACK TRANSFERS TO COUNTY						
37. County Office Funds Transfer (Form RL, Line 32)	282,315.00		282,315.00	285,400.00		285,400.00
38. TOTAL STATE AID (Lines C36 plus C37)	56,380,825.00	4,783,776.00	61,164,601.00	56,520,152.00	3,241,180.00	59,761,332.00
DATA FOR INTEREST CALCULATION						
39. Total Revenues (Funds 01, 09 & 62; objects 8000-8799)	182,563,325.82		182,563,325.82	173,149,699.00		173,149,699.00
40. Total Interest and Return on Investments (Funds 01, 09, and 62; objects 8660 and 8662)	125,368.38		125,368.38	65,800.00		65,800.00
APPROPRIATIONS LIMIT CALCULATIONS	2011-12 Actual			2012-13 Budget		
D. PRELIMINARY APPROPRIATIONS LIMIT						
1. Revised Prior Year Program Limit (Lines A1 plus A6)			103,903,149.51			108,353,760.91
2. Inflation Adjustment			1.0251			1.0377
3. Program Population Adjustment (Lines B9 divided by [A2 plus A7]) (Round to four decimal places)			1.0173			0.9999
4. PRELIMINARY APPROPRIATIONS LIMIT (Lines D1 times D2 times D3)			108,353,760.91			112,427,453.83
APPROPRIATIONS SUBJECT TO THE LIMIT						
5. Local Revenues Excluding Interest (Line C18)			47,362,599.47			47,130,637.00
6. Preliminary State Aid Calculation						
a. Minimum State Aid in Local Limit (Greater of \$120 times Line B9 or \$2,400; but not greater than Line C38 or less than zero)			2,281,118.40			2,280,871.20
b. Maximum State Aid in Local Limit (Lesser of Line C38 or Lines D4 minus D5 plus C23; but not less than zero)			61,164,601.00			59,761,332.00
c. Preliminary State Aid in Local Limit (Greater of Lines D6a or D6b)			61,164,601.00			59,761,332.00
7. Local Revenues in Proceeds of Taxes						
a. Interest Counting in Local Limit (Line C40 divided by [Lines C39 minus C40] times [Lines D5 plus D6c])			74,578.12			40,636.31
b. Total Local Proceeds of Taxes (Lines D5 plus D7a)			47,437,177.59			47,171,273.31
8. State Aid in Proceeds of Taxes (Greater of Line D6a, or Lines D4 minus D7b plus C23; but not greater than Line C38 or less than zero)			61,164,601.00			59,761,332.00
9. Total Appropriations Subject to the Limit						
a. Local Revenues (Line D7b)			47,437,177.59			
b. State Subventions (Line D8)			61,164,601.00			
c. Less: Excluded Appropriations (Line C23)			1,470,070.00			
d. TOTAL APPROPRIATIONS SUBJECT TO THE LIMIT (Lines D9a plus D9b minus D9c)			107,131,708.59			

	2011-12 Calculations			2012-13 Calculations		
	Extracted Data	Adjustments*	Entered Data/ Totals	Extracted Data	Adjustments*	Entered Data/ Totals
10. Adjustments to the Limit Per Government Code Section 7902.1 (Line D9d minus D4; if negative, then zero) If not zero report amount to: Ana J. Matosantos, Director State Department of Finance Attention: School Gann Limits State Capitol, Room 1145 Sacramento, CA 95814			0.00			
Summary						
11. Adjusted Appropriations Limit (Lines D4 plus D10)			108,353,760.91			112,427,453.83
12. Appropriations Subject to the Limit (Line D9d)			107,131,708.59			

* Please provide below an explanation for each entry in the adjustments column.

** Impacted by the flexibility provisions of SBX3 4 (Chapter 12, Statutes of 2009), as amended by SB 70 (Chapter 7, Statutes of 2011). Amounts in Section C, State Aid Received, can no longer be extracted and must be manually input into the Adjustments column.

Heleen Beilioni
Gann Contact Person

831-786-2304
Contact Phone Number



Board Agenda Backup

Item No: 11.1

Date: September 12, 2012

Item: **Update on Energy Education Management Program and Acceptance of the Energy Excellence Award from Energy Education.**

Overview: Staff will provide an update on the district's Energy Education and Management Program (EEMP). Staff will highlight current year savings as well as projected fiscal and energy utilization savings over an updated ten-year period of time.

In 2008-09, the Board of Trustees approved a four-year service contract with Energy Education, Inc. to provide greater energy education and management at all district sites. The cost of this contract was \$195,000.00 annually. The contract ended June 30, 2012. The district is now administering the program on its own with ongoing technical assistance provided by Energy Education, Inc. free of charge per the original contract.

Analysis indicates the program has been a success. Longitudinal data indicates that the program and services provided have yielded a net reduction in district-wide energy costs. In addition, the program has resulted in significant environmental benefits by reducing the district's "carbon footprint" and energy utilization.

The district has been applying for the U.S. Environmental Protection Agency's Energy Star designation for all of its sites. About a dozen district schools have received this recognition to date. Staff estimates that the total number of sites will increase beyond 20 by the end of 2012. The EPA award designation would not be possible without the sizable reduction in energy use attributable to the district's EEMP.

Staff has expanded the program to also include water utilization and natural gas. Energy Education, Inc. will provide additional assistance to the district in these areas at no additional costs even though these items were not included in the original contract.

In 2011, the district expanded its environmental stewardship activities by establishing a partnership with the Monterey chapter of the United State Green Building Council (USGBC). Through this partnership, the district is utilizing interns from Cabrillo Community College specializing in sustainable building practices to provide after-hour energy audits for school sites. All interns are screened, interviewed, fingerprinted, with appropriate background checks for security purposes. They do not have direct interaction with students. This program has freed up district staff to expand the EEMP into the other areas listed above.

Staff will highlight planned summer projects that will enhance energy efficiency and lower costs at several sites in the district.

A staff member of Energy Education, Inc. will present the board with an Energy Excellence Award for completing the four year program and saving taxpayer dollars through good energy practices.

Recommendation: Report and discussion only.

Budget Considerations: N/A

Funding Source:

Budgeted: Yes: ☐ No: ☐

Amount: \$

Prepared By: Steve Okamura, Energy Education Manager

Reviewed by Brett W. McFadden, Chief Business Officer

Superintendent's Signature: Dorinda Burt

Pajaro Valley Unified School District Energy Program

August 2011 to July 2012

11.5 Month into 4th Year of Program



Pajaro Valley Unified School District



Energy Savings To Date:

\$417,841.00

19.3% reduction

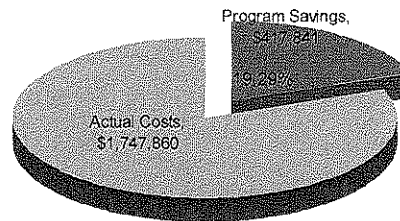
11.5 months into 4th year of energy program

Energy Cost Analysis

August 2010 – March 2011

Expected Energy Costs

\$1,733,837



Note: Only reflects 8 months of the fiscal year

Expected Energy Costs

- Amount the district would have spent on energy without energy program
- Base year usage adjusted for changes in weather, energy loads and prices

Actual Energy Costs

- Actual energy costs for electricity, water, sewer, and gas as a result of energy program

Program Savings

- Program implementation resulting in behavior changes
- Energy Education training and support
- Reductions in equipment run times

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Energy Program Success



Success Factors

1. Teamwork — All district personnel are involved
2. Data analysis — Energy Educator/Manager
3. On-site training and expertise — Energy Education
4. Comprehensive facility audits — Expert identification of energy conservation opportunities throughout system facilities

Program Benefits and Features

1. Budget — Dollars retained for other vital purposes — instruction, teaching, etc.
2. Environmental — Conservation of natural resources
3. Self-funding program — Conservation activities generate savings which cover overall program costs
4. Longevity — Program designed to be ongoing — consulting firm will provide ongoing assistance at no additional cost to the district

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Environmental Benefits



The EPA reports that the following levels of Greenhouse Gas emissions are produced in the Central Coast region.

- **1.5 pounds** of carbon dioxide per kWh of Electricity
- **11.7 pounds** of carbon dioxide per Therm of Natural Gas

The district has saved over:

- **1.7 Million** kWh of Electricity
- **619 Thousand** Therms of Natural Gas

These environmental benefits are equal to:

- 1023 Metric Tons of carbon dioxide emissions being prevented, or
- 184 automobiles being removed from the highways annually, or
- 26,177 tree seedlings planted and grown for 10-years

Projected Savings 2011-2012



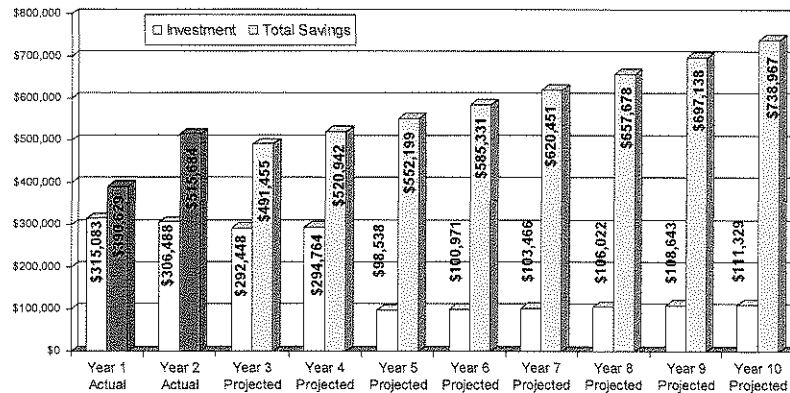
aug 10	sept 10	oct 10	nov 10	dec 10	jan 11	feb 11	mar 11	april 11	may 11	jun 11	jul 11
\$48,388	\$28,730	\$38,258	\$30,888	\$29,316	\$45,442	\$32,739	\$30,795	\$34,382	\$38,643	\$38,005	\$22,255

= estimate

= Year to date

Estimated total savings for 2010 - 2012
Between \$433,000 and \$437,000

Pajaro Valley USD Energy Program: Savings vs. Investment



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Future Energy Projects Under Consideration



- Update controllers and energy management system (EMS) at Lakeview and Linscott
- Install EMS system WHS sports complex
- Upgrade EMS software at remaining school sites
- Evaluate water systems to identify possible water savings
- Continue to seek Energy Star designation at all sites
- Concentrate on gas usage, has been historically high.

© 2008 Energy Education, Inc.

Program benefits



- Environmental benefits via lower electricity, water, and natural gas utilization
- Lower energy costs and General Fund relief to the district
- Improvement and oversight of site-level energy management
- Ongoing monitoring of energy usage at all sites – provides cost and waste avoidance
- Long term data and monitoring of energy use district-wide
- Increased eligibility for various energy and environmental education and facility grants – program demonstrates the district's ongoing commitment to this issue



Energy Education®
Empowering Your Vision.

September 4, 2012

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

Dear Ms. Baker:

Congratulations on the success of your long-term energy program. We at Energy Education are honored to be active partners in this effort that has saved significant funds for your organization.

One of the many resources that Energy Education provides to clients is assistance in telling this dramatic success story to the media. We know positive media is always a plus for an organization. To note your remarkable achievement, and receipt of our company's Energy Excellence Award, we have prepared the enclosed press release. We will gladly work with your community relations or public relations staff to place this story.

This can be an excellent media opportunity. If you would like for our Director - Public Relations Jan Noel-Smith to assist your staff in placing this good news with the media, please contact her at 214.273.2814 or info@energyed.com.

Our best wishes for the continued success of your energy program.

Sincerely,

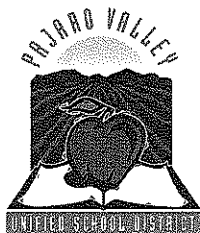
Dr. William S. Spears
Chairman – Founder
Energy Education

CC: Mr. Richard Mullikin, Director of Facilities/Planning
Mr. Steve Okamura, Energy Education Specialist



5950 Sherry Lane, Suite 900, Dallas Texas 75225
P: 214.346.5950 F: 214.346.5951 www.energyeducation.com





Board Agenda Backup

Item No: 12.1

Date: September 12, 2012

Item: **2011-12 Unaudited Actuals Report**

Overview: All California school districts must adhere to a budget adoption and interim review process over the course of a fiscal year. This process is spelled out and mandated in the Education Code. The table below describes the process.

Budget action:
date:

Adoption

Adopted budget

July 1

Unaudited actuals (prior year fiscal activity)

By September 15
Board

Annual independent audit of prior-year budget
review in Jan/Feb

1st Interim Report (activity through Oct 31)

By December 15

2nd Interim Report (activity through January 31)

By March

15

3rd Interim Report (activity through June 30)

If required by COE

Included is the district's 2011-12 Unaudited Actuals Report. The report reflects major General Fund fiscal activity for the prior fiscal year. A variance report and updated 2012-13 projections are included in the report. The report is submitted to the county office of education (COE) for review, but no official fiscal certification is issued based on the report's findings. The county office will, however, provide public comment and analysis on the report. In addition, the unaudited actuals are provided to the district's independent auditor as part of the auditor's annual audit of prior-year fiscal activity.

The attached report reflects an approximate \$1.05 million decrease in the district's General Fund ending year balance for 2011-12 when compared against the 2011-12 Estimated Actuals presented in June. The district's 2011-12 General Fund ending balance looks to be \$39.5 million. Specific elements of the decrease are described in the attached variance report.

Staff began briefing the board on the 2011-12 estimated ending balance as early as the Second Interim Budget Report in March. Staff provided a detailed estimate again at the Third Interim Report in May. At those briefings, staff noted that the district's overall ending balance would increase significantly over last fiscal year. This is due to the fact that the district was instructed to plan for a possible mid-year reduction in 2011-12 state funding. The Governor acted in January to take a smaller reduction to districts' revenue limit amounts and instead advocate for the passage of Proposition 30 on the November ballot. Should Proposition 30 fail, the district would be at risk of losing \$8 million in state revenue annually beginning in the current fiscal year. Finally, the district has continued to remain cautious in its financial activity and has implemented a series of cost saving measures over the past two years.

The district's improved fiscal condition has provided additional flexibility that it would not otherwise experience after five years of unprecedented fiscal challenges. In 2011-12, the district was able to restore all instructional days back to 180 and eliminate employee furloughs one year earlier than projected. In addition, the district did not issue any employee layoffs due to possible state budget reductions. It also offered an early retirement incentive to eligible employees. Finally, the board was able to protect several critical instructional programs in 2012-13 that would have faced reduction if the district did not have adequate finances to address the many unknowns of this ongoing fiscal crisis.

The COE recently issued a positive certification on the district's 2012-13 Budget and Multi-Year Projections (see attached). This is noteworthy because the district budgeted for a possible \$8 million reduction as a worst-case scenario should Proposition 30 not pass. Many districts throughout the state are faced with much tougher and more immediate fiscal challenges. The COE cautioned, however, that the district continues to project deficit spending during the three-year forecast. The district's overall funding has been reduced by the state well below acceptable operational levels. Staff concurs with this finding and notes that the district's overall fiscal condition will remain dynamic for at least two more years.

Due to these factors, staff recommends that the board continue with its current financial course and await the outcome of Proposition 30 in November. The outcome of Proposition 30 will significantly influence the district's out-year fiscal health in a positive or negative fashion. After the November election, staff will immediately engage the board in the development of its 2013-14 budget and multi-year fiscal strategy.

Recommendation: Review and approve the district's 2010-11 Unaudited Actuals Report as submitted

Submitted by: Brett W. McFadden, Chief Business Officer
Helen Bellonzi, Director of Finance

Superintendent Signature: Dorm Bsk

Pajaro Valley Unified School District
GENERAL FUND SUMMARY

FISCAL YEAR 2011-2012

11/12 Unaudited Actuals

Includes 2.24% Cola with Deficit of 20.602%
on General and 0.0% COLA on State
Categorical, 10% HW increase, Step and
Column and ADA Adjust for Ceiba College
Prep

	General Unrestr	Lottery 1100	TOTAL UNRESTRICTED	Transportation 7230/7240	Special Ed 6500/6510	Federal and State Grants/ Entitlements	Restricted Maintenance 8150	Community Day School 2430	TOTAL REST	Total General
INCOME										
Revenue Limit	88,151,554		88,151,554		3,093,397			208,937	3,302,334	91,453,888
Federal Sources	4,554		4,554			29,655,778			29,655,778	29,660,332
Other State Revenues	17,895,013	2,435,342	20,330,355	2,645,805	10,969,501	14,477,200			28,092,506	48,422,861
Other Local Revenues	587,371	0	587,371	81,057	28,505	2,605,653	5,727		2,720,942	3,308,313
TOTAL REVENUES	106,638,492	2,435,342	109,073,834	2,726,862	14,091,403	46,738,631	5,727	208,937	63,771,560	172,845,394
EXPENDITURES										
Certificated Salaries	43,462,879	570,483	44,033,362		7,491,010	17,007,071		275,097	24,773,178	68,806,540
Classified Salaries	8,466,853	150,370	8,617,223	2,824,684	3,785,435	7,453,644	1,438,592	73,520	15,575,875	24,193,098
Employee Benefits	24,795,907	86,325	24,882,232	2,371,195	7,260,078	11,615,657	1,095,297	168,227	22,510,454	47,392,686
Books and Supplies	1,287,109	220,993	1,508,102	991,646	147,537	3,979,892	545,321	14,636	5,679,032	7,187,134
Services, Other Operating Expenses	8,260,811	705,947	8,966,758	(640,914)	2,956,291	6,422,784	1,008,784	62,069	9,809,014	18,775,772
Capital Outlay	0		0			16,273	0		16,273	16,273
Other Outgo	45,892		45,892						0	45,892
Direct Support/Indirect Costs	(2,058,487)		(2,058,487)		536,737	898,385	111,984		1,547,106	(511,381)
Other Uses	310,929		310,929	90,059					90,059	400,988
TOTAL EXPENDITURES	84,571,893	1,734,118	86,306,011	5,636,670	22,177,088	47,393,706	4,199,978	593,549	80,000,991	166,307,002
INTERFUND TRANSFERS										
Transfers In	517,020		517,020						0	517,020
Transfers Out	(753,103)		(753,103)						0	(753,103)
Other Financing Sources	0		0						0	0
Contributions	(15,834,516)		(15,834,516)	2,909,808	8,085,685	260,160	4,194,251	384,612	15,834,516	0
TOTAL TRANSFERS	(16,070,599)	0	(16,070,599)	2,909,808	8,085,685	260,160	4,194,251	384,612	15,834,516	(236,083)
Net Incr(Decr) in Fund Balance	5,996,000	701,224	6,697,224	0	0	(394,915)	0	0	(394,915)	6,302,309
FUND BALANCE										
Beginning Fund Balance	31,101,678	1,717,452	32,819,130	0	0	5,527,265	(0)	(0)	5,527,265	38,346,395
Components of Fund Balance:										
Audit Adjustment			0						0	0
Revolving Cash	55,000		55,000	0	0	0	0	0	0	55,000
Cash with Fiscal Agent	65,000		65,000	0	0	0	0	0	0	65,000
Stores	196,997		196,997	0	0	0	0	0	0	196,997
3% Required Reserve	5,011,803		5,011,803	0	0	0	0	0	0	5,011,803
Cash w/Fiscal Agent			0	0	0	0	0	0	0	0
Restricted Fund Balance	3,190,803		3,190,803	0	0	5,132,350	(0)	(0)	5,132,350	8,323,153
Unappropriated Fund Balance	28,578,075	2,418,676	30,996,751	0	0	0	0	0	0	30,996,751
Ending Fund Balance	37,097,678	2,418,676	39,516,354	0	0	5,132,350	(0)	(0)	5,132,350	44,648,704

Pajaro Valley Unified School District
GENERAL FUND SUMMARY

FISCAL YEAR 2011-2012

11/12 Unaudited Actuals

Includes 2.24% Cola with Deficit of 20.602%
on General and 0.0% COLA on State
Categorical, 10% HW increase, Step and
Column and ADA Adjust for Ceiba College
Prep

	Charter School	Adult Education	Child Dev	Food Serv	Def Maint	General Oblig Bond	Capitol Fac	State Sch Bldg	Self Ins	Retiree Benefit	Trust Scholarship
	09	11	12	13	14	21	25	35	67	71	73
INCOME											
Revenue Limit	7,704,409										
Federal Sources		167,302	6,298,379	8,060,760							
Other State Revenues	1,929,187	867,575	2,833,036	691,687							
Other Local Revenues	84,336	523,831	358,316	756,975	15,256	797	1,150,372	235	42,953,613	4,470,595	103,411
TOTAL REVENUES	9,717,932	1,558,708	9,489,731	9,509,422	15,256	797	1,150,372	235	42,953,613	4,470,595	103,411
EXPENDITURES											
Certificated Salaries	4,383,703	894,260	2,587,155								
Classified Salaries	721,936	341,506	1,204,290	1,958,461					172,819		
Employee Benefits	2,329,816	683,583	2,302,617	2,247,805					99,459		
Books and Supplies	317,113	49,185	538,638	3,942,123	5,439				325		
Services, Other Operating Expenses	2,247,135	184,501	2,578,394	(16,789)	702,055		620,770		37,765,043	3,961,470	179,988
Capital Outlay	3,479		45,974	96,487	38,667	273,835	87,237	35,119			
Other Outgo											
Direct Support/Indirect Costs	4,559	43,921	251,812	211,089							
Other Uses	14,323	119,609									
TOTAL EXPENDITURES	10,022,064	2,316,565	9,508,880	8,439,176	746,161	273,835	708,007	35,119	38,037,646	3,961,470	179,988
INTERFUND TRANSFERS											
Transfers In	419,354	331,795	1,954								
Transfers Out									(517,020)		
Other Financing Sources											
Contributions											
TOTAL TRANSFERS	419,354	331,795	1,954	0	0	0	0	0	(517,020)	0	0
Net Incr(Decr) in Fund Balance	115,222	(426,062)	(17,195)	1,070,246	(730,905)	(273,038)	442,365	(34,884)	4,398,947	509,125	(76,577)
FUND BALANCE											
Beginning Fund Balance	2,853,191	1,455,815	49,147	1,749,149	3,770,046	273,038	259,811	72,620	6,567,350	2,247,308	1,918,718
Components of Fund Balance:											
Audit Adjustment									(743,982)		
Revolving Cash	0	0	0	0	0	0	0	0	0	0	0
Cash with Fiscal Agent	0	0	0	0	0	0	0	0	0	0	0
Stores	0	0	0	207,783	0	0	0	0	0	0	0
3% Required Reserve	0	0	0	0	0	0	0	0	0	0	0
Cash w/Fiscal Agent					0	0	0	0	0	2,132,596	0
Restricted Fund Balance	0		0	0	0	0	0	0	0	0	0
Unappropriated Fund Balance	2,968,413	1,029,753	31,952	2,611,612	3,039,141	0	702,176	37,736	10,222,315	623,837	1,842,141
Ending Fund Balance	2,968,413	1,029,753	31,952	2,819,395	3,039,141	0	702,176	37,736	10,222,315	2,756,433	1,842,141

Pajaro Valley Unified School District
GENERAL FUND SUMMARY
FISCAL YEAR 2012-2013
12/13 Budget @ 11/12 Unaudited Actuals

Includes 3.24% Cola with Deficit of 22.272%
on General and 0.0% COLA on State
Categorical, 10% HW increase, Step and
Column, adjusted ADA for Ceiba College
Prep Acad

	General Unrestr	Lottery 1100	TOTAL UNRESTRICTED	Transportation 7230/7240	Special Ed 6500/6510	Federal and State Grants/ Entitlements	Restricted Maintenance 8150	Community Day School 2430	TOTAL REST	Total General
INCOME										
Revenue Limit	87,969,549	0	87,969,549	0	2,993,140	0	0	192,314	3,185,454	91,155,003
Federal Sources	0		0			25,759,782			25,759,782	25,759,782
Other State Revenues	17,489,866	2,258,000	19,747,866	2,581,465	10,982,440	11,773,562		0	25,337,467	45,085,333
Other Local Revenues	359,206	0	359,206	100,000	0	1,026,897			1,126,897	1,486,103
TOTAL REVENUES	105,818,621	2,258,000	108,076,621	2,681,465	13,975,580	38,560,241	0	192,314	55,409,600	163,486,221
EXPENDITURES										
Certificated Salaries	44,136,765	1,648,992	45,785,757		7,584,074	15,329,144	0	268,244	23,181,462	68,967,219
Classified Salaries	10,544,185	130,532	10,674,717	3,792,831	4,213,214	5,998,578	1,735,308	72,999	15,812,930	26,487,647
Employee Benefits	29,191,588	630,728	29,822,316	2,725,061	8,288,492	10,596,929	1,251,560	195,849	23,057,891	52,880,207
Books and Supplies	1,118,342	291,096	1,409,438	846,915	227,231	3,726,150	546,287	12,400	5,358,983	6,768,421
Services, Other Operating Expenses	8,139,590	838,355	8,977,945	(324,639)	3,105,644	4,219,801	880,689	52,505	7,934,000	16,911,945
Capital Outlay			0			26,543	0		26,543	26,543
Other Outgo	55,000		55,000			0			0	55,000
Direct Support/Indirect Costs	(1,881,295)		(1,881,295)		495,553	785,181	113,436		1,394,170	(487,125)
Other Uses	320,377		320,377	90,656					90,656	411,033
TOTAL EXPENDITURES	91,624,552	3,539,703	95,164,255	7,130,824	23,914,208	40,682,326	4,527,280	601,997	76,856,635	172,020,890
INTERFUND TRANSFERS										
Transfers In	124,167		124,167	0		0	0	0	0	124,167
Transfers Out	(551,239)	0	(551,239)	0				0	0	(551,239)
Other Financing Sources	0	0	0	0	0			0	0	0
Contributions	(19,464,785)	0	(19,464,785)	4,449,359	9,938,628	139,835	4,527,280	409,683	19,464,785	0
TOTAL TRANSFERS	(19,891,857)	0	(19,891,857)	4,449,359	9,938,628	139,835	4,527,280	409,683	19,464,785	(427,072)
Net Incr(Decr) in Fund Balance	(5,697,788)	(1,281,703)	(6,979,491)	0	0	(1,982,250)	0	0	(1,982,250)	(8,961,741)
FUND BALANCE										
Beginning Fund Balance	37,097,678	2,418,676	39,516,354	0	0	5,132,350	(0)	(0)	5,132,350	44,648,704
Components of Fund Balance:										
Audit Adjustment			0						0	0
Revolving Cash	55,000	0	55,000	0	0	0	0	0	0	55,000
Cash with Fiscal Agent	65,000		65,000	0	0	0	0	0	0	65,000
Stores	196,997	0	196,997	0	0	0	0	0	0	196,997
3% Required Reserve	5,177,164	0	5,177,164	0	0	0	0	0	0	5,177,164
COE Required Resrv (\$457 per ADA)	7,563,162	0	7,563,162	0	0	0	0	0	0	7,563,162
Cash w/Fiscal Agent	0		0	0	0		0	0	0	0
Restricted Fund Balance	3,690,803	0	3,690,803	0	0	3,150,100	(0)	0	3,150,100	6,840,903
Unappropriated Fund Balance	14,651,764	1,136,973	15,788,737	0	0	0	0	0	0	15,788,737
Ending Fund Balance	31,399,890	1,136,973	32,536,863	0	0	3,150,100	(0)	(0)	3,150,100	35,686,963

Pajaro Valley Unified School District
GENERAL FUND SUMMARY
FISCAL YEAR 2012-2013
12/13 Budget @ 11/12 Unaudited Actual

Includes 3.24% Cola with Deficit of 22.272%
on General and 0.0% COLA on State
Categorical, 10% HW increase, Step and
Column, adjusted ADA for Ceiba College
Prep Acad

	Charter School	Adult Education	Child Dev	Food Serv	Def Maint	General Oblig Bond	Capitol Fac	State Sch Bldg	Self Ins	Retiree Benefit	Trust Scholarship
	09	11	12	13	14	21	25	35	67	71	73
INCOME											
Revenue Limit	7,873,987										
Federal Sources	0	141,499	6,380,187	7,015,000							
Other State Revenues	1,783,691	686,709	2,957,333	591,000							
Other Local Revenues	5,800	337,381	223,300	805,000	15,000		456,308		40,098,472	3,768,071	100,000
TOTAL REVENUES	9,663,478	1,165,589	9,560,820	8,411,000	15,000	0	456,308	0	40,098,472	3,768,071	100,000
EXPENDITURES											
Certificated Salaries	4,359,648	943,943	2,647,948								
Classified Salaries	598,139	319,762	1,288,239	2,099,453					117,521		
Employee Benefits	2,422,148	698,227	2,454,126	2,667,093					76,998		
Books and Supplies	190,984	43,025	600,906	3,406,859	0						
Services, Other Operating Expenses	2,470,644	167,611	2,334,648	(4,452)	1,696,000		416,556		39,779,786	3,768,071	100,000
Capital Outlay			0	0			39,752	37,736			
Other Outgo											
Direct Support/Indirect Costs	1,234	40,191	234,953	210,747							
Other Uses	0	0									
TOTAL EXPENDITURES	10,042,797	2,212,759	9,560,820	8,379,700	1,696,000	0	456,308	37,736	39,974,305	3,768,071	100,000
INTERFUND TRANSFERS											
Transfers In	219,444	331,795	0	0	0						
Transfers Out		0		0	0	0	0	0	(124,167)	0	0
Other Financing Sources	0	0	0	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0	0	0	0
TOTAL TRANSFERS	219,444	331,795	0	0	0	0	0	0	(124,167)	0	0
Net Incr(Decr) in Fund Balance	(159,875)	(715,375)	0	31,300	(1,681,000)	0	0	(37,736)	0	0	0
FUND BALANCE											
Beginning Fund Balance	2,968,413	1,029,753	31,952	2,819,395	3,039,141	0	702,176	37,736	10,222,315	2,756,433	1,842,141
Components of Fund Balance:											
Audit Adjustment									0		
Revolving Cash	0	0	0	0	0	0	0	0	0	0	0
Cash with Fiscal Agent	0	0	0	0	0	0	0	0	0	0	0
Stores	0	0	0	207,783	0	0	0	0	0	0	0
3% Required Reserve	0	0	0	0	0	0	0	0	0	0	0
COE Required Resrv (\$457 per ADA)	0	0	0	0	0	0	0	0	0	0	0
Cash w/Fiscal Agent					0	0	0	0	0	2,132,596	0
Restricted Fund Balance	0		0	0	0	0	0	0	0	0	0
Unappropriated Fund Balance	2,808,538	314,378	31,952	2,642,912	1,358,141	0	702,176	(0)	10,222,315	623,837	1,842,141
Ending Fund Balance	2,808,538	314,378	31,952	2,850,695	1,358,141	0	702,176	(0)	10,222,315	2,756,433	1,842,141

Estimated Actuals	Unaudited Actuals	
TOTAL	TOTAL	
UNRESTRICTED	UNRESTRICTED	Variance

INCOME				In thousands	
Revenue Limit	88,337,969	88,151,554	(186)		Charter Transfer Increase by \$116k, SELPA Revenue Limit Transfer Increase by \$60k, other miscellaneous adjustments
Federal Sources	4,554	4,554	0		
Other State Revenues	20,392,141	20,330,355	(62)		Prior Year Adjustment
Other Local Revenues	705,434	587,371	(118)		Decrease in revenues for outside services
TOTAL REVENUES	109,440,098	109,073,834	(366)		
EXPENDITURES					
Certificated Salaries	43,823,943	44,033,362	209		Department Chair Stipends not included in Estimated Actuals (\$120k), Extended Learning paid Coaches (\$23k), Adjust for reimbursed salary (\$50), other miscellaneous adjustments
Classified Salaries	8,555,274	8,617,223	62		Custodial increase (\$38k), Vacation payout for HR retirees (\$28k), other miscellaneous adjustments
Employee Benefits	24,775,734	24,882,232	107		Benefits associated with salary increases
Books and Supplies	1,463,464	1,508,102	45		Custodial increase for summer cleaning (\$55k), other miscellaneous adjustments
Services, Other Operating Expenses	8,234,189	8,966,758	733		SELPA Services for Psychologists, Speech and Language Specialists and Nurses came in higher than recorded at Est Acts (\$280k), Utilities came in higher (\$240k), Final copier maintenance not recorded at Est Acts (\$40k), Technology related to E-rate not anticipated at Est Acts (\$72), Additional Site Field Trips came in higher than anticipated (\$32k), Charter Charges came in lower than anticipated (\$108k), other miscellaneous adjustments
Capital Outlay	0	0	0		
Other Outgo	45,892	45,892	0		
Direct Support/Indirect Costs	(1,910,745)	(2,058,487)	(148)		Indirect Costs are budgeted using all categorical funds. This is reduced by categorical funds not used in current year.
Other Uses	310,929	310,929	0		
TOTAL EXPENDITURES	85,298,680	86,306,011	1,007		
				0	
INTERFUND TRANSFERS				0	
Transfers In	520,431	517,020	(3)		
Transfers Out	(776,517)	(753,103)	23		
Other Financing Sources	0	0	0		
Contributions	(16,143,055)	(15,834,516)	309		M&O Decr (-\$43k), SE Decr (-\$108.8k), Transportation reduction (-\$175k), CDS increase (\$18k)
TOTAL TRANSFERS	(16,399,141)	(16,070,599)	329		
				0	
Net Incr(Decr) in Fund Balance	7,742,277	6,697,224	(1,045)		
				0	
FUND BALANCE				0	
Beginning Fund Balance	32,819,130	32,819,130	0		
Components of Fund Balance:			0		
Audit Adjustment	0	0	0		
Revolving Cash	55,000	55,000	0		
Stores	230,652	196,997	(34)		
3% Required Reserve	4,992,488	5,011,803	19		
Cash w/Fiscal Agent	65,000	65,000	0		
Restricted Fund Balance	3,295,437	3,190,803	(105)		
Unappropriated Fund Balance	31,922,830	30,996,751	(926)		
Ending Fund Balance	40,561,407	39,516,354	(1,045)		

	Estimated Actuals	Unaudited Actuals	Variance	
	Transportation	Transportation		
	7230/7240	7230/7240		
INCOME			In thousands	
Revenue Limit			0	
Federal Sources			0	
Other State Revenues	2,633,054	2,645,805	13	
Other Local Revenues	80,659	81,057	0	
TOTAL REVENUES	2,713,713	2,726,862	13	
			0	
			0	
EXPENDITURES			0	
Certificated Salaries			0	
Classified Salaries	2,788,591	2,824,684	36	Additional Bus Drivers for Field Trips
Employee Benefits	2,362,689	2,371,195	9	Benefits Adjusted for OT not used and position not filled
Books and Supplies	999,438	991,646	(8)	
Services, Other Operating Expenses	(442,288)	(640,914)	(199)	Increase in field trips
Capital Outlay			0	
Other Outgo			0	
Direct Support/Indirect Costs			0	
Other Uses	90,059	90,059	0	
TOTAL EXPENDITURES	5,798,489	5,636,670	(162)	
			0	
INTERFUND TRANSFERS			0	
Transfers In			0	
Transfers Out			0	
Other Financing Sources			0	
Contributions	3,084,776	2,909,808	(175)	Reduction due to items listed above
TOTAL TRANSFERS	3,084,776	2,909,808	(175)	
			0	
Net Incr(Decr) in Fund Balance	0	0	0	
			0	
FUND BALANCE			0	
Beginning Fund Balance	0	0	0	
Components of Fund Balance:			0	
Audit Adjustment			0	
Revolving Cash	0	0	0	
Stores	0	0	0	
3% Required Reserve	0	0	0	
Cash w/Fiscal Agent	0	0	0	
Restricted Fund Balance	0	0	0	
Unappropriated Fund Balance	0	0	0	
Ending Fund Balance	0	0	0	

	Estimated Actuals	Unaudited Actuals	Variance	
	Special Ed	Special Ed		
	6500/6510	6500/6510		
INCOME			In thousands	
Revenue Limit	3,031,378	3,093,397	62	Increase in ADA
Federal Sources			0	
Other State Revenues	11,130,444	10,969,501	(161)	Increase in ADA
Other Local Revenues	37,978	28,505	(9)	
TOTAL REVENUES	14,199,800	14,091,403	(108)	
			0	
			0	
EXPENDITURES			0	
Certificated Salaries	7,453,219	7,491,010	38	Additional positions for one on ones
Classified Salaries	3,706,157	3,785,435	79	Position not covered by outside agency as anticipated
Employee Benefits	7,283,702	7,260,078	(24)	
Books and Supplies	144,429	147,537	3	
Services, Other Operating Expenses	3,219,301	2,956,291	(263)	Outside agency positions came in lower than anticipated
Capital Outlay			0	
Other Outgo			0	
Direct Support/indirect Costs	538,227	536,737	(1)	
Other Uses			0	
TOTAL EXPENDITURES	22,345,035	22,177,088	(168)	
			0	
INTERFUND TRANSFERS			0	
Transfers In			0	
Transfers Out			0	
Other Financing Sources			0	
Contributions	8,145,235	8,085,685	(60)	Decrease due to revenue increase (ADA increase) and reduction of expenditures
TOTAL TRANSFERS	8,145,235	8,085,685	(60)	
			0	
Net Incr(Decr) in Fund Balance	0	0	0	
			0	
FUND BALANCE			0	
Beginning Fund Balance	0	0	0	
Components of Fund Balance:			0	
Audit Adjustment			0	
Revolving Cash	0	0	0	
Stores	0	0	0	
3% Required Reserve	0	0	0	
Cash w/Fiscal Agent	0	0	0	
Restricted Fund Balance	0	0	0	
Unappropriated Fund Balance	0	0	0	
Ending Fund Balance	0	0	0	

Estimated Actuals Unaudited Actuals

			Variance	
	Federal and State Grants/ Entitlements	Federal and State Grants/ Entitlements		In thousands
INCOME				
Revenue Limit				0
Federal Sources	29,278,464	29,655,778		377
Other State Revenues	14,420,358	14,477,200		57
Other Local Revenues	2,537,937	2,605,653		68
TOTAL REVENUES	46,236,759	46,738,631		502
				0
				0
EXPENDITURES				0
Certificated Salaries	17,139,586	17,007,071		(133)
Classified Salaries	7,602,950	7,453,644		(149)
Employee Benefits	11,718,691	11,615,657		(103)
Books and Supplies	3,987,682	3,979,892		(8)
Services, Other Operating Expenses	6,159,637	6,422,784		263
Capital Outlay	0	16,273		16
Other Outgo				0
Direct Support/Indirect Costs	760,238	898,385		138
Other Uses	986			(1)
TOTAL EXPENDITURES	47,369,770	47,393,706		24
				0
INTERFUND TRANSFERS				0
Transfers In	0	0		0
Transfers Out				0
Other Financing Sources				0
Contributions	309,425	260,160		(49)
TOTAL TRANSFERS	309,425	260,160		(49)
				0
Net Incr(Decr) in Fund Balance	(823,586)	(394,915)		429
				0
FUND BALANCE				0
Beginning Fund Balance	5,527,265	5,527,265		0
Components of Fund Balance:				0
Audit Adjustment				0
Revolving Cash	0	0		0
Stores	0	0		0
3% Required Reserve	0	0		0
Cash w/Fiscal Agent				0
Restricted Fund Balance	4,703,679	5,132,350		429
Unappropriated Fund Balance	0	0		0
Ending Fund Balance	4,703,679	5,132,350		429

Federal and State Grants/Entitlements reflect actual activity. Grants that have a timeline that crosses fiscal years will have carryover - reductions to revenues and expenditures are reflected here.

Entitlement carryovers are reflected as reductions to expenditures and increase in fund balance.

Increase to State LEP, QEIA, Mental Health Services, overall Fund Balances

	Estimated Actuals	Unaudited Actuals	Variance
	Restricted Maintenance	Restricted Maintenance	
	8150	8150	
INCOME			In thousands
Revenue Limit			0
Federal Sources			0
Other State Revenues			0
Other Local Revenues	4,141	5,727	2
TOTAL REVENUES	4,141	5,727	2
			0
			0
EXPENDITURES			0
Certificated Salaries			0
Classified Salaries	1,425,932	1,438,592	13
Employee Benefits	1,092,496	1,095,297	3
Books and Supplies	552,398	545,321	(7)
Services, Other Operating Expenses	1,057,455	1,008,784	(49)
Capital Outlay	0	0	0
Other Outgo			0
Direct Support/Indirect Costs	113,001	111,984	(1)
Other Uses			0
TOTAL EXPENDITURES	4,241,282	4,199,978	(41)
			0
INTERFUND TRANSFERS			0
Transfers In			0
Transfers Out			0
Other Financing Sources			0
Contributions	4,237,141	4,194,251	(43)
TOTAL TRANSFERS	4,237,141	4,194,251	(43)
			0
Net Incr(Decr) in Fund Balance	0	0	0
			0
FUND BALANCE			0
Beginning Fund Balance	0	0	0
Components of Fund Balance:			0
Audit Adjustment			0
Revolving Cash	0	0	0
Stores	0	0	0
3% Required Reserve	0	0	0
Cash w/Fiscal Agent	0	0	0
Restricted Fund Balance	0	0	0
Unappropriated Fund Balance	0	0	0
Ending Fund Balance	0	0	0

Alarm Charges came in less (\$33k), all E-rate projects not completed - will carry over to 12/13 (\$18k), other miscellaneous adjustments

Expenses came in lower than anticipated

	Estimated Actuals	Unaudited Actuals	Variance	
	Community Day School	Community Day School		
	2430	2430		
INCOME			In thousands	
Revenue Limit	220,027	208,937	(11)	Decrease due to decreased ADA
Federal Sources			0	
Other State Revenues			0	
Other Local Revenues			0	
TOTAL REVENUES	220,027	208,937	(11)	
			0	
			0	
EXPENDITURES			0	
Certificated Salaries	270,027	275,097	5	
Classified Salaries	73,520	73,520	0	
Employee Benefits	167,667	168,227	1	
Books and Supplies	12,265	14,636	2	
Services, Other Operating Expenses	63,026	62,069	(1)	
Capital Outlay			0	
Other Outgo			0	
Direct Support/Indirect Costs			0	
Other Uses			0	
TOTAL EXPENDITURES	586,505	593,549	7	
			0	
INTERFUND TRANSFERS			0	
Transfers In			0	
Transfers Out			0	
Other Financing Sources			0	
Contributions	366,478	384,612	18	Expenses came in higher than anticipated (\$7k) and reduction of ADA (\$11k)
TOTAL TRANSFERS	366,478	384,612	18	
			0	
Net Incr(Decr) in Fund Balance	0	0	0	
			0	
FUND BALANCE			0	
Beginning Fund Balance	0	0	0	
Components of Fund Balance:			0	
Audit Adjustment			0	
Revolving Cash	0	0	0	
Stores	0	0	0	
3% Required Reserve	0	0	0	
Cash w/Fiscal Agent	0	0	0	
Restricted Fund Balance	0	0	0	
Unappropriated Fund Balance	0	0	0	
Ending Fund Balance	0	0	0	



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August 15, 2012

Ms. Leslie DeRose
President, Governing Board
Pajaro Valley Unified School District
45 LaJolla Street
Watsonville, CA 95076

Re: 2012-13 Budget Approval and Comments

Dear Ms. DeRose:

Thank you for the submission of the district's 2012-13 Adopted Budget. Each year for the past five years districts that had never experienced fiscal difficulty have been challenged to continue to prepare balanced budgets in a constantly changing environment and still support the instructional program. Other districts that had already been fiscally challenged have seen these hardships become unbearable. Pajaro Valley Unified School District has been challenged for many years and has done an exceptional job handling the challenges in the past but again may experience more in the near future. This budget recognizes the challenges coming. On June 27, 2012 the Governor signed the State Budget act, AB1464 and Education Budget Trailer Bill, SB 1016. Our review utilizes the revised Education Code provisions of the State Budget.

Our office has completed its review of the district's 2012-13 Adopted Budget in compliance with the provisions of Education Code Section 42127 et seq. The County Superintendent of Schools is required to review the adopted budget and determine if the budget meets the Criteria and Standards for fiscal stability and allows the district to meet its financial obligations during the 2012-13 fiscal year. The 2012 Budget Act assumes passage of Governor Brown's tax initiative, which will appear on the November ballot. Should the tax initiative fail, schools across California will have another mid-year budget reduction of an average of \$457/ADA. In addition, we foresee increased difficulty in meeting cash obligations as additional deferrals will also be implemented mid-year. Due to this continued uncertainty we have asked districts to budget conservatively, prepare a contingency plan, project cash expenditures based on the worst case scenario and hope for the best.

The district's Adopted Budget has been analyzed in the context of the 2012-13 Adopted State Budget and related trailer bills and the Common Message.

As adopted by the district's Governing Board, the budget (including the cost for the tax initiative failing) reflects an unrestricted ending balance reserve in the General Fund of **13.8%**. The district is projecting unrestricted ending fund balance reserves at **6.9%** in 2013-14 and at **-0.7%** in 2014-15. If the tax initiative passes the district's budget would reflect an unrestricted ending fund balance reserve of 21.3% in 2012-13, 18.8% in 2013-14 and 15.3% in 2014-15.

Based on this analysis, we have concluded that the district **will** be able to meet its financial obligations in 2012-13 and the subsequent two fiscal years; therefore, we **approve** the district's 2012-13 Budget.

The approval of the Adopted Budget is based on an assessment and analysis of the following additional major components of the district's budget:

- Average Daily Attendance (ADA) & Enrollment Projections
- Revenue and Expenditure Projections/Deficit spending
- Federal Stimulus Projections
- Negotiations Status
- Long Term Debt
- Cash Flow
- Reserves
- Charter Schools

The budget is a dynamic document that reflects the Governing Board's plan for receipt of revenues and utilization of expenditures to meet the goals and financial obligations of the school district in the coming year based on the information known to the district and board at the time of adoption. To assure that the budget continues to reflect that plan, the following items should be taken into consideration:

- **AVERAGE DAILY ATTENDANCE (ADA) & ENROLLMENT PROJECTIONS**

The district is projecting 2012-13 P-2 ADA of 17,158 or a 0.2% decline over prior year ADA (P2). The district's average historical three year change in ADA has been an increase of 1%. Compared to the enrollment projection of 18,064, the district is anticipating an attendance ratio of 95% for the current year. This ratio is in line with the three year historical average of 95.1%.

Additionally, the district is projecting a 0.2% decrease in ADA and a 0.2% decrease in enrollment for 2013-14 for an attendance ratio of 95% and 0.2% decrease in ADA and 0.2% decrease in enrollment for 2014-15 for an attendance ratio of 95%. The state's standard is based on the average ratio of actual ADA to enrollment over the past three years, plus 0.50%. Based on the enrollment and ADA projections for the current and two subsequent fiscal years, the district is within the state's standard for each of those years. The district does appear to be projecting ADA at a reasonable level based on historical trends. We recommend that the district continue to closely monitor changes in attendance and enrollment throughout the fiscal year. If the projected ADA or enrollment does not materialize as anticipated, the board will need to adjust the budget and future projections accordingly.

- **UNRESTRICTED REVENUE AND EXPENDITURE PROJECTIONS/DEFICIT SPENDING**

Our review indicates that the district has budgeted for flat state aid funding levels for 2012-13. The district is projecting unrestricted expenditures to exceed revenues by \$4.1 million in the budget year if the tax initiative passes. The district is continuing this trend of deficit spending in fiscal year 2013-14 by \$4 million and in fiscal year 2014-15 by \$5.4 million. This

ongoing trend of deficit spending even if the tax initiative passes will cause the district to be fiscally unstable in the long term. The district should stay cautious and carefully consider the long term ramifications of restorations even if the tax initiative passes. The district will need to address the situation with ongoing budget reductions or ongoing increased revenue streams to maintain fiscal stability. Anticipated deficit spending

should be for one-time, non-recurring expenditures to avoid depletion of the district's on-going unrestricted ending fund balance.

The district's deficit spending is within the established state standards for the budget and fiscal year 2013-14, but not for fiscal year 2014-15. The State's established standard is one-third (1/3) of the district's available unrestricted reserve percentage.

- **FEDERAL STIMULUS PROJECTIONS**

These funds are required to be spent by September 30, 2012

- **NEGOTIATIONS STATUS**

The information submitted with your Adopted Budget indicates that salary negotiations have not been completed for the 2012-13 fiscal year. The documents also indicate that there are no potential increases included in the adopted budget or subsequent fiscal years beyond step and column. Please keep our office apprised monthly of where your district is in the negotiations process for 2012-13.

The majority of a school district's budget is spent on salaries and benefits. The state's established standard is based on an average of the district's prior three years of unrestricted salaries to total unrestricted expenditures. The district's ratio of unrestricted salaries and benefits to total unrestricted expenditures are within the state's established standard, however this represents 91.2% of unrestricted expenditures are being consumed by salary and benefit costs. If salaries and benefits are growing at a rate faster than total expenditures, these costs will consume a disproportionately greater share of the district's resources, putting significant pressures on the rest of the budget. We recommend that the district monitor these ratios and take them into consideration as part of collective bargaining negotiations and oversight of position control.

- **LONG TERM DEBT**

The Adopted Budget includes non-voter approved long-term debt of \$10.8 million, which constitutes 11.6% of the district's unrestricted general fund budget. The debt repayment is budgeted in the General Fund and the Adult Ed Fund. The district should closely monitor the revenue streams of these funds to ensure adequate revenues are received to cover the current

and on-going debt repayment schedules for principal and interest payments. The district should take appropriate action if revenues do not materialize as anticipated. Any district with a debt ratio to the general fund of greater than 25% is recommended to increase their minimum unrestricted reserve levels to twice the state standard to ensure funds will be available to meet the repayment obligations.

- **RESERVE FOR ECONOMIC UNCERTAINTIES**

The state requires the district to maintain a Reserve for Economic Uncertainties equal to 3% of expenditures. We believe that this level represents the minimum reserve level that a school district should maintain. However, EC § 33128.3 allows school districts to reduce the reserve to one-third of this requirement from 2010-11 through 2012-13, which is 1%. A school district must make progress in 2012-13 toward returning to the original reserve requirement. In 2013-14, the full reserve requirement of 3% must be met. The district projects that it will meet the 3% reserve requirement in 2012-13 and 2013-14. In fiscal year 2014-15, the district projects it will not meet the 3% reserve requirement if the tax initiative fails.

- **CASH FLOW**

Our office reviewed the district's anticipated 2012-13 cash flow projections. We anticipate the district having negative cash in the month(s) of March and May if the Governor's tax initiative passes. The district plans to utilize inter-fund borrowing and county school pool borrowing to provide temporary cash flow in these months. If the tax initiative fails, we project the district will have a negative general fund ending cash balance in March, May and June. The district's maximum borrowing capacity within the County Schools' Pool is \$9 million and that borrowing authority is only allowable through the end of April. The district has already included a \$5 million temporary loan from another fund in its projections. Even with that factored into the COE's projections, we estimate the district will have a negative <\$7 million> ending cash balance in June, 2013. The district has other funds from which it will likely be able to borrow, and external borrowing options can be considered. Cash is currently the most serious consideration for PVUSD at this time. The district should develop a cash management plan and submit it with the unaudited actuals for both fiscal years 2012-13 and 2013-14 demonstrating how the district will sustain itself cash wise should the tax initiative fail.

- **CHARTER SCHOOLS**

As the chartering authority of a Charter School, Education Code Section 47604.32 requires that:

"...each charter school under its authority complies with all reports required of charter schools by law and use these reports to monitor the fiscal condition."

Your district as the chartering authority has oversight responsibilities similar to a county office of education over a K-12 school district. Chartering authorities not providing on-going oversight responsibilities and authority over their chartering entities could become fiscally responsible should the charter become fiscally insolvent, if this oversight is not properly documented by the district. The following charter school submitted the 2010-11 Estimated

Actuals, 2012-13 Adopted Budget and 2012-13 and 2013-14 financial projections to the district.

- **Ceiba College Preparatory Academy**

The district is reviewing the fiscal and budgetary condition of the above-listed Charter School. Our office recommends that each district also submit a copy of the letter to the Charters, approving or disapproving the Adopted Budget and any concerns to be addressed during the current fiscal year.

- **MULTI YEAR PROJECTION**

As discussed earlier in this letter the district projects to meet the reserve requirements in all three years if the tax initiative passes and may not meet them in 2014-15 if the tax initiative fails in November 2012.

Our review has been based on the latest information available to this office within the 2012-13 State Enacted Budget. Please remember that Education Code Section 42127(i)(4) requires that:

Ms. Leslie DeRose, President
Pajaro Valley Unified School District
August 14, 2012
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"Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act."

The 45 day window would be by August 13, 2012. We anticipate a timely year-end closing of the 2011-12 financial records by the district, along with the annual audit by the district's external auditors which will determine the actual beginning fund balances for 2012-13 and audited ending balances for 2011-12. These actions will also ultimately affect the availability of reserves for the 2012-13 operating budgets. The unaudited actuals report is due to our office per Education Code Section 42100 on or before September 17, 2012, and the audit report is due on or before December 15, 2012.

Any questions concerning the review of the district's 2012-13 Adopted Budget may be addressed to Mary Hart at (831) 466-5602.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael C. Watkins", is written over a horizontal line.

Michael C. Watkins
County Superintendent of Schools

C: Mary Hart, SCCOE Associate Superintendent, Business/CBO
Dorma Baker, Superintendent/Pajaro Valley Unified School District
Brett McFadden CBO/Pajaro Valley Unified School District
Helen Bellonzi, Director of Finance/ Pajaro Valley Unified School District
Jean Gardner, SCCOE Director/Fiscal Services
Rema Kumar , SCCOE Financial Analyst