

## MEMORANDUM

Date: March 14, 2012  
To: Piedmont Board of Education  
From: Citizens' Advisory Committee on Parcel Tax Program,  
Measures B and E  
Subject: Report and Recommendations for Levying for Fiscal Year  
2012-2013

### Summary of Recommendations

As provided in Parcel Tax Measures B and E, the Citizen's Advisory Committee has reviewed District revenue and expense projections, and makes the following recommendations regarding the levy of Measure B taxes (Measure E expiring at the end of 2011-12) during fiscal year 2012-13:

- (1) The Committee recommends that the Board authorize the maximum (5%) increase in the levy rate for Measure B (approximately \$430,000). All revenue should be spent in the 2012-13 fiscal year to address deficit spending resulting from significant cuts in state funding over the last four years as well as from possible mid-year cuts in 2012-13 if tax measures anticipated on the November 2012 state ballot do not pass. Members of the Committee have grave concerns about the impacts of further increases in the District's high parcel taxes, particularly on fixed-income and low-income residents, but reluctantly find them necessary for this year. To put this amount in perspective: in 2012-13 this increase is equivalent to roughly half of the District's best-case deficit (\$764,000 as of December 2011 First Interim); and approximately \$300,000 in seniority-based ("step-and-column") salary increases to District employees' salaries offset half of the parcel tax increase.
- (2) The Committee further recommends that the District continue to review its policies and programs, including those specifically identified in Measure B, and make cost-effective adjustments as appropriate.

Since passage of Measures B and E in 2009, state funding has not just failed to keep pace with statutory formulas on which earlier projections were based, but has actually fallen. The District has made significant adjustments to its expenses in response to these changes, but its existing program and cost "footprint" continue to exceed forecast revenues. During this period, parents of District students, taxpayers (including parents and empty-nesters), and District employees have all made sacrifices to support these adjustments. Nevertheless, the District's latest forecasts project continuing deficits in each of the next three years. Clearly these structural deficits are not sustainable.

Readers should note that two Attachments accompany this report. Attachment A provides background regarding Measures B and E, and the charter and work of this Committee. Attachment B provides an historical summary of selected District revenues and expenditures, beginning in 2000-01.

### **District Finances Since 2009**

Since passage of Measures B and E in June 2009 the Board, this Committee and other stakeholders have labored to adjust to changing fiscal circumstances, evaluating the relative burdens of “shared sacrifice” among various groups in the community. However, the District’s over-riding priority has been to minimize disruptions to ongoing programs by trimming support functions and allowing class sizes to grow slightly, rather than make substantial changes in program selection or delivery. The balance and form of these sacrifices varies:

- **Employee groups have experienced cuts** in their expected compensation and benefits (which comprise roughly 90% of the District’s budgeted expenditures). In 2009-10, employees agreed to a salary schedule freeze, while continuing to receive full coverage of health benefit costs by the District, and access to step-and-column increases for most employees. In 2010-11, employees further agreed to furlough days (reducing staff income and students’ access to District programs). In 2011-12, employees voluntarily agreed to continue furlough days and also accepted caps on health benefits for three years (2011-12 through 2013-2014). The District also conducted limited layoffs in 2009-10, 2010-11 and 2011-12, reducing some services and increasing some class sizes. The value of these cuts and concessions cannot be calculated precisely, but each furlough day saves approximately \$90,000 (at a non-financial cost to program delivery as well) and the District projects that employees’ costs under health premium caps will total \$2.4 million by the end of 2013-14. Each year these savings are partially offset by approximately \$300,000 for step-and-column compensation increases, which increase salary levels commensurate with seniority (“steps”) and levels of formal education (“columns”).
- **Students and their families have experienced reductions in educational services** from the program reductions and furlough days noted above. During these years, parent clubs at each school, the Piedmont Education Foundation, parent support groups (including PRAISE, PAINTS, CHIME and GPS), and individual families have also significantly increased their voluntary contributions to support the District. Voluntary contributions are among the highest in the state, on a per pupil basis. These include contributions to the District tied to specified programs, which total \$806,000 in 2011-12. They also include additional contributions that are not tied to any specified program, leaving the District full discretion to allocate those funds – beginning in 2011-12 parents clubs raised this un-tied contribution to \$300 per pupil (i.e., \$765,000 in 2011-12) from the previous \$200 per pupil (roughly

\$500,000 per year). Parent clubs also provide “program preservation” funds targeted to offset state funding cuts –they provided \$450,000 in 2010-11, and have pledged at least \$250,000 in 2012-13.

- **Taxpayers have paid steadily rising parcel taxes.** Measure B raises over \$8 million annually, and the Board levied 5% increases in 2009-10 and 2011-12 (Measure B prohibited any increase in 2010-11). During 2009-10 through 2011-12, taxpayers also paid \$941,000 per year in Measure E (“emergency”) parcel taxes (a total of nearly \$3 million), as additional offsets to cuts in state funding. These parcel taxes are among the highest in the state, and reflect the Piedmont community’s huge commitment to our schools.

The burdens of these sacrifices are inevitably unequal within each group – and many people are members of two or all three of these groups. They depend for example on an individual employee’s health costs, an individual student’s need for services, and an individual taxpayer’s parcel size, purchase date, and income. In addition, of course, many taxpayers also donate to the schools.

### **District Finances and Parcel Taxes in 2012-13**

For 2012-13, the District faces the challenge of identifying budget options to address deficit spending resulting from on-going cuts in state funding and the school community’s preservation of as much of the educational program as possible during the same period. The level of uncertainty and volatility in state funding surpasses the already high levels experienced during the last four years. The Piedmont School Board has responded with a strategy of continued cost containment within the existing program “footprint,” shared sacrifices across stakeholder groups, and moderation of those sacrifices by continued drawing down the District’s financial reserves. This approach includes a determination to rely on reserves if the anticipated state tax measures fail in November and further “trigger cuts” result, rather than implement layoffs this spring for fear of trigger cuts that may or may not happen.

Within the context of assured deficits – of uncertain size – this Committee recommends that all proceeds from raising Measure B rates be spent this year. Our approach contrasts with 2011-12, when there was reason to hope that deficits would shrink and we recommended that some of the proceeds be set aside in a Parcel Tax Reserve Fund to offset the expiration of Measure E.

### **Continuing Reviews and Adjustments to District Programs in 2012-13**

As noted above, Measures B and E are the latest expression of many years of support by Piedmont voters for the quality of the District’s educational services. As shown in Attachment B, parcel taxes have risen steadily over the past decade, and exceed \$9.5 million in 2011-12 (including the last year of Measure E). After recent cuts in state funding, Measures B and E provided 32% of District

revenues in 2011-12, compared with 12% in 2000-01. As the Committee stated in last year's report, we do not believe that this rate of growth in parcel taxes is sustainable.

This Committee continues to review and refine the criteria we use to approach our annual reviews and recommendations. This year's criteria included: funding levels, including unpredictable state funding; District expenditures, including annual increases, particularly those built in to provide District employees with rising incomes through their careers (currently step-and-column); the level of ongoing deficit spending in District budget estimates; and the ongoing impacts of rising "shared sacrifices" on groups and individuals in the Piedmont community.

The Committee also recommends that the District continue to review its policies and programs, including those specified in Measure B, and make cost-effective adjustments as appropriate. In particular, the Committee notes that the Teacher Evaluation program launched after signing of the current District-APT contract is currently being piloted and may be ready for broader implementation during 2012-13. The Committee recommends that the District pursue opportunities for targeting professional development expenditures (which may raise or lower a small amount of employee expenses in the short term) and may provide insights that will allow for cost-effective adaptations in program delivery.

#### **Parcel Taxes in 2012-13 as Preludes to the Next Parcel Tax**

The Committee is concerned that historical rates of increases in parcel taxes cannot be sustained in the future, and that existing levels may already impose unsustainable hardships on fixed-income and low-income taxpayers. We believe that the District's "shared sacrifice" approach must continue, subject to further review and refinement that considers more explicitly how burdens are shared between groups (students' families, taxpayers and District employees), and may also affect burdens within each group (such as parcel size, family income, and position on the District's salary schedule). The next parcel tax must be designed in ways that ensure its fairness – which should also maximize the chance that Piedmont's taxpayers will continue to support this critical component of District revenues.

Respectfully submitted,

Citizens' Advisory Committee on Parcel Tax Program, Measures B and E

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Ken Jensen, Chair

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Jerry Bucci

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Jon F. Elliott

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John Hiestand

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Catherine Ogle

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George Childs

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Peter Freeman

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Matthew Lifschiz

## STATEMENT OF MINORITY OPINION BY GEORGE CHILDS

While I believe that the report being submitted on behalf of the CAC is accurate and fairly represents the consensus of the committee, I cannot, in good conscience, show my full support for the overall recommendation. ("Minority opinion") I feel that the District will continue to find it mandatory to initiate more and more aggressive efforts to increase revenue sources and/or reduce expenses; at some point requiring significant cuts into the "depth and breadth" of the school program.

On pages 3-4 of this report, under the heading of "Continuing Reviews and Adjustments to District Programs", there is discussion of the increased level of parcel tax support from FY 2000-01 to the current level of District revenues, i.e.: from about 12% to about 32%. I once again concur with the belief that a continuing shift of this burden in this manner moving forward is clearly an unsupportable model. Alternatives must be found and exploited.

While I realize that it is highly unlikely that my first preference regarding Measure B parcel tax levy for FY 2012-2013, which would be to waive it all together, will be considered, I believe that the Board should **seriously** consider the following:

Limit the levy of Measure B "escalator" to **no more than 2%** (matching the mandated Prop. 13 **maximum** annual property tax escalator). Most long-time Piedmont residents are accustomed to and **resigned to** this level of annual adjustment in their property tax bills.

It is vital that the Board be mindful of the economic limitations that some Piedmont citizens who live on fixed or limited incomes face. An examination of the "Selected Economic Characteristics" data for the 2006-2010 American Community Survey 5-Year Estimates for Piedmont from the U.S. Census Bureau reveals some notable findings. (For instance: There are 134 **households** in Piedmont reporting annual income less than \$25,000; 361 reporting less than \$50,000.) Also, those living on Social Security benefits have received only one cost of living increase during the last three years. The "depth and breadth" of their living standard has certainly been curtailed as a result. Thus, even the modest increase suggested above will likely be a burden on some residents.

Thank you for your consideration,

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George Childs

## ATTACHMENT A: BACKGROUND

### Measures B and E and this Committee

Since 1985, Piedmont voters have repeatedly approved local parcel taxes in order to preserve our excellent school programs. On June 2, 2009, the voters of Piedmont overwhelmingly approved two measures:

- **Measure B** continues taxpayer support to “prevent existing school funding from expiring and maintain Piedmont’s excellent quality of public education by attracting and retaining qualified teachers” during 2010-11 through 2013-14. The Board determines the levy rate annually, and can maintain or decrease levies without limit, or increase levies by no more than 5%. The Board was precluded from raising the rate in 2010-11, and levied the maximum 5% increase in 2011-12 but held funds equivalent to 3% of increase in reserve for expenditure no later than 2013-14. Measure B raises \$8,625,000 in 2011-12 (assuming all taxpayers pay their parcel tax), so each 1% change in the assessed rate in 2011-12 amounts to \$86,250. This means a maximum increase of 5% would generate an additional \$431,250.
- **Measure E** was enacted to “offset the loss of State funds by providing emergency temporary local funding” and thereby “avoid teacher and staff layoffs [and] protect programs and services” for three fiscal years 2009-10 through 2011-12, in each year in which state funding is less than specified trigger levels. This Measure was to be levied when state Revenue Limit funding falls below 2008-09 levels – this threshold was met during each of the three fiscal years. Levying Measure E provided \$997,000 in revenue in each of these three fiscal years; which does not continue into 2012-13 since Measure E expires.

As an important accountability measure, Measures B and E provided for creation of a Citizen's Advisory Committee, to provide independent review of the District's revenues and expenditures, and make recommendations to the School Board on the levy of Measure B and E parcel taxes. The Board of Education chartered this Committee to perform those tasks, and may also ask the Committee to provide additional research and reporting. The final decision how much to levy each year remains with the School Board.

### Sharing Sacrifices on the “3-Legged Stool”

This Committee embraces the following paradigm, which is often used by the Board and other stakeholders to characterize sets of interests within Piedmont and its educational community.

Public education in Piedmont rests on a “three-legged stool” of overlapping interests: students and their families; District employees who serve them and are

paid to do so; and taxpayers. Each group receives a share of the benefits and costs of public education, and all must remain aligned and in balance for the educational system to function effectively on our collective behalf.

Although all groups have recognized and supported these policies, annual attempts to apportion sacrifices do highlight tensions within and among all three. Program cuts and larger class sizes impose sacrifices on Piedmont's students; growing contributions represent additional voluntary willing sacrifices by students' families in order to maintain programs. Caps or cuts to employee salaries and/or benefits impose sacrifices on District employees. Employees and students share the sacrifices from unpaid "furlough" days. Meanwhile, parcel taxes impose sacrifices on all taxpayers, which can be more acute for taxpayers on fixed incomes or whose incomes have declined during the ongoing recession – and that sacrifice grows when parcel taxes are increased. The expiration of Measure E will reduce total parcel tax burdens to non-emergency levels beginning in 2012-13, while the state's recent determination to actively enforce the non-deductibility of parcel taxes against income beginning in 2012, will increase the perceived tax burdens on taxpayers who previously claimed those deductions.

### **Committee Reviews and Recommendations for Prior Years**

This Committee first met late in 2009, and began its activities by reviewing the District's budget and expenses for 2009-10 and 2010-11. Based on those reviews, this Committee expressed agreement with the District's decision to levy Measures B and E in 2009-10, and a majority of the Committee recommended full levying both Measures in 2010-11. With the concurrence of the School Board, this Committee also established four subcommittees to investigate and report on the following important budgetary and programmatic issues:

- Employee Health & Welfare, Benefit Packages and Providers
- Alternative Compensation Structure
- Comparables Bank and Key Metrics Analysis
- Community Outreach

The full Committee reviewed and approved reports from each of these subcommittees, which it presented to the School Board in September 2010 and is available on the District website.

### **Committee Review and Recommendations for 2011-12**

This Committee is charged with providing its recommendations in time to help inform the Board's adoption of the District budget for the fiscal year beginning several months after we make our recommendation. Accordingly, we must base our recommendation on the latest projections of revenues and expenses for upcoming year. When projections include wide uncertainties in revenues and/or expenses, the Committee's must consider those uncertainties. In early 2011,



revenue projections varied widely because of uncertainties in state support, and expense estimates also varied widely because the District and its employee unions were in the process of negotiating labor contracts for 2011-12 through 2013-14. The Board of Education had stated a goal of reducing annual District expenditures by \$1.4 million compared to 2009-10, in part through concessions and cuts being sought from employee unions.

Faced with these uncertainties, on February 1, 2011 the Committee reported the following initial recommendations:

- (1) The criteria for levy of Measure E have been met, and the Committee recommends that the District levy it in 2011-12.
- (2) The Committee also recommends that the Board authorize the maximum \$407,250 (5%) increase in the levy rate for Measure B. This recommendation is based on the following two conditions:
  - The District and its employee representatives negotiate reductions in employee-related expenses so that the significant majority of sought-after expense reductions are by expense cuts, rather than layoffs that may reduce the program offerings that the parcel taxes are intended to avoid; and
  - The District allocate \$162,900 of the increase to 2011-12, and set aside the remaining \$244,350 in a Parcel Tax Reserve account. This renews the District's policy of smoothing revenues through the lifetimes of parcel tax measures, and will help offset the expiration of Measure E at the end of 2011-12.

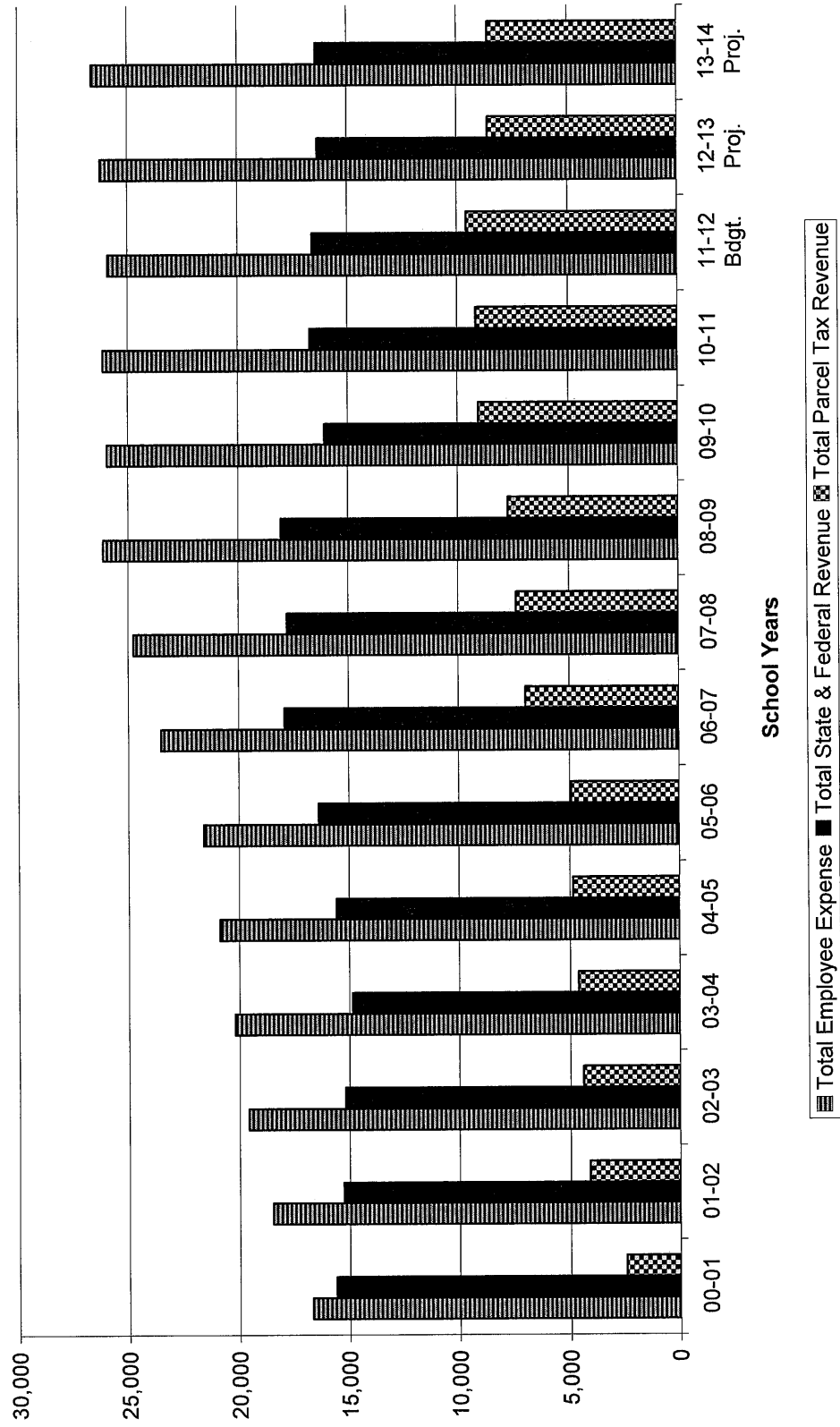
After the results of negotiations with the Association of Piedmont Teachers (APT) were announced, the Committee met again to review those results, to hear the expectation that other unions would copy these provisions, and to hear significant stakeholder comments. The Committee issued a supplemental report on March 18, 2011, finding that the District-APT Contract includes important concessions by APT, which did not fully meet the Committee's conditions by providing a "significant majority" of cost savings via employee concessions during 2011-12 but are likely to do so during 2011-14 as the benefit cap shields the District from escalating insurance costs, with the following summary:

CAC has now reviewed the District's actions related to those two conditions, and finds that neither has been fully satisfied. However, CAC finds that both conditions are being adequately satisfied and reaffirms its recommendation. These reaffirmed recommendations were also adopted by 5 CAC members, with the same member dissenting.

Subsequently, the Board did decide to levy Measure E, and to increase the Measure B levy by 5% setting 3% aside in reserve.

# ATTACHMENT B:

## PUSD's Selected Revenue & Expense Items 2000-2001 to 2013-2014 *Budget and projections as of 12/14/11*





# Citizens' Oversight Committee 2011 Annual Report to the Community

March 2012

## In This Report

- Letter from the COC
- Seismic Safety Bond Program History
- Impact of the State Budget Crisis
- Audits & Accounting

## COC Duties

- Review Use of Bond Funds
- Document Appropriate Spending of Funds
- Inspect School Facilities & Grounds
- Report to the Community

## COC Members

- Grier Graff *President*
- Ken Jensen, *Vice President*
- Mark Aikawa
- William Drum
- Rob Hendrickson
- Ward Lindenmayer
- Margaret Ovenden
- Dana Serleth
- Nava Shaham
- Cory Smegal

## Letter from the Citizens' Oversight Committee

The Citizens' Oversight Committee for the Seismic Safety Bond Program (SSBP) is pleased to present our 2011 Annual Report to the community. The Committee, which was formed in June 2006, oversees the expenditure of SSBP funds and ensures that all expenditures are made for the purposes authorized by voters.

The COC is composed of individuals from local businesses, senior citizen organizations, organizations involved with schools, legal, technical, and financial advisors, as well as involved parents of children residing in the Piedmont Unified School District.

The COC reviewed summaries and reports of all expenditures made between July 1, 2010 and June 30, 2011 and determined that the use of SSBP funds as reported is appropriate. Additionally, the COC reviewed recent revisions to the Program budget, projections and project schedules. The committee also reviewed the current and anticipated State funding, revisions to the overall budget, and cash flow projections that are based on the future uncertainty of State matching funds.

The COC is a public body which generally meets each quarter. Regular and special meeting locations, dates and times are posted on the District website at [www.pusdbond.org](http://www.pusdbond.org). The public is welcomed and encouraged to attend and participate in our meetings. A copy of the full report is available online and at the District Office.

Thank you for your support.

The Seismic Safety Bond Program Citizens' Oversight Committee

## Seismic Safety Bond Program History

Before the Seismic Safety Bond Program, the Piedmont School District's facilities were a mixture of aging one-story and two-story buildings built between 1935 and 1996. All buildings are Field Act-approved, which means that they were built in compliance with the applicable school building codes at the time of construction but some structures do not comply with contemporary code requirements. Building codes changed dramatically after the 1971 San Fernando earthquake and again after the 1989 Loma Prieta and the 1994 Northridge earthquakes, when structural engineers studied how buildings performed during these major earthquakes and improved the building codes accordingly.

Between 2000 and 2005 two independent structural engineering reports identified Piedmont school buildings that would likely pose life safety risks in the event of a major earthquake on the nearby Hayward Fault. On March 7, 2006, Piedmont voters authorized the District to sell up to \$56 million in general obligation bonds to finance the repair, strengthening, and renovation of school buildings. Voter approval was based on comprehensive cost estimates developed by Vila Construction, the District's construction manager, and estimates concerning eligibility for State matching funds.

The District is eligible for State matching funds to help pay for the seismic strengthening, accessibility improvements and modernization of the school facilities. Eligibility is based on the age of buildings, student population, and past receipt of State modernization funds. At the start of the bond program, it was conservatively estimated that the District would be eligible to receive \$11 to \$13 million in State modernization funds. District consultants now believe the amount of eligibility is between \$14.9 and \$15.5 million.

The total budget for the Seismic Safety Bond Program is \$69,156,161, including bond funding (up to the maximum amount of \$56 million), State matching funds for facility modernization (estimated to be close to \$15 million), and City and community funds (\$1,200,000). The mix of funds will be used for seismic safety, enhanced accessibility and modernization. The construction phase started in 2009 and is expected to be completed in 2012.

The Seismic Safety Bonds are sold as needed to fund the bond projects. The District issued the first \$14,999,934 million in August 2006, and an additional \$19 million in October 2009 in long-term bonds. In May 2010, the District issued \$12 million in bond anticipation notes ("BANs"), leaving \$10 million available to issue. In January 2011, the District received an authorization from the State to issue the remaining \$10 million as Qualified School Construction Bonds, or "QSCBs," rather than capital appreciation bonds. QSCBs are essentially subsidized by the Federal stimulus package, which means that Piedmont taxpayers will save very significant interest payments as compared with conventional bond repayments.

# The Impact of the State Budget Crisis

The State budget crisis has slowed the payment of matching funds to local school districts for seismic strengthening and facility modernization, including the estimated \$15 million to PUSD. As a result, the Board of Education has had to consider whether and how to proceed with each phase of the SSBP without receiving State matching funds.

In 2008, PUSD determined there was sufficient local funding – bond funds plus contributions from the City of Piedmont and community members – to complete new construction of Havens and renovation of Ellen Driscoll Auditorium, the Piedmont High School, the Piedmont Middle School (fire safety) and the Maintenance Building. These projects were completed on schedule without receiving any State matching funds. However, some features of these projects were either “value-engineered” out or deferred, to reduce costs and thereby maximize the cash on hand, to make it possible to complete the next phase the SSBP. For example, installation of an ADA-compliant accessible elevator at PMS was deferred.

PUSD then used a combination of the remaining local funding, and the promise of bridge financing from Overaa if needed, to complete both the Wildwood project and design of the Beach project. During this phase, \$4.7 million of State matching funds was paid to PUSD, easing financial pressure on the SSBP and not requiring bridge financing. Nonetheless, several features of the Wildwood project were deferred to make it possible to undertake the final phase of the SSBP, Beach School. The deferred projects include replacement of the Wildwood roof and faulty HVAC systems.

PUSD then used a similar combination of the remaining cash on hand and the promise of bridge financing from Cahill Construction, if needed, to proceed with the Beach project. In proceeding with the Beach project the Board considering the strong likelihood of receipt of some State funding in late 2011 or early 2012. The Board anticipated that it might need to split the Beach project into two phases: Seismic strengthening and modernization of the school building to be completed in 2011/12; and site work and landscaping, including construction of new retaining walls and installation of a garden, to be completed during the summer of 2013.

In December 2011, the State released \$1 billion in bond proceeds to schools and PUSD received \$8.45 million from this allocation. PUSD has now received sufficient State funding to complete all outstanding projects, though the District is still owed as much as \$2.9 million in additional funds. The Beach project is currently on schedule for completion in August 2012.

# Seismic Safety Bond Program Developments

The following is a partial list of Bond Program developments from July 1, 2010 through June 30, 2011. During that period, the District:

- Approved a Preliminary Services Agreement for \$99,000 with Overaa Construction in anticipation of approval of a lease-lease back contract.
- Approved the Site Lease, Site Agreement, and the Facilities Lease/Lease-Back Contract with Overaa Construction for the Wildwood project, with a Guaranteed Maximum Price (GMP) of \$4,715,000.00.
- Approved increases to the Wildwood project to \$5,127,661, due to changes in scope, unforeseen conditions, and conditions not reflected in the original plans.
- Approved Notices of Completion for Havens, Ellen Driscoll, the PHS Quad/Library Building, and PHS Student Center projects.
- Applied for and obtained a California Department of Education allocation of \$10,000,000 Qualified School Construction Bonds (QSCBs).
- Completed design development and obtained Division of the State Architect (DSA) approval for the Beach project.
- Approved the Site Lease, Site Agreement, and the Facilities Lease/Lease-Back Contract with Cahill Construction for the Beach project, with a GMP of \$7,258,865. The Agreement provided for additional financing as a contingency in the event of further delays in the payment of State matching funds. (NOTE: With the receipt of State matching money in December 2011, the District will not need to use the bridge financing from Cahill.)

The original budget of \$69.1 million for the bond program remains unchanged.

## Oversight of Seismic Safety Bond Program

To oversee and ensure proper expenditure of bond funds, the COC is authorized to do the following:

- Actively review and report on the proper expenditure of taxpayers' money for school construction.
- Advise the public as to whether the school district is in compliance with the requirements of Article XIII A, Section (b)(3) of the California Constitution.
- Convene to provide oversight for (without limitation):
  - Ensuring that bond revenues are expended only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities.
  - Ensuring that no funds are used for any teacher or administrator salaries or other school operating expenses.

- Receiving and reviewing copies of the annual independent Performance Audit required by Article XIII(A).
- Receiving and reviewing copies of the annual independent Financial Audit required by Article XIII(A).
- Inspecting school facilities and grounds to ensure bond funds are expended in compliance with Article XIII(A).
- Receiving and reviewing copies of any deferred maintenance proposals or plans developed by the school district.
- Reviewing efforts by the school district to maximize bond revenues by implementing cost saving measures.

**The COC reviewed summaries and reports of all expenditures made between July 1, 2010 and June 30, 2011 and determined that the use of bond funds as reported is appropriate.**

The individuals who served on the COC during the time period covered by this report, or who joined after the time period covered by the report but who participated in the review of expenditures, are: Grier Graff, Ken Jensen, Mark Aikawa, Philip Cardon, William Drum, Rob Hendrickson, Ward Lindenmayer, Margaret Ovenden, Dana Serleth, Nava Shaham, and Cory Smegal.

## Seismic Safety Bond Program Expenditures through 6/30/11<sup>1</sup>

<u>Revenue</u>	Prior Periods	Current Period	Total
	\$47,651,837	\$10,540,225	\$58,192,062
<u>Expenditures</u>	Prior Periods	Current Period	Total
	\$42,919,832	\$8,612,631	\$51,532,463

## Audits

Article XIII of the California Constitution requires the District to complete (i) an annual Performance Audit and (ii) an annual Financial Audit of Seismic Safety Bond Program. These audits were conducted in conjunction with the District's own internal audit and are available for review at the District's Bond Website, <http://www.pusdbond.org/program/financial.html>.

The District's independent auditor, Vavrinek, Trine, Day (VDT) and Company, LLP, conducted its annual review of the Districts' financial statements of the Building Fund which captures all expenditures related to the Seismic Safety Bond Program. The audit findings conclude that "consistent with prior year findings, the financial statements are fairly presented and free of material misstatement." The audit findings note that:

1. The funds are kept and accounted for in a segregated fund;

<sup>1</sup> These figures represent audited financial information.

2. Cash is accounted for accurately and according to generally accepted U.S. accounting standards;
3. Strong internal controls are present;
4. District and state bidding processes are being following; and
5. Funds are spent in accordance with the bond authorization.

## For More Information

If you would like additional information regarding the Seismic Safety Bond Program Program, please contact the Office of the Superintendent at (510) 594-2614.



Board Meeting of  
March 14, 2012

To: Board Members

From: Constance Hubbard, Superintendent  
Michael Brady, Assistant Superintendent  
Michelle Nguyen, Director of Fiscal Services

Subject: **REVIEW 2011-12 SECOND INTERIM FINANCIAL REPORT OF THE DISTRICT; DETERMINE A *POSITIVE* CERTIFICATION OF THE DISTRICT'S ABILITY TO MEET FINANCIAL OBLIGATIONS FOR CURRENT YEAR AND SUBSEQUENT TWO FISCAL YEARS; AND AUTHORIZE BUDGET TRANSFERS OF FUNDS**

I. **SUPPORT INFORMATION**

Governing Boards are required to certify the financial condition of each school district at two intervals during the school year. The Piedmont Unified School District's budget is fluid and undergoes constant revision as revenues and expenditures are clarified. For 2011-12 and beyond, districts throughout California will continue to experience 20% reductions in State education funding. However, for 2012-13, school districts must also contend with the possibility that funding could decrease during the next fiscal year by an additional \$370 per pupil (in the form of mid-year cuts) if proposed ballot measures in November, 2012 are not approved by the voters of California. For the Piedmont Unified School District, this additional mid-year cut would push current Revenue Limit losses in excess of \$1,300 per pupil. Consequently, California school districts face a unique challenge in anticipation of the upcoming State budget: whether to cut program and issue massive layoffs now in an effort to reduce expenditures (in anticipation of a worst-case scenario in November), or wait until more information is known before taking more definitive action. Over the past four years, the Piedmont Unified School District Board of Education has developed and adopted budgets that "stay the course" by building strong reserves that have afforded the District and community ample time to plan for and address economic uncertainty in the future while maintaining student programs. The District will be able to meet its financial obligations for the current year and following year, even under a worst-case scenario for the State 2012-13 Budget. This will allow PUSD time to plan for as yet undetermined conditions in 2013-14.

Per the requirements of AB 1200, the District declares its ability to meet its financial obligations through one of three self-certifications: A *Positive* Certification means that the District believes it can meet its financial obligations

for the remainder of the current fiscal year and subsequent two fiscal years; a *Qualified* Certification indicates a district may not be able to meet financial obligations over three years; and a *Negative* Certification is used when a district will not be able to meet its financial obligations for the remainder of the current year nor for the subsequent two fiscal years. *Qualified* or *Negative* Certifications serve as an "early warning device" and are transmitted to the County Office, California Department of Education, and the State Controller for possible intervention by these agencies.

Certification is based on the General Fund Summary of Revenues and Expenditures as presented in the Interim Reports. The District submitted a Positive Certification at the 2011-12 First Interim Report in December 2011, with advance notice that given the current fiscal crisis, the District would provide the Board with financial scenarios addressing a potential \$1.2 million shortfall in the 2013-14 school year by the Second Interim report. These scenarios have been presented to the Board and include both one-time and ongoing revenue enhancement and expenditure reductions. However, since the presentation of the First Interim Report in December, the Governor's proposed 2012-13 Budget unveiled in January continues to change the financial landscape for how districts will develop and adopt their budgets for next year: Because the Governor's education budget includes trigger reductions if November 2012 tax initiative(s) fail, districts must consider and calculate their total exposure under a worst-case scenario, while understanding a host of variables will alter these calculations several times in the coming months. For example, mid-year reductions for the 2011-12 budget were projected (and then changed) four times since January: from an initial projected cut to PUSD of as much as \$644k to as low as \$40k before settling at \$137k.

The Second Interim Report as presented reflects relevant information to budgets for 2011-12 through 2013-14 based on conditions as of January 31, 2012. Per guidelines established by the Alameda County Office of Education, the Second Interim report uses the School Services Dartboard, which was updated based on the Governor's Proposed 2012-13 State Budget in January, 2012 for COLA, revenue limit deficits, and categorical funding. However, as was the case at the First Interim report (when the District chose not to include the SSC projections of a 3.10% and 2.80% increase in COLA's in 2012-13 and 2013-14 as part of its revenue limit calculations), we will continue take a conservative approach to PUSD budget development and include no cost of living (COLA) adjustments for the current and subsequent school years.

The Governor's 2012-13 Budget extends flexibility reforms adopted in 2009 that help school districts like PUSD maintain core services in the face of limited and dwindling funding. However, unlike in 2011, when the Governor made explicit a desire not to cut K-12 education further (noting that "school funding has been disproportionately reduced since 2007-2008") the Governor's 2012-13 proposed Budget Act reduces funding to PUSD by a minimum of \$260,000 (by increasing the Deficit Factor from 19.754% to 21.666%) in addition to mid-year trigger cuts of \$370 per ADA if the tax initiative fails. Under this "worst-case scenario," the Piedmont Unified School District faces new reductions in State funding of up to \$2.7M over the course of three years. This is exclusive of the loss of nearly \$1M from Emergency Parcel Tax Measure E, set to expire in June, 2012.

The 2012-13 State Budget Act challenges all California school districts and their capacity to mitigate future downside risk. For PUSD (just as it was in 2010-11), under the guidelines established by the Board of Education, the District believes it has built reserves sufficient to sustain educational programs through 2012-13 *even if proposed tax initiatives fail*. PUSD has managed to accomplish this through the shared generosity and shared sacrifices of many: Specifically, through contributions from Parent Clubs to offset the \$137,000 mid-year cuts in 2011-12 and \$250k in increased per pupil contributions; through ongoing sacrifice on the part of PUSD employees to reduce salaries, benefits, and post-employment benefits to keep overall reductions in workforce low; and through the generosity of the community in the form of the base parcel tax (Measure B), emergency parcel tax (Measure E), donations and ongoing fundraising by parent groups, support clubs, and the Piedmont Education Foundation. Working together, PUSD has preserved K-3 class-size reduction, K-12 counseling and library services, a seven-period day at Piedmont High School, Piedmont Middle School, and Millennium High School, and a rich elective program. Together, the Piedmont education community has managed to hold on to a great deal of what has been lost in many other school districts throughout California.

In consultation with the Alameda County Office of Education, PUSD will take a very conservative approach to budget development and its use of current budget assumptions. This is not to suggest the District assumes the worst-case scenario will come to fruition. Rather, the District has chosen instead to outline the full magnitude of the potential fiscal challenges ahead within the Second Interim Report in order to provide perspective on both the District's capacity to meet financial obligations next year (thus validating the Board's decision not to issue layoffs this year) and to inform budget development discussions in anticipation of the District's 2012-13 Adopted Budget scheduled for June, 2012.

Attached is the financial summary of the Second Interim Report, which shows the condition of the District's General Fund as of January 31, 2012. Budget development assumptions as stated were in place at the point in time when each budget revision and multi-year projection was developed. The final page is a summary of the multi-year projection that establishes the District's ability to meet its financial obligations for the current year through 2012-13. It should be noted that revenue summaries include a one-time 5% increase in the Measure B parcel tax levy, consistent with discussions and a recommendation to be brought forth by the Citizens' Advisory Committee for the Parcel Tax.

The District also continues to work within the parameters for use of one-time funds as well as State categorical fund flexibility. All Federal Stimulus funds received have been fully expended as required by law. For State categorical funding flexibility as outlined in the Enacted 2011-12 California State Budget, PUSD retains authority to use money received from the State for Tier III programs for any educational purpose to the extent permitted by Education Code 42605. Categorical program funding flexibility requires an annual public hearing on the proposed explicit use of the funds. In May of 2011, the Board authorized budget transfers from some Tier III categorical programs to support K-12 education, including \$120,000 from Adult Education, but has predominantly maintained categorical funding within existing K-12 categorical programs. A similar hearing will need to be held this year to renew and/or expand this flexibility.

The budget documents presented in this Second Interim report continue to serve as a reflection of the District's goals and philosophy of spending current funds on current students. They reflect the tremendous support of the community as expressed in revenues from the Measure B Parcel Tax; annual support from the Piedmont Education Foundation Endowment; the funding of personnel and direct per-student contributions from parent clubs, including direct contribution increases of \$100 per student; numerous donations and grants from service organizations and support clubs like PRAISE, CHIME, and PAINTS; and philanthropic efforts from individuals and foundations like the Lois B. Rawlings Foundation.

As the District develops its budget for 2012-13, we will initiate the process of identifying how to close a roughly \$3.5M shortfall (under a worst-case scenario) in 2013-14 correlating to the potential loss of \$2.7M in funding between now and 2013-14. The budget development principles approved by the Board will inform this process.

Second Interim (as of January 31, 2012) – Revenue: -\$86,454

Revenue Limit funding remains flat, though a \$137,195 mid-year cut is noted as an adjustment to the reserve fund balance. State Revenue increased \$193,415, but is lower than anticipated as part of the State Mental Health (AB 3632) reimbursement (\$135k) the District hopes to receive later this year. Lottery revenues increased \$43k, and the District received \$6k for transportation (previously included in first-round mid-year cuts), and \$10k for counseling, math, and reading programs.

A decrease in local revenue of -\$33,170 is due to unreimbursed AB 3632 funding (-\$371k) offset by donations to the Wellness Center (\$26k); revised income contributions of (\$95k) from parent clubs, PEF, music donations, special education; receivables from associated student body funds, grants, principal resource accounts, and athletic fees (\$216k).

Second Interim (as of January 31, 2012) – Expenditures: +\$178,639

Increases in salaries (Certificated - 184.7 fte + Classified – 112.2 fte.) include costs for substitute teachers and adjustments to salary calculations in October. Classified salaries reflect additional personnel for specialized programs. An increase in benefits of approximately \$83,416 is attributed to “qualifying event” changes in medical plans and to the transfer of some personnel benefits costs between operating funds. Books & Supplies/Services & Operating expenses are booked against revenues received, though trailing as yet unreceived AB3632 revenues.

Second Interim (as of January 31, 2012) – Ending Fund Balance: \$3,261,169

The total ending balance on June 30, 2012 is projected to be \$3,261,169 which represents 10.6% of total expenditures. The District continues to maintain reserves through cost-saving measures, including roll-over of ending fund balances where authorized, and the preservation of General Fund money through use of restricted, one-time funding (Federal, Parent Club emergency funding, etc.). AB 1200 requires each district to maintain a 3% reserve for economic uncertainty. \$2,314,062 is what remains after the 3% reserve (\$922,107) has been met. The Ending Fund Balance is greater because mid-year cuts are less than originally projected (\$644k to \$137k).

To address a \$3.5 million shortfall anticipated for 2013-14, the District will identify a combination of revenue enhancements and expenditure reductions as part of its Adopted Budget for 2012-13. Per Board direction, budget development assumptions that do not reflect a "worst-case scenario" could be incorporated into the 2012-13 PUSD Adopted Budget. More information will be available at the Governor's May Revise. Options for revenue enhancement include Board authorization of a parcel tax increase and a sweep of Tier III categorical programs (where appropriate). The District will identify reductions by the First Interim report in December, 2012.

#### Multi-year Projections (as of January 31, 2012) - 2012-13 Assumptions

##### Revenue:

- Cost of Living Adjustment (COLA) 0%, which deviates from the School Services of California Dartboard that identifies a 3.17% COLA
- Deficit Factor of 21.666% per School Services of California Dartboard
- Additional ongoing reduction of \$370/ADA if November tax initiative(s) fail (approximately \$912,000)
- No Federal Education Jobs funding
- Revenue Limit ADA at 2465. This is based on current year enrollment.
- Categorical and Special Education funding at 0% increase from the previous year
- No mandated cost reimbursements are included as part of 2012-13
- Adult Education Apportionments are built in/transferred out
- Parcel tax revenue from Measure B increased by 5%; Measure E expired
- Piedmont Educational Foundation Endowment contribution of \$168,769
- \$0 for designated anonymous donations.
- Parent Club contributions of approximately \$1.55 million (direct District-funded support and parent club funded personnel with benefits costs), of which \$250,000 is additional \$100/pupil contribution
- Adult Education contribution of \$120,000 for indirect costs
- Transfer of \$245,600 from Parcel Tax Reserve

## Expenditures:

- 0% increase in salary schedules for all employees
- Continuation of furlough days for Certificated and Classified staff, for a savings of \$450,000
- "Step & Column" and "Longevity" salary schedule increases of 1.5% for employees (\$293,000)
- 0% increase in health and welfare benefits for all employees; additional increases in H&W benefits assumed by employees
- Unexpended funds in categorical programs to be reserved for the program from which the funding originated or captured as allowed under 2009 State budget provisions
- \$20,000 transfer to Capital Facilities Fund for Witter Field sinking fund
- Ending Fund Balance: \$590,184
- Funds needed for 3% reserve in 2012-13: \$338,516

## Multi-year Projections (as of January 31, 2012) - 2013-14 Assumptions

### Revenue:

- Cost of Living Adjustment (COLA) 0%, which deviates from the School Services of California Dartboard that identifies a 2.40% COLA
- Categorical funding increase of 0%
- Continue deficit factor of 21.666%
- Federal funding at the same rate as the 2012-13 rate
- Parcel tax revenues from Measures B as approved by the voters in June 2009 will remain the same as 2012-13. Under revenue enhancement options, the Board *may*, after a public hearing, authorize a 5% increase for the Measure B tax (approximately \$430,000)
- Revenue Limit ADA is the same used for 2012-13
- Adult Education contribution of \$120,000 for indirect costs
- No mandated cost reimbursement is projected in the budget.
- All Parent and support group contributions at the same level as in 2012-13
- PEF contribution of \$168,769 on behalf of the Endowment Fund
- No Parcel Tax Reserve Transfer
- Additional ongoing reduction of \$370/ADA if November tax initiative(s) fail (approximately \$917,000)

#### Expenditures:

- No salary schedule increases for any employee group
- "Step & Column" and "Longevity" salary schedule increases of 1.5% for employees (\$297,000)
- \$20,000 transfer to Capital Facilities Fund for Witter Field sinking fund
- 0% increase in health and welfare benefit cost for all employees; cost increases in H&W benefits assumed by employees per negotiated cap
- Continuation of furlough days for Certificated and Classified staff, for a savings of \$450,000
- Unexpended funds in categorical programs to be reserved for the program from which the funding originated or captured as allowable under 2009 State budget provisions.
- Ending Fund Balance: **-\$2,593,346**
- Funds needed for 3% reserve in 2013-14: \$3,533,439

#### Status of Other Funds Operated by the District as of Second Interim (1/31/12)

##### Adult Education

The Adult Education Fund is balanced for the 2011-12 year. The Adult Education Fund remains solvent for 2011-12 and beyond. The high school diploma program continues to accept adult students and concurrently enrolled Piedmont students. The Creative Retirement Center (CRC) program for senior citizens continues to operate out of Veteran's Hall thanks to the generosity of the City of Piedmont and the Piedmont Recreation Department. The Adult Education Fund has built reserves for use in case of economic uncertainty in future years

##### Cafeteria Fund

The Cafeteria Fund is a separate fund for which the District tracks all food services operations. Food services at the elementary sites are exclusively operated by parent volunteers. Food service at the High and Middle schools require at least 2 employees whose salaries are accounted for through this fund. All costs associated with the operation of the food services provided to the students are wholly supported by the Parent Club organizations. This fund does not receive contributions from the District General Fund. Revenue is anticipated to increase by the cost of salary and benefits for employees in the multi-year projections. Expenses include 0% increase in salaries for 2012-13 and 2013-14 and 1.5% in longevity increases only.



## Deferred Maintenance Fund

Expenditures for this fund support the District's Five-Year Deferred Maintenance Plan. Costs reflected in services and operating expenses remain the same, and the use of Deferred Maintenance funds in support of Seismic Safety Bond projects is ongoing. Changes in the multi-year projections show identical expenditures in Deferred Maintenance, although these will no doubt be subject to change. The Board-approved deferred maintenance contract for 2011-12 transpired after January 31, 2012, and is not included in multi-year projections.

## Building Fund

The Building Fund is the established fund for which all voter-approved Bond measure proceeds are accounted. The balance of the funds may be used in support of any voter-approved project. All current funds are derived directly from Seismic Safety Bond funds approved by the voters in March, 2006. Additionally, the Citizens Oversight Committee reviews all District expenditures related to the Seismic Safety Bond program since the inception of the PUSD Seismic Risk Reduction Program. The COC must report to the Board to present an annual report, and is scheduled concurrently with the Second Interim Report. Current year revenues show interest earnings only. Expenses for Seismic Safety Bond Program projects continue in this fund, but must now be accounted for in the State School Facilities Fund (as modernization funds) as applied to building projects.

## State School Facilities Fund

The State School Facilities Fund is where restricted money received from the State of California for the modernization and construction of school facilities is held. It is different from the Building Fund, which contains proceeds from the voter-approved Bond measure. For purposes of tracking all expenditures from one source account, funds from the School Facilities Fund will be transferred to the Building Fund as needed to complete seismic safety bond projects. Expenditures tied to modernization funds will be tracked separately (and audited separately) to demonstrate that modernization funds were used for their intended purpose.

## Capital Facilities Fund

The Capital Facilities Fund is a fund for capital projects as identified by the Board of Education. This was the fund through which all donations in 1999-2000 for the artificial turf at Witter Field were accounted. Interest earnings, capital improvement projects (funded through donations), and limited facilities rental fees reflect any current changes to this fund. Projected transfers from the General Fund of \$20,000 from rental receipts will go toward the replacement costs for Witter Field and Witter Track.

## Parcel Tax Reserve Fund

The Parcel Tax Reserve Fund was established for funds from the first year of the current Parcel Tax approved by voters to support programs as necessary in later years of the term of the tax. The Parcel Tax reserve fund is required to be fully expended as mandated by the parcel tax measure. The Second Interim Report identifies using all funds currently set aside for the final year of the tax (2013-14) during the 2012-13 school year if the November tax initiative(s) fail.

## NODA Fund

The NODA Fund was established by the Board of Education to use the proceeds from the sale of a mural by artist (and former PHS student) Benjamin Hideo Noda to establish a fund from which the interest earned is used for grants to support visual arts at the secondary level. The NODA account is fully funded, and there are no changes to report at the second interim and no significant changes in the multi-year projections.

## **SUMMARY AND RECOMMENDATION**

The Budget Advisory Committee (BAC), which is a standing committee with representatives from all stakeholders in the District, is a vehicle for dissemination of information to as many parents, students, staff and community members as possible. Its purpose is to review the District's budget, share the information with constituent groups, and generate recommendations for Board consideration in the budget development process. It provides frequent opportunities for the Piedmont educational community to review the District's budget and identify trends and make recommendations for Board consideration in the budget development process. The Committee is advisory in nature and does not have decision-making responsibilities. After the BAC has reviewed the Second Interim

Report, results of its discussions for budget priorities and recommendations are presented to the Board of Education as part of the 2012-13 budget development process.

It is recommended that the Board of Education review and approve the Second Interim Report as presented and that they provide a Positive Certification as to the District's ability to meet its financial obligations for the current year and subsequent two fiscal years based on the District's strong reserve levels and its ability to increase revenue and reduce expenses as needed and in time to respond to economic uncertainty. This recommendation is based on information that is available as of January 31, 2012.

The District staff, Board of Education, and community at large are aware of the effects of enrollment fluctuations and State budget uncertainties and will plan accordingly. Piedmont is committed to the long-term tradition of solid fiscal responsibility in the management of the District's finances. The District Business Services staff continues to work closely with the Business Services Department at the Alameda County Office of Education and in consultation with School Services of California. The Alameda County Office of Education is dedicated to supporting Piedmont to assure all requirements of AB 1200 and the Daucher Bill are met.

## II. **RECOMMENDATION: ACTION**

Upon review of the 2011-12 PUSD Second Interim Report, approve a *Positive* certification of the District's ability to address and meet its financial obligations for the current year and subsequent two years

Board Meeting of  
March 14, 2012

TO: Board of Education

FROM: Constance Hubbard  
Superintendent of Schools

SUBJECT: **UPDATE ON BEACH ELEMENTARY SCHOOL SEISMIC SAFETY  
PROJECT: APPROVE SUPERINTENDENT TO AUTHORIZE CAHILL TO  
PROCEED WITH WORK ON THE LINDA AVENUE AND GARDEN RETAINING  
WALLS WHILE NEGOTIATIONS ON SCOPE OF PHASE II AND  
GUARANTEED MAXIMUM PRICE CONTINUE**

**I. SUPPORT INFORMATION**

Until recently, the District planned to split the Beach project into two phases: Seismic strengthening and modernization of the school building to be completed in 2011/12; and site work and landscaping, including construction of new retaining walls and installation of a garden, to be completed during the summer of 2013. By deferring the Phase II work, the District reduced the Guaranteed Maximum Price (GMP) of the project by roughly \$600,000, making it possible to proceed with Phase I this year.

Upon receiving \$8.45 million from the State in January, the District initiated plans to complete both phases of work by August 2012. In addition to "adding back" Phase II, the District added scope (primarily related to drainage and substandard soil) and parent-designed site enhancements.

The Board-approved Guaranteed Maximum Price (GMP) is \$7.3 million. This amount consists of \$6.5 million in construction costs, and \$700,000 in *possible* finance charges that have now been "recouped" in the project budget because financing is unnecessary (financing is unnecessary because of the recent receipt of State funds). Even with the recouped \$700,000, it will be necessary to increase the GMP to pay for Phase II and the added scope.

With input from both the Seismic Safety Bond Program Steering Committee and Citizens Oversight Committee (COC), the District's Construction Manager Pete Palmer is negotiating with Cahill to bring the cost of this work in line with District estimates, and negotiations are continuing. For reasons discussed below, the Steering Committee and COC recommend that the Board authorize the Superintendent to direct Cahill to immediately begin work on the Linda Avenue and garden retaining walls before the negotiations are concluded and with the understanding that some cost issues may remain in dispute through the end of the project. Specifically, the District disputes Cahill's administrative and overhead fees for this site work.

The current negotiations concern only the details of Cahill and subcontractor pricing, and do not include value engineering (reductions in project scope). Value engineering will begin this week. Please note that the District will solicit input from the Beach parent working group and Beach Principal Julie Valdez before negotiating any reductions in the parent-requested enhancements. As with the Havens and Wildwood projects, final decisions concerning parent enhancements will be made closer in time to project completion, after parent fundraising is concluded.

Negotiations over price and value engineering will take some time, but there is a critical deadline approaching concerning the retaining walls. In order to complete the Linda Avenue and garden retaining walls before the August 5, 2012 turnover date, work must begin in the next two weeks.

The District's Construction Manager and architects considered whether it would be cost-efficient to complete only the work essential for occupancy in August 2012, defer the remainder to a later date, and complete the remainder through direct competitive bidding without Cahill's administrative and overhead charges. In other words, we considered going back to splitting the project into phases. After extensive discussions with the Steering Committee that includes representatives from the COC, the Architect and Construction Manager it was concluded that the costs and risks associated with deferral offset possible cost savings, particularly because it would take at least two summers (2013 and 2014) – two additional phases – to complete the retaining walls and site work.

The Steering Committee and COC unanimously agree that the best course is to complete the project now with Cahill, and recommended that the Board authorize the Superintendent to:

- Direct Cahill to begin work immediately on the Linda Avenue and garden retaining walls, so this work can be completed before the August 5, 2012 turnover date;
- continue negotiations with Cahill and come back to the Board at a later date with a proposed increase to the GMP to cover the Phase II site work, District-added scope and parent-requested site enhancements; and
- take necessary steps to reserve the District's right to challenge Cahill's administrative and overhead fees after completion of the project.

Any proposed increase to the GMP presented to the Board will be based on documented and verified change-order requests, and will leave sufficient reserves to cover any disputed charges.

## **II. RECOMMENDATION: REVIEW AND ACTION**

Authorize the Superintendent to:

- Direct Cahill to begin work immediately on the Linda Avenue and garden retaining walls, so this work can be completed before the August 5, 2012 turnover date;
- continue negotiations with Cahill and come back to the Board at a later date with a proposed increase to the GMP; and
- take necessary steps to reserve the right to challenge Cahill's administrative and overhead fees after completion of the project.

**PIEDMONT UNIFIED SCHOOL DISTRICT**  
**Board Committee & Liaison Assignments Feb.-July 2012**  
**2011-12**  
(assignments through July 11, 2012)

**Committees ( Expected regular attendance)**

APCP & Support Group Presidents .....	Roy Tolles / Andrea Swenson
Bond Program Steering Committee .....	Roy Tolles / Rick Raushenbush
Bond Program Citizens Oversight Committee .....	Roy Tolles / Rick Raushenbush
Bond Program Joint Power Authority (Bus Transportation) .....	Roy Tolles / Ray Gadbois
*City - School District Liaison Meetings .....	Roy Tolles / Rick Raushenbush
District Curriculum Council .....	Sarah Pearson/ Rick Raushenbush
Diversity & Respect Task Force .....	Sarah Pearson / Roy Tolles
Parcel Tax Citizens Advisory Committee (Joint with BAC) .....	Roy Tolles / Rick Raushenbush
Piedmont Educational Foundation .....	Roy Tolles / Andrea Swenson
Special Education Advisory Committee (DAC) .....	Roy Tolles / Andrea Swenson
School Site Councils:	
Tri-School Elementaries .....	Ray Gadbois / Sarah Pearson
PMS .....	Roy Tolles
PHS .....	Rick Raushenbush
Millennium .....	Andrea Swenson

**Board Liaison Assignments**

*ACSBA (Alameda County School Boards Association) .....	Roy Tolles / Rick Raushenbush
Adult School Advisory Board .....	Andrea Swenson
APT (Association of Piedmont Teachers) Liaison .....	Roy Tolles
APT Standards & Criteria Committee.....	Rick Raushenbush
Budget Advisory Committee (BAC) .....	Roy Tolles / Andrea Swenson
CHIME .....	Andrea Swenson
City – Public Safety Committee.....	Andrea Swenson
Correspondence / Email.....	Ray Gadbois
District English Learner Advisory Committee (DELAC).....	Roy Tolles
District Environmental Committee .....	Ray Gadbois
District Technology Committee .....	Sarah Pearson
GATE Advisory Board .....	Sarah Pearson
GATE Parent Support Group .....	Sarah Pearson
Legislation .....	Rick Raushenbush
PAINTS & Noda Grant Committee .....	Andrea Swenson
PHS Athletic Boosters.....	Ray Gadbois
PMS Athletic Boosters.....	Ray Gadbois
Piedmont Appreciating Diversity Committee .....	Roy Tolles
PRAISE .....	Rick Raushenbush
Green/Garden.....	Sarah Pearson
School Parent Clubs:	
Beach .....	Rick Raushenbush
Havens .....	Roy Tolles
Wildwood.....	Sarah Pearson
PMS.....	Sarah Pearson
PHS.....	Ray Gadbois
Millennium .....	Andrea Swenson

Board Member Email Addresses:

Board President Roy Tolles	<a href="mailto:rtolles@piedmont.k12.ca.us">rtolles@piedmont.k12.ca.us</a>
Board Vice President Rick Raushenbush	<a href="mailto:rraushenbush@piedmont.k12.ca.us">rraushenbush@piedmont.k12.ca.us</a>
Board Member Ray Gadbois	<a href="mailto:rgadbois@piedmont.k12.ca.us">rgadbois@piedmont.k12.ca.us</a>
Board Member Sarah Pearson	<a href="mailto:spearson@piedmont.k12.ca.us">spearson@piedmont.k12.ca.us</a>
Board Member Andrea Swenson	<a href="mailto:aswenson@piedmont.k12.ca.us">aswenson@piedmont.k12.ca.us</a>

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

MINUTES OF  
Regular Meeting of the Governing Board

February 8, 2012

CALL TO ORDER

Board President Roy Tolles called the meeting of the Board of Education to order at 6:30 p.m.

ESTABLISHMENT  
OF QUORUM

President Roy Tolles; Vice President Rick Raushenbush; Board Members Ray Gadbois, Martha Jones and June Monach were present.

Adjourn to Closed Session

The Board adjourned to Closed Session at 6:30 p.m. to discuss:

- A. Conference with District Labor Negotiator Constance Hubbard Regarding Negotiations with the Association of Piedmont Teachers (APT)  
(Government Code Section 54956.6)

Others Present in Closed Session

Superintendent Constance Hubbard

Reconvene to Regular Session

President Tolles called the Regular Session of the Board of Education to order at 7:07 p.m. and led the Board and audience in the Pledge of Allegiance. No Action was taken in Closed Session.

Others Present at Regular Session

Superintendent Constance Hubbard  
Randall Booker, Assistant Superintendent, Educational Services

Report of Action Taken in  
Closed Session

None

Agenda Adjustments

There were no adjustments to the agenda.

COMMUNICATIONS/ANNOUNCEMENTS

Association of Piedmont Teachers (APT)

APT President Harlan Mohagen congratulated the new Board Members on their election, and Vice President Raushenbush on his re-election.

She expressed her appreciation for the Professional Development Day on January 30<sup>th</sup>. She spent the morning working on evaluating staff feedback at the high school and hearing commitments for more pilot projects. The afternoon was spent in working on common assessments in the high school, and for the first time, meeting Special Education staff across the District for evaluation planning.

Ms. Mohagen attended a talk by Michelle Rhee and found it interesting despite their differences in opinion. One of Ms. Rhee's comments was that at Board of Education meetings there is never any conversation about kids. Fortunately, this is not true at our board meetings. In her platform Ms. Rhee recommends fast-tracking new teachers into classrooms using an approach like

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February 8, 2012  
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Teach for America, which provides an eight-week training program. This despite the fact that Rhee herself realized she needed to go back to school and get her credential after going into a classroom after Teach for America training.

CSEA  
Parent Clubs

None  
None

Student Representative to Board of  
Education

Karina Chan, Student Representative, reported that First Semester grade reports are coming out now. For Valentine's Day, the ASB is selling Valentine-O-Grams sung by the Troubadours for \$1 each. She encouraged everyone to attend a performance of *Bye, Bye, Birdie* this week.

Winter sports are ending and tryouts are taking place for spring sports. Friday night the Women's Soccer team is playing Albany, Men's Basketball faces El Marino and Men's Soccer plays Albany for the league title.

Persons Wishing to Speak to Any Item Not  
Listed on the Agenda

Willem Xu, Piedmont High School, spoke of his interest in business and economics. He stated that there is only a one-semester class in economics, with a textbook written before 2000, and he would like to know what to do to foster interest in this subject.

President Tolles thanked him for his comments and reminded everyone that the Board cannot discuss any items that are not on the agenda.

Connor Smith, Piedmont High School, discussed his difficulties with parking at Witter Field while the baseball parking lot is closed.

Eric Huppert, Piedmont High School, received his grades online and then again in the mail. He suggested that the District move to online grades only unless a parent or student opts in. He believes this would be quicker and would save the District money on the postage and time spent on the mailing.

Superintendent Announcements

None

Board President Announcements

President Tolles announced the unofficial results of the February 7<sup>th</sup> election. The top three vote-getters were Andrea Swenson, Rick Raushenbush and Sarah Pearson. He welcomed the new members to the Board.

RECOGNITION OF OUTGOING BOARD  
MEMBERS

The Administration honored the Board members who are retiring. Assistant Superintendent Randy Booker honored Martha Jones for her generosity and her work on the Curriculum Forum and presented her with a framed drawing of "Shaping Our Future." Principal Tery Susman honored June Monach for the many ways she has provided leadership to our district over the past 20 years and presented her with a framed drawing of "Shaping Our Future." APT President Harlan Mohegan expressed her appreciation for their efforts and presented them with a token of appreciation. Mary Ireland thanked them on behalf of the Associated Parents Clubs of Piedmont and the Parents Club Presidents for their amazing work.

**NOT APPROVED**

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Amal Smith expressed the appreciation of the Piedmont Educational Foundation for their immeasurable contributions to the District and all children. Cathy Geddeis expressed her thanks for their commitment and accomplishments.

The Board members presented Ms. Monach and Ms. Jones with gifts and flowers and Superintendent Hubbard expressed her gratitude and appreciation to them.

#### REVIEW & ACTION ITEMS

- A. Report from the Citizens' Advisory Committee to the Parcel Tax Program  
(Superintendent Hubbard)

The Parcel Tax Advisory Committee was scheduled to make a presentation this evening on their preliminary recommendation as to the levy of the 2012-13 Measure B Parcel Tax. This report was scheduled early because last year the recommendation provided information necessary for the Board to provide direction to staff in the preparation of the certificated lay-offs and Second Interim financial reports, both due in March. This year the Board has committed not to proceed with any certificated layoffs, and there is flexibility in the preparation of the Second Interim Report. The committee is meeting this week and looking at metrics as they prepare their recommendation.

The Committee will present information and provide a recommendation as to the 2012-13 levy of Measure B at the Board Meeting on March 14, 2012. Their recommendation will be posted on the District website. There will be two Public Hearings at the Board meetings of March 28, 2012 and Tuesday, April 17, 2012. The community will have ample time for input prior to the Board taking action on April 17, 2012.

No public questions or comments were received.

- B. \*Approve School Accountability Report Card (SARC), 2010-11, for all Piedmont Schools  
(Assistant Superintendent Booker)

Assistant Superintendent Brady presented the School Accountability Report Cards (SARC) for all school sites. He explained that this is a document developed in 1988 by the Department of Education as one way of informing the community about conditions, needs, and progress at each school and to provide data by which parents/guardians can make meaningful comparisons between schools. He explained that these are somewhat outdated reports as much or all of the information can be found on the EdWest website. Each report consists of a two-page Executive Summary, which includes information on enrollment, performance, facilities and finances. The reports for Millennium and Piedmont High School are missing the Math results from the STAR exam results, and will be corrected.

President Tolles mentioned that each report has somewhat different language in the section on Instructional Minutes. He suggested they be made identical and that notation be included to explain furlough days. Assistant Superintendent Booker said this would be done.

There was no public comment or additional Board discussion.

It was moved by Board Member Jones, seconded by Board Member Monach and passed unanimously to approve the School

**NOT APPROVED**

Regular Meeting Minutes of  
February 8, 2012  
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Accountability Report Cards for 2010.

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

C. Seismic Safety Bond Program  
Update – Beach Project  
(Superintendent Hubbard)

Superintendent Hubbard noted that as we transition to a new board it is useful to update where we are on the Beach project. When the project began, we were uncertain how much money we would receive from the State, and the Board moved forward with unfunded apportionments, dividing the project into two parts: seismic safety and site work. The purpose of the seismic safety phase is human safety and usability of the structures after a seismic event. It is not the case that we expect no damage after a quake, but that we expect the buildings to be usable. The second phase, site work, included work on the retaining wall on Linda and the playgrounds. We have received notification that we will receive the funding and can put back Phase 2. When we took it out, it was in the preliminary planning stages. Now that we are putting it in, there will be details to work out and the cost will be more than what we took out. We are currently getting data and bids for Phase 2. We will be out of the Emeryville site by the end of July. We will bring an amended GMP (Guaranteed Maximum Price) or amended contract back to the Board; we are getting legal advice as to how best to move this forward. We included \$700,000 in financing charges, which we will now be able to use instead for project work on the increased scope. We have asked Cahill to get three subcontractor bids on each phase of the work, and Vila is working with Cahill to get the best possible prices.

President Tolles said that in the process of doing the work, it was discovered that the roof is in terrible shape and repairing/replacing it will be a few hundred thousand dollars over budget. Superintendent Hubbard said that the Seismic Bond Steering Committee is reviewing everything.

Vice President Raushenbush explained that there are three sources of overages: additional changes such as dry rot and storm drains (the type of things you find when remodeling an older structure); adding back Phase 2 including the playground, which was found to have water beneath it; and replacement of the roof.

Board Member Gadbois asked if we had project contingency funds. Ms. Hubbard explained that we have such funds for Beach separate from the GMP. Vice President Raushenbush said that the committee has met several times recently and bids will be submitted in the next three weeks followed by two weeks of discussion. President Tolles said that at the next Board meeting in early March they will try to bring back the budget for approval.

Superintendent Hubbard wanted to dispel the rumor that we have extra money - this is not true. We are still closely monitoring the budget. It needs to be understood that this money is separate from our operating budget and cannot and is not being used for everyday programming.

**NOT APPROVED**

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February 8, 2012  
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## INFORMATION/DISCUSSION

### A. Educational Services Report: Spotlight on Student Learning

There was no further Board comment or any public comment.

Professional Development Day, January 30th, 2012

Assistant Superintendent Booker thanked the Piedmont Educational Foundation for their generous support; the principals, assistant principals, and Special Education Director for working to develop agendas; and the APT for rallying staff. Over 199 teachers and staff were involved in components of the new evaluation system. He has over 30 pages of notes of what was accomplished.

The agenda for the day focused on four themes: evaluation components, Common Assessment development, Unit Study and Review, and review of standards and curriculum for alignment.

Teachers and administrators attended Data Director training done in conjunction with professional development.

Assistant Superintendent Booker commented on the tremendous buy-in from teachers, who focused on evaluation as a way to improve student learning.

President Tolles thanked Mr. Booker for his excellent presentation.

Superintendent Hubbard stated that the emphasis was on product: development: creating tangible things to be used in the classroom, evaluating what we do and how to do it better.

There was no further Board comment or any public comment.

## INFORMATION / ANNOUNCEMENTS

### A. Announcement of Elementary Enrollment (K-5th Grade) Day to be held on Thursday, March 8, 2012

Superintendent Hubbard announced that Elementary Enrollment will be held on Thursday, March 8, 2012 at the Ellen Driscoll Theater for any student not currently in elementary school. We are asking parents of students eligible for Transitional Kindergarten (TK) that is a child who turns 5 between Nov. 2 and Dec. 2, 2012, to come to registration. The law regarding TK is changing on a daily basis and it also changes eligibility for first grade in subsequent years. With TK, Kindergarten becomes a two-year program and we do not yet know what the State will decide.

Assistant Superintendent Booker encouraged people to contact him if they have questions regarding TK and said that information is also posted on the District website.

### B. Announcement of Special Board Meeting, February 29, 2012

Superintendent Hubbard announced that the Special Board Meeting on Wednesday, February 29, 2012, at 4:00-5:00 p.m. will take place in the District Administration Office Conference Room. City Clerk John Tulley will swear in New Board Members and seated board members will attend. Following the brief meeting, a reception will take place at the Community Center.

### C. \*Search Process and Timeline for Principal

Superintendent Hubbard presented the search process and a timeline. She and Assistant Superintendent Booker met with

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February 8, 2012  
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parents and staff and she will meet with parents again tomorrow night and subsequently at a site council meeting on February 28 regarding the qualities they want to see in a new administrator. The position has been posted on websites and newspapers, and the application period will close on March 12<sup>th</sup> with the goal to be bringing a recommendation to the full Board on May 9<sup>th</sup>.

President Tolles announced that Tery Susman is retiring after 21 years with Piedmont.

#### CORRESPONDENCE

Board Member June Monach acknowledged receiving the following:

- An email of the PMS Library newsletter
- An email from a community member of a Ted talk by Sir Ken Robinson entitled " Schools Kill Creativity"
- Ad email from Board Member Jones on the LAO's report on the 2012-13 State budget and Prop. 98 analysis
- President Tolles acknowledged receiving an email regarding hiring practices

#### BOARD REPORTS

Board Member Gadbois congratulated the winners of the Board election.

Board Member Monach had nothing to report.

Board Member Jones encouraged participation in the World Language Review.

Vice President Raushenbush attended meeting of the Budget Advisory Committee and also a meeting of the Piedmont High Site Council.

President Tolles attended a meeting of the Budget Advisory Committee last night and announced a meeting of the Citizen's Oversight Committee next week.

#### CONSENT CALENDAR

It was moved by Board Member Jones, seconded by Board Member Monach and passed unanimously to approve all items on the Consent Calendar as presented:

- A. Adopt Regular Board Meeting Minutes of January 24, 2012
- B. Approve Personnel Action Report.
- C. Ratify Agreement with Vila Construction for Construction Management Services for the Seismic Safety Program, effective July 1, 2010 through June 30, 2013, at a total amount not to exceed \$198,000, as included in program budget.  
Funding: District Bond/State Modernization
- D. Approve Agreement with Vila Construction for Coordination of District facilities maintenance projects, effective February 9, 2012 through December 31, 2012, not to exceed \$50,000.  
Funding: District Deferred Maintenance
- E. \*Approve Memorandum of Understanding for Educationally Related Mental Health Services for 2011/2012 Between

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Regular Meeting Minutes of  
February 8, 2012  
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County of Alameda Health Care Services Agency, Behavioral Health Care Services, Alameda County Office of Education and Piedmont Unified School District

The Board will be requested to ratify the MOU with Alameda County agencies to provide mental health services for students receiving services this school year.

- F. Approve Four Day Field Trip for 29 Piedmont High School Students to participate in Columbia Scholastic Press Association Trip in New York City from March 13-16, 2012
- G. Approve Field Trip for 7 students to attend Junior State of America's Northern California Congress in Sacramento from February 11-12, 2012
- H. Approve one Individual Service Agreement with Quality Behavioral Outcomes, to provide a functional behavioral analysis and a behavior support plan for one student, effective January 23, 2012 to March 30, 2012, at a total cost not to exceed \$3,520.00. Funding: Special Education
- I. Approve one Independent Contractor Agreement with Welcome Transport Group, to provide transportation for one student, effective January 23, 2012 through June 30, 2012, at a total cost not to exceed \$10,300.00. Funding: Special Education
- J. Approve one Independent Contractor Agreement with Christina K. Kusaba, to provide services as a case manager for one student, effective January 10, 2012 to June 30, 2012, at a total cost not to exceed \$9,333.60. Funding: Special Education

#### FUTURE BOARD AGENDA ITEMS

President Tolles announced that the Feb. 29<sup>th</sup> meeting will be for swearing in new members. Under future agenda items he would like to discuss Beach GMP and a mid-year report on Action Plan in March. Items to be discussed in future meetings include an update from the Evaluation Committee and a report on additional staff development.

President Tolles mentioned that he and Board Member Monach discussed how to handle emails that come to the Board; it is helpful to have someone in this position to acknowledge receipt and provide any information requested. He thanked Board Member Monach for her work on Board communications and suggested the Board discuss this at a future agenda, as well as a discussion of other Board tasks.

Superintendent Hubbard stated that several items were not included in the list; the Second Interim Budget and the Parcel Tax Advisory Committee report will be on the March 14th agenda.

Board Member Raushenbush would like to add an agenda item regarding technical needs, including bandwidth issues, and suggested the Board needs to understand the problems and any financial considerations.

**NOT APPROVED**

Regular Meeting Minutes of  
February 8, 2012  
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### SUBJECT TO CHANGE

- Special Board Meeting for Swearing-In of New Board Members and Reorganization of Board @ District Office 4-5 p.m. (Feb 29)
- Communications Protocol – Board Discussion (March)
- Approve List of Donor Opportunities (Beach Capital Campaign) for Beach Elementary School Project (March)
- Approve 2010-11 Consolidated Application, Part II (March)
- Mid-Year Assessment on District Goals and Commitments (March)
- Discuss Items for 2012-13 Contract Reopeners Between the District and the California School Employees Association, Chapter 60 (CSEA), Public Hearing #1 (March-April)
- Approve Beach Guarantee Maximum Price (GMP) (TBD)
- Update from Evaluation Committee (TBD)
- Special Board Meeting to Discuss “Common Assessments” (TBD)
- Use of Athletic Facilities (TBD)
- Review and Approve Facilities Funding Agreement for Upkeep of City and School District Athletic Facilities (“Preservation Fund”) (TBD)
- Uniform Complaint Form Board Policies (TBD)
- Conduct First Reading of Proposed Revised Board Policy 6146.1, “High School Graduation Requirements” (TBD)
- Conduct First Reading of Proposed Revised Board Policy 5144, “Discipline” (title to be changed to “*Student Discipline*”) (TBD)
- Conduct First Reading of Special Education Board Policies (TBD)
- Review of Board Bylaws (Section 9000) (TBD)
- Report of Professional Development (TBD)

Adjournment

There being no further business, and with no objection by the Board, President Tolles adjourned the meeting at 8:40 p.m.

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ROY TOLLES, Board President  
Piedmont Unified School District  
Board of Education

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CONSTANCE HUBBARD  
Secretary, Piedmont Unified School District  
Board of Education

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Regular Meeting Minutes of  
February 8, 2012  
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PIEDMONT UNIFIED SCHOOL DISTRICT  
District Offices  
560 Magnolia Ave.  
Piedmont, California 94611

MINUTES OF  
Special Meeting of the Governing Board

February 29, 2012

CALL TO ORDER	Board President Roy Tolles called the meeting of the Board of Education to order at 4:00 p.m.
ESTABLISHMENT OF QUORUM	President Roy Tolles; Vice President Richard Raushenbush; and Board Members Ray Gadbois, Martha Jones and June Monach were present. Newly elected Board Members Sarah Pearson and Andrea Swenson were also present.
Others Present at Regular Session	Superintendent Constance Hubbard Michael Brady, Assistant Superintendent, Business Services Randall Booker, Assistant Superintendent, Educational Services John Tulloch, Clerk of the City of Piedmont
Persons Wishing to Speak to Any Item on the Agenda	There were no comments from the public.
Swearing In of Board Members	Incumbent Risk Raushenbush and new members Sarah Pearson and Andrea Swenson were sworn in by City Clerk John Tulloch.
Reorganization of Governing Board	The reorganization taking place tonight is for the term of March 2012 through July 11, 2012, after which time the Board will again do their regular annual reorganization for the period July 1, 2012 through June 30, 2013.
Reorganization of Governing Board	<p>The reorganization taking place tonight is for the term of March, 2012 through July 14, 2012, after which time the Board will again do their regular annual reorganization for the period July 1, 2012 through June 30, 2013.</p> <p>It was moved by Board Member Raushenbush, seconded by Board Member Gadbois and passed unanimously to nominate and elect Roy Tolles as President of the Board.</p> <p>It was moved by Board Member Gadbois, seconded by Board Member Pearson, and passed unanimously to nominate and elect Richard Raushenbush as Vice President of the Board.</p> <p>It was moved by Board Member Pearson, seconded by Vice President Raushenbush, and passed unanimously to nominate and elect Superintendent Constance Hubbard as Secretary to the Board.</p>
Adjournment	There being no further business, and with no objection by the Board, President Tolles adjourned the meeting at 4:10 p.m.

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ROY TOLLES, Board President  
Piedmont Unified School District  
Board of Education

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CONSTANCE HUBBARD  
Secretary, Piedmont Unified School District  
Board of Education

ROUTE TO THE GOVERNING BOARD  
FROM 01/01/2012 TO 01/31/2012  
UNAPPROVED TRANSACTIONS INCLUDED

Fund :01 General Fund

SUMMARY BY Object	WORKING BUDGET	EXPENDED/RECEIVED		%	UNENCUMBERED	
		CURRENT	YEAR TO DATE		ENCUMBERED	BALANCE
80xx Revenue	13,325,104.00	500,609.30	5,383,251.80	40.3	0.00	7,941,852.20
81xx FEDERAL REVENUE	577,654.00	2.00	46,631.35	8.0	0.00	531,022.65
82xx OTHER FEDERAL REVENUE	78,678.00	25,113.00	25,218.00	32.0	0.00	53,460.00
83xx OTHER STATE REVENUE	160,919.00	11,632.00	23,730.00	14.7	0.00	137,189.00
84xx OTHER STATE REVENUE	649,225.00	6,849.00	163,595.00	25.1	0.00	485,630.00
85xx OTHER STATE REVENUE	1,456,483.00	261,796.21	700,322.74	48.0	0.00	756,160.26
86xx OTHER LOCAL REVENUE	12,225,873.00	527,372.38	7,498,844.18	61.3	0.00	4,727,028.82
87xx OTHER TRANSFER IN	1,096,700.00	0.00	242,146.00	22.0	0.00	854,554.00
TOTAL: 8xxx	29,570,636.00	1,319,675.89	14,083,739.07	47.6	0.00	15,486,896.93
11xx Certificated Salaries	11,707,079.00	2,333,294.44	5,882,774.14	50.2	0.00	5,824,304.86
12xx Counselors/Psych/Nurse/Librari	1,097,523.00	215,747.74	537,970.83	49.0	0.00	559,552.17
13xx Cert Salaries-Admin/Supervisor	1,779,830.00	268,948.78	941,516.09	52.8	0.00	838,313.91
19xx Other Certificated Salaries	284,778.00	58,877.53	160,962.13	56.5	0.00	123,815.87
TOTAL: 1xxx	14,869,210.00	2,876,868.49	7,523,223.19	50.5	0.00	7,345,986.81
21xx Class Sal/Instructional Aide	2,102,095.00	184,449.06	986,044.08	46.9	0.00	1,116,050.92
22xx Classified Support Salaries	1,156,240.00	94,939.95	653,330.51	56.5	0.00	502,909.49
23xx Class Sal/Administrator/Superv	129,569.00	10,834.87	75,844.09	58.5	0.00	53,724.91
24xx Class Sal/Clerical&Othr Office	1,209,231.00	131,672.45	656,570.97	54.2	0.00	552,660.03
29xx Other Classified Salaries	71,220.00	9,842.66	49,809.15	69.9	0.00	21,410.85
TOTAL: 2xxx	4,668,355.00	431,538.99	2,421,598.80	51.8	0.00	2,246,756.20
31xx STRS	1,238,528.00	709,342.65	149,716.09	12.0	0.00	1,088,811.91
32xx PERS	493,478.00	140,638.49	397,451.44	80.5	0.00	96,026.56
33xx SOCIAL SECURITY	563,418.00	79,855.16	309,666.82	54.9	0.00	253,751.18
34xx HEALTH & WELFARE	3,108,523.00	392,542.12	1,691,402.52	54.4	0.00	1,417,120.48
35xx STATE UNEMPLOYMENT INSURANCE	314,851.00	60,711.15	108,828.13	34.5	0.00	206,022.87
36xx WORKERS COMPENSATION INSURANCE	377,431.00	190,900.85	388,774.21	100.0	0.00	11,343.21
37xx OPEB	440,732.00	62,656.82	194,017.62	44.0	0.00	246,714.38
38xx PERS REDUCTION	51,434.00	4,100.93	42,976.74	83.5	0.00	8,457.26
TOTAL: 3xxx	6,588,395.00	1,359,471.19	3,282,833.57	49.8	0.00	3,305,561.43
41xx Approved Textbooks	129,669.00	15,858.47	78,183.18	60.2	20,414.33	31,071.49
42xx Books and Othr Ref Materials	10,741.00	786.43	4,301.21	40.0	3,468.41	2,971.38
43xx Materials and Supplies	1,221,890.00	119,677.33	535,865.14	43.8	105,217.95	580,806.91
44xx Non-Capitalized Equipment	42,039.00	2,574.58	24,679.14	58.7	13,662.59	3,697.27
TOTAL: 4xxx	1,404,339.00	138,896.81	643,028.67	45.7	142,763.28	618,547.05
51xx Subagreement for Services	42,200.00	4,834.58	4,834.58	.0	39,639.85	7,394.73
						100.0



ROUTE TO THE GOVERNING BOARD  
FROM 01/01/2012 TO 01/31/2012  
UNAPPROVED TRANSACTIONS INCLUDED

Fund :01 General Fund

SUMMARY BY Object		WORKING BUDGET	EXPENDED/RECEIVED		%	ENCUMBERED	UNENCUMBERED	%
			CURRENT	YEAR TO DATE			BALANCE	
52xx	Travel and Conference	69,772.00	1,760.68	15,786.51	22.6	12,708.94	41,276.55	59.1
53xx	Dues and Memberships	18,523.00	114.00	15,150.44	81.7	0.00	3,372.56	18.2
54xx	INSURANCE	146,018.00	0.00	73,009.00	50.0	73,009.00	0.00	.0
55xx	Operation and Housekeeping Svc	429,100.00	32,223.37	218,185.18	50.8	3,026.72	207,888.10	48.4
56xx	Rntls,Leases,Repair,Noncapital	326,916.00	20,935.41	155,150.22	47.4	124,693.71	47,072.07	14.3
58xx	Prof/Consulting Svcs/Operating	1,933,660.00	42,403.05	477,968.63	24.7	1,085,337.24	370,354.13	19.1
59xx	Communications	82,635.00	6,044.43	41,805.28	50.5	29,744.60	11,085.12	13.4
	TOTAL: 5xxx	3,048,824.00	13,840.26	992,220.68	32.5	1,368,160.06	688,443.26	22.5
	TOTAL: 1xxx - 5xxx	30,579,123.00	4,820,615.74	14,862,904.91	48.6	1,510,923.34	14,205,294.75	46.4
62xx	Building & Building Improvement	10,730.00	1,048.35	2,635.30	24.5	2,167.44	5,927.26	55.2
	TOTAL: 6xxx	10,730.00	1,048.35	2,635.30	24.5	2,167.44	5,927.26	55.2
	TOTAL: 1xxx - 6xxx	30,589,853.00	4,821,664.09	14,865,540.21	48.5	1,513,090.78	14,211,222.01	46.4
73xx	DIRECT SUPPORT/INDIRECT COST	120,000.00-	0.00	0.00	100.0	0.00	120,000.00-	.0
76xx	INTERFUND TRANSFER/OTHER USES	267,055.00	55,621.00-	0.00	.0	0.00	267,055.00	100.0
	TOTAL: 7xxx	147,055.00	55,621.00-	0.00	.0	0.00	147,055.00	100.0
	TOTAL: 1xxx - 7xxx	30,736,908.00	4,766,043.09	14,865,540.21	48.3	1,513,090.78	14,358,277.01	46.7

ROUTE TO THE GOVERNING BOARD  
 FROM 01/01/2012 TO 01/31/2012  
 UNAPPROVED TRANSACTIONS INCLUDED  
 Summary

Fund :01 General Fund

SUMMARY BY Object		WORKING BUDGET	EXPENDED/RECEIVED		%	UNENCUMBERED		
			CURRENT	YEAR TO DATE		ENCUMBERED	BALANCE	
-----								
TOTAL INCOME	( 8000 - 8999 )	29,570,636.00	1,319,675.89	14,083,739.07	47.6	0.00	15,486,896.93	52.3
TOTAL: 1xxx - 5xxx		30,579,123.00	4,820,615.74	14,862,904.91	48.6	1,510,923.34	14,205,294.75	46.4
TOTAL: 1xxx - 6xxx		30,589,853.00	4,821,664.09	14,865,540.21	48.5	1,513,090.78	14,211,222.01	46.4
TOTAL: 1xxx - 7xxx		30,736,908.00	4,766,043.09	14,865,540.21	48.3	1,513,090.78	14,358,277.01	46.7
TOTAL EXPENSES	( 1000 - 7999 )	30,736,908.00	4,766,043.09	14,865,540.21	48.3	1,513,090.78	14,358,277.01	46.7

ROUTE TO THE GOVERNING BOARD FROM 02/01/2012 TO 02/29/2012  
UNAPPROVED TRANSACTIONS INCLUDED

SUMMARY BY Object	FUND :01	General Fund	WORKING BUDGET	EXPENDED/RECEIVED		%	ENCUMBERED	UNENCUMBERED	
				CURRENT	YEAR TO DATE			BALANCE	%
80xx Revenue			13,325,104.00	1,202,450.99	6,585,702.79	49.4	0.00	6,739,401.21	50.5
81xx FEDERAL REVENUE			577,654.00	0.00	46,631.35	8.0	0.00	531,022.65	91.9
82xx OTHER FEDERAL REVENUE			78,678.00	0.00	25,218.00	32.0	0.00	53,460.00	67.9
83xx OTHER STATE REVENUE			160,919.00	9,138.00	32,868.00	20.4	0.00	128,051.00	79.5
84xx OTHER STATE REVENUE			649,225.00	20,547.00	143,048.00	22.0	0.00	506,177.00	77.9
85xx OTHER STATE REVENUE			1,456,483.00	81,535.00	781,857.74	53.6	0.00	674,625.26	46.3
86xx OTHER LOCAL REVENUE			12,225,873.00	100,306.34	7,599,150.52	62.1	0.00	4,626,722.48	37.8
87xx OTHER TRANSFER IN			1,096,700.00	130,032.00	372,178.00	33.9	0.00	724,522.00	66.0
TOTAL: 8xxx			29,570,636.00	1,502,915.33	15,586,654.40	52.7	0.00	13,983,981.60	47.2
11xx Certificated Salaries			11,707,079.00	1,185,994.50	7,068,768.64	60.3	0.00	4,638,310.36	39.6
12xx Counselors/Psych/Nurse/Librari			1,097,523.00	106,506.99	644,477.82	58.7	0.00	453,045.18	41.2
13xx Cert Salaries-Admin/Supervisor			1,779,830.00	134,474.39	1,075,990.48	60.4	0.00	703,839.52	39.5
19xx Other Certificated Salaries			284,778.00	30,626.91	191,589.04	67.2	0.00	93,188.96	32.7
TOTAL: 1xxx			14,869,210.00	1,457,602.79	8,980,825.98	60.3	0.00	5,888,384.02	39.6
21xx Class Sal/Instructional Aide			2,102,095.00	200,966.42	1,187,010.50	56.4	0.00	915,084.50	43.5
22xx Classified Support Salaries			1,156,240.00	94,053.15	747,383.66	64.6	0.00	408,856.34	35.3
23xx Class Sal/Administrator/Superv			129,569.00	10,834.87	86,678.96	66.8	0.00	42,890.04	33.1
24xx Class Sal/Clerical&Othr Office			1,209,231.00	112,706.94	769,277.91	63.6	0.00	439,953.09	36.3
29xx Other Classified Salaries			71,220.00	10,291.82	60,100.97	84.3	0.00	11,119.03	15.6
TOTAL: 2xxx			4,668,355.00	428,853.20	2,850,452.00	61.0	0.00	1,817,903.00	38.9
31xx STRS			1,238,528.00	116,593.03	266,309.12	21.5	0.00	972,218.88	78.4
32xx PERS			493,478.00	42,302.00	439,753.44	89.1	0.00	53,724.56	10.8
33xx SOCIAL SECURITY			563,418.00	52,099.72	361,766.54	64.2	0.00	201,651.46	35.7
34xx HEALTH & WELFARE			3,108,523.00	298,709.58	1,990,112.10	64.0	0.00	1,118,410.90	35.9
35xx STATE UNEMPLOYMENT INSURANCE			314,851.00	30,347.01	139,175.14	44.2	0.00	175,675.86	55.7
36xx WORKERS COMPENSATION INSURANCE			377,431.00	18,864.25	407,638.46	100.0	0.00	30,207.46	.0
37xx OPEB			440,732.00	47,524.25	241,541.87	54.8	0.00	199,190.13	45.1
38xx PERS REDUCTION			51,434.00	8,121.15	51,097.89	99.3	0.00	336.11	.6
TOTAL: 3xxx			6,588,395.00	614,560.99	3,897,394.56	59.1	0.00	2,691,000.44	40.8
41xx Approved Textbooks			129,669.00	7,518.18	85,701.36	66.0	19,662.34	24,305.30	18.7
42xx Books and Othr Ref Materials			10,741.00	0.00	4,301.21	40.0	4,460.13	1,979.66	18.4
43xx Materials and Supplies			1,221,890.00	36,065.91	571,931.05	46.8	104,281.71	545,677.24	44.6
44xx Non-Capitalized Equipment			42,039.00	2,238.50	26,917.64	64.0	13,420.17	1,701.19	4.0
TOTAL: 4xxx			1,404,339.00	45,822.59	688,851.26	49.0	141,824.35	573,663.39	40.8
51xx Subagreement for Services			42,200.00	0.00	4,834.58	.0	20,701.71	26,332.87	100.0

ROUTE TO THE GOVERNING BOARD FROM 02/01/2012 TO 02/29/2012  
UNAPPROVED TRANSACTIONS INCLUDED

Fund :01 General Fund		WORKING BUDGET			EXPENDED/RECEIVED		ENCUMBERED		UNENCUMBERED	
SUMMARY BY Object			CURRENT	YEAR TO DATE	%		BALANCE	%		
52xx	Travel and Conference	69,772.00	4,235.00	20,021.51	28.6	12,598.94	37,151.55	53.2		
53xx	Dues and Memberships	18,523.00	619.00	15,769.44	85.1	0.00	2,753.56	14.8		
54xx	INSURANCE	146,018.00	73,009.00	146,018.00	100.0	0.00	0.00	.0		
55xx	Operation and Housekeeping Svc	429,100.00	36,556.40	254,741.58	59.3	1,936.42	172,422.00	40.1		
56xx	Rntls,Leases,Repair,Noncapital	326,916.00	8,499.12	163,649.34	50.0	115,136.20	48,130.46	14.7		
58xx	Prof/Consulting Svcs/Operating	1,933,660.00	150,389.27	628,357.90	32.4	968,342.77	336,959.33	17.4		
59xx	Communications	82,635.00	3,080.10	44,885.38	54.3	24,971.11	12,778.51	15.4		
	TOTAL: 5xxx	3,048,824.00	276,387.89	1,268,608.57	41.6	1,143,687.15	636,528.28	20.8		
	TOTAL: 1xxx - 5xxx	30,579,123.00	2,823,227.46	17,686,132.37	57.8	1,285,511.50	11,607,479.13	37.9		
62xx	Building & Building Improvement	10,730.00	0.00	2,635.30	24.5	2,251.17	5,843.53	54.4		
	TOTAL: 6xxx	10,730.00	0.00	2,635.30	24.5	2,251.17	5,843.53	54.4		
	TOTAL: 1xxx - 6xxx	30,589,853.00	2,823,227.46	17,688,767.67	57.8	1,287,762.67	11,613,322.66	37.9		
73xx	DIRECT SUPPORT/INDIRECT COST	120,000.00-	0.00	0.00	100.0	0.00	120,000.00-	.0		
76xx	INTERFUND TRANSFER/OTHER USES	267,055.00	0.00	0.00	.0	0.00	267,055.00	100.0		
	TOTAL: 7xxx	147,055.00	0.00	0.00	.0	0.00	147,055.00	100.0		
	TOTAL: 1xxx - 7xxx	30,736,908.00	2,823,227.46	17,688,767.67	57.5	1,287,762.67	11,760,377.66	38.2		

ROUTE TO THE GOVERNING BOARD  
 FROM 02/01/2012 TO 02/29/2012  
 UNAPPROVED TRANSACTIONS INCLUDED  
 Summary

Fund	:01	General Fund	Summary						
			WORKING BUDGET	EXPENDED/RECEIVED CURRENT YEAR TO DATE	%	ENCUMBERED	UNENCUMBERED BALANCE		
SUMMARY BY Object									
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TOTAL INCOME	( 8000 - 8999 )		29,570,636.00	1,502,915.33	15,586,654.40	52.7	0.00	13,983,981.60	47.2
TOTAL: 1xxx - 5xxx			30,579,123.00	2,823,227.46	17,686,132.37	57.8	1,285,511.50	11,607,479.13	37.9
TOTAL: 1xxx - 6xxx			30,589,853.00	2,823,227.46	17,688,767.67	57.8	1,287,762.67	11,613,322.66	37.9
TOTAL: 1xxx - 7xxx			30,736,908.00	2,823,227.46	17,688,767.67	57.5	1,287,762.67	11,760,377.66	38.2
TOTAL EXPENSES	( 1000 - 7999 )		30,736,908.00	2,823,227.46	17,688,767.67	57.5	1,287,762.67	11,760,377.66	38.2

**PIEDMONT UNIFIED SCHOOL DISTRICT**  
Piedmont, California

March 14, 2012

TO: Members of the Board of Education

FROM: Constance Hubbard, Superintendent

SUBJECT: Personnel Action

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**SUBJECT TO BOARD APPROVAL**

**Employment: Classified**

Amanda Eyges Effective 2/10/12	Special Ed Paraeducator New Hire 1.0 FTE	Beach
Gerald Lloyd Effective 2/27/12	Special Ed Paraeducator Increase to .88 FTE from .83 FTE	Beach
Alyssa Barker Effective 2/28/12	Special Ed Paraeducator New Hire .20 FTE	Havens
Steven Long Effective 3/9/2012	Special Ed Paraeducator New Hire 1.11 FTE	PMS

**Resignation: Classified**

Robin Chetkowsky Effective 3/19/12	Special Ed Paraeducator .83 FTE	PMS
Lucas Denman Effective 3/12/12	Special Ed Paraeducator 1.11 FTE	PMS

**Resignation: Certificated**

Jan Michael Effective 4/20/12	Resource Specialist Teacher 1.0 FTE	PMS
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Piedmont Unified School District  
**Request for Field Trip Approval**

**PIEDMONT HIGH SCHOOL**

**PLEASE PRINT**

Requested by Jan D'Annunzio Ext. \_\_\_\_\_ Date 10-25-11 Program Instrumental Music

**DESTINATION** Anaheim, CA City/State/Country USA

Date(s): 3/22-25/2012 Depart: 7:00 a.m. am/pm Return: 5:00 pm am/pm

Total Number of Days Involved: \_\_\_\_\_ Number of School Days Involved: \_\_\_\_\_

Purpose: ☐ Study Course ☐ Athletics ☐ Club Activity ☒ Other Music Festival

# Students Attending: 68 Teacher: Cathy DeVos, Andria Mullan

**Emergency Contact at Destination**

Jan D'Annunzio 510-697-1740  
Name Telephone/Cell

**Names of Additional Supervisors/Chaperons** (Indicate if Parent or Staff)

Galen Grant - Percussion Clinician

**TRANSPORTATION**

☐ Rental Vehicle ☐ Private Vehicle(s) ☒ Common Carrier(s) Coach America Bus Lines  
Company Name

**Insurance:**

**Chartered Vehicles**..... **MUST** have a current insurance certificate and an endorsement of additional covered interest naming PUSD as additional insured attached to the Request for Field Trip Approval form on file with the Business Office (510.594.2622)

**Personal Private Vehicles** **MUST** submit a private Car Travel Check form.

**Air Travel Trips**..... **MUST** submit an itinerary attached to the Request for Field Trip Approval form.

**COSTS**

Substitute Coverage: Yes/No Date(s) 3/22 & 3/23 for ms mullan & ms DeVos  
(Teachers please contact Sub Caller after approval--Ext. 700)

Estimated Student Cost: \$640.00 Funding Source: Parents -  
(Transportation, Admission, Lodging, Meals) some scholarship \$ raised

**Type of Trip:**

☐ PUSD Site ☐ Local (within 100 miles one way) ☒ Extended (Overnight): Accommodations: \_\_\_\_\_

☐ Out-of-State/Country: Please attach complete description of carrier, accommodations, itinerary, scholarship, provisions, etc.

**APPROVAL**

Rigby 3/14/12  
Principal/District Administrator

Governing Board Approval \_\_\_\_\_ Date \_\_\_\_\_  
**Overnight & Out-of-State/Country Travel**