

Galt Joint Union Elementary School District
Board of Education
“Building a Bright Future for All Learners”

Regular Board Meeting
Wednesday, January 23, 2019
6:00 p.m. Closed Session
7:00 p.m. Open Session

Galt City Hall Chamber
380 Civic Drive, Galt, CA 95632

AGENDA

Anyone may address the Board regarding any item that is within the Board’s subject matter jurisdiction. However, the Board may not take action on any item which is not on this agenda as authorized by Government Code Section 54954.2.

Community members and employees may address items on the agenda by filling out a speaker’s request form and giving it to the board meeting assistant prior to the start of that agenda item.

Comments are limited to no more than 3 minutes or less pending Board President approval.

- A. 6:00 p.m. – Closed Session: Galt City Hall Chamber Conference Room**
- B. Announce Items to be Discussed in Closed Session, Adjourn to Closed Session**
 - 1. CONFERENCE WITH LABOR NEGOTIATOR, Government Code §54957.6
Agency Negotiator: Karen Schauer, Lois Yount, Donna Mayo-Whitlock, Claudia Del Toro-Anguiano
 - Employee Agency: (GEFA) Galt Elementary Faculty Association
 - Employee Agency: (CSEA) California School Employee Association
 - Unrepresented Employees
 - 2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Government Code §54957
- C. Adjourn Closed Session, Call Meeting to Order, Announce Action Taken in Closed Session**
- D. Public Comments** for topics not on the agenda
Public comment should be limited to three minutes or less pending Board President approval. Community members who cannot wait for the related agenda item may also request to speak at this time by indicating this on the speaker’s request form.
- E. Recognition**
 - 1. Galt Herald Person of the Year 2018: John Gordon
 - 2. Galt Community of Character Coalition Nominations for Caring and Compassion
- F. Communications**
 - 1. 2018-2019 First Period Interim Report
 - 2. 12th Annual Galt Winter Bird Festival

G. Reports

LCAP GOAL 1

Develop and implement a personalized learning and strengths-based growth plan for every learner that articulates and transitions to high school learning pathways while closing the achievement gap.

1. Career Technical Education Visitation: Middle School Foundation Academies Planning Grant Grades 5-8

LCAP GOAL 2

Implement California State Standards in classrooms and other learning spaces through a variety of blended learning environments while closing the achievement gap.

1. Sacramento County Office of Education (SCOE) Art Education Community of Practice Grant

LCAP GOAL 3

Processes and measures for continuous improvement and accountability are applied throughout the district, including personalized evaluation processes for educators.

1. Future LCAP Committee Dates: DAC, DELAC, Study Sessions

LCAP GOAL 4

School facilities are safe, healthy, hazard free, clean and equipped for 21st century learning.

1. GJUESD Measure K General Obligation Bond Sales, Series 2018
2. Measure K Update

Other Reports

1. School Services of California Governor's Budget Report 2019-20
2. Education Funding Reports Cited At CSBA New Board Member Training: Silent Recession and Education Budget Strategies
3. Williams Uniform Complaint Process Quarterly Report

H. Board Discussion

1. Board Protocols and Procedures

I. Recommended Actions/Routine Matters/New Business

171.966 Consent Calendar

MOTION

a. Approval of the Agenda

At a regular meeting, the Board may take action upon an item of business not appearing on the posted agenda if, first, the Board publicly identifies the item, and second, one or more of the following occurs:

- 1) The Board, by a majority vote of the full Board, decides that an emergency (as defined in Government Code section 54956.5) exists; or
- 2) Upon a decision by a two-thirds vote of the Board, or if less than two-thirds of the Board members are present, a unanimous vote of those present, the Board decides that there is a need to take immediate action and that the need for action came to the attention of the District after the agenda was posted; or
- 3) The item was posted on the agenda of a prior meeting of the Board occurring not more than five calendar days prior to the date of this meeting, and at the prior meeting, the item was continued to this meeting.

b. Minutes: December 12, 2018 Annual Organizational Meeting

c. Payment of Warrants –

Certificated/Classified Payrolls Dated: 12/10/18, 12/14/18, 1/1/19, 1/10/19

Vendor Warrant Numbers: 19440827- 19440910; 19443385-19443448; 19445031- 19445094; 19446434-19446491

- d. Personnel
 - 1. Resignations/Retirement
 - 2. Leave of Absence Requests
 - 3. New Hires
- e. Donations
- f. Nonpublic, Non-Sectarian School, Agency Services
 - 1. Children’s Choice for Hearing & Talking (CCHAT)
 - 2. Maverick Education and Behavioral Solutions, LLC
 - 3. Point Quest Education - Lodi
- g. Out of State Conference Attendance for Linda Ekstrom, Michelle Woods, Katie Mooney and Destiny Westbrooks to Attend the ‘Get Your Teach On’ Conference in Phoenix, AZ, January 21-22, 2019

171.967	Consent Calendar (Continued) – Items Removed for Later Consideration	CC Items Removed
171.968	Board Consideration of Approval of GJUESD 2017-18 Audit Report by Christy White Associates	MOTION
171.969	Board Consideration of Approval of Memorandum Of Understanding Between GJUESD and Galt Elementary Faculty Association (GEFA) Regarding One-Time Early Retirement Incentive Program for 2018-19	MOTION
171.970	Board Consideration of Approval of Resolution #10: Certificated Non-Management Employees Supplementary Retirement Plan	MOTION
171.971	Board Consideration of Approval of Resolution No. 11 Approving a Site Lease, a Sublease, and Construction Services Agreement Relating to Marengo Ranch Elementary School Modernization	MOTION
171.972	Board Consideration of Approval of California Department of Education (CDE) Request For Allowance Of Attendance Due to Emergency Conditions, Form J-13A	MOTION
171.973	Board Consideration of Approval of Resolution #9 Acknowledging the Existence of an Emergency on November 16, 2018 Due to Hazardous Air Quality and Closing the GJUESD State Preschool	MOTION
171.974	Board Consideration of Approval of 2017-18 School Accountability Report Card (SARC) for McCaffrey Middle School, Greer, Lake Canyon, Marengo Ranch, River Oaks and Valley Oaks Elementary Schools	MOTION
171.975	Board Consideration of Approval of Memorandum Of Understanding Between the California School Employees Association (CSEA) and its Galt Chapter #362 (CSEA) and the GJUESD Regarding California Assembly Bill 1808	MOTION

171.976	Board Consideration of Approval of GJUESD and California School Employees Association (CSEA) and Its Galt Elementary Chapter #362 Agreement Regarding Shoe Stipend	MOTION
171.977	Board Consideration of Approval of GJUESD and California School Employees Association (CSEA) and Its Galt Elementary Chapter #362 Agreement to Add Language to the Collective Bargaining Agreement To Encourage Retention of the District's School Bus Drivers	MOTION
171.978	Board Consideration of Approval of Agreement Between the GJUESD and the California School Employees Association and Its Galt Elementary Chapter #362 Regarding Close of Negotiations for the 2018-2019 Fiscal Year	MOTION
171.979	Public Hearing of GJUESD Proposal for Fiscal Year 2019-20 with California School Employees Association and Its GJUESD Chapter No. 362	PUBLIC HEARING
171.980	Board Consideration of Approval of GJUESD Proposal for Fiscal Year 2019-20 with California School Employees Association and its GJUESD Chapter No. 362	MOTION
171.981	Board Consideration of Approval of Memorandum of Understanding Between GEFA and GJUESD Regarding Article IV Language	MOTION
171.982	Board Consideration of Approval of Agreement Between GEFA and GJUESD Regarding Modifications to Longevity that was First Approved in the May 8, 2018 Agreement	MOTION

J. Public Comments for topics not on the agenda
Public comment should be limited to five minutes or less pending Board President approval.

- K. Pending Agenda Items**
1. School Furniture Analysis and Pilot Programs
 2. Farm To Futures Center
 3. Technology and Learning
 4. School District Properties
 5. Food Services Nutrition Guidelines

L. Adjournment

The next regular meeting of the GJUESD Board of Education: February 27, 2019

Board agenda materials are available for inspection at the address below.

Individuals who require disability-related accommodations or modifications including auxiliary aids and services in order to participate in the Board meeting should contact the Superintendent or designee in writing:

Karen Schauer Ed.D., District Superintendent
 Galt Joint Union Elementary School District
 1018 C Street, Suite 210, Galt, CA 95632
 (209) 744-4545



Board Meeting Agenda Item Information

Meeting Date: 1/23/19	Agenda Item: Closed Session
Presenter: Karen Schauer	Action Item: Information Item: XX
<p>1. CONFERENCE WITH LABOR NEGOTIATOR, Government Code §54957.6 Agency Negotiator: Karen Schauer, Lois Yount, Donna Mayo-Whitlock, Claudia Del Toro-Anguiano</p> <ul style="list-style-type: none">▪ Employee Agency: (GEFA) Galt Elementary Faculty Association▪ Employee Agency: (CSEA) California School Employee Association▪ Non-Represented Employees	
<p>2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Government Code §54957</p>	



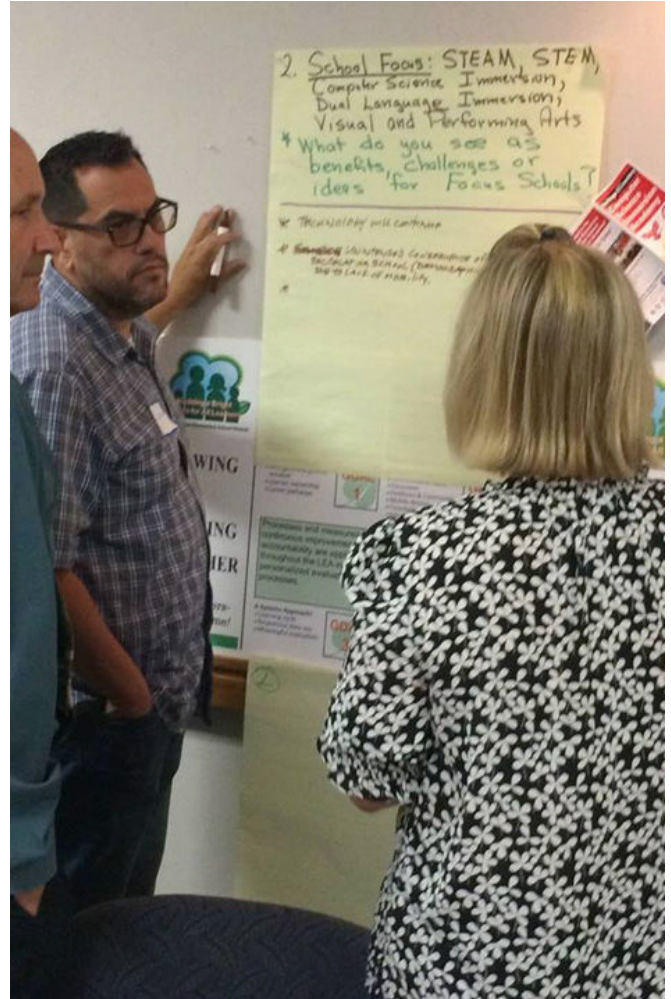
Board Meeting Agenda Item Information

Meeting Date: 1/23/19	Agenda Item: Recognition
Presenter: Karen Schauer	Action Item: Information Item: XX
<ol style="list-style-type: none">1. Galt Herald Person of the Year 2018: John Gordon2. Galt Community of Character Coalition Nominations for Caring and Compassion	

http://www.galtheraldonline.com/news/john-gordon-galt-herald-s-person-of-the-year/article_e0b8619a-19bb-11e9-9f22-6368ef99adcf.html

John Gordon – Galt Herald's Person of the Year

By Karen Everett Watson Staff Writer Jan 16, 2019



John Gordon helps facilitate a District Advisory Committee meeting last year.

He's soft-spoken, choosing his words carefully and is usually working behind the scenes. His dedication to the community and especially the youth of Galt is obvious, serving as a mentor on the Galt Youth Commission, as well as a trustee for Galt elementary schools. He interacts easily with children of all ages, as well as government lawmakers. For all his contributions to the city, John Gordon has been named "Person of the Year."

Grace Malson, president of the Galt Joint Union Elementary School District (GJUESD) Board of Trustees, has worked with Gordon for years and notes his service.

“John is an example of a leader in our community,” Malson said. “Throughout my time on the elementary school board, he has served as our president numerous times. He was a crusader for Measure K, pounding the pavement and the call center to inform the community about Measure K and how it will serve the schools, and in turn the youth of our community. His commitment to the youth in this town is extraordinary. Not only does he serve on the elementary school board, but also he serves as an adult mentor for the Galt Youth Commission, so his passion and drive for shaping the youth in our community does not stop at the elementary school level. It has been a pleasure to serve with John on the school board these past seven years. The honor of being named Galt's Person of the Year is well deserved for him.”

Karen Schauer, superintendent of GJUESD, gives Gordon the highest praise and notes his participation and work within the city.

“John Gordon is very deserving of community recognition as the 2019 Galt Herald Person of the Year,” Schauer said. “As a GJUESD Board of Trustee for 10 years, he has served as board president three terms and represented GJUESD as the Region 6 member of the California School Boards Association (CSBA) State Delegate Assembly and member of the National Hispanic Council through the National School Boards Association (NSBA). Last year, he was selected to participate in the American Leadership Forum.”

Schauer has also witnessed Gordon's commitment to the youth of Galt.

“On many occasions, I have observed John's sincere dedication to youth in our district and in his work with the Galt Youth Commission,” Schauer said. “One example involved seeing John and a youth leader on a Saturday morning working thoughtfully together to prepare for an upcoming Galt Youth Commission meeting. John provided encouragement and valuable leadership coaching to prepare this youth leader for his first meeting as chairperson. John truly walks the talk in his contributions with and for children and youth across the Galt community.”

Fellow Trustee Wesley Cagle said Gordon's leadership and hard work has made the Galt community stronger.

“I have known John Gordon for eight years,” Cagle said. “In those eight years, John has been an enormous advocate for the youth of Galt. Besides working for the California Department of Education, John serves on the Galt Youth Commission and on the elementary school board. He also serves as a delegate to the California School Board Association. John is a true professional and

exemplary school board member. He was a leader in getting the school bond passed. He is a regular visitor to the schools in our district, supports the teachers and staff members, and is a champion for our students.”

On Sunday, Gordon not only celebrated another birthday but was the guest DJ on 96.9 The Eagle.

“I submitted their online form, and they apparently liked what I had to say ... ,” said Gordon in a Facebook post. “This is a bit of a different side of me as we veered away from politics – their rules.”

The Galt Herald would like to commend Gordon, along with Cagle’s closing thoughts.

“Personally, I have tons of respect for John,” Cagle said. “I am happy to serve beside a true gentleman and role model. Congratulations, John!”



Board Meeting Agenda Item Information

Meeting Date: 1/23/19	Agenda Item: Communications
Presenter: Karen Schauer	Action Item: Information Item: XX
<ol style="list-style-type: none">1. 2018-2019 First Period Interim Report2. 12th Annual Galt Winter Bird Festival	

David W. Gordon
Superintendent

January 14, 2019

BOARD OF EDUCATION

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Dr. Karen Schauer, Superintendent
Galt Joint Union School District
1018 C Street, Suite 210
Galt, CA 95632

SUBJECT: 2018-2019 First Period Interim Report

Dear Superintendent Schauer:

After submission of the First Period Interim Report, the County Superintendent of Schools is required to review the report for adherence to the State-adopted Criteria and Standards pursuant to Education Code Sections 42130-31 and 33127. The district filed a First Interim Report with a **positive** certification. Based on the multi-year projections and assumptions provided by the district, it appears the district will meet its 3% unrestricted reserve requirement for the current fiscal year and two subsequent fiscal years. We concur with the district's **positive** certification with the following comments:

- The multi-year projections submitted project that the unrestricted General Fund balance will decrease by \$425,774 in 2018-2019, \$214,932 in 2019-2020, and \$85,930 in 2020-2021.
- The district is projecting a decrease of 32 ADA in 2018-2019, and 20 ADA in 2019-2020.

We continue our request that the district provide the following:

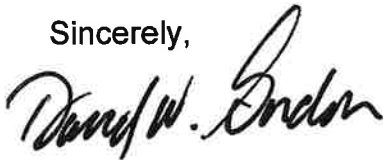
- Notify us immediately, and provide for our review, any changes to the budget.
- Continue to closely monitor future enrollment trends and inform us of budget adjustments should enrollment trends fluctuate.

Dr. Karen Schauer, Superintendent
January 14, 2019
Page 2

We would like to thank your staff for their cooperation during our review process.

If you have any questions or concerns regarding this review, please feel free to call Debra Wilkins at (916) 228-2294.

Sincerely,



David W. Gordon
Sacramento County Superintendent of Schools

DWG/TS/dw

cc: Grace Malson, Board President, GJUSD
Lois Yount, Business Services Director, GJUSD
Tracy Stinson, Fiscal Services Supervisor, GJUSD
Al Rogers, Ed.D., Deputy Superintendent, SCOE
Tamara Sanchez, Assistant Superintendent, SCOE
Debra Wilkins, District Fiscal Services Director, SCOE

CAL-WASTE RECOVERY SYSTEMS MATERIALS RECOVERY FACILITY TOUR

Take a guided tour through our Materials Recovery Facility. See what we do and how we do it. Each day we recover discarded natural resources destined for landfills, conserve natural resources, create new jobs, and reduce local carbon footprint. Our goal is to preserve our environment and build a better future for our community and the lands and waterways that surround it. Good for all ages. Kids' activity will be included during your visit.

9:00a.m. – 11:00a.m., No fee, must pre-register with Galt Parks & Recreation, limited to 30 people.

Crafternoon Needle Felt and Sip at the Barn

Join us at the exclusive Cosumnes River Preserve's Barn for an entire outdoor experience. The barn is surrounded by wetlands for optimal bird viewing opportunities. Enjoy wine from our local **Consumnes River Farm** and appetizers. Sit down and get comfy as you are about to bring out your inner artist! Beginners are welcome as each participant will be taught step by step by our Someday Studio to needlefelt and before you know it, you will have your very own needlefelt Pintail Duck.

1:30p.m. – 5:00p.m. \$45 per participant, includes 2 glasses of wine and appetizers, must be 21 or older, limited to 22 people, bus provided to and from tour. Be sure to dress warm.

DELTA BIRDING TOUR

Join local expert birder **Chris Conard, Natural Resource Specialist at the Sacramento Regional County Sanitation District Bufferlands**, alongside **Barbara Daly**, on **Delta Heartbeat Tours** as they explore the beautiful Delta. Barbara has been offering historical tours of the Delta for years. With stops at Staten Island, the Vietnamese Monastery, a stop in Walnut Grove for ice cream on the Sacramento River's edge, and a tour of the old town of Locke, then through Isleton on the way back to the Chabolla Community Center, it's sure to be the perfect afternoon!

1:30p.m. – 5:00p.m., \$70 per participant, tour limited to 13 people, bus provided during tour.

*GUEST FAVORITE!

STATEN ISLAND SUNSET TOUR

Join **Amelia Raquel, Staten Island Program Manager**, as she discusses the management practices of **Conservation Farms and Ranches**. Watch the breathtaking sight of hundreds of cranes flying in to roost for the night. You will learn about the habitats of the cranes, why the Staten Island open wetland environment is preferred by these magnificent birds, and what we all can do to preserve their winter home.

3:30p.m. - sunset, \$15 per participant, tour limited to 44 people, bus provided to and from tour.

WORKSHOPS

Building Bird Houses – John Durand

\$5.00 per participant

11 a.m. – 12 noon

12 noon – 1:00 p.m.

Open to all ages and limited space available.

Everybody can do bird photography – Bob Lanza

No cost

10:00 a.m. - 11:00 a.m.

1:00 p.m. – 2:00 p.m.

Nature Games Workshop – Guy Galante

No cost

10:00 a.m. – 11:00 a.m.

Open to all ages and limited space available

Fill the Bill Workshop – Mickie Grove Zoo Educational Specialist

No cost

2:00 p.m.

COME FOR THE BIRDS STAY FOR THE FOOD!

For the 3rd year we are joining up with SactoMoFo, there will be some amazing food trucks, so bring your appetite!

Space is limited, so sign up for tours now at

www.ci.galt.ca.us/WBF

Visit www.ci.galt.ca.us for more information or call (209) 366-7180.

Key Sponsors of the Galt Winter Bird Festival



12th Annual Galt

Winter Bird Festival

Saturday, February 2, 2019

10am - 4pm

Keynote Speaker: Larry Broderick



Official Sponsors of the Galt Winter Bird Festival



Chabolla Community Center

610 Chabolla Avenue
Galt CA 95632

www.ci.galt.ca.us/WBF

(209) 366-7180

Celebrating Birds

The City of Galt, in collaboration with the Cosumnes River Preserve and Galt Joint Union Elementary District, is pleased to bring you the 12th Annual Winter Bird Festival. Our festival guests will enjoy the beauty and tranquility of the Cosumnes River Preserve and the incredible opportunity to catch sightings of waterfowl, shorebirds and wildlife in their winter habitat. Festival headquarters will provide a starting point for exclusive preserve tours, educational presentations, wildlife shows, art displays, wine walk, and hands-on activities. This is a winter celebration you'll always remember.

Art/Educational/Food Vendors

10:00 a.m. – 4:00 p.m.

SPEAKERS

CONSERVATION AMBASSADORS, [Gabriel Kerschner](#)

10:00 a.m.

Meet our wildlife ambassadors! Back by popular demand, these wild creatures have sustained injuries that prevent them from surviving in the wild or were kept as illegal pets. The Conservation Ambassador team delights tens of thousands of school children every year with a message of conservation and appreciation for the earth's natural wonders. Join us in welcoming these animal ambassadors and learn about each one's special place on our earth.

Backyard Bird Safari, [Mike & Annette Heacox](#), Luciole Design Inc.

11:00 a.m.

Mike and Annette Heacox of Luciole Design, Inc., landscape architects based in Sacramento, return with more secrets on how to design and enjoy your ultimate bird/wildlife garden. Learn which bird species have a preferred time for taking baths in summer, design and create a simple water feature for birds, attract birds year-round with the right mix of low water plants, and discover through the seasons the best time of day and location to observe birds and wildlife.

HAWKS, HONKERS AND HOOTS, [Kelli Moulden](#)

1:30 p.m.

Director Kelli Moulden's mission is to inspire respect for local and migratory birds through customized and entertaining educational programs. Enjoy a fantastic opportunity to see and experience hawks, owls, and water birds up close and personal. Yes, the birds are coming to visit!

CAL-WASTE RECOVERY SYSTEMS, [Leesa Klotz](#), Education Coordinator

2:30 p.m.

Leesa works daily to help students and community members strengthen their understanding about how individual actions impact the world around us. This fun, engaging presentation offers insight on how to bring environmental awareness into our daily lives, conserve natural resources, and learn what it really means to recycle and why it is important. You will leave empowered to be an agent of sustainability, making the world a better place for ourselves and wildlife.

GOING BATTY, [Corky Quirk](#), Program Director, Yolo Basin Foundation

3:30 p.m.

Get a close up view of bats and learn about the importance of inviting them to your yard or farm! With years of experience, Corky will delight you with her extensive bat knowledge!

KEYNOTE SPEAKER, [Larry Broderick](#)

10:00 a.m.

Join us for this enthusiastic and informative presentation about the resident, migrant and over-wintering birds of prey ("raptors") in Northern California. Larry Broderick's fascinating and visually-exciting presentation includes; not only wonderful first-hand stories from the field, but is also packed with interesting information about raptor habits, identification, and suggestions of where to spot them, as well as some interesting one-of-a-kind and rare special surprises. Once you attend Larry's presentation, you have him as a resource and reference for questions and outings for years to come. He is highly accessible through West County Hawkwatch Raptor Research's webpages and his direct contact information.

Larry Broderick is a local Birds of Prey Natural History and Interpretive Specialist, Jenner Headlands Hawk Watch Director and Certified California Naturalist. Larry has been working with Birds of Prey as an educational specialist for over 25 years.

PRESENTATIONS

- 10:00 a.m. Wild Things & Conservation Ambassadors, Gabriel Kerschner
- 11:00 a.m. BACKYARD BIRD SAFARI, Landscape Artist Mike Heacox
- 12:00 p.m. KEYNOTE SPEAKER, Larry Broderick
- 1:30 p.m. HAWKS, HONKERS AND HOOTS, Kelli Moulden
- 2:30 p.m. CAL-WASTE, Leesa Klotz
- 3:30 p.m. GOING BATTY, Corky Quirk

TOURS

- 6:00-8:30 a.m. Sunrise Photography Tour/Kyle Bowlin
- 6:30-12:00 p.m. Tall Forest & Riparian Habitat/Dr. John Trochet
- 9:00-11:00 a.m. Cal-Waste Recovery Systems MRF Tour/Leesa Klotz
- 9:00-1:00 p.m. Heritage Oaks Bird Walk & Lunch/David Yee
- 1:30-5:00 p.m. Crafternoon Needle Felt & Sip at the Barn/Amber Veselka & Cosumnes River Farm
- 1:30-5:00 p.m. Delta Birding Tour/Chris Conard provides their own bus
- 3:30 p.m. - sunset Staten Island Sunset Tour/Amelia Raquel

TOURS

SUNRISE PHOTOGRAPHY TOUR

There is no better time to experience the vibrant life of the wetlands than at dawn, and no better time to enjoy Sandhill Cranes as they begin their day with song and dance. Join a small and hearty group on this amazing photo tour. As the sun rises, you will experiment with high ISO's, long shutter speeds and wide open apertures to capture images not obtainable at any other time.

6:00 a.m.-8:30a.m. \$35 per participant, tour limited to 12 people, bus provided to and from tour.

TALL FOREST & RIPARIAN HABITAT TOUR




Come hiking with world renowned birder **Dr. John Trochet, Field Ornithologist** with **U.C. Davis**, through some of the most remote riparian areas of the Cosumnes River Preserve. Journey through a portion of the Preserve ordinarily closed to public visitation. You will see many of the jewels of the Preserve; the Tall Forrest, the Accidental Forrest, and more. With a little luck we should see and hear over 90 species of birds, and a variety of mammals; including deer, raccoon, river otter, beaver, and more.

6:30 a.m.-12:00p.m. rain or shine, \$35 per participant, tour is limited to 15 people, bus provided to and from tour.

BIRD WALK AT THE WINERY TOUR

Heritage Oaks Winery sits along an expansive stretch of the lower Mokelumne River. Because of the long-term commitment to conservation and the habitat, this property includes over 50 acres of wonderful riparian habitat. Begin at the winery, travel through the forest of the floodplain, and to the shores of the Mokelumne River. Expect to see many species of wintering birds. The raptor diversity at this location can be quite high and has included Cooper's Hawk, Osprey, and Merlin. You will be led by native **David Yee**, who has been birding in this area for over 35 years! Lunch and wine awaits you at the end of the journey.

9:00a.m.-1:00p.m. rain or shine, \$45 per participant, must be 21 or older, limited to 20 people, bus provided to and from tour.

Activity Level Guide		
Grade	Suitable for:	Trail/Terrain:
Green: Easy 	Beginners in good health that can walk easily, ADA accessible	Relatively flat & wide
Yellow: Moderate 	Walkers in good health able to walk easily for long distances	Can be flat & wide, single-track with small obstacles
Red: Difficult 	Expert walkers in good health able to walk easily for long distances on changing terrain	Long distances on changing terrain



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: Reports
Presenter: Karen Schauer	Action Item: Information Item: XX

LCAP GOAL 1

Develop and implement a personalized learning and strengths-based growth plan for every learner that articulates and transitions to high school learning pathways while closing the achievement gap.

1. Career Technical Education Visitation: Middle School Foundation Academies Planning Grant Grades 5-8

LCAP GOAL 2

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1. Sacramento County Office of Education (SCOE) Art Education Community of Practice Grant

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1. Future LCAP Committee Dates: DAC, DELAC, Study Sessions

LCAP GOAL 4

School facilities are safe, healthy, hazard free, clean and equipped for 21st century learning.

1. GJUESD Measure K General Obligation Bond Sales, Series 2018
2. Measure K Update

OTHER REPORTS

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2. Education Funding Reports Cited At CSBA New Board Member Training: Silent Recession and Education Budget Strategies
3. Williams Uniform Complaint Process Quarterly Report



LCAP GOAL 1

Develop and implement a personalized learning and strengths-based growth plan for every learner that articulates and transitions to high school learning pathways while closing the achievement gap.

1. **Career Technical Education Visitation: Middle School Foundation Academies Planning Grant Grades 5-8**

Presenter: Karen Schauer, Superintendent; Claudia Del Toro-Anguiano, Curriculum Director

GJUESD is one of 10 districts receiving a middle career technical education planning grant with a grades 5-8 focus and Galt High School District articulation. The presentation powerpoint is attached.

The planning grant could result in implementation funding for the 2019-20 school year.

Middle School Foundation Academies Planning Grant

Cradle to Career CTE Pathway

January 16, 2019



Agenda

- ❖ **Introductions**
- ❖ **Overview of CTE Pathway**
- ❖ **Activities to Date & Next Steps**
- ❖ **Continued Efforts**
- ❖ **Classroom Visitations**
- ❖ **Closure**

We aim to provide 5th- 8th grade learners with learning experiences through **career exploration** along with CTE **opportunities that build from personalized, whole learner efforts**. Our goal is to deepen rigorous learning experiences through meaningful and engaging activities in the schools' classrooms, Bright Future Learning Centers (BFLCs), gardens and 18 acre Farm to Futures project.





Cradle to Career Pathway Overview

- ▶ **Career Awareness in Grades 5 -6**
 - NGSS/CalCRN Toolkit
- ▶ **Career Exploration in Grade 7**
 - CTE Wheel with PLP Career Reflections
- ▶ **Career Application in Grade 8**
 - Agriscience Course
- ▶ **Expanded Learning Partnerships**

Focus on College and Career Goals

HS Diploma

- City Park Worker
- Forestry Aide
- Crop Inspector
- Irrigator
- Park Aide
- Gardener/Groundskeeper
- Feeder
- Ag Supplies Warehouse
- Ag Equipment Operator
- Farmworker

2 Year College Degree

- Land Use Planning Technician
- Field Representative Technician
- Animal Health Technician
- Landscape Designer
- Forestry Technician
- Ag Sales and Service Technician
- Ag Equipment Service
- Farm Equipment Mechanic

4 Year College Degree

- Soil/Water
Manager/Agronomist
- Veterinarian
- Plant/Animal Geneticist
- Forester/Ranger
- Ag Teacher
- Ag Developer
- Ag Engineer
- Ag Business Owner
- Ag Pest Control Adviser

Essential Skills for the Future

1. Critical Thinking
2. Collaboration
3. Creativity
4. Communication



Learning & Leadership Engagement

- ★ NGSS Learning Sequences
- ★ Project Based Service Learning
- ★ School/District Advisory
- ★ FFA High School Leadership
- ★ Galt Youth Commission
- ★ City Council

Building Capacity

Activities to date:

- articulation with site administration
- collaboration with Galt High School leadership staff
- planning efforts with SCOE
- visit to Bear River Middle School, Wheatland School District
- work with Bureau of Land Management, River Preserve

Advancing the Work

Next Steps:

- ★ Development of course work and CTE toolkit, January, SCOE
- ★ CS First, Coding Workshop, January
- ★ Middle School Summit, February, Windsor
- ★ Educating for Careers Conference, March, Sacramento

Continued Efforts:

John Durand

- ★ Environmental Club- MMS
- ★ Staten Island- 5th Grade
- ★ Conservation Farms & Ranches
- ★ CA Phenomena Summit

Ron Rammer

- ◆ NGSS Efforts
- ◆ NASA Partnerships
- ◆ Coordination with Galt High School District, City of Galt, Local and External Partners

1.pdf











Continued Efforts:

River Oaks

Valley Oaks

Greer Elementary

Lake Canyon

Marengo Ranch

- ❖ Career Night
- ❖ College Days
- ❖ Community Partnerships
- ❖ Personalized Learning Plan
 - Goal Setting
- ❖ Computer Science Coding
- ❖ Ag Day field trip at Galt High
- ❖ Cal-Waste
- ❖ BFLC Clubs

Visiting Classrooms

NGSS Classrooms

NASA Integration

SEVA Media Center

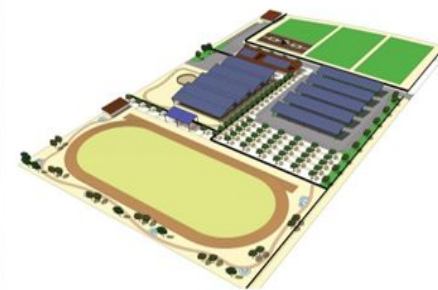


Collaborative Efforts:



- ❖ How should we best prepare for the summit and conference?
- ❖ What advice do you have for us to position our district for potential future funding opportunities?

McCaffrey Middle School BFLC and Farm to Futures Project



SITE INFORMATION

PARCEL: 284 LARS

AGRI INNOVATION CENTER: 6,000

IN 1 Acre of LAND: 4,000 SF

20,000 SF of LAND: 80,000 SF

10,000 SF of LAND: 40,000 SF

5,000 SF of LAND: 20,000 SF

2,500 SF of LAND: 10,000 SF

1,250 SF of LAND: 5,000 SF

625 SF of LAND: 2,500 SF

312 SF of LAND: 1,250 SF

156 SF of LAND: 625 SF

78 SF of LAND: 312 SF

39 SF of LAND: 156 SF

19 SF of LAND: 78 SF

9 SF of LAND: 39 SF

4 SF of LAND: 19 SF

2 SF of LAND: 9 SF

1 SF of LAND: 4 SF

0.5 SF of LAND: 2 SF

0.25 SF of LAND: 1 SF

0.125 SF of LAND: 0.5 SF

0.0625 SF of LAND: 0.25 SF

0.0312 SF of LAND: 0.125 SF

0.0156 SF of LAND: 0.0625 SF

0.0078 SF of LAND: 0.0312 SF

0.0039 SF of LAND: 0.0156 SF

0.0019 SF of LAND: 0.0078 SF

0.0009 SF of LAND: 0.0039 SF

0.0004 SF of LAND: 0.0019 SF

0.0002 SF of LAND: 0.0009 SF

0.0001 SF of LAND: 0.0004 SF

McCAFFREY 18.6-ACRE SITE MP | FARM.FORK.FITNESS.FAMILY.FUTURES



~ Questions/ Comments ~



Contact Info

Galt Joint Union Elementary School District

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www.galt.k12.ca.us

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Stephanie Simonich, Greer Principal: ssimonich@galt.k12.ca.us

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JessaLee Goehring: JGoehring@ghsd.k12.ca.us

Padlet: https://padlet.com/Kauai/Galt_Joint_Union_Elementary_School_District



LCAP GOAL 2

Implement CCSS And NGSS in classrooms and other learning spaces through a variety of blended learning environments: at school, outdoors, in the community, and virtually while closing the achievement gap.

1. **Sacramento County Office of Education (SCOE) Art Education Community of Practice Grant**

Presenter: Karen Schauer, Superintendent and Claudia Del Toro-Anguiano, Curriculum Director

The Sacramento County office of Education (SCOE) was recently awarded the Student Support and Academic Environment Grant through the California Department of Education. The GJUESD will receive funding to develop an arts education plan.



LCAP GOAL 3

Processes and measures for continuous improvement and accountability are applied throughout the LEA including personalized evaluation processes.

1. Future LCAP Committee Dates: District Advisory Committee (DAC), District English Learner Advisory Committee (DELAC), School Site Council (SSC), Study Sessions

Presenter: Karen Schauer, Superintendent

DAC

- February 5th
- April 2nd

DELAC

- February 7th
- April 4th

LCAP Feedback Session (DAC, DELAC, SSC)

- May 7th

LCAP Board of Trustees Study Session

- February: To Be Determined
- May 15th

LCAP Response to Feedback (DAC, DELAC, SSC)

- May 21st

LCAP Board of Trustees Study Session

- June 12th



LCAP GOAL 4

LCAP GOAL 4

Maintenance, Grounds, Custodial, Food Services, And Health Staff Maintain School Facilities That Are Safe, Healthy, Hazard Free, Clean And Equipped For 21st Century Learning

1. **GJUESD Measure K General Obligation Bond Sales, Series 2018**

Presenter: Lois Yount, Business Director and Lori Raineri, Governmental Financial Strategies

2. **Measure K Update**

Presenter: Lois Yount, Business Director

Galt Joint Union Elementary School District

Implementing Measure K: Bond Sale Results for Series 2018



Presented by Lori Raineri and Matt Kolker

January 23, 2019

Agenda

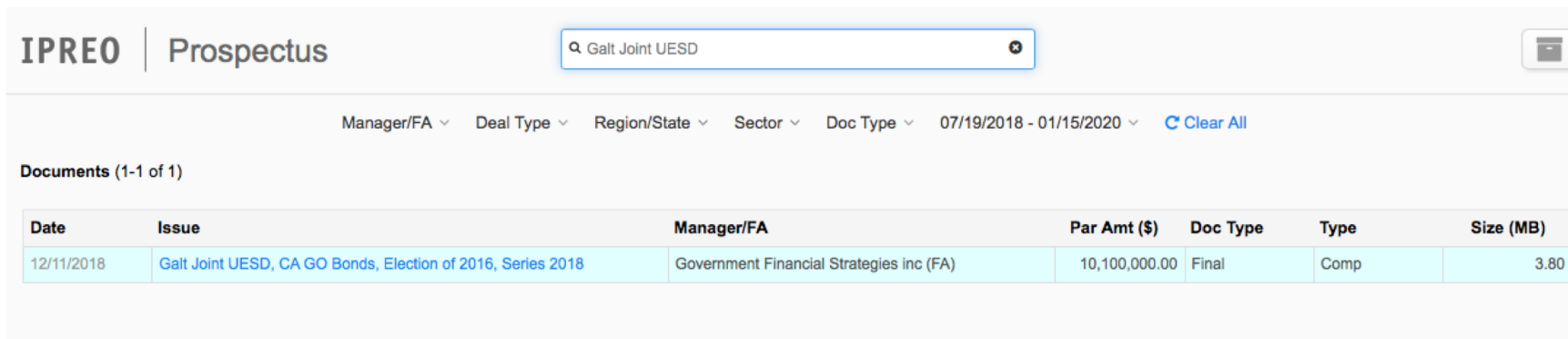
- ◆ Bond Sale Results
- ◆ Bond Sale Details
- ◆ Use of GFOA Best Practices
- ◆ Current Debt Portfolio
- ◆ For Reference
 - ▶ Updated Bonding Capacity
 - ▶ Detailed Costs of Issuance
 - ▶ October 24, 2018 Presentation



Competitive Bid Process

◆ Time of Sale

- ▶ Tuesday, December 11, 2018, at 8:35am (Pacific time)



The screenshot shows the IPREO Prospectus search interface. At the top, there is a search bar containing "Galt Joint UESD". Below the search bar, there are several filter options: Manager/FA, Deal Type, Region/State, Sector, Doc Type, and a date range of 07/19/2018 - 01/15/2020. A "Clear All" button is also present. The results section is titled "Documents (1-1 of 1)" and contains a single table entry.

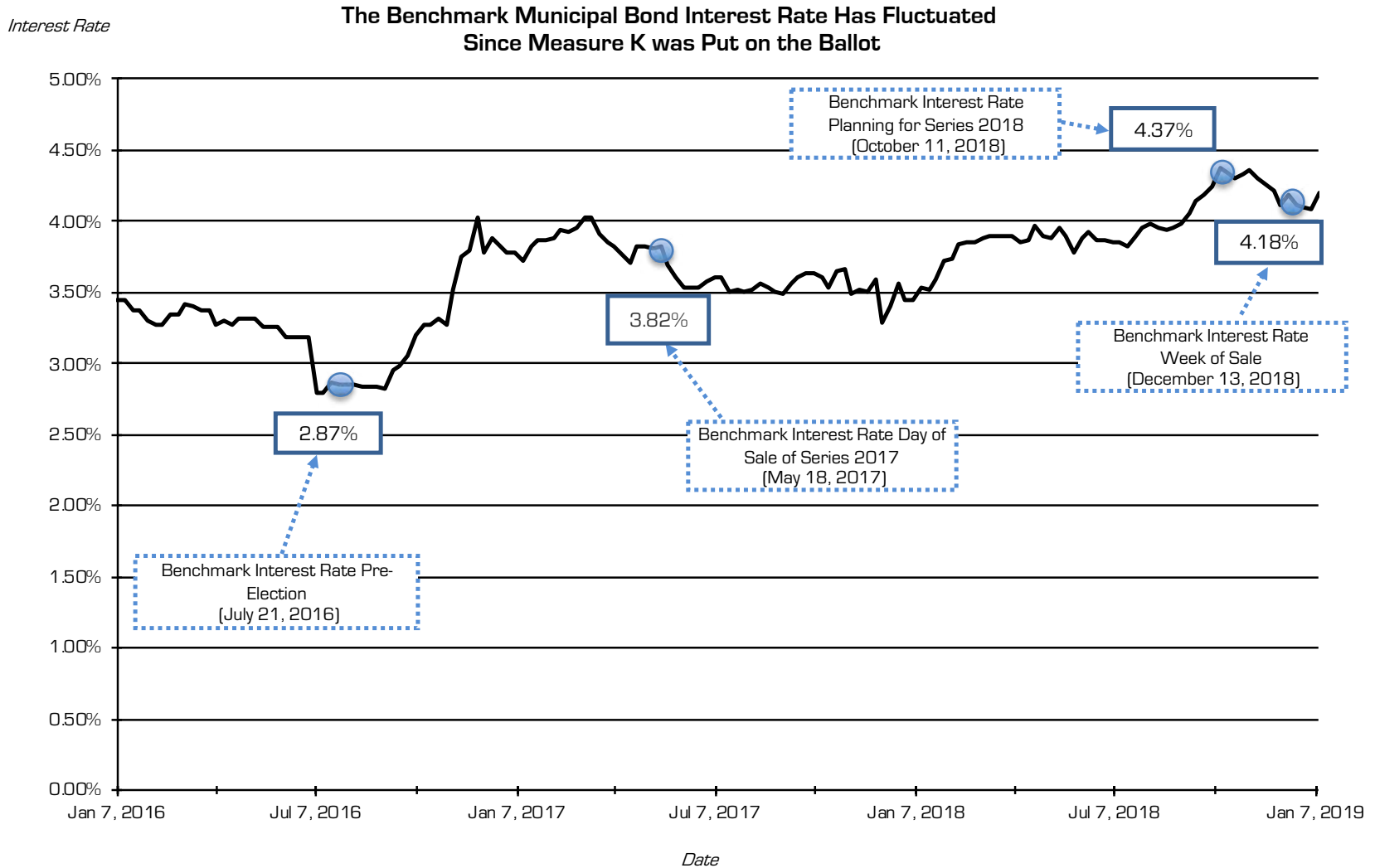
Date	Issue	Manager/FA	Par Amt (\$)	Doc Type	Type	Size (MB)
12/11/2018	Galt Joint UESD, CA GO Bonds, Election of 2016, Series 2018	Government Financial Strategies inc (FA)	10,100,000.00	Final	Comp	3.80

◆ PARITY Electronic Bidding Platform

- ▶ Internet bidding platform
- ▶ Winning bidder based on lowest true interest cost "TIC"
- ▶ Bidding allowed within flexible parameters

✓ *More competition → better results for the District*

Rates Have Been Volatile



Notes: The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years and is compiled every Thursday. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Rating Service AA.

5 Bidders for Series 2018 Bonds

<i>Bidder</i>	<i>Bid Location</i>	<i>Bid Rank</i>
Robert W. Baird & Co.	Red Bank, NJ	1
Raymond James & Associates, Inc.	St. Petersburg, FL	2
Morgan Stanley & Co, LLC	New York, NY	3
D.A. Davidson & Co.	Denver, CO	4
HilltopSecurities	Encino, CA	5



Morgan Stanley



RAYMOND JAMES®

Note: location shown is the office from which the bid was submitted.

Competitive Sale Benefitted District

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 (Sacramento County and San Joaquin County, California)
 General Obligation Bonds, Election of 2016, Series 2018

Sale Date of Tuesday, December 11, 2018, 8:35 a.m. Pacific Time
 Government Financial Strategies inc., Sacramento, Financial Advisor
 Lowest True Interest Cost (TIC%) Award Basis

Final Par Amount: \$10,100,000
 Dated Date: December 27, 2018
 Delivery Date: December 27, 2018
 First Interest Payment Date: August 1, 2019
 Serial Bond Due Dates: August 1, 2020 through 2038
 Term Bond Due Dates: August 1, 2042 and 2046
 First Call Date: August 1, 2026 at par
 Insurance Provider: Assured Guaranty Municipal
 Insured S&P Rating: "AA"
 Underlying S&P Rating: "A+"

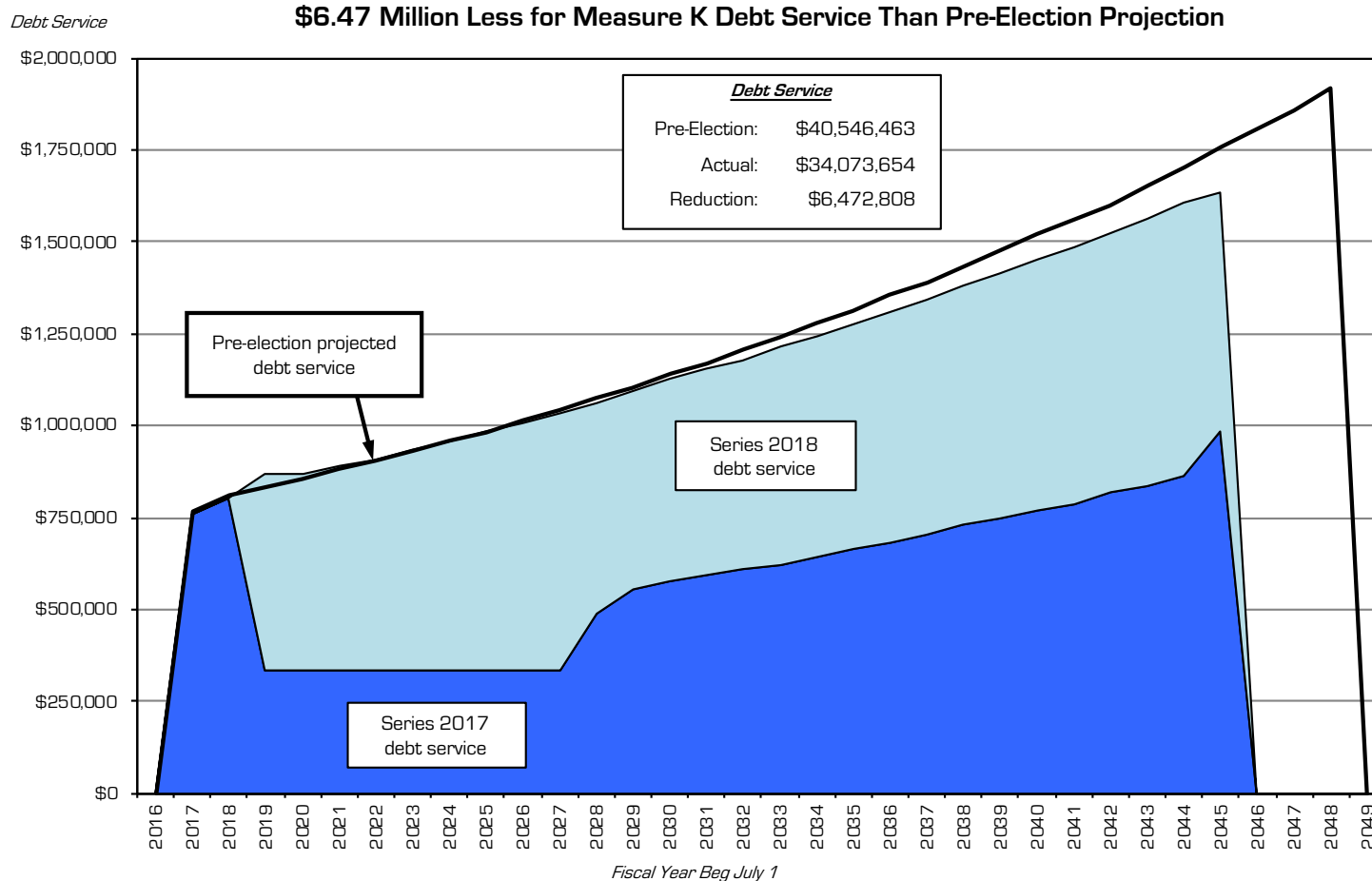
COMPETITIVE BIDDING RESULTS

Bid #	Name of Bidder	True Interest Cost [TIC%]	Approximate Difference in Present Value From Winning Bid
1	Robert W. Baird & Co.	3.716769%	n/a
2	Raymond James & Associates, Inc.	3.752861%	\$46,310
3	Morgan Stanley & Co, LLC	3.778546%	\$79,225
4	D.A. Davidson & Co.	3.891834%	\$226,301
5	HilltopSecurities	3.898444%	\$235,341

- ✓ *The difference between the last place and the first place bid was just over \$235,000 in Present Value*
- ✓ *As presented on October 24, 2018, pre-sale planning had assumed interest rates would rise 0.60% based on historical volatility*
 - *Which led to a pre-sale estimated True Interest Cost of 4.38%*

* Note: subsequent to the bidding, the winning bid was restructured, changing the TIC to 3.715569%.

Combined Sale Results are ±\$6.5 Mil. Below Taxpayer Expectations



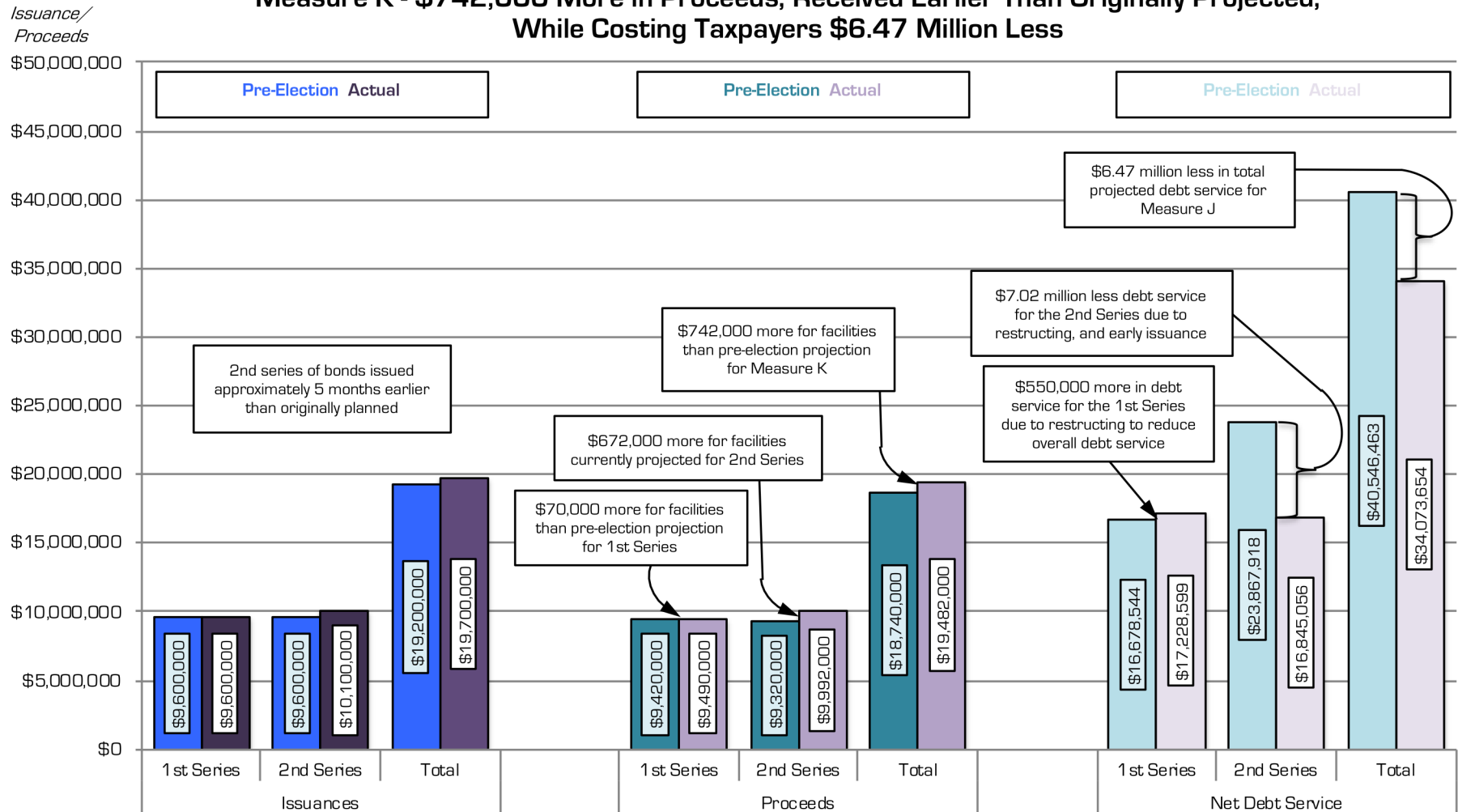
✓ The debt service to principal ratio is lower than pre-election estimates

	<i>Pre-Election Debt Service to Principal</i>	<i>Current Debt Service to Principal</i>
Series 2017	1.69 : 1	1.79 : 1
Series 2018	2.42 : 1	1.67 : 1
Measure K	2.06 : 1	1.73 : 1

Debt service from *Official Statements*.

More \$ for Projects Sooner At a Lower Cost

**Measure K - \$742,000 More in Proceeds, Received Earlier Than Originally Projected,
While Costing Taxpayers \$6.47 Million Less**

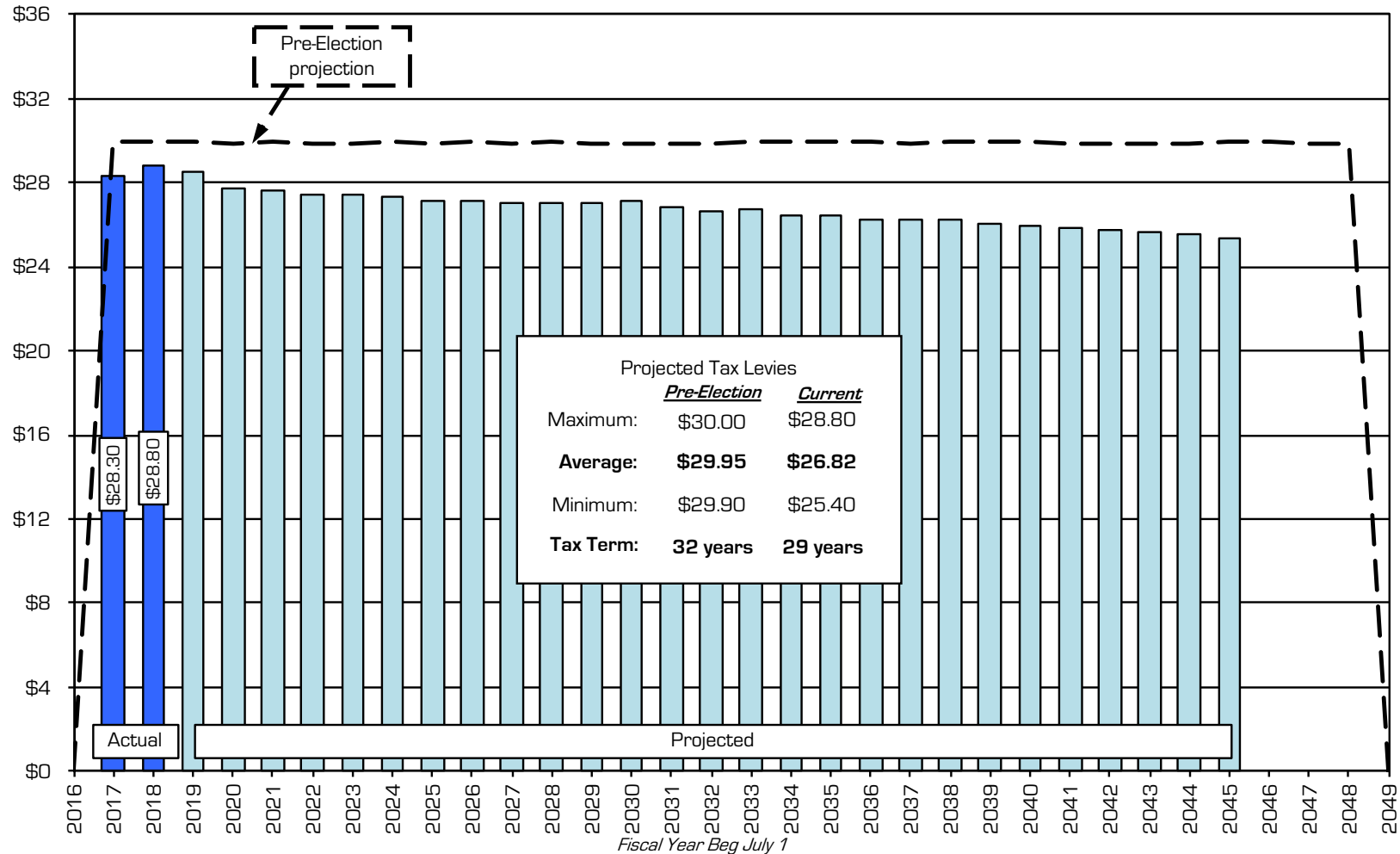


Pre-election data from bond plan that supported election. As pre-election plan was for \$19.2M and \$19.7M placed on ballot, pre-election issuances, proceeds, & debt service adjusted accordingly. Actual data from *Official Statements*. Net debt service reflects application of deposits to Debt Service Fund.

Measure K Tax Levies Below Estimates and End 3 Years Earlier

Tax Levy per \$100,000 of AV








Measure K Tax Levies are Projected to be Below Pre-Election Estimates and End 3 Years Earlier



Tax levies through 2018-19 are actual. Tax levies projected based on assumed debt service, actual 2018-19 AV, with net local secured AV assumed to grow 3% annually, while all other AV types are assumed to remain unchanged.

GFOA Best Practices Utilized



- ◆ Debt Management Policy 
- ◆ Selecting and Managing Municipal Advisors 
- ◆ Selecting Bond Counsel 
- ◆ Selecting and Managing the Method of Sale of Municipal Bonds 
- ◆ Using Credit Rating Agencies 
- ◆ Debt Issuance Transaction Costs 
- ◆ Understanding Your Continuing Disclosure Responsibilities 

Current Debt Portfolio

General Obligation Bond Election History

<i>Election</i>	<i>Measure</i>	<i>Bond Authorization</i>	<i>Bonds Issued</i>	<i>Remaining Authorization</i>	<i>Approval Percentage</i>	<i>Approval Required</i>
Oct 2001	W	\$9,240,000	\$9,238,684	\$1,317	70.6%	2/3
Nov 2016	K	\$19,700,000	\$19,700,000	\$0	66.1%	55%

General Obligation Bonds - Election of 2001, Measure W - \$9,240,000

<i>Series</i>	<i>Dated Date</i>	<i>Type</i>	<i>Issuance - New Money</i>	<i>Issuance - Refinancing</i>	<i>Total Issuance</i>	<i>Net Debt Service</i>	<i>Debt Service to Principal at Issuance</i>	<i>Principal Paid & to be Paid as of Jan 1, 2019</i>	<i>Net Debt Service Paid & to be Paid as of Jan 1, 2019</i>	<i>Outstanding Principal as of Jan 1, 2019</i>	<i>Final Maturity</i>	<i>Able to Call?</i>	<i>Next Call Date</i>	<i>Callable Principal</i>	<i>Weighted Average Callable Coupon</i>	<i>Next Call Premium</i>	
2002	Mar 2002	CIBs	\$8,980,000	\$0	\$8,980,000	\$15,754,351	1.95 : 1	\$1,500,000	\$5,305,676	\$0	Aug 1, 2012	n/a	n/a	\$0	n/a	n/a	(1), (3)
		CABs	\$258,684	\$0	\$258,684	\$2,250,000		\$258,684	\$2,250,000	\$258,684	Aug 1, 2026	No	n/a	\$0	n/a	n/a	(2)
2012 Rfg	Jun 2012	CIBs	\$0	\$7,880,000	\$7,880,000	\$9,006,270	1.14 : 1	\$7,880,000	\$9,006,270	\$4,695,000	Aug 1, 2024	Yes	Aug 1, 2019	\$4,040,000	1.95%	0%	(3)
			<u>\$9,238,684</u>	<u>\$7,880,000</u>	<u>\$17,118,684</u>	<u>\$27,010,621</u>		<u>\$9,638,684</u>	<u>\$16,561,946</u>	<u>\$4,953,684</u>							

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.95 : 1
 Total debt service after refinancings to new money principal: 1.79 : 1

General Obligation Bonds - Election of 2016, Measure K - \$19,700,000

<i>Series</i>	<i>Dated Date</i>	<i>Type</i>	<i>Issuance - New Money</i>	<i>Issuance - Refinancing</i>	<i>Total Issuance</i>	<i>Net Debt Service</i>	<i>Debt Service to Principal at Issuance</i>	<i>Principal Paid & to be Paid as of Jan 1, 2019</i>	<i>Net Debt Service Paid & to be Paid as of Jan 1, 2019</i>	<i>Outstanding Principal as of Jan 1, 2019</i>	<i>Final Maturity</i>	<i>Able to Call?</i>	<i>Next Call Date</i>	<i>Callable Principal</i>	<i>Weighted Average Callable Coupon</i>	<i>Next Call Premium</i>	
2017	Jun 2017	CIBs	\$9,600,000	\$0	\$9,600,000	\$17,228,599	1.79 : 1	\$9,600,000	\$17,228,599	\$9,180,000	Aug 1, 2046	Yes	Aug 1, 2026	\$8,735,000	3.84%	0.00%	(4)
2018	Dec 2018	CIBs	\$10,100,000	\$0	\$10,100,000	\$16,845,056	1.67 : 1	\$10,100,000	\$16,845,056	\$10,100,000	Aug 1, 2046	Yes	Aug 1, 2026	\$8,710,000	3.88%	0.00%	(5)
			<u>\$19,700,000</u>	<u>\$0</u>	<u>\$19,700,000</u>	<u>\$34,073,654</u>		<u>\$19,700,000</u>	<u>\$34,073,654</u>	<u>\$19,280,000</u>							

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.73 : 1

- (1) Series 2002 CIB net debt service reflects application of \$122,564 deposited to debt service fund;
 (2) Series 2002 CAB outstanding principal reflects original CAB value, not accreted value;
 (3) Series 2002 CIBs refinanced by Series 2012 Refunding Bonds, saving taxpayers \$1,442,405;
 (4) Series 2017 (Measure K) net debt service reflects application of \$97,739 deposited to debt service fund;
 (5) Series 2018 (Measure K) net debt service reflects application of \$312,017 deposited to debt service fund.

Thank You, Any Questions?



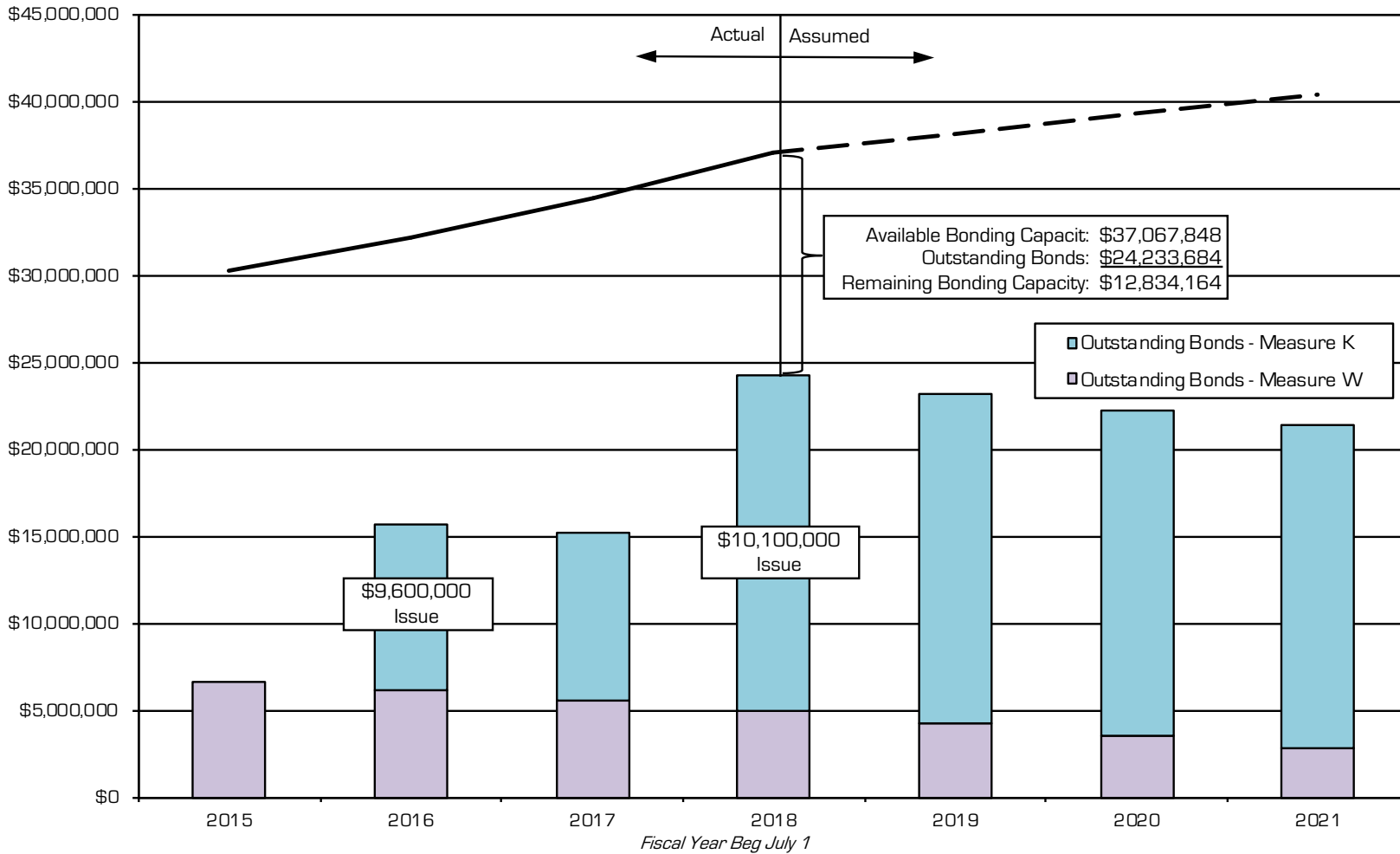
For Reference

- ◆ Updated Bonding Capacity
- ◆ Detailed Costs of Issuance
- ◆ October 24, 2018 Presentation

Updated Bonding Capacity

\$12.8 Million in Remaining Bonding Capacity will Increase with Growth in Assessed Value and Repayment of Existing Bonds

*Bonding Capacity/
Outstanding Bonds*



Unified district's bonding capacity is 1.25% of total AV. 2018-19 AV is actual; net local secured AV assumed to grow 3% annually, while all other AV types are assumed to remain unchanged. Values rounded.

Detailed Costs of Issuance

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 (Sacramento County and San Joaquin County, California)
 General Obligation Bonds, Election of 2016, Series 2018

Final Costs of Issuance

Description	Total Costs
• Parker & Covert LLP, Bond Counsel	
Bond Counsel Fees:	\$22,000.00
Out-of-Pocket Expenses:	\$800.00
• Government Financial Strategies inc., Financial Advisor	
Professional Services:	\$56,250.00
Out-of-Pocket Expenses:	\$3,500.00
• S&P Global Ratings, Rating Agency	
Professional Services:	\$17,000.00
• Other Issuance Expenses (break out listed below)	
ZB, National Association dba Zions Bank, Paying Agent	
Acceptance Fee/Expenses:	\$350.00
One Time Costs of Issuance Custodian Fee:	\$250.00
Annual Administration Fee:	\$350.00
Annual Administration Expenses:	\$0.00
Ipreo, Electronic Bidding:	\$1,425.00
California Municipal Statistics, Research:	\$1,375.00
Amtec, Verification Agent	\$250.00
Other/Contingency	\$4,450.00
TOTAL COSTS OF ISSUANCE	\$108,000.00

Galt Joint Union Elementary School District

Implementing Measure K: Issuing Series 2018 Bonds



Presented by Lori Raineri and Matt Kolker
October 24, 2018

Our Agenda for Tonight

- ◆ Measure K
- ◆ Updated Bond Financial Plan
- ◆ Bond Sale Details
- ◆ Next Steps
- ◆ For Reference
 - ▶ Bonded Debt Portfolio
 - ▶ Measure K – Continual Adjustments
 - ▶ Assessed Value
 - ▶ Legal
 - ▶ Disclosure
 - ▶ Detailed Costs of Issuance
 - ▶ Good Faith Estimates



Measure K Approved by Voters Nov 8, 2016

✔ Measure K				
County:	Yes		No	
	Votes	%	Votes	%
Sacramento County	6,554	66.88%	3,245	33.12%
San Joaquin County	357	53.77%	307	46.23%
Totals:	6,911	66.05%	3,552	33.95%



Note: Sacramento and San Joaquin county election results

[https://ballotpedia.org/Galt_Joint_Union_Elementary_School_District,_California,_Bond_Issue,_Measure_K_\(November_2016\)](https://ballotpedia.org/Galt_Joint_Union_Elementary_School_District,_California,_Bond_Issue,_Measure_K_(November_2016))

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT MEASURE K

K "To improve the quality of education for pre-kindergarten through eighth grade students shall Galt Joint Union Elementary School District be authorized to modernize and upgrade classrooms and school facilities for 21st Century learning; replace portables and leaky roofs; upgrade outdated electrical, heating/air conditioning and plumbing; make safety/security and technology classroom improvements, by issuing \$19,700,000 of bonds at legal interest rates, with independent citizens' oversight and audits, NO money for employee salaries, and all funds benefitting local schools?"

Measure K Plan Adjusted Prior to 2017 Sale

(from March 22, 2017 presentation)

Potential \$19.7 Million of Bonds

- ◆ The bond amount of \$19.7 million was a result of our facilities needs being greater than what the conservative bond issuance plan of \$19.2 million could attain:
 - ▶ If the tax base grows faster than assumed (3% annually), we may sell more than \$19.2 million of bonds (up to \$19.7 million).
 - ▶ The bond plan was conservative so that the community can have confidence in what can be accomplished.
 - ▶ This provides the opportunity to take advantage of any upside that a better-reality-than-assumed can give us.

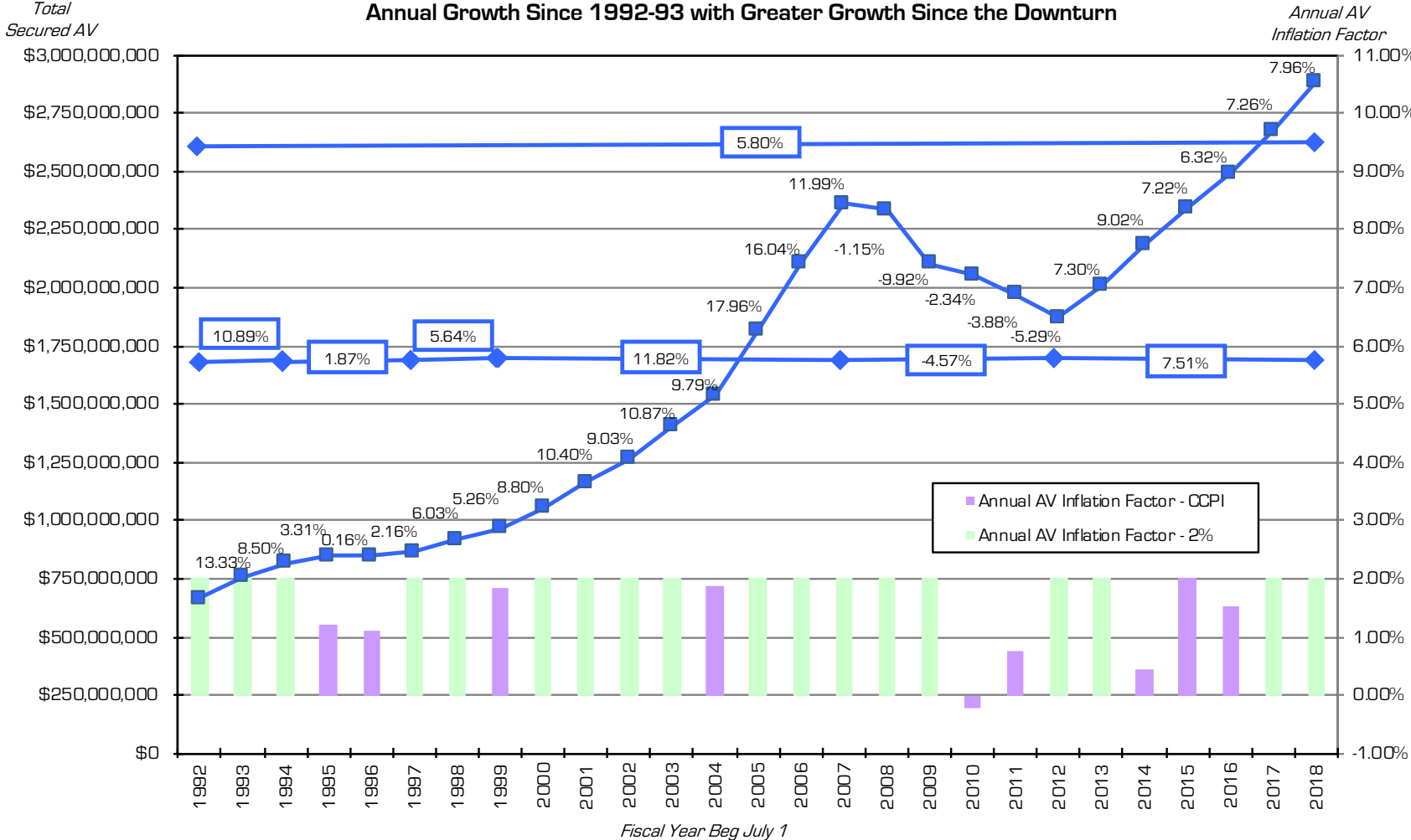
Adjustments to Bond Plan

- ◆ Assessed value growth greater than planned this past year
 - ▶ Growth of 6.42% compared to 3.0% planned
- ◆ Assumed interest rates lower for short and long term rates, but higher for mid-term rates.
- ◆ Risk Management:
 - ▶ Because we assume that we'll face rising interest rates as a matter of risk management . . .
 - It's better to issue the first series with a longer term, and then if interest rates allow, shorten the term of the later bond series, to reduce overall interest costs.
 - Therefore, we're currently proposing that the first series have a term of just under 30 years, and we're currently modeling the second series similarly, but this will be revisited in 2019.
 - This maximizes the potential of achieving the full issuance of \$19.7 million in bonds.

Updated bond financial plan allows for issuing all remaining \$10.1 million authorization

AV has Shown Strong Growth Recently

Although the District's Assessed Valuation Declined During the Recession, the Tax Base has Averaged 5.80% Annual Growth Since 1992-93 with Greater Growth Since the Downturn

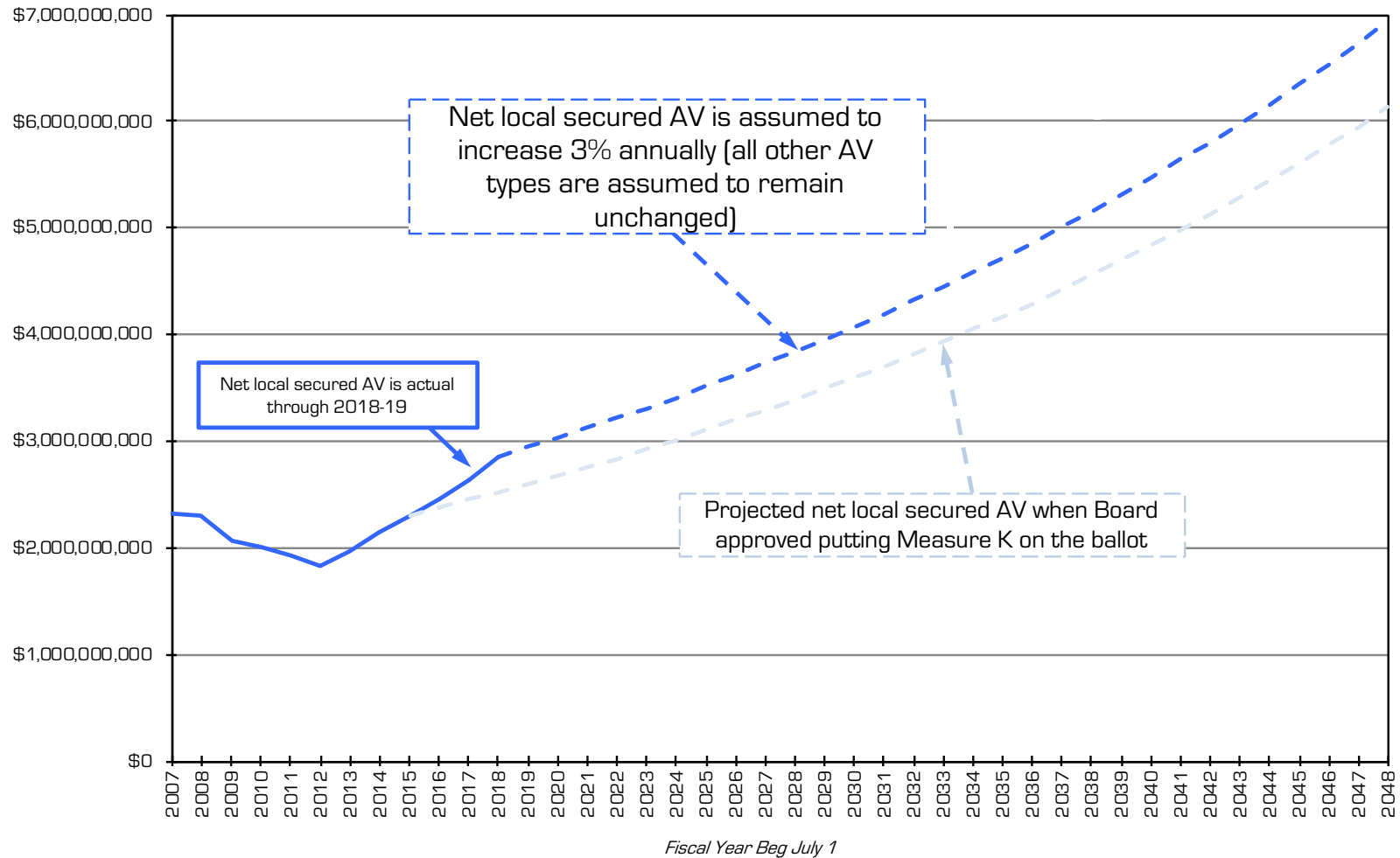


District is within Sacramento & San Joaquin Counties, with approximately 90% within Sacramento. Sacramento Co. data from 1997-2018 provided by Sacramento Co Finance Department, while San Joaquin Co Auditor-Controller's Department provided data from 1998-2017. Prior year data from 2002 GO bond Official Statement citing California Municipal Statistics, Inc., except 2002-03 San Joaquin data which was estimated as it was not readily available. California Municipal Statistics' data did not break out HDX; thus net local secured AV and HDX are estimated based on last available data. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Net local secured AV, which has annually comprised 93% - 97% of the District's total AV since 1992-98, is assumed to increase 3% annually, while all other AV types are assumed to remain unchanged.

AV Projected to Grow at 3%

Net Local Secured
Assessed Value

Constant, Moderate Net Local Secured AV Growth is Assumed

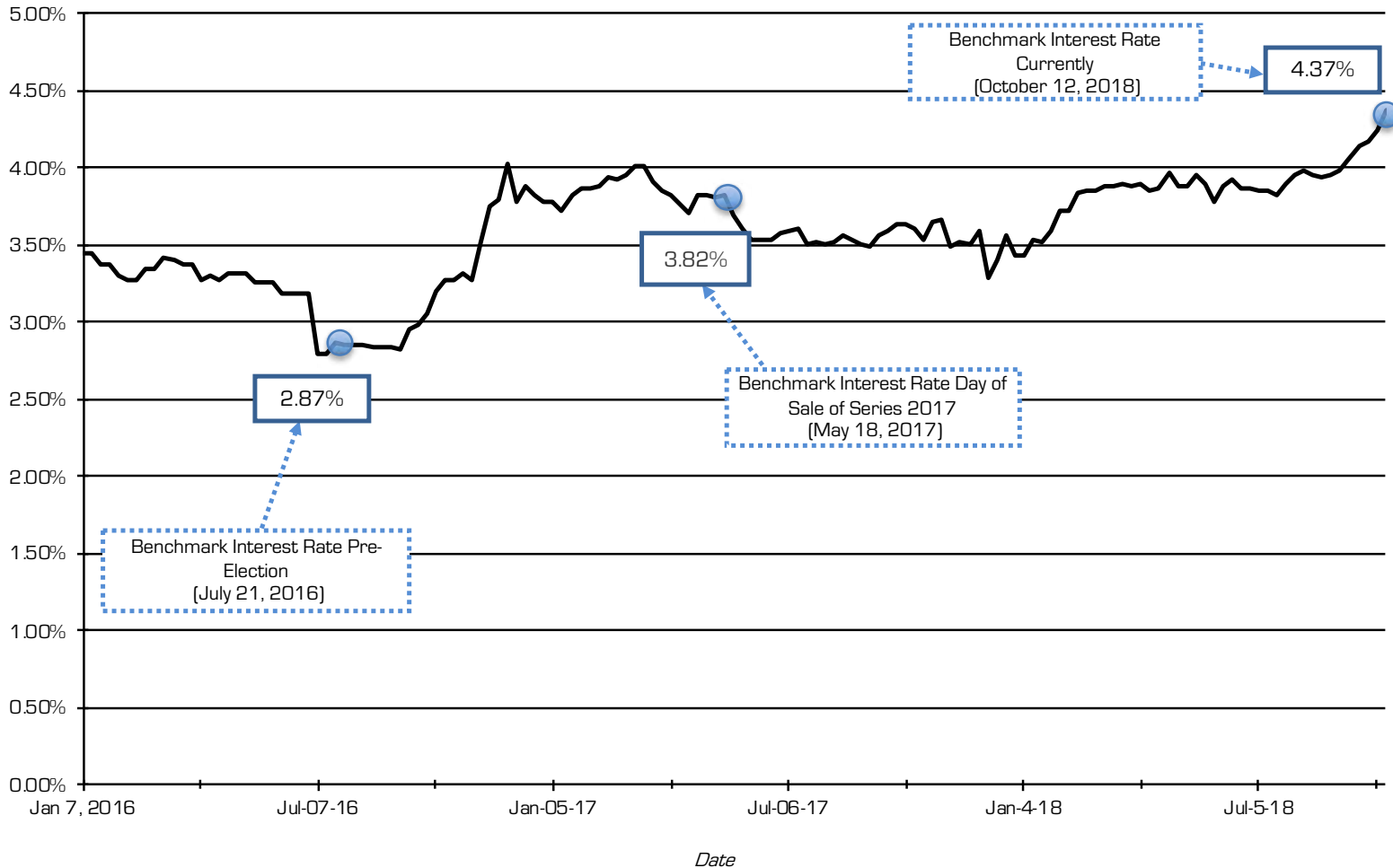


Historic data provided by Sacramento and San Joaquin Counties. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Since 1992-93, net local secured has annually comprised 93% - 97% of the District's total AV. As individually the other components are relatively small and tend to be subject to less predictable volatility, the AV focuses on net local secured.

Interest Rates are Volatile

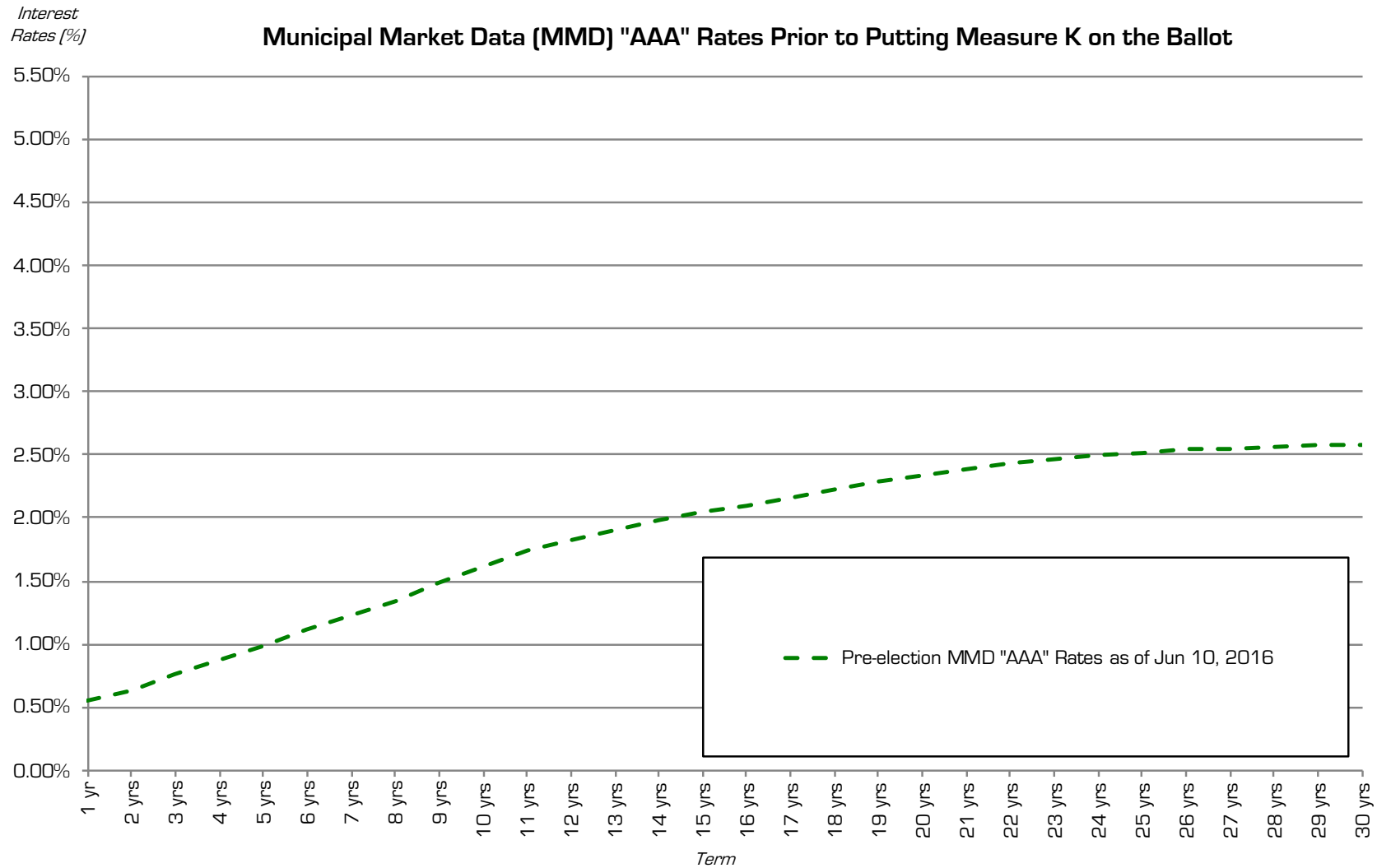
Interest Rate

The Benchmark Municipal Bond Interest Rate Has Fluctuated Since Measure K was Put on the Ballot, and is Currently 150bp Higher



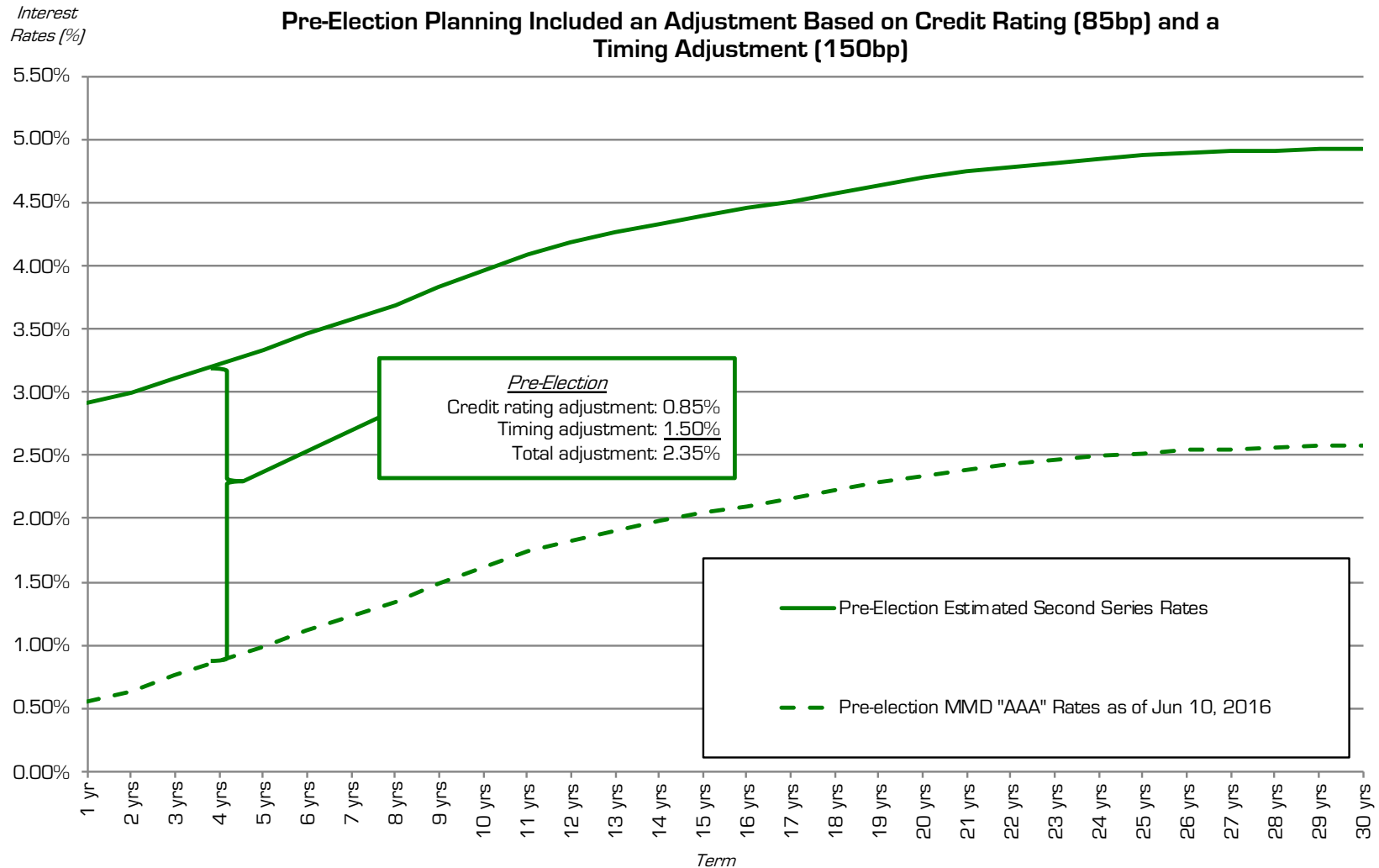
Notes: The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years and is compiled every Thursday. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Rating Service AA.

Base Rates Use for Pre-Election Plan



MMD 'AAA' Yield Curve produced daily by Thomson Reuters to represent yields by maturity of the highest-grade AAA rated state general obligation bonds, as determined by the MMD analyst team.

...Adjusted for Credit Rating and Timing

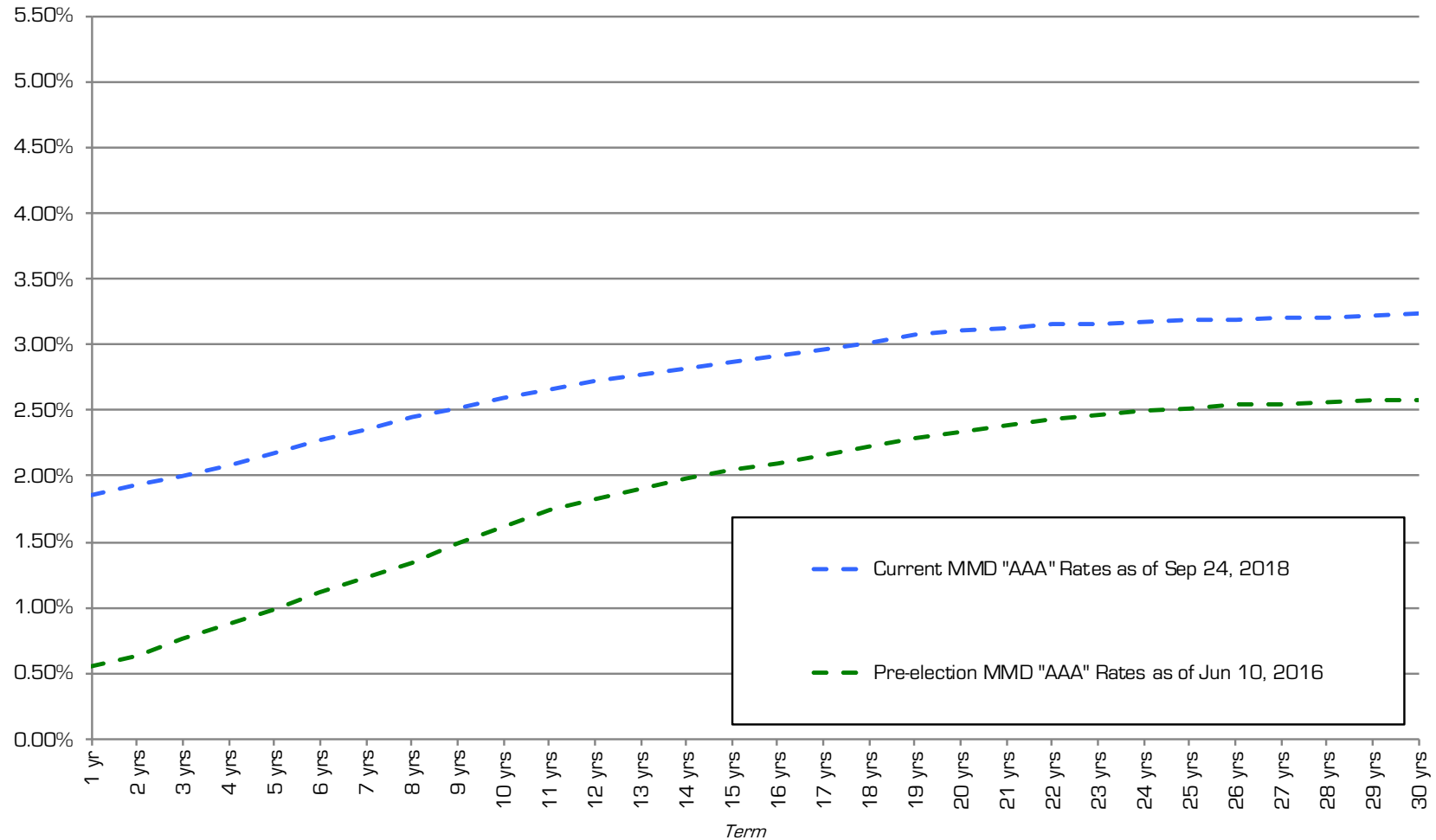


MMD 'AAA' Yield Curve produced daily by Thomson Reuters to represent yields by maturity of the highest-grade AAA rated state general obligation bonds, as determined by the MMD analyst team.

Base Rates Have Increased

Interest Rates (%)

Municipal Market Data (MMD) "AAA" Rates have Increased 65-130 Basis Points

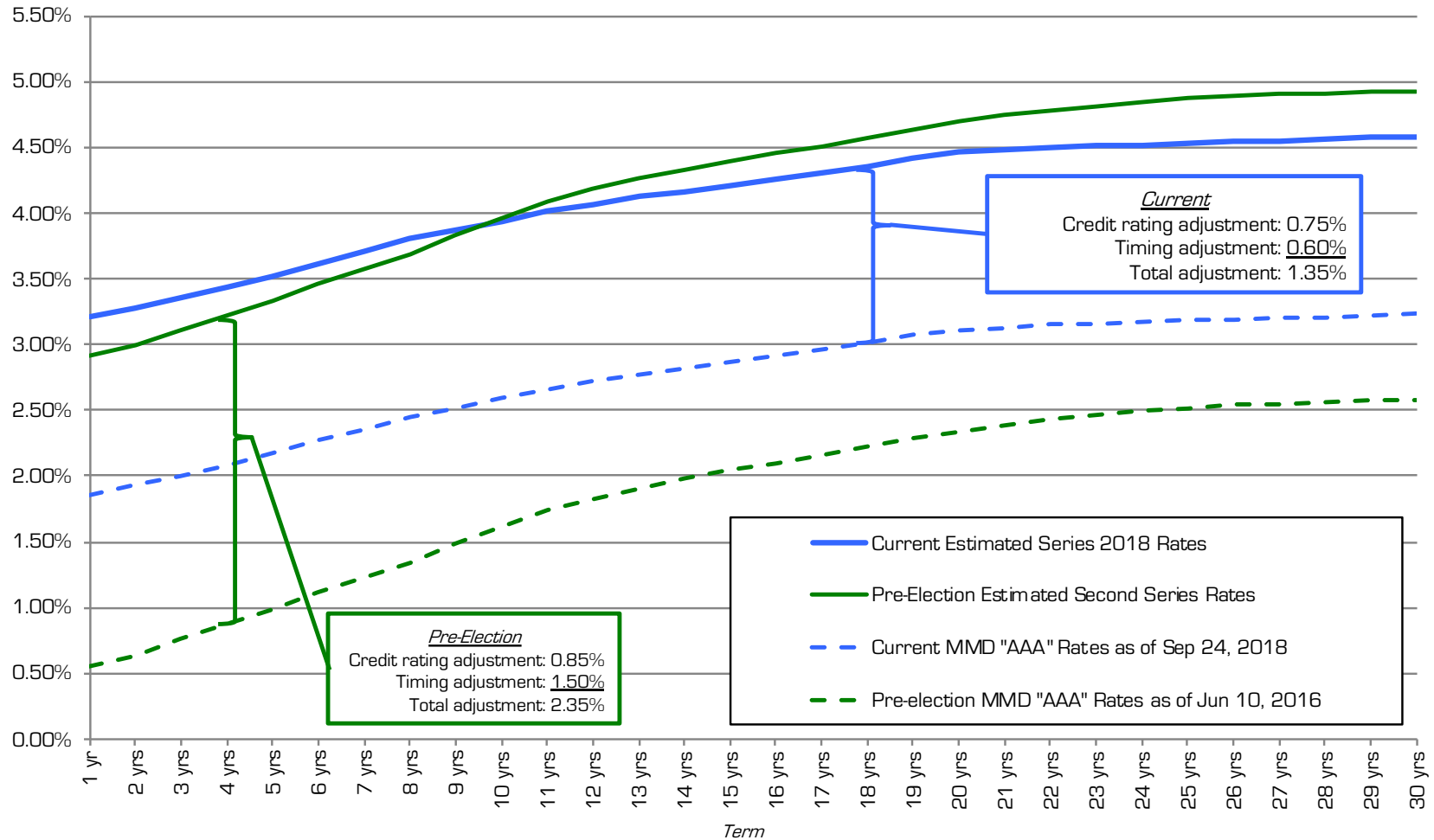


MMD 'AAA' Yield Curve produced daily by Thomson Reuters to represent yields by maturity of the highest-grade AAA rated state general obligation bonds, as determined by the MMD analyst team.

Conservative Pre-election Interest Estimates Close to Current Estimates

Interest Rates (%)

While Short-Term Rates are Mostly Higher Than Pre-Election Rates, Rating Adjustment is Lower and Timing Adjustment Lessened as Issuance is Nearer



MMD 'AAA' Yield Curve produced daily by Thomson Reuters to represent yields by maturity of the highest-grade AAA rated state general obligation bonds, as determined by the MMD analyst team.

2018 Adjustments to Bond Plan

- ◆ Net local secured assessed value growth greater than planned
 - ▶ In 2017-18, growth of 7.37% compared to 3.0% planned
 - ▶ In 2018-19, growth of 8.06% compared to 3.0% planned
 - ▶ This is a compound annual growth rate of 7.82%; allowing AV to grow in 2 years what was previously assumed to grow in 6 years

- ◆ All remaining authorization (\$10.1 million) can be issued

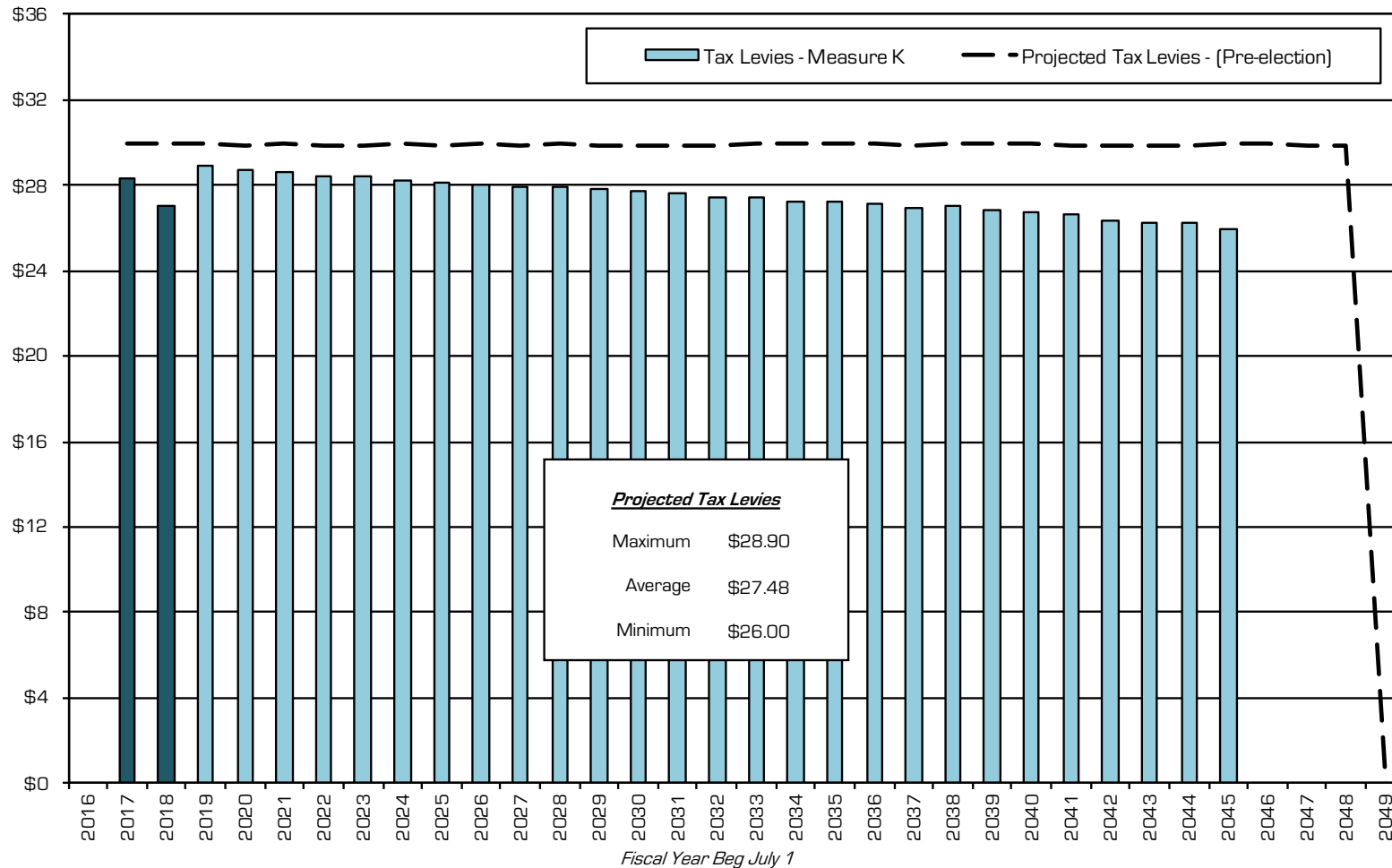
- ◆ Term of second series can be shortened to 27 years
 - ▶ Final maturity same as Series 2017 bonds (August 1, 2046)

- ◆ No capital appreciation bonds (CABs)

Projected Tax Levies Below Pre-Election Estimates and For a Shorter Term

Tax Levy per
\$100,000 of AV

Tax Levies are Projected to be Below Pre-Election Estimates and End 3 Years Earlier



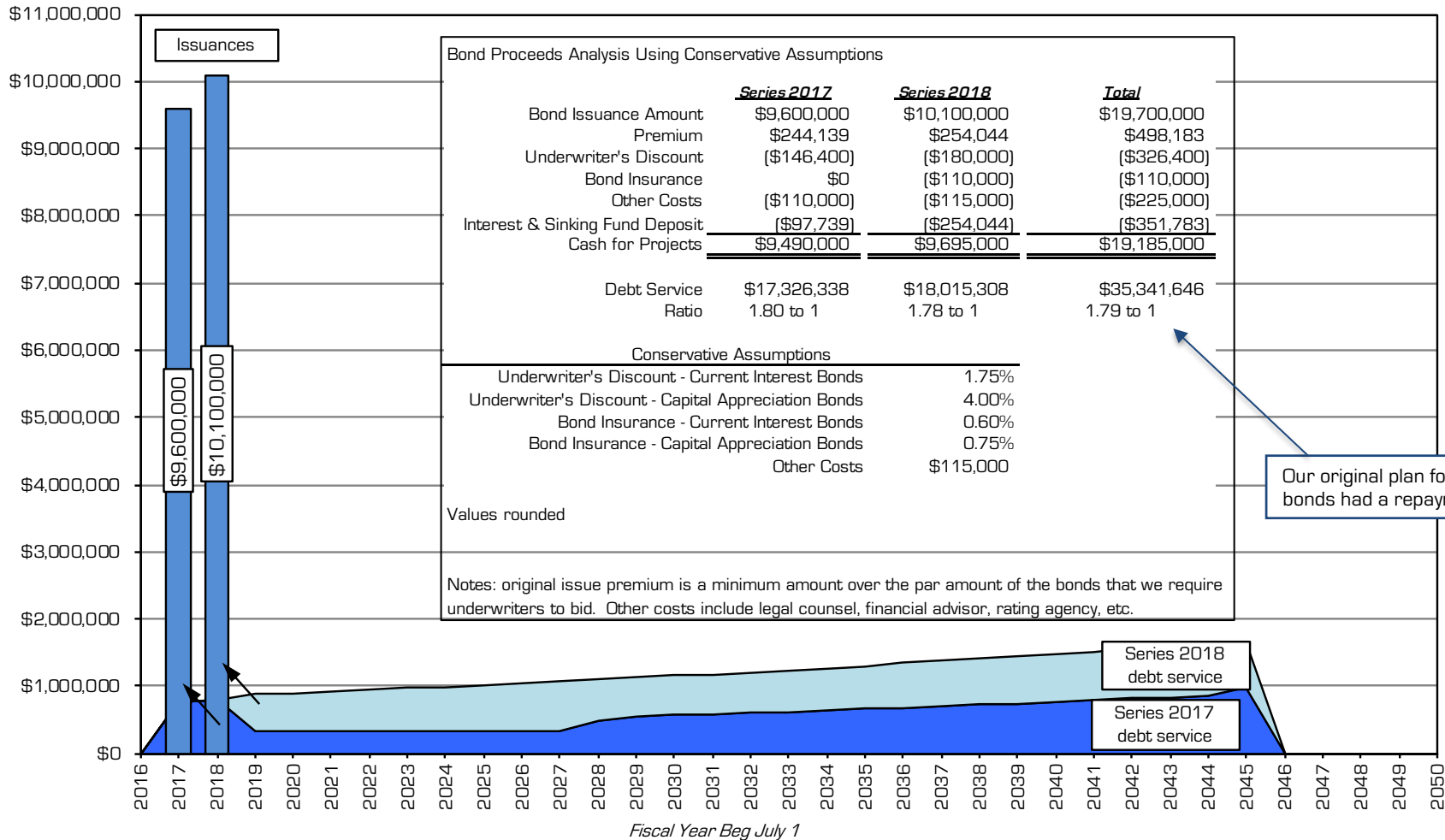
Tax levies through 2018-19 are actual. Tax levies projected based on assumed debt service, actual 2018-19 AV, with net local secured AV assumed to grow 3% annually, while all other AV types are assumed to remain unchanged.

More Money for Projects at a Lower Cost

(No CABs planned for Series 2018)

GO Bonds/Net
Debt Service

The Original Plan Was for \$19.2 Million (\$9.6 Million for Each Series). \$19.7 Million Was Put on the Ballot to Allow for any Potential Upside. The Current Plan Allows Issuing All Remaining \$10.1 Million in 2018

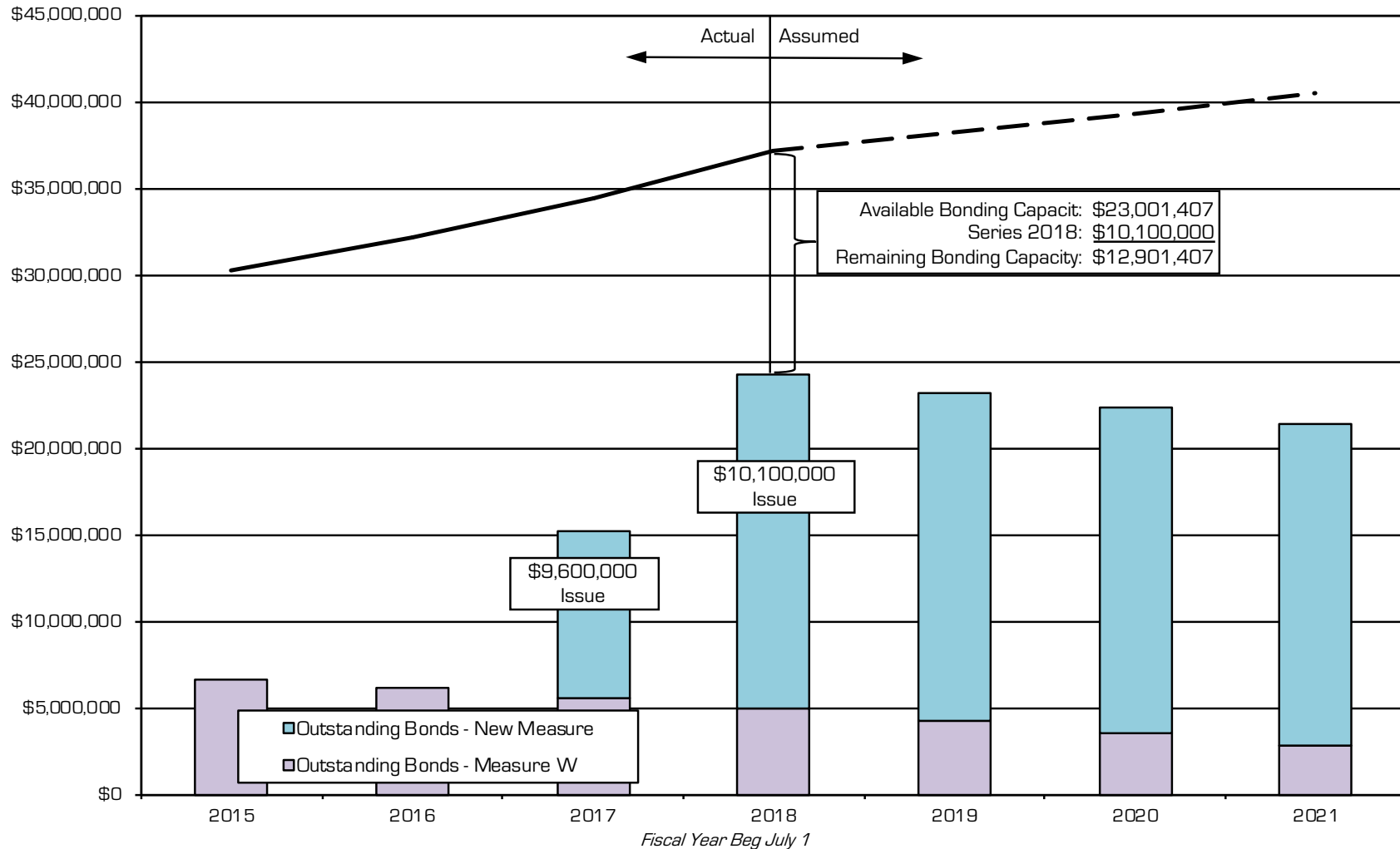


Debt service based on MMD "AAA" rates as of September 24, 2018, adjusted +75bp for assumed "A+" rating, plus timing adjustment for potential rate increasing prior to bond issuance of +60bp. Net local secured AV is assumed to increase 3% annually, while all other AV types are assumed to remain unchanged.

Remaining Bonding Capacity Post Measure K

Bonding Capacity/
Outstanding Bonds

Bonding Capacity is Not a Hindrance for Full Issuance of Measure K



Unified district's bonding capacity is 1.25% of total AV. 2018-19 AV is actual; net local secured AV assumed to grow 3% annually, while all other AV types are assumed to remain unchanged. Values rounded.

Bond Sale Methods

- ◆ Competitive Process - auction



- ◆ Negotiated Process - sale to pre-selected underwriter or lender/investor



The Government Finance Officers Association (GFOA) recommends that "bond issuers sell their debt using the method of sale that is most likely to achieve the lowest cost of borrowing while taking into account both short-range and long-range implications for taxpayers and ratepayers."

GFOA Competitive Criteria

- ◆ Criteria that favors a Competitive Process:
 - ✓ Rating of the bonds is at least in the single-A category.
 - Existing bonds are rated A+.
 - ✓ Bonds are general obligation bonds or full faith and credit obligations of the issuer or are secured by a strong, known and long-standing revenue stream.
 - The bonds are general obligation bonds.
 - ✓ Bond structure does not include innovative or new features that require extensive explanation to the bond market.
 - The bonds do not include features requiring explanation.
 - ✗ Issuer is well known and frequently in the market
 - The District is not well known and frequently in the market.
- ✓ *We meet 3 out of the 4 competitive process criteria.*

*Note: We define "frequently" to mean the proposed financing is at least the third debt issuance publically offered to the bond market in the last five years.

GFOA Negotiated Criteria

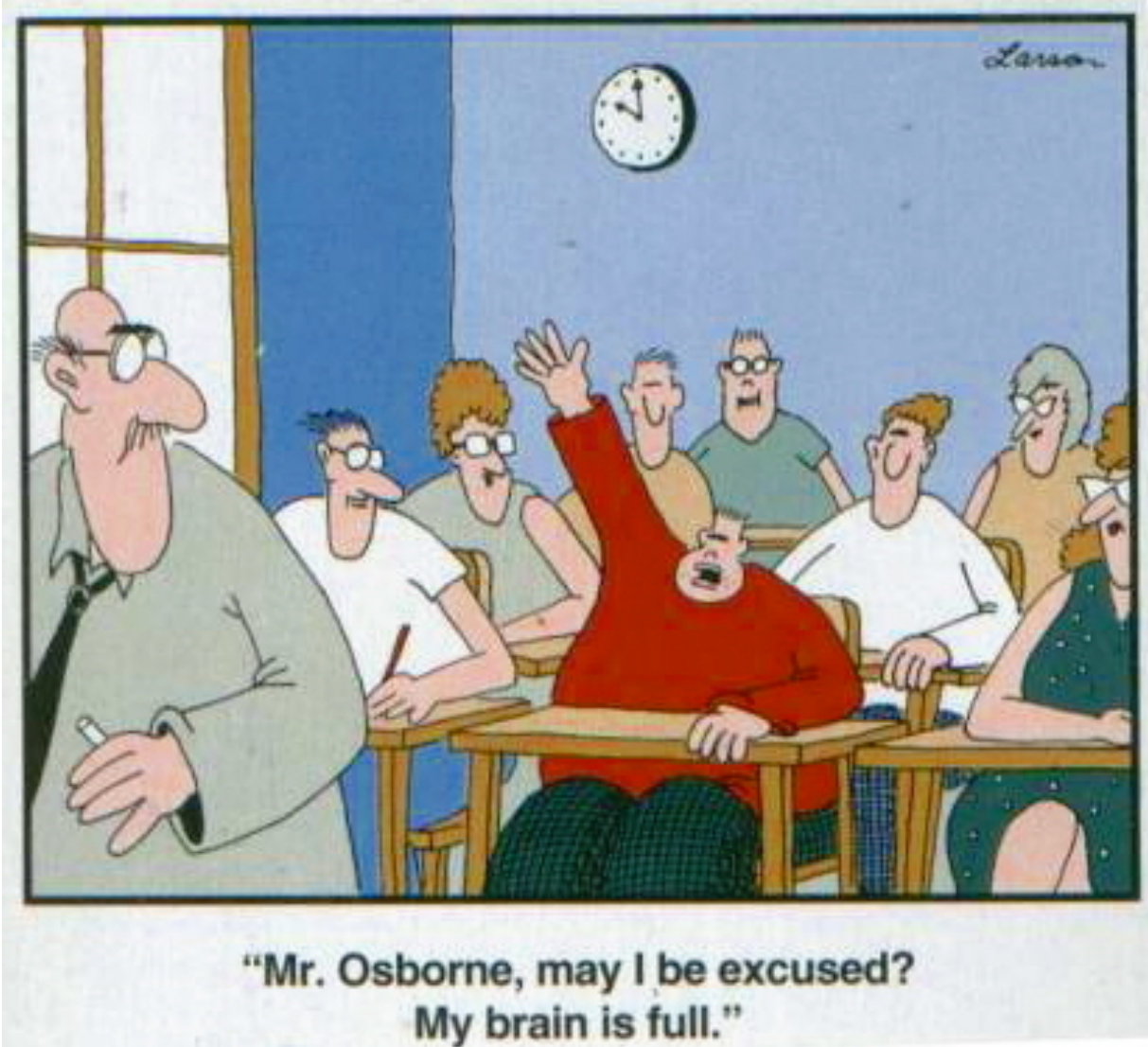
- ◆ Criteria that favors a Negotiated Process:
 - X Rating of the bonds is lower than the single-A category.
 - Existing bonds are rated A+.
 - X Bond insurance or other credit enhancement is unavailable or not cost-effective.
 - Bond insurance is available and cost-effective.
 - X Structure of bonds has features better suited to negotiation.
 - The bonds do not include such features.
 - X Issuer desires to target underwriting participation to include disadvantaged business enterprises or local firms.
 - All underwriters will have the opportunity to participate.
 - X Other factors that the issuer, in consultation with its financial advisor, believes favor the use of a negotiated sale process.
 - There are no other factors favoring a negotiated sale.
- ✓ *We meet 0 out of the 5 negotiated process criteria.*

Next Steps



- ◆ Today's Board meeting
 - ▶ Informational presentation of proposed financing plan
- ◆ November 28, 2018 Board meeting
 - ▶ Board considers adoption of resolution authorizing issuance of bonds and approving the forms of the associated legal documents and POS
- ◆ December 11, 2018
 - ▶ Sale of bonds conducted at the offices of Government Financial Strategies
- ◆ December 27, 2018
 - ▶ Closing: Proceeds deposited with County and Paying Agent
- ◆ January 23, 2019
 - ▶ Presentation of results of bond sale

Questions or Comments?



**"Mr. Osborne, may I be excused?
My brain is full."**

For Reference

- ◆ Bonded Debt Portfolio
- ◆ Measure K – Continual Adjustments
- ◆ Assessed Value
- ◆ Legal
- ◆ Disclosure
- ◆ Detailed Costs of Issuance
- ◆ Good Faith Estimates

Bonded Debt Portfolio

General Obligation Bonds - Election of 2001, Measure W - \$9,240,000

Series	Dated Date	Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service	Debt Service to Principal at Issuance	Principal	Net Debt Service	Outstanding Principal as of Oct. 1, 2018	Final Maturity	Able to Call?	Next Call Date	Callable Principal	Weighted Average		
								Paid & to be Paid as of Oct. 1, 2018	Paid & to be Paid as of Oct. 1, 2018						Callable Coupon	Next Call Premium	
2002	Mar 2002	CIBs	\$8,980,000	\$0	\$8,980,000	\$15,754,351	1.95 : 1	\$1,500,000	\$5,305,676	\$0	Aug 1, 2012	n/a	n/a	\$0	n/a	n/a	(1), (3)
		CABs	\$258,684	\$0	\$258,684	\$2,250,000		\$258,684	\$2,250,000	\$258,684	Aug 1, 2026	No	n/a	\$0	n/a	n/a	(2)
2012 Rfq	Jun 2012	CIBs	\$0	\$7,880,000	\$7,880,000	\$9,006,270	1.14 : 1	\$7,880,000	\$9,006,270	\$4,695,000	Aug 1, 2024	Yes	Aug 1, 2017	\$5,305,000	1.95%	0%	(3)
			<u>\$9,238,684</u>	<u>\$7,880,000</u>	<u>\$17,118,684</u>	<u>\$27,010,621</u>		<u>\$9,638,684</u>	<u>\$16,561,946</u>	<u>\$4,953,684</u>							

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.95 : 1
 Total debt service after refinancings to new money principal: 1.79 : 1

General Obligation Bonds - Election of 2016, Measure K - \$19,700,000

Series	Dated Date	Type	Issuance - New Money	Issuance - Refinancing	Total Issuance	Net Debt Service	Debt Service to Principal at Issuance	Principal	Net Debt Service	Outstanding Principal as of Oct. 1, 2018	Final Maturity	Able to Call?	Next Call Date	Callable Principal	Weighted Average		
								Paid & to be Paid as of Oct. 1, 2018	Paid & to be Paid as of Oct. 1, 2018						Callable Coupon	Next Call Premium	
2017	Jun 2017	CIBs	\$9,600,000	0	\$9,600,000	\$17,228,599	1.79 : 1	\$9,600,000	\$17,228,599	\$9,180,000	Aug 1, 2046	Yes	Aug 1, 2026	\$8,735,000	3.84%	0.00%	(4)
			<u>\$9,600,000</u>	<u>\$0</u>	<u>\$9,600,000</u>	<u>\$17,228,599</u>		<u>\$9,600,000</u>	<u>\$17,228,599</u>	<u>\$9,180,000</u>							

Debt Service to Principal Ratios

Debt service of new money issuances to new money principal: 1.79 : 1

- (1) Series 2002 CIB net debt service reflects application of \$122,564 deposited to debt service fund;
 (2) Series 2002 CAB outstanding principal reflects original CAB value, not accreted value;
 (3) Series 2002 CIBs refinanced by Series 2012 Refunding Bonds, saving taxpayers \$1,442,405;
 (4) Series 2017 (Measure K) net debt service reflects application of \$97,739 deposited to debt service fund.

Measure K – Continual Adjustments

	<u>Pre-Election</u>	<u>As of March 17, 2017 - Post Sale of Series 2017</u>	<u>As of Current- Pre Sale of Series 2018</u>
Issuances			
Series 2017	\$9,600,000	\$9,600,000	\$9,600,000
Series 2018	\$9,600,000	\$10,100,000	\$10,100,000
Total	\$19,200,000	\$19,700,000	\$19,700,000
Proceeds			
Series 2017	\$9,180,000	\$9,490,000	\$9,490,000
Series 2018	\$9,085,000	\$9,565,000	\$9,695,000
Total	\$18,265,000	\$19,055,000	\$19,185,000
Debt Service			
Series 2017	\$16,255,231	\$17,326,338	\$17,326,338
Series 2018	\$23,276,753	\$21,997,915	\$18,015,308
Total	\$39,531,984	\$39,324,253	\$35,341,646
Debt Service to Principal			
Series 2017	1.69 : 1	1.80 : 1	1.80 : 1
Series 2018	2.42 : 1	2.18 : 1	1.78 : 1
Total	2.06 : 1	2.00 : 1	1.79 : 1
Tax Levies			
Maximum	\$30.00	\$29.50	\$28.70
Average	\$29.95	\$28.76	\$27.41
Term of Tax	32 years	32 years	29 years

- ◆ Better than expected tax base growth allows all \$19.7 million of bonds to be planned
 - ▶ More facilities investment possible

*Note: Pre-election and post sale of Series 2017 bonds assumed second series would be issued in Spring 2019

Measure K – Continual Adjustments

	<i><u>Pre-Election</u></i>	<i><u>As of March 17, 2017 - Post Sale of Series 2017</u></i>	<i><u>As of Current- Pre Sale of Series 2018</u></i>
Issuances			
Series 2017	\$9,600,000	\$9,600,000	\$9,600,000
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Tax Levies			
Maximum	\$30.00	\$29.50	\$28.70
Average	\$29.95	\$28.76	\$27.41
Term of Tax	32 years	32 years	29 years

- ◆ Resulting in an estimated \$920,000 more proceeds
 - ▶ \$130,000 more than estimated after sale of Series 2017 bonds

*Note: Pre-election and post sale of Series 2017 bonds assumed second series would be issued in Spring 2019

Measure K – Continual Adjustments

	<i><u>Pre-Election</u></i>	<i><u>As of March 17, 2017 - Post Sale of Series 2017</u></i>	<i><u>As of Current- Pre Sale of Series 2018</u></i>
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Total	2.06 : 1	2.00 : 1	1.79 : 1
Tax Levies			
Maximum	\$30.00	\$29.50	\$28.70
Average	\$29.95	\$28.76	\$27.41
Term of Tax	32 years	32 years	29 years

◆ Better than assumed growth in assessed value, along with conservative interest rate assumptions result in over \$4 million less in estimated total debt service

*Note: Pre-election and post sale of Series 2017 bonds assumed second series would be issued in Spring 2019

Measure K – Continual Adjustments

	<u>Pre-Election</u>	<u>As of March 17, 2017 - Post Sale of Series 2017</u>	<u>As of Current- Pre Sale of Series 2018</u>
Issuances			
Series 2017	\$9,600,000	\$9,600,000	\$9,600,000
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Series 2018	2.42 : 1	2.18 : 1	1.78 : 1
Total	2.06 : 1	2.00 : 1	1.79 : 1
Tax Levies			
Maximum	\$30.00	\$29.50	\$28.70
Average	\$29.95	\$28.76	\$27.41
Term of Tax	32 years	32 years	29 years

◆ ... leading to a much lower debt service to principal ratio

▶ It is now below 1.8:1

*Note: Pre-election and post sale of Series 2017 bonds assumed second series would be issued in Spring 2019

Measure K – Continual Adjustments

	<u>Pre-Election</u>	<u>As of March 17, 2017 - Post Sale of Series 2017</u>	<u>As of Current- Pre Sale of Series 2018</u>
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Term of Tax	32 years	32 years	29 years

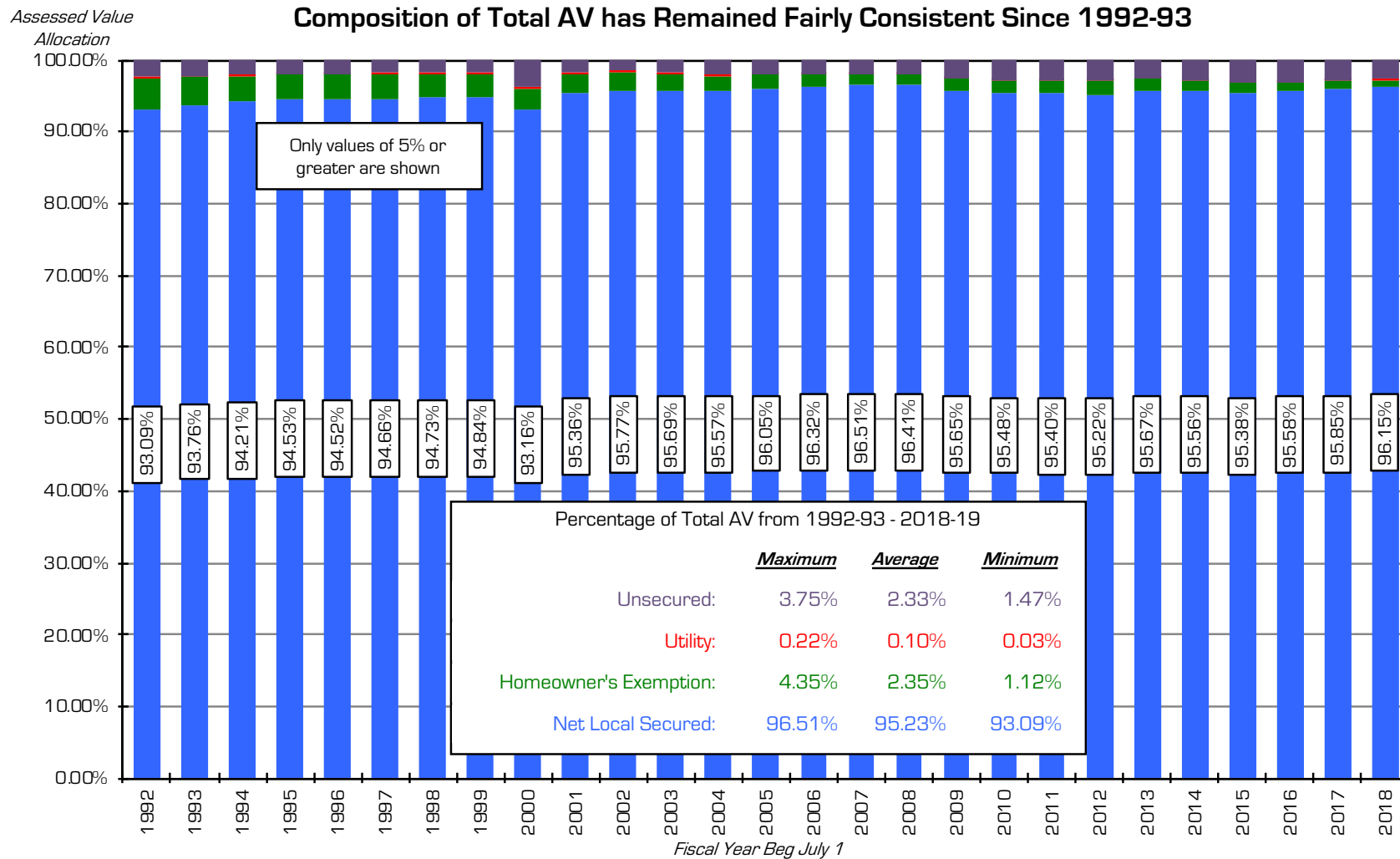
- ◆ ... resulting in lower projected tax levies
 - ▶ And taxes end 3 years earlier than originally planned

*Note: Pre-election and post sale of Series 2017 bonds assumed second series would be issued in Spring 2019

Assessed Valuation

- ◆ Composition of Assessed Value
- ◆ Comparison of Historical AV to Assumptions in Current Bond Plan
 - ▶ 5 Year Periods
 - ▶ 10 Year Periods
 - ▶ 15 Year Periods
 - ▶ 20 Year Periods
- ◆ Reasons AV Can Change
- ◆ Calculation of Tax Rates

Composition of Assessed Value

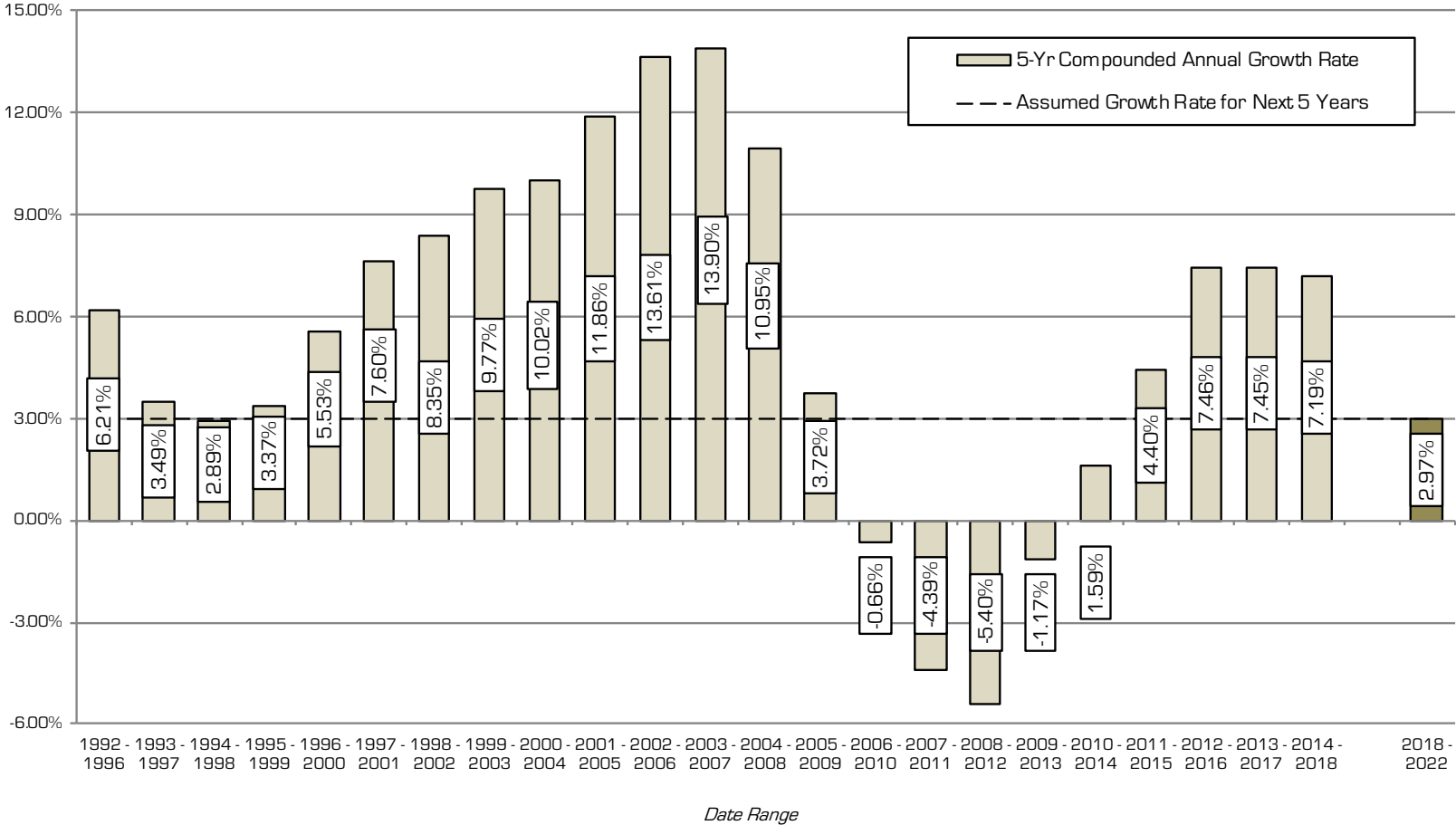


District is within Sacramento & San Joaquin Counties, with approximately 90% within Sacramento. Sacramento Co. data from 1997-2016 provided by Sacramento Co Finance Department, while San Joaquin Co Auditor-Controller's Department provided data from 1998-2016. Prior year data from 2002 GO bond Official Statement citing California Municipal Statistics, Inc., except 2002-03 San Joaquin data which was estimated as it was not readily available. California Municipal Statistics' data did not break out HOX; thus net local secured AV and HOX are estimated based on last available data. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Net local secured AV, which has annually comprised 93% - 97% of the District's total AV since 1992-98, is assumed to increase 3% annually, while all other AV types are assumed to remain unchanged.

Historical AV Analysis - 5 Year Periods

Compounded Annual Growth Rate - Secured AV

Assumptions Used Result in 2.97% Annual Growth Rate over Next 5 Years

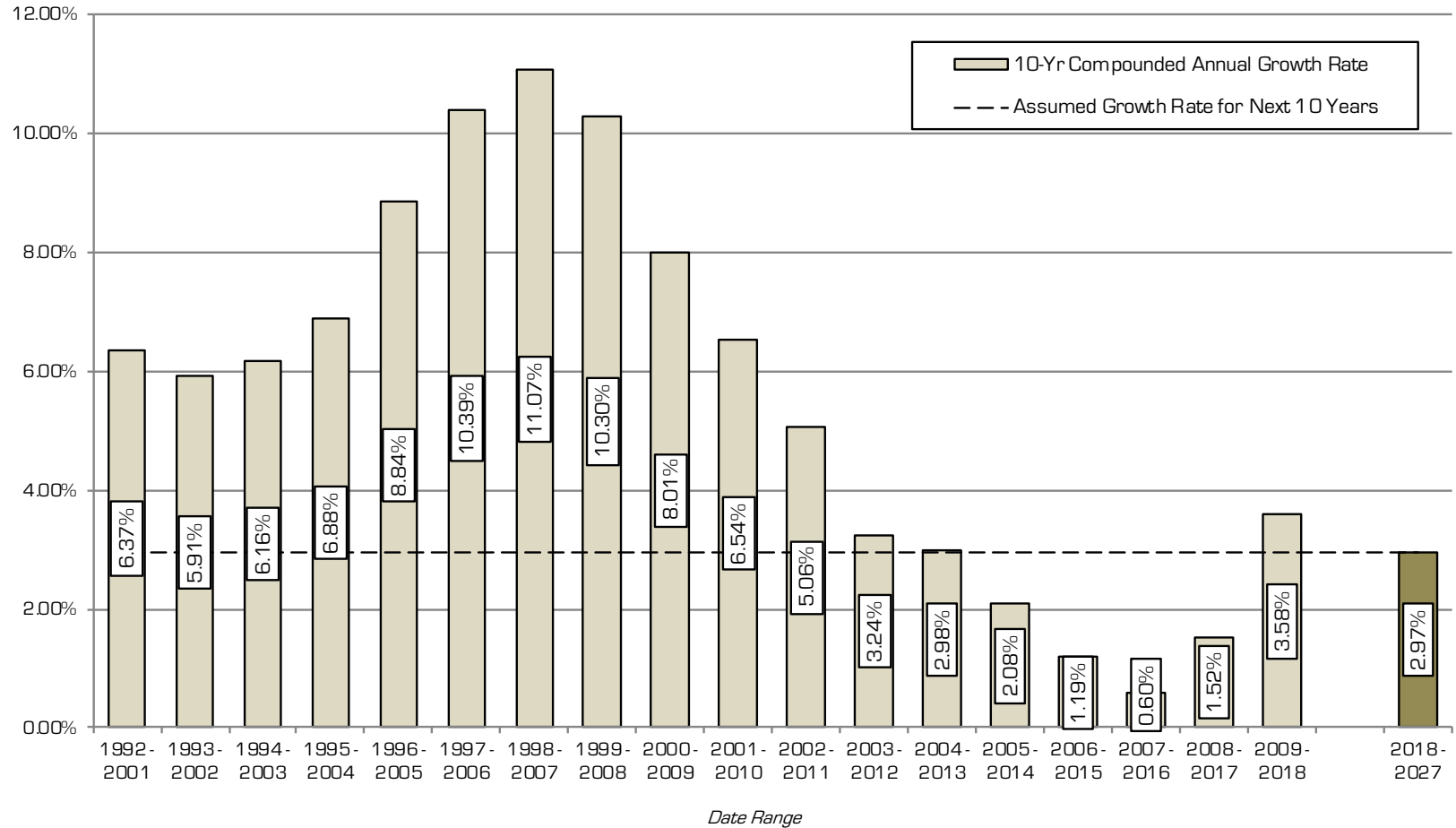


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Historical AV Analysis - 10 Year Periods

Compounded Annual
Growth Rate - Secured AV

Assumptions Used Result in 2.97% Annual Growth Rate over Next 10 Years

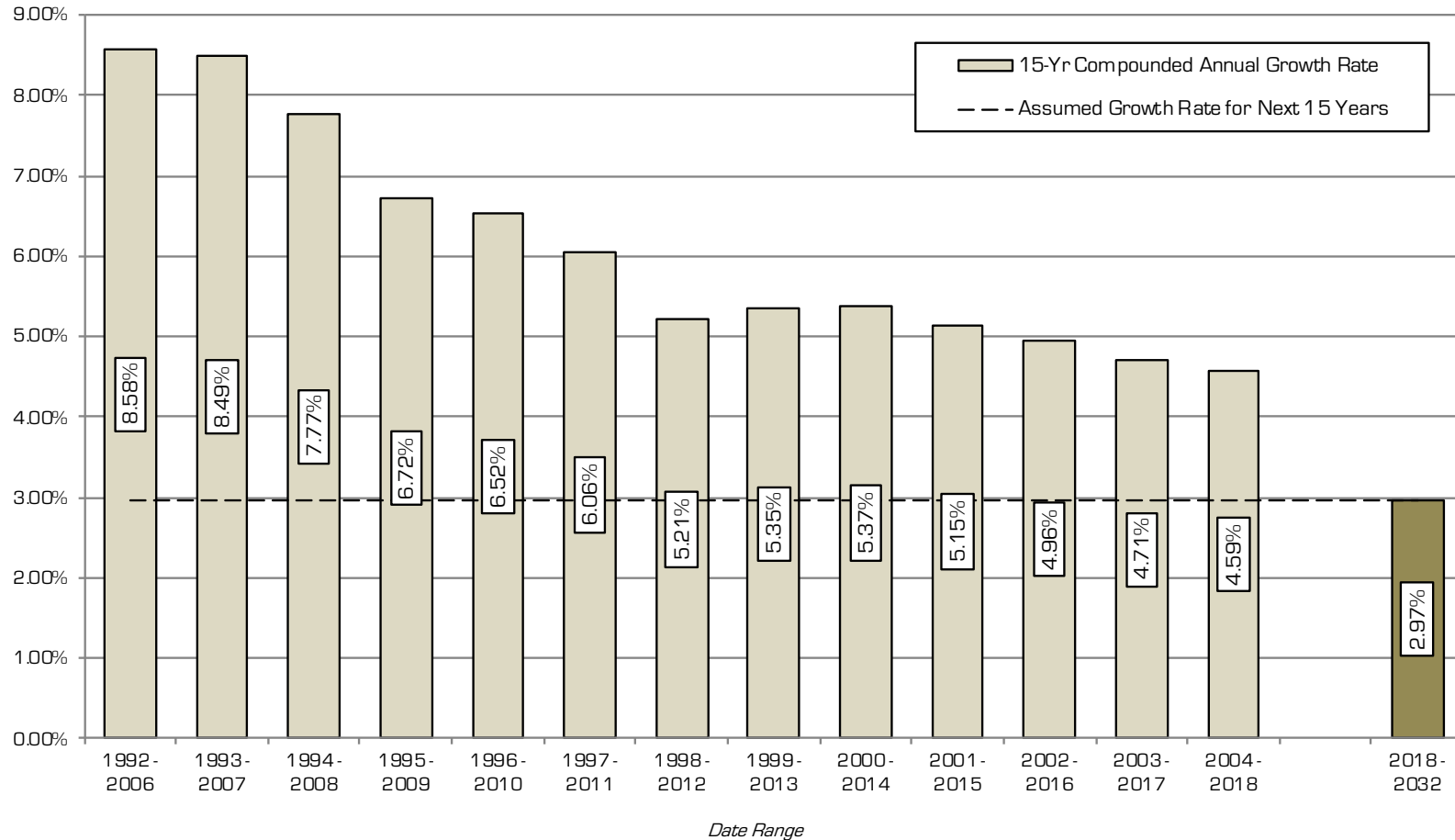


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Historical AV Analysis - 15 Year Periods

Compounded Annual
Growth Rate - Secured AV

Assumptions Used Result in 2.97% Annual Growth Rate over Next 15 Years

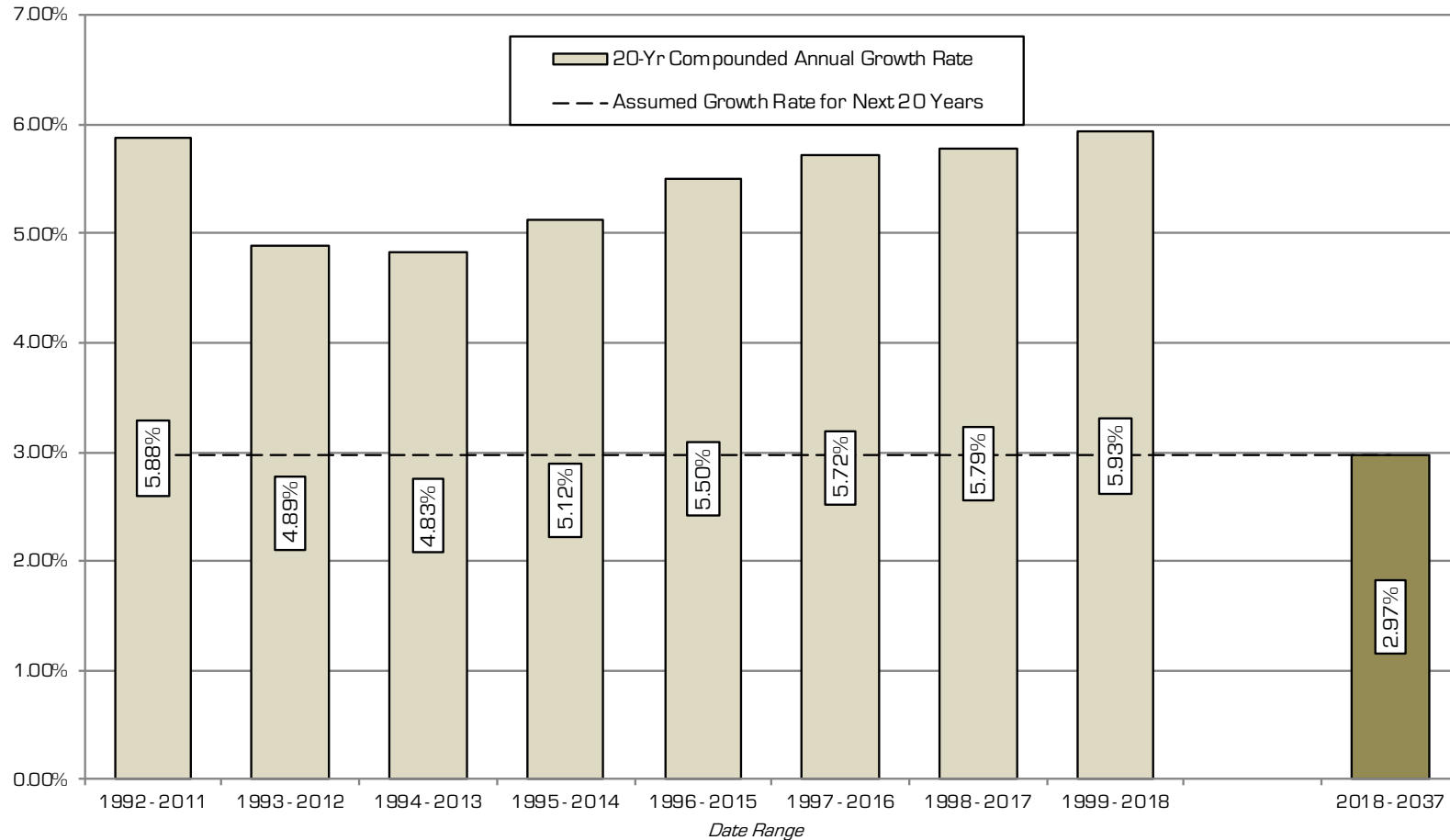


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Historical AV Analysis - 20 Year Periods

Compounded Annual
Growth Rate - Secured AV

Assumptions Used Result in 2.97% Annual Growth Rate over Next 20 Years



District is within Sacramento & San Joaquin Counties, with approximately 90% within Sacramento. Sacramento Co. data from 1997-2016 provided by Sacramento Co Finance Department, while San Joaquin Co Auditor-Controller's Department provided data from 1998-2015. Prior year data from 2002 GO bond Official Statement citing California Municipal Statistics, Inc., except 2002-03 San Joaquin data which was estimated as it was not readily available. California Municipal Statistics' data did not break out HOX; thus net local secured AV and HOX are estimated based on last available data. The District's total AV is comprised of net local secured, utility, homeowners exemption, and unsecured values. Net local secured AV, which has annually comprised 93% - 97% of the District's total AV since 1992-98, is assumed to increase 3% annually, while all other AV types are assumed to remain unchanged.

Reasons Assessed Value Can Change

- ◆ Pursuant to Proposition 13 (and embodied in Article 13A of the California Constitution), a school district's *real* property tax base can change for four reasons¹:
 - ▶ Properties are sold (and reassessed at the sale price).
 - ▶ Properties are improved (and reassessed with the value of the improvement).
 - ▶ A year passes (each property's assessed value increases by the lesser of 2% or the change in the California Consumer Price Index).
 - ▶ Market value of one or more properties declines below assessed value - assessed value can be adjusted downward to the market value. If market value subsequently increases, assessed value can "catch up" to pre-decline AV plus allowable adjustments (e.g. 2% annual increase).

¹ Oil producing properties have the additional complication of an adjusted base year value that is not necessarily the prior year's roll value.

G.O. Bond Tax Rates

- ◆ Bond tax rate \approx debt service \div assessed value
- ◆ Each property in the District pays its pro rata share, based on its individual assessed value (not market value)



Legal

- ◆ Legal Constraints
- ◆ Primary Legal Documents
- ◆ Legal Structure

Legal Constraints

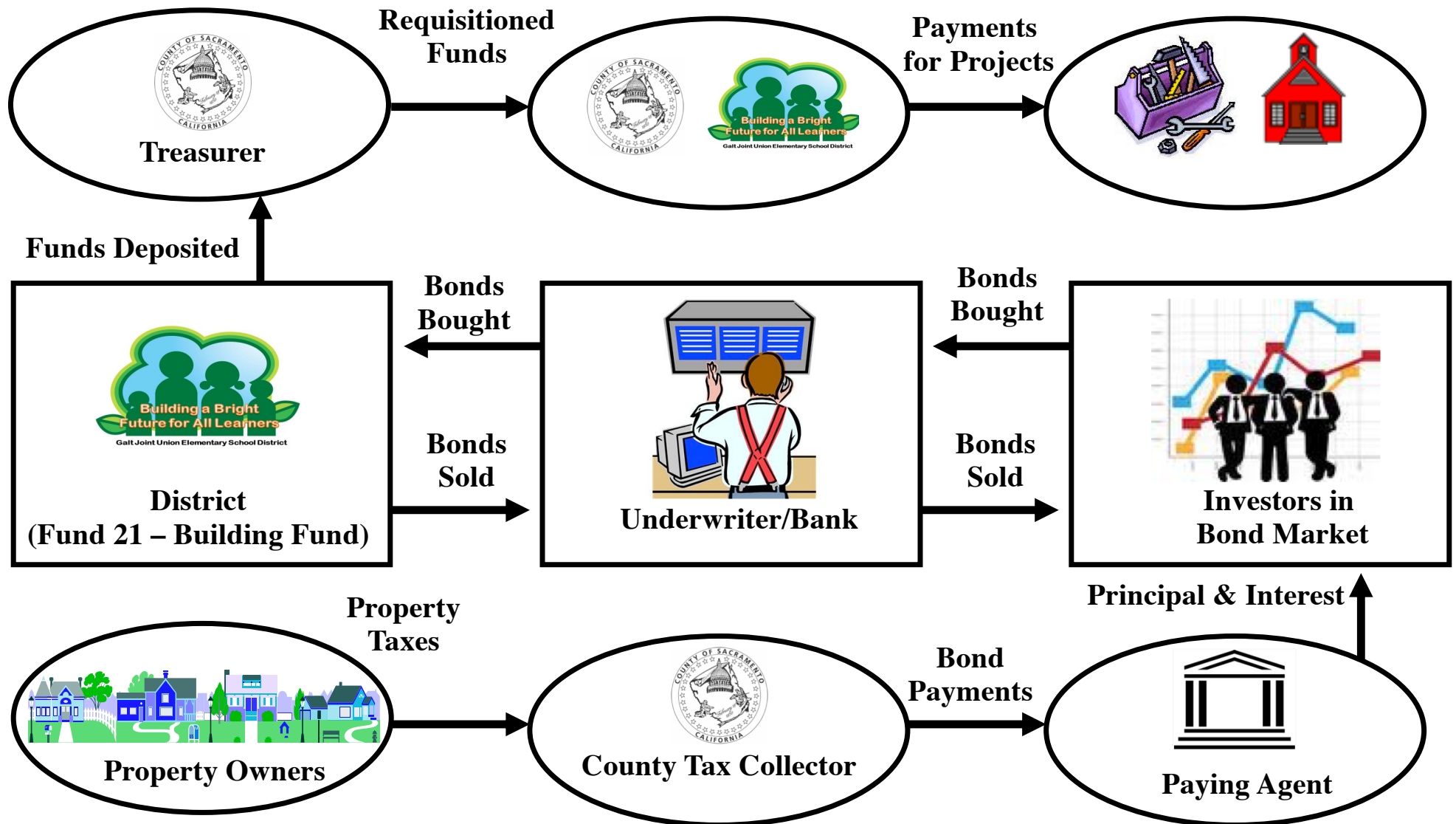


- ◆ Taxing Capacity: limit on maximum projected tax levies
(this is for 55% voter approval bond measures only, e.g. Meas. L)
 - ▶ \$30 per \$100,000 of assessed value for union districts
 - Education Code 15268 ✓
 - ▶ \$60 per \$100,000 of assessed value for unified districts
 - Education Code 15270(a)
- ◆ Bonding Capacity: limit on amount of outstanding bonds
(this is for all bond measures combined)
 - ▶ 1.25% of total assessed value for union districts
 - Education Code 15268 ✓
 - ▶ 2.50% of total assessed value for unified districts
 - Education Code 15270(a)

Primary Legal Documents

- ◆ *Board Resolution: authorizes bonds and signing of documents within parameters (bond amount, interest rate, etc.)*
- ◆ *Form of Bond Purchase Agreement: the underwriter purchases the bonds from the District and resells them to investors*
- ◆ *Preliminary Official Statement: discloses important information about the District and financing to investors*
- ◆ *Form of Paying Agent Agreement: a bank is assigned responsibility for forwarding principal and interest payments to investors*
- ◆ *Form of Continuing Disclosure Certificate: District provides updates to the bond market annually and if any significant events occur*

Legal Structure - General Obligation Bonds



Disclosure

- ◆ Disclosure to Investors
- ◆ Purpose of Disclosure
- ◆ Reviewing the Disclosure

Disclosure to Investors


- ◆ The Official Statement is the primary disclosure document.
- ◆ The Board will be asked to review the *Preliminary Official Statement*.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017 [DRAFT March 14, 2017]

NEW ISSUE
DTC BOOK-ENTRY ONLY
[BANK-QUALIFIED]

S&P Rating: “_”
See “RATING” herein

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. [The District has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.] Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “LEGAL MATTERS—Tax Matters” herein.


\$9,600,000*
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
(SACRAMENTO COUNTY AND SAN JOAQUIN COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS, ELECTION OF 2016, SERIES 2017

DATED: Date of Delivery **DUE: August 1, as shown on the inside cover**

The Galt Joint Union Elementary School District (Sacramento County and San Joaquin County, California) General Obligation Bonds, Election of 2016, Series 2017 in the aggregate principal amount of \$9,600,000* (the “Bonds”) are being issued by the Galt Joint Union Elementary School District (the “District”) to (i) finance the specific school facilities projects set forth in the ballot measure approved by the District’s voters at an election held on November 8, 2016, and (ii) pay costs of issuance of the Bonds. See “PLAN OF FINANCE” herein.

The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied and collected by Sacramento County and San Joaquin County. The Board of Supervisors of Sacramento County and the Board of Supervisors of San Joaquin County are empowered and obligated to annually levy and collect *ad valorem* property taxes without limitation as to rate or amount on all taxable property in the District (except for certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. See “SECURITY AND SOURCE OF PAYMENT” herein.

The Bonds are being issued as current interest bonds issuable in denominations of \$5,000 or any integral multiple thereof. The Bonds mature on August 1 in the years and amounts set forth on the inside page following this cover page. Interest on the Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018. The Bonds are subject to redemption prior to their maturity. See “THE BONDS—Payment of Principal and Interest” and “—Redemption Provisions” herein.

The Bonds are being issued as fully registered bonds, without coupons, in book-entry form only. When delivered, the Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), acting as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made by Zions Bank, a division of ZB, National Association as paying agent (the “Paying Agent”) to DTC for subsequent disbursement to DTC participants who will remit such payments to the Beneficial Owners. See “APPENDIX E—DTC BOOK-ENTRY ONLY SYSTEM” attached hereto.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELEVANT TO AN INVESTMENT IN THE BONDS. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. CAPITALIZED TERMS USED ON THIS COVER PAGE NOT OTHERWISE DEFINED WILL HAVE THE MEANINGS SET FORTH HEREIN.

MATURITY SCHEDULE

See Inside Cover

The Bonds are being purchased for reoffering by _____ as underwriter of the Bonds (the “Underwriter”). The Bonds are offered when, as and if issued by the District and received by the Underwriter, subject to approval as to legality by Parker & Covert LLP, Sacramento, California, Bond Counsel. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about June 6, 2017.

This Official Statement is dated _____, 2017.

*Preliminary, subject to adjustment.

The information contained in this Preliminary Official Statement has been deemed by the District to be final as of the date hereof; however, the information contained herein is subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, or be deemed an offer to sell or the solicitation of an offer to buy, in any state where such offer, offer to sell, or solicitation of an offer to buy is prohibited by law.

Purposes of Disclosure

- ◆ Honest and Fair Dealing
(disclose all “material” facts)



- ◆ Marketing
(present and future)



It is Important to Review the Disclosure

◆ Securities and Exchange Commission report (January, 1996) on the disclosure of Orange County in connection with the sale of municipal securities prior to its bankruptcy:

□ In authorizing the issuance of securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may a public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading. □



Tips for Reviewing the Disclosure

- ◆ In reviewing the Preliminary Official Statement:
 - ▶ Format is based on the industry standard, for the convenience of the primary audience -- investors. Standard information is provided in standard fashion, which is often not in the best writing style.
 - ▶ Providing too much information can obscure important points; however omitting information which might be material to an investment decision would be disastrous.
 - ▶ It is better to bring something to our attention, so that it can be considered and discussed, rather than assume that we've already thought of it.

Estimated Costs of Issuance

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 (Sacramento County and San Joaquin County, California)
 General Obligation Bonds, Election of 2016, Series 2018

Estimated Costs of Issuance

Description	Estimated Total Costs
• Parker & Covert LLP, Bond Counsel	
Bond Counsel Fees:	\$22,000.00
Out-of-Pocket Expenses:	\$800.00
• Government Financial Strategies inc., Financial Advisor	
Professional Services:	\$56,250.00
Out-of-Pocket Expenses:	\$3,500.00
• S&P Global Ratings, Rating Agency	
Professional Services:	\$17,000.00
• Other Issuance Expenses (break out listed below)	
ZB, National Association dba Zions Bank, Paying Agent	
Acceptance Fee/Expenses:	\$350.00
One Time Costs of Issuance Custodian Fee:	\$250.00
Annual Administration Fee:	\$350.00
Annual Administration Expenses:	\$0.00
Ipreo, Electronic Bidding:	\$1,425.00
California Municipal Statistics, Research:	\$1,200.00
Amtec, Verification Agent	\$250.00
Other/Contingency	\$11,625.00
TOTAL COSTS OF ISSUANCE	\$115,000.00

Good Faith Estimates (Per Government Code 5852.1)

Good Faith Estimates for Series 2018 GO Bonds
Per Government Code 5852.1

	<i>Estimates</i>
True Interest Cost	4.38%
Finance Charge	(\$405,000)
Amount of Proceeds	\$9,695,308
Total Payment Amount	\$18,015,308

Notes:

- 1) True interest cost includes a 0.60% adjustment for potential market volatility, based on historical volatility in the Bond Buyer 20-Bond Index from 1/1/84 - 10/12/18.
- 2) Finance charge is the sum of all charges and fees paid to third-parties for upfront costs.
- 3) Amount of proceeds received is the bond amount less the finance charge and any reserves or capitalized interest funded.
- 4) Total payment amount is total debt service plus any finance charges not paid with proceeds.

GJUESD MEASURE K FACILITIES IMPROVEMENT PRIORITIES: MULTI-YEAR ROLL-OUT								
TIMELINE ASSUMES STATE FUNDING FOR ALL MODERNIZATION PROJECTS RECEIVED 2020/21								
PROGRESS UPDATE JANUARY 2019								
Priority 1: Safety and Security; Priority 2: Modernization; Priority 3: Infrastructure; Priority 4: 21st Century Learning								
	VALLEY OAKS	GREER	MARENGO RANCH	RIVER OAKS	LAKE CANYON	MCCAFFREY	FAIRSITE	TOTAL
PLANNED FUNDING PER SCHOOL								
Measure K GO Bond	\$5,582,000	\$5,000,000	\$5,000,000	\$3,160,000	\$200,000	\$500,000	\$40,000	\$19,482,000
Proposition 39 Energy Funding	\$122,100	\$85,154	\$318,464	\$230,849	\$0	\$48,280		\$804,847
State School Facilities Program (SFP)/Prop 51								
*Modernization	\$2,841,216	\$2,062,322	TBD-Elig in 2022	\$2,509,572	\$0	\$0	\$0	\$7,413,110
*New Construction	TBD	TBD	\$0	TBD	\$0	\$0	\$0	\$0
*Facilities Hardship (State Funding)	\$0	\$0	TBD	\$0	\$0	\$0	\$0	TBD
TOTAL PLANNED FUNDING	\$8,545,316	\$7,147,476	\$5,318,464	\$5,900,421	\$200,000	\$548,280	\$40,000	\$27,699,957
COMPLETED PROJECTS 2017/18 and 18/19								
Priority 1 Projects: Safety and Security	Telephones	Telephones	Telephones	Telephones	Security System	Telephones	Telephones	
	Security Cameras	Security Cameras	Security Cameras	Security Cameras	Playground Equip.	Security Cameras	Security Cameras	
	Paving	Paving	Paving	Paving		Paving	Paving	
	Increment I Projects: Priority 2: Modernization	Kinder Playground		Playground Equip.		Priority 4: 21st Century Learning		
	HVAC/Roofing: Bldgs A,C,E	DSA Close-Out Work: Priority 3: Infrastructure		Security Fencing		BFLC Remodel		
	CDE Approved, Submitted to OPSC on 11/13/18	Firewall Repair		Priority 3: Infrastructure		Projector Mounting		
		Lighting Infrastructure		Site Water Pump Replacement				
INCREMENT I PROJECTS								
CURRENTLY ACTIVE PROJECTS	Security Fencing			Priority 1: Safety and Security				
UNDER CONSTRUCTION	Kitchen/MP Room			Fire Alarm System				
AS OF JANUARY 2019	Remodel: Including			Intrusion System				
Priority 1: Safety and Security	Kitchen Equipment			CDE Approved, Submitted to OPSC on 1/15/19				
Priority 2: Modernization	Replacement/Upgrade							
Priority 3: Infrastructure	Fire Alarm System/Sprinklers							
	MPR Restroom Accessibility							
	Light Fixture and Controls							
	New Epoxy Flooring in Kitchen							
	CDE Approved, Submitted to OPSC on 11/13/18							
Estimated Completion	February 2019			February 2019				
CURRENTLY ACTIVE PROJECTS IN DESIGN		Priority 4: 21st Century Learning Priority 2: Modernization	Priority 1: Safety and Security	Priority 2: Modernization				
AS OF JANUARY 2019		Remodel Classrooms: 3,4,5,6,10	Veneer Replacement	Priority 3: Infrastructure				
INCREMENT I PROJECTS		Modernizing Restrooms - Building C	Replace Fire Alarm System	Wood/Dry rot Repair				
		Possible Removal of Portables	Replace Intrusion Alarm System	Stucco/Masonry Repair				

GJUESD MEASURE K FACILITIES IMPROVEMENT PRIORITIES: MULTI-YEAR ROLL-OUT								
TIMELINE ASSUMES STATE FUNDING FOR ALL MODERNIZATION PROJECTS RECEIVED 2020/21								
PROGRESS UPDATE JANUARY 2019								
Priority 1: Safety and Security; Priority 2: Modernization; Priority 3: Infrastructure; Priority 4: 21st Century Learning								
	VALLEY OAKS	GREER	MARENGO RANCH	RIVER OAKS	LAKE CANYON	MCCAFFREY	FAIRSITE	TOTAL
		CDE and DSA Approved	Priority 2: Modernization	Strip and paint roofs				
			Priority 3: Infrastructure	Repair Drains/Downspouts				
			Restroom Modernization	Roof coating at Port. CR's				
			Replace/repair Dry rot at Port. CR's	Replace HVAC System				
			New Exterior Lighting and Controls	Replace BMS System				
			Exterior Paint	CDE Approved, Submitted to OPSC on 1/15/19				
			Replace and Repair Roofs					
			Replace Roof Drains and Downspouts					
			Structural Repairs					
			Roof Coating at Port. CR's					
			Replace 4 HVAC Systems					
			Replace BMS System					
			CDE Approved, Submitted to OPSC on 1/15/19					
Estimated Construction Start		Summer 2019	February 2019	Summer 2019				

GJUESD MEASURE K FACILITIES IMPROVEMENT PRIORITIES: MULTI-YEAR ROLL-OUT								
TIMELINE ASSUMES STATE FUNDING FOR ALL MODERNIZATION PROJECTS RECEIVED 2020/21								
PROGRESS UPDATE JANUARY 2019								
Priority 1: Safety and Security; Priority 2: Modernization; Priority 3: Infrastructure; Priority 4: 21st Century Learning								
	VALLEY OAKS	GREER	MARENGO RANCH	RIVER OAKS	LAKE CANYON	MCCAFFREY	FAIRSITE	TOTAL
INCREMENT 2 PROJECTS IN DESIGN								
	(Increment 2)	Priority 2: Modernization						
	Priority 4: 21st Century Learning	Priority 3: Infrastructure						
	New Classroom Buildings	(Increment 2)						
	New Student and Staff Restrooms	Roof Replacement and Repair						
	Remove Portables	and HVAC Upgrades:						
		At Bldgs. A, B, C, and D						
		Admin, Library, Classroom,						
		Multi-Purpose Room						
		New Energy Management System						
		Exterior Painting of Permanent Buildings						
Estimated Construction Start	2020/21	2020/21						
INCREMENT 3 AND 4 PROJECTS								
FUTURE: UNKNOWN FUNDING								
	(Increment 3)	(Increment 3)						
	Priority 1: Safety and Security	Priority 2: Modernization						
	Upgrade Fire Alarm System	Roof Replacement and Repair						
	Priority 2: Modernization	at Portable Classrooms						
	New Energy Management System	Roofing/Fascia/Eave						
	Streetscape Improvements	Exterior Painting of Port. CR's						
	Remodel Bldg. D Library into	Upgrade Fire Alarm System						
	New Administration							
	Upgrades to Port. Classrooms:							
	Roofing/Fascia/Eave/Painting							
	(Increment 4)	(Increment 4)						
	Priority 4: 21st Century Learning	Priority 4: 21st Century Learning						
	Remodel 3rd Gr. Classrooms into BFLC	New Classroom Buildings						
		New Student and Staff Bathrooms						
	Priority 2: Modernization	Possible Removal of Portables						
	Priority 3: Infrastructure							
	Other: Sewer Replacement							
Estimated Construction Start	Unknown: Beyond Measure K and State Funding	Unknown: Beyond Measure K and State Funding						



OTHER REPORTS

1. School Services of California Governor's Budget Report 2019-20

Presenter: Karen Schauer, Superintendent and Lois Yount, Business Director

1. Summary Analysis, of the Governor's Proposed 2019 State Budget for California's Schools Prepared by School Services of CA

2. Education Funding Reports Cited At CSBA New Board Member Training: Silent Recession

Presenter: Karen Schauer, Superintendent

- a. Silent Recession: Why CA School Districts Are Underwater Despite Increases In Funding Prepared by WestEd
- b. Education Budget Strategies For Challenging Times: How CA School Districts Are Addressing The Silent Recession and Education Budget Strategies

3. Williams Uniform Complaint Process Quarterly Report

Presenter: Karen Schauer, Superintendent

The 2019-20 State Budget Proposal

On Thursday, January 10, 2019, Governor Gavin Newsom unveiled his first proposed State Budget for the upcoming 2019-20 fiscal year. Governor Newsom enjoys a much more positive financial and economic environment at the release of his first State Budget than his predecessor. Governor Newsom inherits a state that is enjoying a strong economy and an historic budget surplus due primarily to the prudent policies of former Governor Jerry Brown. During Brown’s tenure as Governor, public education experienced a massive philosophical and practical shift that has involved significant infusions of revenue over a relatively short period of time, but with equally significant cost pressures. The question on everyone’s mind has been: what will our new Governor do with his good fortune?

In Governor Newsom’s first State Budget proposal, we see a continued commitment to the Local Control Funding Formula (LCFF) by providing the statutory cost-of-living adjustment (COLA), but nothing more like we saw during the gap closure years and this year’s augmented COLA. The additional ongoing Proposition 98 dollars above that required amount are proposed to address specified purposes, and not at the complete discretion of the local educational agencies (LEAs).

Proposition 98

Proposition 98 minimum guarantee has declined from the enacted 2018-19 State Budget for both 2017-18 and 2018-19 due to lower-than-anticipated average daily attendance (ADA) and a year-over-year decline in General Fund revenue growth from 2017-18 to 2018-19.

For 2019-20, the State Budget proposes a Proposition 98 guarantee of \$80.7 billion, an increase of \$2.8 billion year over year. The guarantee is projected to be based on

Test 1—funding based on education’s proportion of the General Fund in 1986-87.

Cost-of-Living Adjustments and ADA

The estimated statutory COLA for K-12 education programs in 2019-20 is 3.46% and is applied to the LCFF base grant targets, as well as other education programs that are funded outside of the LCFF. Those programs include Special Education, Child Nutrition, Preschool, Foster Youth, American Indian Education Centers, the American Indian Early Childhood Education program, and the Mandate Block Grant, all of which are proposed to receive the statutory COLA.

Statewide, ADA is expected to continue declining—from \$5.935 million in 2018-19 to \$5.928 million in 2019-20.

Local Control Funding Formula

The Governor’s 2019-20 State Budget proposal includes an increase of \$2 billion in Proposition 98 for the LCFF reflecting the 3.46% COLA. This brings LCFF funding to \$63 billion.

LCFF Target Base Grant for School Districts and Charter Schools

The target base grants by grade span for 2019-20 are increased over 2018-19 by 3.46% to reflect the estimated statutory COLA:

Grade Span	2018-19 Target Base Grant per ADA	3.46% COLA	2019-20 Target Base Grant per ADA
TK-3	\$7,459	\$258	\$7,717
4-6	\$7,571	\$1262	\$7,833
7-8	\$7,796	\$270	\$8,066
9-12	\$9,034	\$313	\$9,347

Special Education

Acknowledging the rising cost of Special Education services, Governor Newsom proposes \$576 million (of which \$186 million is one-time) to support expanded Special Education services and school readiness supports at LEAs with high percentages of both students with disabilities and unduplicated students. Eligible LEAs may use these grants to fund supplemental services not currently included in an individualized education program for a student with disabilities and for preventative services that may reduce the need for additional services in future years.

Noting that school districts were most likely to be identified as needing support because of poor performance on student outcome indicators for students with disabilities, this funding can also be used to adopt strategies to improve Special Education student outcomes identified through the statewide system of support and/or other activities to build upon or expand local multi-tiered systems of support efforts.

CalSTRS Payments

Governor Newsom’s proposed State Budget recognizes the growing burden of pension rate increases that LEAs face. A total of \$3 billion in one-time non-Proposition 98 funds will be used to buy down California State Teachers’ Retirement System (CalSTRS) employer contribution rates in 2019-20 and beyond and to reduce employers’ long-term unfunded liability. Based on current assumptions, a \$700 million investment would be used to decrease the statutory CalSTRS employer contributions in 2019-20 of 18.13% to 17.1% and in 2020-21 from 19.1% to 18.1%. The remaining \$2.3 billion would be applied toward employers’ long-term unfunded liability (which is expected to translate to an estimated reduction in the employer contribution rate beyond 2020-21 of approximately half a percentage point).

The proposed State Budget also includes additional payments to address the state’s share of the CalSTRS liability. In addition to the statutorily required \$3.3 billion state CalSTRS contribution, \$1.1 billion will go toward the state’s share of the CalSTRS Defined Benefit Program. This is expected to be the first installment of an estimated \$2.9 billion to be paid to CalSTRS through 2022-23 for the state’s portion of the unfunded liability.

Finally, Governor Newsom proposes an infusion of \$3 billion into the California Public Employees’ Retirement System (CalPERS) as a supplemental pension payment in 2018-19, which follows on a \$6 billion supplemental payment made to the system in 2017-18.

Early Childhood Education: Child Care, Preschool, and Kindergarten

Governor Newsom’s first State Budget includes significant new investments in children and young learners as a critical part of his “California for All” vision. Many of his proposals leverage one-time funding as a way to ensure that the state does not overcommit itself while building the essential components of the early care and education (ECE) infrastructure. Governor Newsom’s ECE budget includes the following key investments:

- **Universal Preschool:** The State Budget proposes instituting universal preschool for all low-income four-year-olds over a three-year period, and includes a first-year investment of \$124.9 million in non-Proposition 98 funding for new full-day preschool slots for community-based providers. The State Budget also proposes to shift \$297.1 million in non-LEA part-day slots from Proposition 98 to the non-Proposition 98 portion of the State Budget to enable community-based providers greater flexibility to draw down full-day, full-year funding for state preschool slots. Finally, the State Budget proposes to remove a barrier for

families to access full-day wraparound services under the State Preschool Program by eliminating the requirement to demonstrate that the need for care stems from employment or postsecondary enrollment.

- **Full-Day Kindergarten:** To incentivize the provision of full-day kindergarten throughout the state, the Governor’s State Budget invests \$750 million in one-time (non-Proposition 98) funding to build new kindergarten facilities, which LEAs have identified as the biggest barrier to providing full-day programs. This investment builds upon the 2018-19 State Budget’s \$100 million investment for the same purpose and administered by the Office of Public School Construction (OPSC).
- **Birth to Three:** The Governor proposes to spend over \$200 million (non-Proposition 98) in state and federal funds on home visiting programs and child developmental and health screenings as a way to bridge the child readiness gap and ensure positive health and life outcomes for all children.
- **Child Care:** The State Budget proposes one-time funding (non-Proposition 98) of \$490 million for child care facilities (\$245 million) and the professional development of child care workers (\$245 million, non-Proposition 98) to improve the overall quality of child care.

As part of long-term visioning, the Governor proposes to invest \$10 million to develop a child care and universal preschool roadmap for California. The roadmap will address systems capacity issues, workforce development needs, and identify funding options. Additionally, the roadmap may contemplate changes to Transitional Kindergarten (TK) due to its intersection with universal preschool. This work will augment California’s federal preschool development grant for which the California Department of Education is conducting a state needs analysis.

School Facilities

The State Budget proposal includes the sale of an additional \$1.5 billion in Proposition 51 bonds in 2019-20 to support the State Facility Program, including New Construction, Modernization, Career Technical Education, and the Charter School Facilities programs.

Discretionary Funds

Breaking with his predecessor, Governor Newsom’s 2019-20 State Budget does not propose any one-time Proposition 98 discretionary funding for school districts, charter schools, or county offices of education (COEs).

Longitudinal Data System

Governor Newsom is proposing \$10 million one-time non-Proposition 98 to plan for and develop a longitudinal data system that would connect student data from early education providers, K-12 schools, higher education institutions, employers, other workforce entities, and health and human services agencies. The funding would be used for initial planning purposes and the initial stages of implementation, once an implementation plan is adopted by the Administration and the Legislature.

Systems of Support

With the latest release of the California School Dashboard in December 2018, 374 school districts have been identified for differentiated assistance. The proposed 2019-20 State Budget provides \$20.2 million in additional funding for COEs to work with these identified districts as required by statute. These funds will be distributed consistent with the formula adopted in the 2018-19 State Budget.

Federal Programs

The 2019 federal budget includes minimal increases for federally funded programs. In October 2018, President Donald Trump signed the fiscal year 2019 spending bill that increased education funding nationally by \$581 million to an all-time high of \$71.5 billion. Title I and Special Education each received a \$100 million increase while Head Start was increased by \$240 million. Generally, California receives one-tenth of these national figures making the increases insignificant for a state with six million students.

Dartboard Factors

The SSC Financial Projection Dartboard factors presented below are developed by SSC with input from independent state agencies and private economic consulting firms based on the latest information available. These factors are provided to assist school agencies in preparing their upcoming budgets and multiyear projections.

Factor	2018-19	2019-20	2020-21	2021-22	
LCFF Gap Closure	100%	—	—	—	
Statutory COLA	2.71%	3.46%	2.86%	2.92%	
Ten-Year Treasuries	2.87%	3.19%	3.19%	3.20%	
California Consumer Price Index	3.58%	3.18%	3.05%	2.92%	
Lottery	Base	\$151	\$151	\$151	\$151
	Prop. 20	\$53	\$53	\$53	\$53

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POCKET BUDGET 2019-20

A Summary Analysis of the Governor’s Proposed 2019-20 State Budget for California’s Schools

Prepared by:



January 2019

Public Education’s Point of Reference
for Making Educated Decisions

SCHOOL SERVICES OF CALIFORNIA, INC.

**SSC School District and Charter School Financial Projection Dartboard
2019-20 Governor's Proposed State Budget**

This version of SSC's Financial Projection Dartboard is based on the 2019-20 Governor's State Budget proposal. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF ENTITLEMENT FACTORS				
Entitlement Factors per ADA	K-3	4-6	7-8	9-12
2018-19 Base Grants	\$7,459	\$7,571	\$7,796	\$9,034
COLA at 3.46%	\$258	\$262	\$270	\$313
2019-20 Base Grants	\$7,717	\$7,833	\$8,066	\$9,347
Grade Span Adjustment Factors	10.4%	–	–	2.6%
Grade Span Adjustment Amounts	\$803	–	–	\$243
2019-20 Adjusted Base Grants	\$8,520	\$7,833	\$8,066	\$9,590
Supplemental Grants (% Adj. Base)	20%	20%	20%	20%
Concentration Grants	50%	50%	50%	50%
Concentration Grant Threshold	55%	55%	55%	55%

LCFF DARTBOARD FACTORS					
Factors	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Finance Gap Funding Percentage	100.00%	–	–	–	–
COLA ^{1,2}	3.70%	3.46%	2.86%	2.92%	2.90%

PLANNING FACTORS						
Factors		2018-19	2019-20	2020-21	2021-22	2022-23
Statutory COLA ³		2.71%	3.46%	2.86%	2.92%	2.90%
California CPI		3.58%	3.18%	3.05%	2.92%	3.15%
California Lottery	Unrestricted per ADA	\$151	\$151	\$151	\$151	\$151
	Restricted per ADA	\$53	\$53	\$53	\$53	\$53
Mandate Block Grant (District)	Grades K-8 per ADA	\$31.16	\$32.24	\$33.16	\$34.13	\$35.12
	Grades 9-12 per ADA	\$59.83	\$61.90	\$63.67	\$65.53	\$67.43
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$16.33	\$16.90	\$17.38	\$17.89	\$18.41
	Grades 9-12 per ADA	\$45.23	\$46.79	\$48.13	\$49.54	\$50.98
One-Time Discretionary Funds per ADA		\$184	–	–	–	–
Interest Rate for Ten-Year Treasuries		2.87%	3.19%	3.19%	3.20%	3.30%
CalPERS Employer Rate ⁴		18.062%	20.70%	23.40%	24.50%	25.00%
CalSTRS Employer Rate ⁵		16.28%	17.10%	18.10%	18.10%	17.60%

STATE MINIMUM RESERVE REQUIREMENTS	
Reserve Requirement	District ADA Range
The greater of 5% or \$67,000	0 to 300
The greater of 4% or \$67,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

¹Target for LCFF was achieved in the 2018-19 fiscal year, therefore, any growth in LCFF revenues in future years will be attributable to the application of the COLA to the base grant.

²2018-19 rate includes statutory COLA of 2.71% plus an augmentation of 0.99% represented by an additional \$670 million for school districts and charter schools. County offices of education receive only the statutory COLA.

³Applies to Special Education, Child Nutrition, Preschool, Foster Youth, American Indian Education Centers/American Indian Early Childhood Education and Mandate Block Grant.

⁴Rate is final for 2018-19 fiscal year.

⁵Rates for 2019-20 and beyond are subsidized in Governor Newsom's Budget Proposal.



SILENT RECESSION

WHY CALIFORNIA SCHOOL
DISTRICTS ARE UNDERWATER
DESPITE INCREASES IN FUNDING

Kelsey Krausen
Jason Willis

APRIL 2018

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Suggested citation: Krausen, K., & Willis, J. (2018). *Silent Recession: Why California school districts are underwater despite increases in funding*. San Francisco, CA: WestEd.

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WestEd is a nonpartisan, nonprofit research, development, and service agency that works with education and other communities throughout the United States and abroad to promote excellence, achieve equity, and improve learning for children, youth, and adults. WestEd has more than a dozen offices nationwide, from Massachusetts, Vermont, Georgia, and Washington, DC, to Arizona and California, with headquarters in San Francisco.

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INTRODUCTION

“[I]T’S EXACTLY THIS SILENT RECESSION SCENARIO.... THOUGH WE ARE RECEIVING MORE DOLLARS EACH YEAR PER STUDENT, THE COSTS THAT WE’RE BEING SADDLED WITH ARE GREATER THAN THOSE REVENUES. SO, WE END UP IN A PERPETUAL CUTTING MODE.”

DISTRICT BUDGET OFFICER

Despite projected increases in state and local education funding between 2017/18 and 2021/22,¹ California school districts face fiscal pressures that threaten to destabilize school district budgets and force reductions in services to students. Examples of these fiscal pressures include reduced funding due to declining enrollment; the costs of upkeep and renovations for aging school facilities; increasing special education program costs; increasing employee health care costs; and the costs associated with recruiting, retaining, and training teachers, including ensuring competitive wages. Still, for many California school districts, the most daunting fiscal pressure is the rising cost of employee pensions, totaling a \$1-billion increase over the previous year in costs to districts statewide in the 2017/18 school year alone.²

Many of these pressures on school district budgets are largely hidden from public view because they do not take the form of new services or programs and instead are part of what is often referred to as the “cost of doing business.” Furthermore, school district spending on employee pensions

is expected to nearly double between 2015/16 and 2020/21, based on complicated retirement and earnings forecasts that are not well understood by the public – or by many state policymakers or district leaders. These costs create pressures on district budgets and erode districts’ abilities to make new investments in programs. They mark a new era of fiscal constraint for California’s school districts – a Silent Recession – which will likely force many districts to make dramatic program adjustments and reductions or risk significant deficit spending, despite overall increases in K–12 funding provided by the state.

This paper suggests that despite efforts to help school districts recover from the recent Great Recession by bringing school district spending power back to pre-recession levels, growth in expenses to maintain operations means that school districts across the state are now experiencing the Silent Recession. Although California’s education funding formula provides revenues that grow incrementally each year, these increases are not based on the actual growth in the costs of operating a school. Consequently, some school districts are experiencing cost increases that are outpacing revenue increases. The fiscal challenges that this dynamic creates will likely require school districts to find new strategies to prioritize how they spend limited dollars and may lead to reductions in investments in current employees and programs, as rising costs effectively crowd out other investments. The Tradeoffs section of this paper presents a conceptual framework for school district leaders to use in considering the tradeoffs and choices they may need to make. In particular, the framework highlights the importance of focusing on budget strategies that address areas in which districts have greater control over expenditures and which have the potential to make a substantial impact on district budgets.

1 <http://www.lao.ca.gov/Publications/Report/3716> (The most recent projections from this report of the state’s Legislative Analyst’s Office show projected increases under a “Growth Scenario”; the report also provides projections under a “Recession Scenario.”)

2 <http://www.lao.ca.gov/Publications/Report/3549>

To explore the implications of the growing fiscal pressures in a range of school districts, WestEd analyzed publicly available single-year budgets and multiyear projections (MYPs) for 25 California school districts that were selected to be representative of the range of sizes, types, and regions of California school districts.³ To check if districts that tend to have higher levels of revenues also tend to forecast the same budget issues as districts in the 25-district sample, MYP analyses were also conducted for two additional samples: 15 school districts that have high unduplicated student counts (74–98 percent of the district’s enrollment is from targeted groups)⁴ and 15 Basic Aid school districts.⁵

In addition, WestEd conducted interviews with district and county leaders involved in WestEd’s Smarter School Spending Community of Practice, as well as interviews with chief business officers from districts across the state. (Additional information on how this paper was developed is in the Appendix.)⁶

Purpose

The purpose of this paper — the first in a two-part series — is to provide a detailed picture of the fiscal pressures that districts face and to outline the implications of the Silent Recession for school districts. The second paper builds on this urgent matter and offers budget strategies and approaches that school districts may use to mitigate these pressures. The implications include tradeoffs faced by districts, potential effects on collective bargaining and broader conversations with the public about the budget, and the implications for deficit spending and for achieving the Local Control Funding

Formula legislation’s key goals of closing the budget gap and the achievement gap.

In particular, this paper draws attention to the rising cost of pensions and to other fiscal pressures on school districts in an effort to broadcast these issues so they are no longer silent. These are complex budget issues that are difficult to explain to the public, but they can be of significant impact and importance to maintaining academic and fiscal solvency for many school districts in California, as well as elsewhere. Many school districts will be forced to navigate formidable budget choices ahead, and this paper is written from the assumption that it is easier to foster authentic engagement and transparent conversations with the public about these choices when there is a shared understanding of current budget realities. Importantly, the current budget challenges in many districts are not new and are not due solely to external pressures. Rather, they are part of a larger story about how district leadership, including local governing boards, have historically made budget decisions — in some cases deferring difficult budget choices — and about the increasing demands placed on the education system and the levels of funding provided for California school districts over time.

Although this paper briefly addresses some of the broader issues related to the adequacy of school funding in California, it does not delve deeply into the debate about whether the funding gap is caused by the adequacy of K–12 education funding in California. Rather, this paper is intended to serve as a springboard for discussions about how districts are dealing with current budget realities.

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- 3 Each district is required to submit to its county office of education a single-year budget and a multiyear projection of its budget along with its Local Control and Accountability Plan by July 1 each year. These multiyear projections include information on the next three budget years.
 - 4 The term unduplicated student counts refers to the total number of English learner (EL) students, low-income students, and foster youth in the district. Unduplicated students may also be referred to as targeted student groups because school districts receive additional funding to target the educational needs of these students, as explained further in the Funding for K–12 Education in California section of this paper.
 - 5 The term Basic Aid school district refers to a district in which local property tax revenues exceed the amount that the district would receive from the state under California’s education funding formula.
 - 6 WestEd has received support from the Bill and Melinda Gates Foundation through the Smarter School Spending project, which provides school districts with tools and strategies to align investments, to prioritize investments based on the districts’ goals for student achievement, and to evaluate program success relative to student outcomes. This paper is part of the project’s body of work, as the paper captures some of the discussions that occurred through a WestEd-facilitated Smarter School Spending Community of Practice, and is intended to be a potential resource for school district budget leaders.

Funding for K–12 Education in California

The passage of the Local Control Funding Formula (LCFF) legislation in 2013 dramatically transformed California’s education funding system.⁷ The LCFF gives greater local control to school districts based on the idea that those who work most closely with students are better situated to make spending decisions (i.e., “subsidiarity”) and in order to increase equity in school funding and provide districts with additional funding to increase and improve services for students with the greatest needs. The LCFF gave school districts greater flexibility in spending decisions in exchange for greater budget transparency through the requirement that each local education agency (LEA) create a Local Control and Accountability Plan — with input from the community — that details how the district will allocate funds to meet its goals for improving student outcomes.

Under the LCFF, the bulk of the funding that the state provides to each school district is based on the district’s average daily attendance (ADA), referred to as base grant funding. In addition, the LCFF designates that school districts may receive supplemental funding and concentration funding from the state. Supplemental funding is based on unduplicated student counts (meaning students from targeted populations): English learner (EL) students, low-income students,⁸ and foster youth in the district; and the state provides concentration funding to a district if more than 55 percent of the district’s enrollment is from these targeted student populations. Importantly, school districts must demonstrate that they are increasing or improving services for the student populations that generated the supplemental and concentration funds.⁹ Consequently, school districts that receive more supplemental and concentration funding are working to use such funds to address the needs of targeted students and may experience greater pressure from stakeholders to show that the additional dollars are

improving outcomes and helping to eliminate the achievement gap for the targeted student groups.

The passage of the LCFF coincided with California’s recovery from the Great Recession, which meant that the LCFF formula was used to determine how most of the significant increases in funding for K–12 education resulting from the state’s post-recession economic growth were distributed. However, much of the increased funding simply offset the 15–20 percent budget reductions and the suspension of cost-of-living adjustments in state and local funding that school districts had experienced previously, between 2008/09 and 2011/12. While the LCFF provided a mechanism to distribute funding to K–12 education, it was not intended and does not operate as an adequacy formula — it is not meant to determine how much money would be adequate for meeting the state’s student outcome expectations for each district. Instead, increases in funding for K–12 education related to the LCFF were based on a commitment to returning school districts to pre-recession levels (2007/08), adjusted for inflation.

Notably, the LCFF formula provides for revenues that grow by cost-of-living adjustments each year based on a general measure of the growth in cost for governmental agencies that is inclusive of, but not limited to, education. In other words, the LCFF generates revenue increases without reference to actual growth in the costs that are specific to operating schools. However, as of April 2018, the state legislature is considering new legislation (introduced by assembly member Al Muratsuchi, from Torrance) to increase the LCFF target to provide school districts with additional funding to cover rising fixed costs (e.g., pensions, fuel, maintenance) — a bill directly focused on addressing the adequacy of state funding for education.

7 <https://www.wested.org/resources/path-toward-equity/>

8 Defined by eligibility for the federal Free and Reduced-Price Meals program.

9 As discussed in a later section of this paper, school districts that find they must cut services, even services to targeted student groups, due to rising fiscal pressures may need to focus on strategies to improve services to students during times of budget constraint. According to a 2013 report (<http://www.lao.ca.gov/reports/2013/edu/lcfff/lcfff-072913.aspx>), “Under the LCFF, districts will have to use supplemental and concentration funds to ‘increase or improve services for EL/LI pupils in proportion to the increase in supplemental and concentration funds.’ The exact meaning and regulatory effect of this proportionality clause is currently unknown.” Some stakeholders in the education community remain concerned about the absence of explicit requirements regarding how districts increase or improve services for targeted student groups.

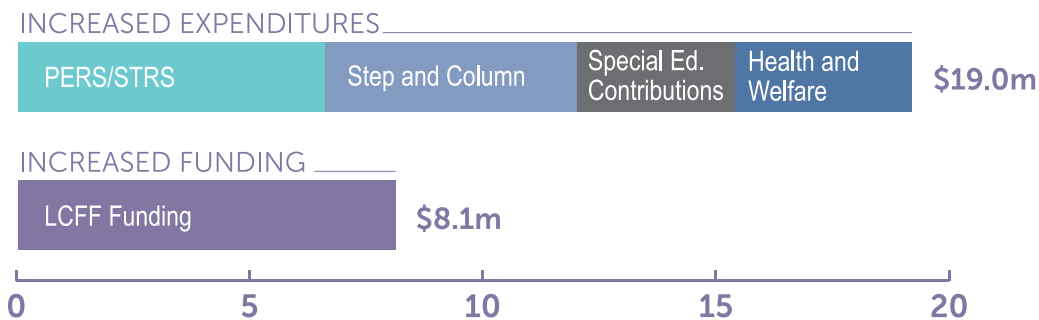
Since the LCFF was enacted, revenue for K–12 education has increased steadily from a statewide average of \$8,987 per pupil in 2013 to \$10,657 per pupil in 2017.¹⁰ In particular, those school districts with large populations of EL, low-income, and foster students have experienced the largest increases in funding. Statewide in 2017/18, school districts received \$1.4 billion more in LCFF funding than in the previous year, and K–12 revenue is expected to continue to increase through 2020/21.¹¹ In fact, Governor Jerry Brown’s January 2018 budget proposal includes nearly \$3 billion to fund full implementation of the LCFF in 2018/19, two years ahead of the schedule that had been previously set for fully funding the LCFF.

However, by design, not all school districts have experienced the transition to the LCFF equally. The demographics of a

district determine how much is generated from the supplemental and concentration components of the LCFF. As a result, districts of similar size, but different demographics, may receive considerably different per-pupil funding under the LCFF.¹² The variation in per-pupil funding rates and local contextual factors (e.g., enrollment growth or decline, age of workforce, size of the district) affect how different districts will experience the significant projected increases in pension costs. According to the Legislative Analyst’s Office, pension costs will constitute an estimated 30–40 percent of future LCFF funding growth. In some cases, districts are already experiencing increases in pension costs that exceed their LCFF funding growth (Figure 1).¹³

Figure 1. Increased pension expenditures outpace LCFF revenue increases in some districts

For this sample school district in 2017-18 (San Bernardino Unified), salary-related expenditure increases will outpace LCFF revenue increases by \$10.9 million.



Source: Authors’ representation of data provided by the San Bernardino Unified School District

10 <http://www.lao.ca.gov/Publications/Report/3549; in inflation adjusted dollars>
 11 <http://www.lao.ca.gov/Publications/Report/3670 - Proposition A098 Overview>
 12 <http://www.ppic.org/publication/implementing-californias-school-funding-formula-will-high-need-students-benefit/>
 13 <http://www.lao.ca.gov/Publications/Report/3549>

FISCAL CHALLENGES

This section includes a description of the increasing pressures on school district budgets, as well as the difficult choices faced by school district leaders and the community at large. Specifically, these fiscal challenges include pension liabilities; special education costs; costs associated with recruiting, retaining, and training teachers; employee health care costs; aging facilities; and declining enrollment.

Pension Liabilities

For California — as for many other states — the rising cost of pension obligations presents a serious challenge, particularly for school districts. There are two major pension funds for employees in K–12 education in California: the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS). CalSTRS, which administers pension benefits for teachers, principals, and other certificated employees such as speech therapists, school psychologists, and nurses, is the nation's second-largest public employee pension fund. CalPERS provides pension benefits for classified employees such as classroom aides, school security officers, and food services, maintenance, and clerical staff. To provide benefits to their members, CalSTRS and CalPERS funds rely on contributions from members, employers, and the state, as well as income from investments. Unfunded pension costs are the difference between the benefits promised to employees and the current savings available in the funds to meet those financial commitments. It is this unfunded liability that has driven dramatic increases in the amount that school districts must contribute to the funds.

The value of funds in CalPERS and CalSTRS fell dramatically during the 2008 recession and has never fully recovered. In response, California's 2014/15 budget included a plan to fully fund CalSTRS within about 30 years by more than doubling district contribution rates between 2013/14 and 2020/21 — from 8.3 percent of each district's payroll in 2013/14 to 19.1 percent of payroll by 2020/21 (Table 1). The state will also have to increase its contribution to the fund to

make up for the shortfall. According to EdSource, increased payments from the state will likely have a trickle-down effect on districts as well. "Money for pensions will divert funding from other priorities at a time when Brown is predicting slower state revenues and the possibility of a recession."¹⁴ As one district budget leader interviewed for this report stated, "Issues with the CalSTRS and CalPERS, that is huge.... When you look at how much increase it is every year . . . there's no way that it can be sustainable the way it's going, because your base dollar that comes in, it gets eaten up already by just your additional increase in your CalSTRS and CalPERS already." Another district budget leader explained that the rising cost of pensions — outpacing increases in funding — will force school districts to reduce services for students.

When the state adopted the Local Control Funding Formula, it made a promise to restore the 07/08 purchasing powers of school districts.... And then a year later they passed the STRS and PERS Reform Acts, which pretty much invalidated that promise. There's no way a school district can get back to those purchasing levels with all of these new mandated payments. So they should have adjusted the LCFF base targets when they changed PERS and STRS because there was a new cost that was never factored in when they set the targets. So, we've been saying . . . for several years that students are going to get fewer services because much of the new money is going to go to employees' deferred compensation.

This concern over rising costs — particularly for CalSTRS and CalPERS — exceeding increases in revenues was repeated by many of the district leaders interviewed for this report.

14 <https://edsources.org/2017/state-new-teachers-to-pay-more-to-shore-up-state-teachers-pension-fund/576481>

Table 1. Large increases in K–12 districts’ pension contribution rates

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Rates:								
CalSTRS	8.3%	8.9%	10.7%	12.6%	14.4%	16.3%	18.1%	19.1%
CalPERS	11.4%	11.8%	11.8%	13.9%	15.8%	18.7%	21.6%	24.9%
Statewide Total School District Contributions (in millions):								
CalSTRS	\$2,086	\$2,463	\$3,120	\$3,840	\$4,478	\$5,305	\$6,203	\$6,862
CalPERS	\$1,122	\$1,104	\$1,214	\$1,509	\$1,710	\$2,006	\$2,341	\$2,734
Totals	\$3,208	\$3,567	\$4,334	\$5,349	\$6,188	\$7,311	\$8,544	\$9,596

Source: <http://www.lao.ca.gov/Education/EdBudget/Details/82>

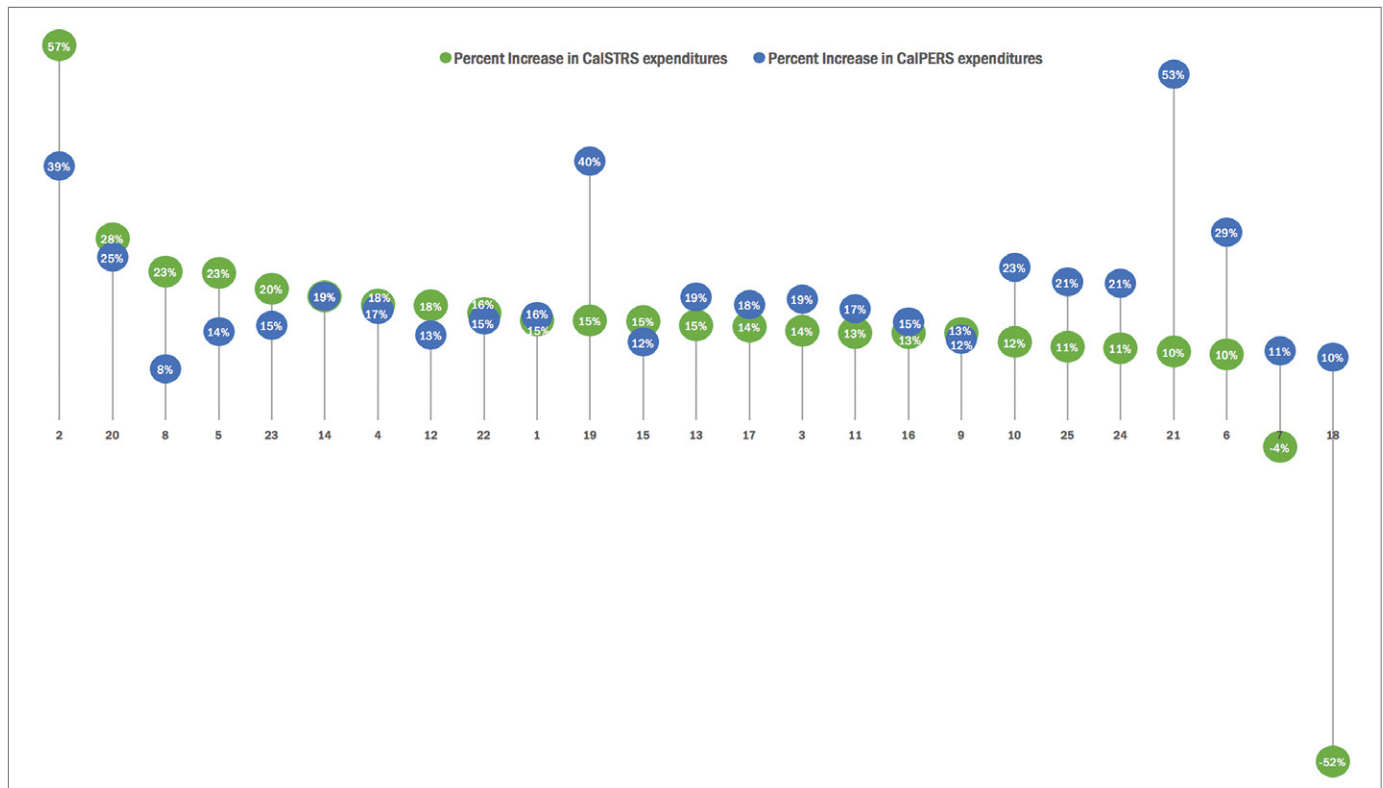
A 2017 report by the Pew Charitable Trust reveals that many other states’ pension systems are faced with addressing growing and significant pension obligations.¹⁵ The report indicates that the gap between the assets of state pension systems across the United States and the benefits promised to employees – referred to as the net pension liability – was \$1.1 trillion in 2015 and was expected to increase by approximately \$200 billion in 2016.

WestEd’s analysis of districts’ annual budgets illustrates the varied impact of the increases in CalSTRS and CalPERS

costs on district budgets. For one district, its contribution to CalSTRS was 57 percent higher from one year to the next (Figure 2). These increases represent millions of dollars in increased contributions for some districts. The average increase across the 25 districts in WestEd’s sample was 16 percent for CalSTRS, or just under \$1.5 million in increased contributions on average, and 19 percent for CalPERS, or just under \$0.5 million in increased contributions, on average. Yet, the steepest increases in district contributions to these funds are still to come.

15 <http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2017/04/the-state-pension-funding-gap-2015>

Figure 2. Nearly every district in the sample is expecting large increases in CalSTRS and CalPERS expenditures between 2016/17 and 2017/18



Source: Authors' analysis of annual budget reports from sample districts

Special Education Costs

Districts also struggle to cover the increasing costs of special education programs. As student needs and the costs of meeting those needs continue to rise, providing appropriate support to meet the needs of students with disabilities is an ongoing concern for districts. The LAO estimates that the cost of educating students with disabilities is, on average, twice as much as the cost of educating general education students.¹⁶

In 2016/17, California enrolled over 680,000 K–12 students eligible for special education services, or approximately 11 percent of all K–12 students in the state.¹⁷ As with other

areas of K–12 funding, the funding provided to districts for special education services has grown based on a modest cost-of-living adjustment, yet funding for special education has generally lagged behind the overall K–12 funding increase. The increases to special education funding have not matched the escalating cost of maintaining high-quality, legally compliant services.¹⁸

One source of increased costs has been from greater awareness of and investment in programs to support students with a primary disability of autism. Although autism was once considered a high-cost, low-incidence disability, California's population of students with a primary disability of autism

16 <http://www.lao.ca.gov/reports/2013/edu/special-ed-primer/special-ed-primer-010313.aspx>

17 <https://dq.cde.ca.gov/dataquest/>

18 http://www.ppic.org/content/pubs/report/R_1116LHR.pdf

has increased from fewer than 40,000 students to more than 100,000 students over the last 10 years (2006/07 to 2016/17).¹⁹ The total number of special education students in California has also increased during this same period, from 679,602 students to 754,277 students, while overall K–12 enrollment in the state has decreased.²⁰

Each student with a disability, as a regularly enrolled student, generates LCFF funding for a district and additionally generates funding for the district through the AB 602 formula, which distributes 80 percent of the state’s special education funds. This formula, like the LCFF, is based on the total enrollment numbers of all students within each Special Education Local Planning Area (SELPA); it is not based on the number of students with disabilities. A 2016 Public Policy Institute of California (PPIC) report asserts that this current system for funding special education in California provides widely different rates of funding for local districts.²¹

Special education spending in California public schools totals over \$12 billion annually. The largest share (62 percent) of the funding comes from local school district sources. AB 602 state sources provide 29 percent of the funding, and the federal government provides 9 percent. According to PPIC’s 2016 report, “The number of students with [individualized education plans] (IEPs) and their share of the school population began to increase in 2010 after many years of being relatively flat. At the same time, overall K–12 student attendance, which drives funding, did not rise. As a consequence, total state funding for students with special needs has fallen in both nominal and constant dollars.”²² This reduction in available dollars to support the needs of students with disabilities has further increased pressure on district budgets.

As one county leader reported to WestEd staff during an interview for this paper, the combination of declining enrollment and increasing special education costs has put enormous pressure on some districts: “Our declining enrollment takes

down our special education revenue. And our special education costs are just soaring with autism and additional social, emotional-type needs. And so that’s kind of a big one that is different for every district, but they’re all experiencing larger encroachments because they’re not getting more money from the federal government. They’re not getting more money from the state government. So, it’s coming down to the local dollars and the unrestricted dollars too to fund more and more of that piece.” As this county leader suggests, special education costs exceed the funding provided by the state and federal governments, a circumstance also stated by other district budget leaders.

Another district leader interviewed for this paper expressed concern over the unpredictable nature of special education costs in his district. “In Special Ed the costs are so crazy, variable, and unpredictable.... You can wind up having a non-public school placement. We can have settlements, we can have kids that come in that are extremely expensive to educate and not get the funding back from the state.... In Special Ed, like within a week, we can wind up spending hundreds of thousands of dollars of money that we didn’t anticipate.... And that’s a challenge.” The unpredictable nature of special education costs was also cited by several other district budget leaders as one of the challenges in managing rising costs in their districts.

Costs Associated with Recruiting, Retaining, and Training Teachers

According to the Learning Policy Institute, 8 percent of all teachers in the United States, or approximately 200,000 teachers, leave the profession each year.²³ Moreover, attrition rates are much higher than 8 percent for new teachers and for teachers in high-poverty schools and school districts.²⁴

Attrition in the teaching workforce comes at a high cost to school districts in California and nationally. At the national

19 Ibid. (This report also notes that California’s autism caseload increased 5.4 times between 2001/02 and 2013/14.)

20 <https://data1.cde.ca.gov/dataquest/>

21 http://www.ppic.org/content/pubs/report/R_1116LHR.pdf

22 http://www.ppic.org/content/pubs/report/R_1116LHR.pdf (p. 7)

23 https://learningpolicyinstitute.org/sites/default/files/product-files/A_Coming_Crisis_in_Teaching_REPORT.pdf

24 Estimates from the Learning Policy Institute’s September 2016 report suggest only around a third of teachers who exit the profession ever return. Also see http://www.ppic.org/content/pubs/op/OP_601EBOP.pdf.

level, the cost of replacing teachers who leave the classroom is more than \$8 billion annually. The cost to replace individual teachers ranges from \$10,000 in rural and small suburban districts to \$20,000 or more in urban districts.²⁵ Some of these costs are driven by investments in professional development for the teachers who enter the district to fill positions that have been vacated. Another “cost” of the teacher shortage is in terms of an increase in the number of teachers who are entering the profession with waivers, permits, and intern credentials. In other words, they have not necessarily had full preparation to handle the challenges associated with teaching, which may also impact the quality of student learning.

Often, districts must resort to long-term substitute teachers in the scramble to fill all of the district’s vacancies. Many school districts across California are struggling to recruit and retain enough teachers to fill all of their vacancies, particularly in high-poverty, urban, and rural school districts. Teacher vacancies are also greater for science, mathematics, and special education.²⁶

These shortages have led to competition among some school districts to attract teachers through higher wages. Some school districts in which the shortages are the most acute have gone further to incentivize prospective teachers to come to the district. For example, the Natomas Unified School District has offered to cover most of the cost of teacher credential programs and provides free use of a MacBook and a bonus payment to teachers who live in the district. The district also provides \$5,000 in signing bonuses to bilingual and minority teachers. The Natomas district projects a cost of over \$800,000 for its three-year recruiting effort.²⁷ Similarly, the Golden Plains Unified School District, a district of fewer than 2,000 students, offered a \$3,000 signing bonus for all new teachers in 2016/17. This signing bonus was increased to \$5,000 for new hires in 2017/18, with new bilingual teachers receiving a \$7,300 bonus.²⁸ Other districts offer to pay moving expenses for teachers coming into the district, or match the

salaries of veteran teachers from the previous districts of the incoming teachers. These bonuses represent substantial investments by school districts that are already struggling to cover other costs.

Employee Health Care Costs

The costs of providing health care benefits for employees and for retirees have also increased, and many districts do not have the funds set aside to cover the growth in these costs. Nevertheless, nearly all school districts in California provide benefits to current employees (covering medical, dental, and optometric costs either in part or in full, depending on the district, at least until employees turn 65), and about two-thirds of the state’s school districts also provide health benefits to retired employees.

According to the LAO, districts are now spending about twice as much on retiree health benefits as they did in the early 2000s, and the LAO notes, “This added cost pressure comes at a time when districts are facing other pressures — most notably, rising pension costs and expectations to enhance services for low-income students and English learners.” Based on districts’ annual audit reports, the LAO calculated an unfunded liability for retiree health benefits alone of \$24 billion statewide.²⁹

However, the same report from the LAO indicates that only a few large urban districts account for most of the unfunded liability. These districts have unfunded liabilities ranging from \$3,800 up to \$27,000 per pupil, while the average unfunded liability for all other districts in the state is approximately \$1,500 per pupil. Yet, even \$1,500 in additional funding per pupil represents a substantial cost for districts that currently receive about \$10,657 per pupil on average in state funding.

WestEd’s analysis of the general sample of 25 districts reveals that between 2016/17 and 2017/18 alone, 10 of these school districts anticipate an increase of at least \$0.5 million in their

25 https://www.huffingtonpost.com/entry/we-can-solve-teacher-shortages-heres-how_us_59114ac7e4b056aa2363d899 and https://www.washingtonpost.com/news/answer-sheet/wp/2017/09/18/where-have-all-the-teachers-gone/?utm_term=.9c9dda6654f2

26 <https://learningpolicyinstitute.org/product/ca-district-teacher-shortage-brief>

27 <http://www.sacbee.com/news/local/education/article181911096.html>

28 <https://edsources.org/2017/outside-the-limelight-rural-schools-face-challenges-in-finding-and-keeping-teachers/579426>

29 <http://www.lao.ca.gov/Publications/Report/3704>

health-related expenditures, with 7 of these 10 anticipating the increase to exceed \$1 million. In 2016/17, these districts ranged in enrollment from fewer than 3,000 students in one district to more than 53,000 students in another. Moreover, the average increase in spending on health-related expenses between 2016/17 and 2017/18 among the sample of 25 school districts is approximately \$800,000, representing a 4-percent increase in just a single year.

Aging Facilities

Another looming cost to California school districts is the cost to repair, replace, and modernize school facilities. Many districts have delayed costly repairs to school sites due to a lack of funding to support these efforts. A policy research paper by the Center for Cities and Schools at the University of California, Berkeley, identified an “ongoing, structural pattern of inadequate and inequitable spending in many school districts” on K–12 public school facilities in California. Consequently, more than half of the school districts in California continue to underspend on facilities each year, resulting in costly repairs and health and safety risks in some cases. The paper also identified that school districts serving higher numbers of low-income students “spent less on capital outlay per student and more on maintenance and operations per student than districts serving higher-income students.... This means school building operations cost more in these poorer districts, leaving fewer dollars for education programs.”³⁰ As the costs of aging facilities increase, districts are left with fewer dollars overall, creating further pressure on their already constrained budgets.

To meet industry standards for facilities, schools would need to spend on maintenance and improvements an amount each year that is equivalent to about 7 percent of what it would cost to replace each building, according to a 2016 report by the Center for Green Schools, the National Council on School Facilities, and the 21st Century School Fund. In California, such maintenance and improvement costs would translate

into an additional \$6.7 billion, or \$1,083 per student, each year. Yet, California is not alone in the inadequacy of spending for facilities. The report ranks California’s spending — \$806 per student on maintenance and operations in 2013 — as being “average” in a nation of what it calls “underspenders.”³¹

A 2017 report from California’s Legislative Analyst’s Office (LAO) confirms the existence of a gap in funding for facilities — specifically, a gap between what is necessary to address the facilities needs of local school districts and what the state has proposed under a new bond measure passed by voters in 2016.³² According to the report, the governor’s \$655-million bond proposal “would clear the \$370 million in already approved school projects awaiting funding [but] only \$285 million would be available to address the remaining \$2 billion in projects on the acknowledged list.” The LAO has raised concerns about funding for facilities in California previously as well. In 2015, the LAO wrote the following:

Many groups over the years have raised serious concerns with the state’s current school facilities program. Notably, the existing program fails to treat school facility costs as an ongoing expense despite the recurring nature of facility needs, allows disparities based on school district property wealth, fails to target funding according to greatest need, results in excessive administrative complexity, and lacks adequate accountability mechanisms.³³

To raise additional dollars for school facilities, districts can go to their local voters for approval of general obligation bonds. However, voter willingness to approve such bonds varies by city and region, and this willingness is not necessarily in accordance with school district need. According to an Ed-Data analysis of local school facilities funding, “With notable exceptions, large urban districts or districts with relatively few businesses and high concentrations of lower-income families have more difficulty generating support for schools. This circumstance results in inequities that are outside the

30 http://citiesandschools.berkeley.edu/uploads/Vincent_Jain_2015_Going_it_Alone_final.pdf

31 <https://kapost-files-prod.s3.amazonaws.com/published/56f02c3d626415b792000008/2016-state-of-our-schools-report.pdf?kui=wo7vkgV0wWOLGSjxek0N5A>

32 <http://www.lao.ca.gov/handouts/education/2017/School-Facilities-033017.pdf>

33 <http://www.lao.ca.gov/reports/2015/budget/school-facilities/school-facilities-021715.aspx>

scope of the Serrano v. Priest guidelines for more nearly equal treatment of taxpayers and of students.”³⁴

The district chief business officers (CBOs) who were interviewed for this report detailed the difficulty of keeping up with the rising cost of facilities. One CBO focused specifically on the challenge of raising revenue locally through general obligation bonds to cover the gap between local needs and state funding for facilities. Giving an example, the CBO noted the difficulty of covering the costs associated with aging facilities as well as the rising costs of basic utilities such as water and electricity. “Although we may be getting an increase with the Local Control Funding Formula, \$4 million of our new money is already spoken for.... That doesn’t even include utilities and facility needs.... It’s just a real challenge that our base funding is not adequate to cover all of our needs.” Similarly, another CBO talked about the need to maintain and modernize aging facilities through a \$10-million project in a district with an annual budget of \$100 million. To fund the project, the district plans to ask the community to pass a new bond measure while the district is still paying off an earlier bond. The CBO recognized that getting support for the new bond would be difficult. “It’s going to be a tough sell.... Our high school, our infrastructure system is like 50 years old. It was built back in 1967, I believe. And we still have the old infrastructure.... So that, right now, what we’re doing is that project, regardless if we have a bond or not, we have to fix it.” From the experience of these CBOs, there simply is not enough state funding or local borrowing capacity to keep up with the demands of maintaining or replacing their district facilities.

Declining Enrollment

Under the LCFF, funding for school districts in California is directly tied to enrollment as measured by average daily attendance (ADA). Over the last 20 years, California has had a relatively flat level of student enrollment, and the Department of Finance projects a decline of 181,000 students over the next decade. While the overall enrollment is declining in the majority of California school districts, there are some areas with more significant declines in student enrollment. The

Department of Finance projects that enrollment will decline in 28 of 58 counties by 2026/27, including 18 counties that will lose 5 percent or more of their enrollment. Ventura and Santa Cruz Counties are each projected to lose over 10 percent of their K–12 enrollment by 2026/27. In the same time period, Orange County and Sonoma County are each projected to lose over 14,000 students, while Los Angeles County is projected to lose nearly 120,000 students.³⁵

Enrollment has declined since 2014/15 in 11 of the 25 districts in the general sample analyzed for this report (Table 2). Although reductions in the actual number of students were not particularly substantial, the decline in enrollment still represents a loss of spending power and economy of scale for these districts. With state funding at approximately \$10,657 per pupil, a reduction of even 55 students equates to a loss of over half a million dollars for a district. Yet, declines in enrollment are not uniform across districts. Accordingly, school districts may benefit from tools to accurately project student enrollment changes, as well as a flexible state policy environment so that district leaders can anticipate changes in funding and adjust classroom, staffing, and budgeting allocations accordingly.

34 <https://www.ed-data.org/article/School-District-Bond-and-Tax-Elections>

35 http://www.dof.ca.gov/Forecasting/Demographics/Projections/Public_K-12_Graded_Enrollment/

Table 2. Changing enrollment in sample districts, 2014/15 to 2016/17

	2014/15	2015/16	2016/17	Enrollment Change	% Change
District 21	9,277	8,900	8,782	-495	-5.3%
District 5	10,921	10,632	10,362	-559	-5.1%
District 19	16,935	16,702	16,426	-509	-3.0%
District 24	14,996	14,736	14,554	-442	-2.9%
District 2	1,936	1,916	1,881	-55	-2.8%
District 1	32,938	32,454	32,004	-934	-2.8%
District 11	23,947	23,885	23,696	-251	-1.0%
District 10	22,258	22,205	22,039	-219	-1.0%
District 13	53,365	53,303	53,152	-213	-0.4%
District 12	28,999	28,719	28,958	-41	-0.1%
District 16	9,914	9,948	9,904	-10	-0.1%
District 3	14,768	14,754	14,778	10	0.1%
District 6	62,888	62,767	63,061	173	0.3%
District 9	2,482	2,545	2,505	23	0.9%
District 23	42,339	42,462	42,769	430	1.0%
District 17	15,584	15,717	15,772	188	1.2%
District 18	3,353	3,424	3,397	44	1.3%
District 15	31,954	32,255	32,425	471	1.5%
District 20	20,415	20,530	20,779	364	1.8%
District 4	11,259	11,374	11,547	288	2.6%
District 14	6,349	6,511	6,579	230	3.6%
District 8	37,318	38,070	38,705	1,387	3.7%
District 22	6,555	6,714	6,814	259	4.0%
District 7	11,204	11,438	11,722	518	4.6%
District 25	1,982	2,040	2,188	206	10.4%
Sample District Totals	493,936	494,001	494,799	863	0.2%
Statewide Totals	6,235,520	6,226,737	6,228,235	-7,285	0%

 Source: <https://dq.cde.ca.gov/dataquest/>

A decline in enrollment can also mean that districts do not require as much funding to meet current student needs. For example, the district may not need to hire as many teachers, counselors, or staff. Yet, reductions in funding in response to declines in student enrollment are complicated by several factors. First, when district enrollment declines, the district's fixed costs (e.g., heating, lighting, maintenance) then consume a larger share of the budget and districts do not generally see declines in demands for specialized programs such as special education and English learner supports (see the Increasing Special Education Costs section for additional detail). In addition, certain adjustments can be difficult to scale to the reduction in the number of students. For example, a reduction of 6 students per grade level may not be enough to allow for reducing the number of teachers. If the district loses 30 students in a single grade level, however, staffing reductions — and therefore cost savings — may be more straightforward for the district.

In addition to experiencing declining enrollment caused by shifts in the number of school-age children, many California school districts have experienced enrollment declines as students exit the traditional public school system for charter

schools. The number of charter schools has increased each year, as has the number of students enrolled in charter schools. Currently, there are over 1,200 charter schools in California, with approximately 630,000 enrolled students. Charter school enrollment now represents nearly 10 percent of the state's overall student enrollment. Furthermore, charter schools are expected to continue to increase enrollment by nearly 30,000 students in California in 2017/18.³⁶

Increased enrollment in charter schools in California contributes to reductions in school district budgets. When students leave their district to attend a local charter school, state funding follows them out of the district.³⁷ With the state's per-pupil funding at approximately \$10,657 per student, a loss of enrollment of 30,000 students equates to a loss of nearly \$320 million in funding for California's school districts.

36 <http://www.ccsa.org/understanding/numbers/>

37 <https://www.edweek.org/media/2016/12/29/school-finance-education-week-quality-counts-2017.pdf>

IMPLICATIONS OF THE SILENT RECESSION

The fiscal challenges outlined in this paper are a clear sign that many California school districts face a tough road ahead with wide-ranging implications for students, community, staff, and district leadership. Moreover, several of the fiscal challenges outlined in this paper tend to have a disproportionately negative impact on high-poverty districts with larger concentrations of at-risk student groups. These costs, therefore, have the potential to exacerbate inequities in funding at the same time that the Local Control Funding Formula (LCFF) is designed to make funding more equitable.

Importantly, the current budget challenges faced by a number of California school districts cannot be wholly explained by external pressures and rising costs. Rather, some districts have put off difficult budget choices (such as spending on school facilities) and have struggled to communicate the implications of budget and collective bargaining decisions to the community and other key stakeholders. Furthermore, in some districts, decisions about the budget have been complicated by the decisions of local school board members who have failed to heed the advice of chief business officers (CBOs) and other district leadership about the need for fiscal constraint. Other school districts have faced their budget challenges directly, suggesting the need to reduce this variation across districts and move more consistently toward better decision-making across all of California's school districts.

Outlining these fiscal challenges and the variety of responses to them, as well as raising awareness about these challenges, are critical to helping decision-makers and the public understand the ways in which districts, with increasing constraints on their budgets, will likely be pushed to conduct business differently in the future. Laying out the challenges ahead may also help to highlight where districts can plan for growing costs that are outside of the districts' control. For example, many commentators have noted that pension costs, which are largely outside of the control of district leaders, will likely

reduce investments in current employees and programs, effectively crowding out other investments.³⁸

Tradeoffs

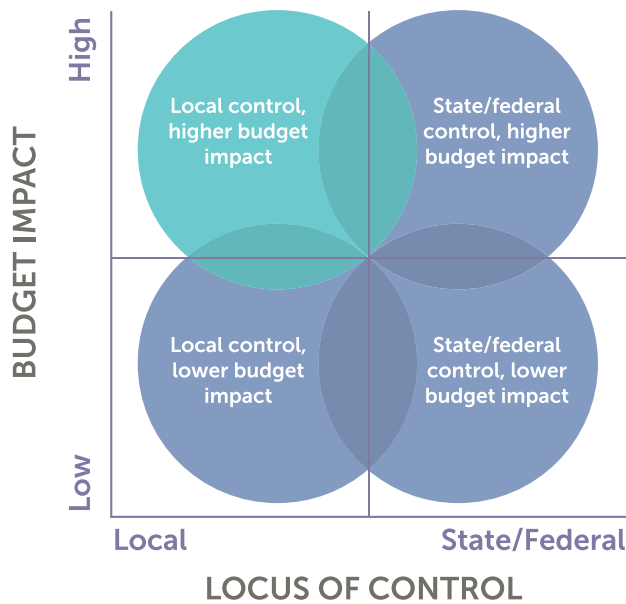
Such crowding out means that school districts may be forced to make tradeoffs as they balance competing costs and adjust to constrained revenues. District leaders will need to consider how to make spending (and cutting) decisions, while keeping their goals for student success at the center of their decision-making process. Yet, district leaders must also contend with having limited control over some of the rising costs. Figure 3 is a conceptual framework for exploring the level of control that districts have over these encroaching costs and their relative impact on district budgets. The framework is intended to represent the range of controls and costs among districts, since district costs and — in some cases — level of control are impacted by local factors. For example, enrollment remains steady in some districts in California, while other districts are disproportionately impacted by declines in enrollment and the resulting reductions in state funding provided to these districts.

The framework is also intended to help district superintendents, CBOs, and policymakers pinpoint where districts may need additional support from the state in order to make changes, and where they have greater control over district expenditures. For example, districts have little control over costs such as their rising contributions to pension funds, which have a large impact on district budgets. However, districts may have more control over facilities costs, where planned investments in maintenance may reduce potentially larger expenditures in the future.

The second paper in this series, in development for publication in 2018, focuses on budget strategies and addresses those strategies that fall into the upper-left circle in the framework shown in Figure 3. These are strategies over which districts have greater local control and which have the potential to make a substantial impact on district budgets.

38 <https://siepr.stanford.edu/sites/default/files/publications/17-023.pdf>

Figure 3. Districts have varying degrees of control over rising fiscal pressures, and some fiscal pressures have a disproportionate impact on district budgets

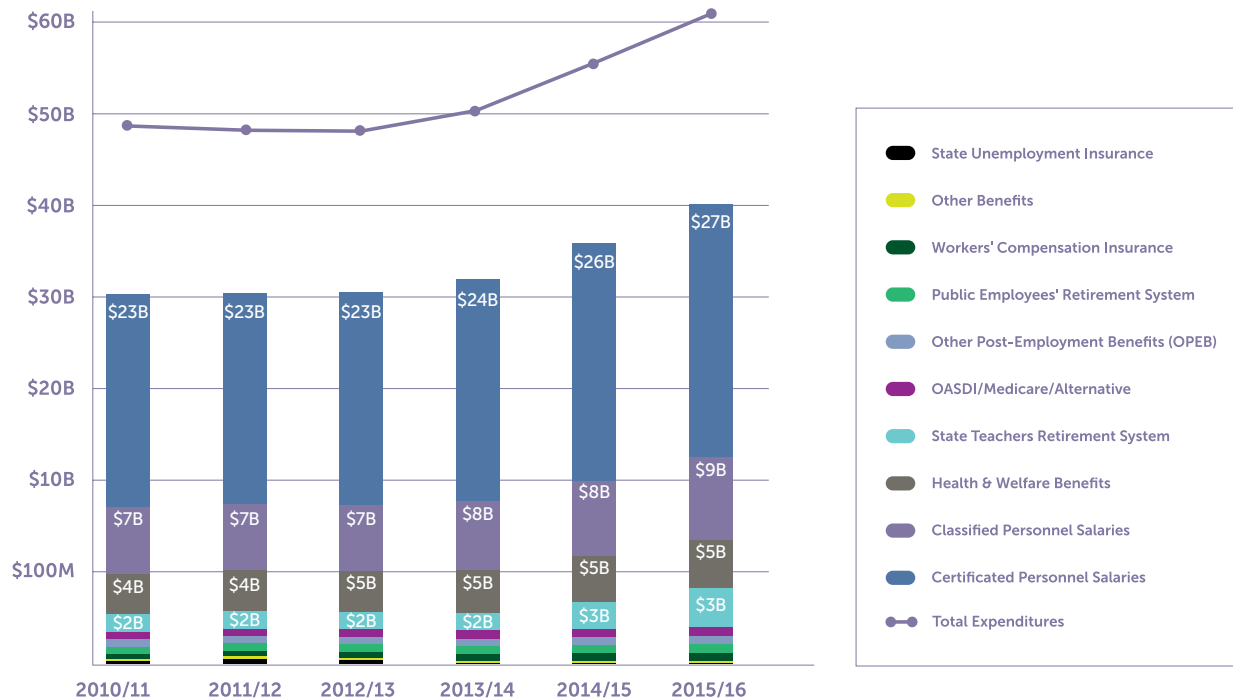


Since employee salaries and benefits represent such a large share of district budgets (approximately 82 percent in California in 2015/16),³⁹ the tradeoffs that districts make will almost certainly include decisions about how much to invest in salaries and benefits for employees. The tradeoff between investing in employee costs versus other costs has implications for each district’s ability to compete with other, better-resourced districts and with other industries to attract quality staff. It also will likely impact whether districts are able to provide livable wages for employees, allowing them to live in the communities in which they teach. General Fund⁴⁰ expenditures on employees have continued to climb over the years, driving up total expenditures in districts across the state (Figure 4).

39 <http://www.ed-data.org/>

40 According to the California School Boards Association, “The General Fund includes both a restricted and unrestricted portion. We often refer to the General Fund unrestricted as the ‘fund of last resort’ because it is where most of the district’s discretionary dollars reside. The majority of all salaries and benefits, on average approximately 84% of the district’s expenditures, reside in the General Fund.” (http://csba.org/TrainingAndEvents/~media/CSBA/Files/TrainingAndEvents/AllEvents/MastersInGovernance/Course3_FIN/2014_07_SchoolFinanceTerms.ashx)

Figure 4. Increase in employee costs over time for California school districts



Note: Examples of "Other Post-Employment Benefits" include retirement incentives, tax-sheltered annuities, and deferred compensation. Source: California Department of Education; data retrieved from <http://www.ed-data.org/> on January 8, 2018

The crowding out caused by increasing employee-related costs and other expenses will also impact the types of programs and services that districts are able to provide. With fewer General Fund dollars available, districts may have to reduce some of the resources offered to children and families. These decisions must be made in light of the LCFF's requirement to use supplemental and concentration funds to "increase or improve" services for targeted student groups, and may be influenced by pressure from advocacy groups to ensure that these funds reach the students they are intended to serve, as well as being driven by education leaders' desire to close achievement gaps.⁴¹

Deficit Spending

WestEd's analysis also indicates that the current fiscal pressures have pushed many school districts into deficit spending. Specifically, for all of the 55 districts selected for this paper's analyses, WestEd determined the net increase or decrease in each district's unrestricted funds, according to the districts' multiyear projections (MYPs).⁴² The MYPs for all but three of the districts in this sample indicate that the districts' unrestricted expenditures will exceed revenues in at least one of the three years following the current budget year, and more than half of the school districts in the sample anticipate that expenditures will exceed revenues in all of the next three years (Figure 5).⁴³ Table A3 has additional details

41 <https://www.cde.ca.gov/fg/aa/lc/lcfffaq.asp>

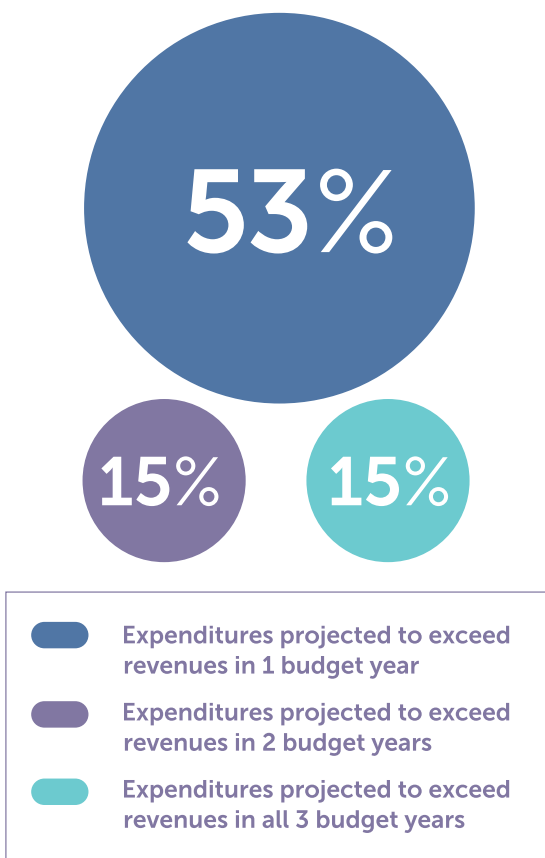
42 WestEd researchers analyzed the unrestricted funds because these funds indicate a district's fiscal solvency.

43 The analysis of each district's MYP was unable to distinguish between the use of ongoing funds versus one-time funds by the district, which may impact the net increase/decrease for the school district's budget over time.

on the net increase or decrease in unrestricted funds for the sample districts.

Figure 5. Sample districts' expectations for future expenditures and revenues

A majority of 55 sample districts do not expect revenues to cover expenditures over the period of 2017/18 to 2019/20.



Source: Authors' analysis of multiyear budget projections from sample districts

Since the LCFF provides additional funding to districts that have a high proportion of students from targeted student populations (also known as unduplicated student counts, as noted earlier), WestEd analyzed the net increase or decrease in unrestricted

funds in the MYPs for a sample of 15 districts that were selected for having among the highest proportions of targeted students (ranging from 74 percent to 98 percent of the total number of students in these districts).⁴⁴ Ten of these 15 districts project that their unrestricted expenditures will exceed their revenues in at least one of the three years following the current budget year, and 6 of these districts anticipate that their revenues will exceed expenditures in all of the next three years.

WestEd also analyzed MYPs for a sample consisting of 15 Basic Aid school districts, a type of district that tends to have high revenues.⁴⁵ Thirteen of the districts in the Basic Aid sample anticipate that their expenditures will exceed revenues in at least one of the next three years, and two-thirds of these districts project that their expenditures will exceed revenues in all of the next three years.

These analyses indicate that even among districts that are benefitting most from the state's new funding formula and among districts that might be considered better off financially due to their property tax base, most of these districts expect that their expenditures will outpace revenues. At the same time, most of these districts also project healthy ending fund balances, with only one district projecting a negative fund balance in 2019/20.

WestEd's analyses also indicate that deficit spending is projected despite the fact that many school districts plan to make substantial reductions in expenditures over the next three years. In addition, districts have several strategies at their disposal in the short term to deal with revenue shortfalls, including using short-term Tax Revenue Anticipation Notes (TRANS) and borrowing funds from other funding sources or from their reserves. However, these strategies do not address more serious structural deficits, with expenditures continuing to exceed revenues even during more favorable economic times.

44 Based on data from <http://ias.cde.ca.gov/lcffsnapshot/lcff.aspx> as of February 22, 2018

45 A school district is considered Basic Aid if local property tax revenues exceed the amount that the district would receive under California's education funding formula.

LOOKING AHEAD: STRATEGIES

To extend the topics covered in this paper, WestEd is conducting interviews with chief business officers (CBOs) and other district leaders from across the state. The purpose of these interviews is to gather information on the strategies that CBOs are using to mitigate the Silent Recession and preserve quality educational programs for students. As one state education leader observed, it is the ability and willingness of districts to make difficult decisions that “will impact the opportunities and outcomes for students as much external cost pressures.” Findings from these interviews will be included in a second paper that is in development for publication in 2018.

WestEd will explore these strategies in light of the goals of the Smarter School Spending project. The project’s goals — stronger alignment between fiscal services and programs, improved planning and decision-making, and prioritizing investments that provide the greatest benefit for students — provide a critical lens through which to view the strategies outlined by CBOs and the potential impact on district budgeting, operations, programs, and ultimately, students. WestEd researchers anticipate that the strategies suggested by CBOs will fall into several broad categories that correspond to the goals of the Smarter School Spending project and that include increasing effectiveness (which requires stronger alignment between fiscal services and programs) and prioritizing investments that provide the greatest benefit for students and increase efficiency (which requires improved planning and decision-making). The following paragraphs describe these strategies in broad terms.

Increase Effectiveness

In times of fiscal constraint — when districts have to make more difficult choices about where to invest limited dollars — measuring the return on investment (ROI) provides district leaders with information on how to direct resources to investments with the highest returns. As part of this work, district leaders may need to continue eliminating silos that separate the budget office and program offices to ensure collection of the right data to measure ROI, as well as continuing to ensure appropriate monitoring and response to the data.

Increase Efficiency

Times of fiscal constraint also require that districts find ways to increase efficiencies within their systems, stretching available dollars so that they have the greatest impact. While the analyses conducted for this paper indicate that districts are relying on strategies such as deficit spending, interviews have revealed numerous other strategies that districts have also begun to employ to more efficiently use resources. These strategies include a focus on marketing the district to the community to increase enrollment, as well as closer budget monitoring, particularly as it relates to staffing and eliminating unfilled positions that do not support core classroom functions.

COMMUNITY UPDATE FROM THE BERKELEY UNIFIED SCHOOL DISTRICT

January 16, 2018

A series of economic and fiscal conditions and factors are putting pressures on school district budgets across the State of California. One of these is the fact that there have been several years in which state education funding has not kept pace with expenses. Furthermore, the mandate for funding state employee pensions has risen significantly (an estimated \$1.3 million annual increase for Berkeley each year through 2020–21), and school districts have needed to address employee compensation after several lean years during the Great Recession (2007–12).

Serve High-Need Students

Another set of strategies aims to address the supports and opportunities provided to high-need students such as those from low-income backgrounds, English learners, foster youth, and/or those with disabilities. Consideration of how resources are used to direct supports to these student populations is vital. It is also important that school districts are

clear about the use of both base, supplemental, and concentration funds as a way to meet the needs of targeted student groups, as well as the needs of the entire student population. These strategies may include investments in programs and supports from a school district's base and supplemental/concentration resources as well as strategically including state and federal resources to target support to lower-performing student groups.

Respond to Change

Another component of both increasing efficiency and effectiveness within school districts is the ability to respond to change. Yet, for a variety of reasons, school districts have not always been quick to respond to shifts in the demographics of schooling or reductions in available funding.⁴⁶ For example, school districts are subject to collective bargaining rules that may make it difficult to make expedient changes in staffing during periods of declining enrollment. In addition, reductions in enrollment may necessitate school mergers or even the sale of school district property, both of which can take considerable time and may be politically difficult as well as painful for the community. Consequently, school districts tend not to be particularly nimble when it comes to fluctuations in funding due to enrollment.

Use Data and Communication as Tools

There are several core underpinnings to many of the efforts that districts undertake to address budget challenges, including a strong focus on data collection and monitoring (both program and budget), and on continuous improvement, or measuring program effectiveness and making adjustments as needed. In addition, districts might benefit from focusing more on communication with the public and with existing teachers and staff about the districts' need to make difficult tradeoffs. Collective bargaining can be a contentious process in many districts, even during healthier budget periods. School districts will likely need to continue to communicate with the public and with employees about current budget challenges and about the implications for collective bargaining with teachers and other school site staff. (See the

Community Update from the Berkeley Unified School District sidebar as an example.) This communication can require a greater degree of transparency surrounding the budget, something that policymakers intended the Local Control and Accountability Plan to provide for the public, but has not been wholly achieved. Moreover, it often requires district leaders to be willing to make difficult choices, to be clear about the rationale for their decisions with staff and with the public, and to ensure that fiscal stewardship is prioritized in the district before the district is in fiscal crisis.

Communication with the public about the pension liability is likely to be particularly important for many districts. Pension costs are different from typical district spending because paying for pensions supports instruction only indirectly. Furthermore, pension plans are often complex, involving varying levels of member contributions, difficult-to-understand investment earnings and forecasts, and differing accounting and disclosure practices. Calculating pension expenses and assets is mathematically complex and involves a set of predictions regarding employee turnover and mortality, length of employee service, the frequency of early retirement, and future salary and compensation levels, as well as predictions about the future health of the economy. Yet, messages about the pension liability are increasingly highlighted in the news and in district budget conversations. Therefore, despite the complexity of communicating with the public about employee pensions, it will likely become increasingly important for district leaders to intentionally bring the public into these conversations and build understanding about the importance of pension costs to district finances.

46 <https://www.crpe.org/sites/default/files/crpe-better-together.pdf>

A PATH FORWARD

As this paper indicates, increases in funding under the Local Control Funding Formula (LCFF) were based on a commitment to returning school districts to pre-recession funding levels (2007/08), adjusted for inflation. The funding formula also provides some growth in revenue each year. And this accomplishment should be acknowledged and celebrated as California's continued commitment to the importance and power of public education for the state's future growth. However, this growth in revenues is not based on actual growth in the costs of operating a school or school district. This paper outlines how these growing costs and the associated growth in expenses required to simply maintain operations are placing increasing financial pressure on school districts — the effects of what can be called the Silent Recession.

At the same time, Governor Brown's January 2018 budget, which includes a proposal to fully fund the LCFF more quickly than previously planned, has the potential to provide some degree of relief for school districts as they face the looming budget crisis created by the rising costs outlined in this paper. Governor Brown's proposal also includes \$55 million for county offices of education to assist local school districts identified for assistance under the state's new accountability system (known as the "system of support"). This infusion

of funding to county offices of education may also increase their ability to provide fiscal support to local districts. In addition, the magnitude of the education system's pension liability problem has led to three legal cases that are headed to the California Supreme Court to challenge current pension reform law.

Yet, regardless of the outcome of the new budget or pending litigation, the Silent Recession will continue to constrain district budgets into the foreseeable future. Therefore, school district leaders must continue to engage in discussions internally and externally about how to most effectively and efficiently leverage their resources in order to realize their goals for improving student outcomes. The Silent Recession is likely to demand new strategies in order for school districts to be able to continue working toward creating the type of education system that all children deserve.

APPENDIX

Methodology

The development of this paper grew out of discussions among California school district and county budget and education services leaders, representing three school districts and two county offices of education, who were involved in WestEd's Smarter School Spending Community of Practice (CoP) from February 2016 to June 2018, which was funded by the Bill and Melinda Gates Foundation. WestEd researchers began developing this paper by conducting a review of news articles outlining the fiscal pressures facing California school districts in August 2017. Next, researchers facilitated a more formal discussion among CoP members about the current budget challenges in their districts and counties. Following this discussion, WestEd researchers invited each of the members of the CoP to participate in a 45- to 60-minute interview about the most pressing budget challenges they were facing and the strategies they were employing to mitigate some of these rising costs. All members of the CoP participated in the interviews with the exception of one district, which opted instead to send in written responses to interview questions.

WestEd staff decided to expand the interview pool to include an additional group of chief business officers (CBOs) to gather greater insight into the most pressing issues facing school districts and to better understand the types of strategies that districts are employing to navigate these increased costs. Many of the CBOs were selected based on having worked with WestEd in the past and being considered by WestEd staff to take a reflective and strategic approach to budgeting. Other CBOs were selected in order to ensure that the sample of interviewees represented the full range of sizes, types, and regions of California school districts. WestEd sent invitations to 25 school districts and 3 county offices of education to participate in an interview. In response, budget and education leaders from a total of 17 school districts and 3 county offices of education, including CoP members, were interviewed for this paper. Most interviews were conducted with a single interviewee, but some were done in a small-group format with 2–4 interviewees.

For all of the districts that were invited to participate in the interviews — 25 districts total — WestEd staff analyzed the multiyear projections (MYPs) and annual budgets from June 2017. These budget documents are publicly available through the districts' board meeting notes or the districts' websites. Financial data available for the state through Ed-data.org was also used to supplement the analyses of district budgets. Specifically, it was used to determine increases in employee costs over time.

Because two particular types of districts — those with a high percentage of students from targeted student groups (high unduplicated student counts) and Basic Aid districts — tend to have higher revenues than other districts, WestEd researchers conducted an additional review of a sample of districts in each of these two categories. For districts with high unduplicated student counts, WestEd staff randomly selected 15 districts that had at least 70 percent of their student population consisting of students from targeted student populations (English learner students, low-income students, and foster youth). In the randomly selected sample of 15 such districts, the unduplicated student counts ranged from being 74 to 98 percent of total district enrollment. WestEd staff also randomly selected 15 districts from among those designated as Basic Aid districts, meaning that each district's local property tax revenues exceed the amount that the district would receive from the state under California's education funding formula. WestEd was not able to find the MYPs for all of the districts that were randomly selected for these samples in an initial round of selection, so WestEd staff randomly selected from the list again until enough districts with publicly available MYPs were selected.

Tables A1, A2, and A3 provide more details about the sample districts that were analyzed for this paper.

Limitations

Although the samples were selected to be representative, they might not fully represent all districts in California or in other states, particularly because the CBOs who were interviewed

were selected intentionally for their perceived approach to budgeting. Moreover, the sample of districts used to inform this paper is relatively small (California has nearly a thousand

school districts in all), and school district revenues and expenditures vary considerably from district to district based on many factors.

Table A1. Breakdown of sample by district size

2016/17 Enrollment	# of Districts
0–5,000	26
5,000–10,000	8
10,000–15,000	6
15,000–35,000	10
35,000+	6
Total	55

Source: <https://dq.cde.ca.gov/dataquest/>

Table A2. Increasing cost of CalSTRS and CalPERS

CalSTRS/CalPERS Unrestricted General Fund

	CalSTRS			CalPERS		
	2016/17	2017/18	% Increase	2016/17	2017/18	% Increase
District 2	\$667,069.93	\$1,049,749.66	57%	\$266,893.66	\$370,620.90	39%
District 20	\$9,980,861.00	\$12,750,733.00	28%	\$2,936,764.00	\$3,666,851.00	25%
District 8	\$10,239,998.00	\$12,566,764.00	23%	\$3,868,589.00	\$4,169,333.00	8%
District 5	\$16,939,690.00	\$20,751,118.00	22%	\$6,727,263.00	\$7,635,445.00	14%
District 23	\$21,052,110.00	\$25,288,797.00	20%	\$5,915,504.00	\$6,770,560.00	14%

	CalSTRS			CalPERS		
	2016/17	2017/18	% Increase	2016/17	2017/18	% Increase
District 14	\$7,449,482.11	\$8,859,756.30	19%	\$2,000,509.61	\$2,378,787.38	19%
District 4	\$5,203,619.41	\$6,121,133.00	18%	\$1,677,284.33	\$1,961,259.28	17%
District 12	\$14,566,684.00	\$17,122,664.00	18%	\$3,498,953.00	\$3,953,707.00	13%
District 22	\$3,207,061.62	\$3,733,877.34	16%	\$1,132,229.60	\$1,305,041.95	15%
District 1	\$16,546,872.34	\$19,065,592.46	15%	\$3,642,961.55	\$4,219,295.48	16%
District 19	\$7,299,576.00	\$8,409,450.00	15%	\$2,112,022.00	\$2,951,373.00	40%
District 15	\$5,182,361.10	\$5,963,867.00	15%	\$1,454,281.05	\$1,627,884.00	12%
District 13	\$5,576,288.00	\$6,386,890.00	15%	\$1,170,226.00	\$1,390,380.00	19%
District 17	\$31,601,497.00	\$36,123,824.00	14%	\$6,644,948.00	\$7,819,341.00	18%
District 3	\$10,206,634.00	\$11,591,691.00	14%	\$2,862,099.00	\$3,392,642.00	19%
District 11	\$2,807,544.00	\$3,182,321.00	13%	\$1,159,622.00	\$1,356,564.00	17%
District 9	\$11,556,000.00	\$13,089,000.00	13%	\$2,400,000.00	\$2,697,000.00	12%
District 16	\$5,034,398.00	\$5,701,553.00	13%	\$1,705,323.00	\$1,960,994.00	15%
District 10	\$27,518,581.86	\$30,796,891.22	12%	\$6,432,349.53	\$7,939,353.89	23%
District 25	\$785,849.36	\$874,153.37	11%	\$317,389.96	\$384,245.00	21%
District 24	\$5,818,721.28	\$6,458,587.31	11%	\$2,648,941.29	\$3,202,993.03	21%
District 21	\$4,860,785.00	\$5,368,041.00	10%	\$1,324,637.00	\$2,026,592.00	53%
District 6	\$12,279,725.00	\$13,507,837.00	10%	\$3,208,346.00	\$4,132,212.00	29%
District 7	\$1,165,441.29	\$1,116,119.60	-4%	\$268,978.05	\$297,474.94	11%
District 18	\$1,713,802.17	\$816,400.00	-52%	\$439,813.47	\$482,200.00	10%

Source: Multiyear budget projections from sample districts

Table A3. Net increase/decrease in fund balances for unrestricted funds

	# of districts	% of districts that project to deficit spend in all 3 years	% of districts that project to deficit spend in 2 of next 3 years	% of districts that project to deficit spend in 1 of next 3 years
Districts in the general sample	25	52%	16%	16%
Districts with high unduplicated student counts	15	40%	13%	13%
Basic Aid districts	15	67%	13%	7%

Source: Authors' analysis of sample districts' multiyear projections

APRIL 2018



SILENT RECESSION

WHY CALIFORNIA SCHOOL
DISTRICTS ARE UNDERWATER
DESPITE INCREASES IN FUNDING

Kelsey Krausen
Jason Willis



EDUCATION BUDGET STRATEGIES FOR CHALLENGING TIMES

HOW CALIFORNIA SCHOOL
DISTRICTS ARE ADDRESSING
THE SILENT RECESSION

*Kelsey Krausen
Ruthie Caparas
Jason Willis*

DECEMBER 2018

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PART I: INTRODUCTION

California has steadily increased per-pupil funding for K–12 education since the enactment of the Local Control Funding Formula (LCFF) in 2013, which was intended to increase funding back to 2007/08 (pre-recession) levels, adjusted for inflation. With additional funding available for California schools, many people may assume that the LCFF has resolved the deficits of past years and that school system budgets have stabilized. However, the financial reality for school districts is quite to the contrary. As detailed in *Silent Recession: Why California School Districts Are Underwater Despite Increases in Funding* (Krausen & Willis, 2018), many education expenses have continued to grow far beyond the revenue increases resulting from the LCFF. Over the period from 2012/13 to 2016/17, these rising expenses have included increases of approximately 49 percent for employee benefits, 21 percent for teacher salaries, and 75 percent for books and supplies.¹ Many California school districts are struggling to cover such rising costs as they outpace increases in state revenues.²

The rising costs in California come during a challenging fiscal period for school districts and for state education systems across the country. In many states, funding for K–12 education remains below pre-recession levels in what Leachman, Masterson, and Figueroa (2017) refer to as a “punishing decade for school funding,” despite efforts in recent years to

restore funding levels. Consequently, the multiyear budget forecasts for California school districts are increasingly grim, and many school districts are being forced to make difficult decisions about how to maximize limited dollars to best meet the needs of students.

As a follow-up to the first Silent Recession report, this paper presents findings on how districts throughout California are addressing these financial challenges.³ The paper draws from research literature and from interviews with over 25 school business leaders from school districts and county offices of education throughout California. Interviews with chief business officers (CBOs) focused on the budget strategies that district and county leaders have begun to employ to manage rising expenses.⁴ In addition, the paper focuses on the strategies that districts and counties are utilizing to ensure that their limited dollars are allocated to programs and initiatives that they believe will generate the greatest possible benefit for students.

The key budget strategies identified by district and county budget leaders who were interviewed for this paper fall into four broad categories: increasing effectiveness, increasing efficiency, using high-leverage strategies (those that are fundamental during difficult budget periods), and focusing on

¹ <http://www.ed-data.org/>

² California adjusts per-pupil funding by using a cost-of-living adjustment (COLA) that is based on a broad index of government-related expenses, which are not education- or California-specific. Because California faces unique challenges that include flat student counts and rising costs for pensions, facilities, and labor, COLA increases are presently inadequate to address the cost of doing business for many districts and charter schools. As a result, many California school districts are struggling to cover rising costs that are outpacing increases in state revenues.

³ The paper is part of a series that WestEd is developing through the Smarter School Spending project, which is funded by the Bill and Melinda Gates Foundation to provide school districts with tools and strategies to align and prioritize investments based on the districts’ goals for student achievement, and to evaluate program success relative to student outcomes. This paper and the first in the series (Krausen & Willis, 2018) capture some of the discussions that occurred through a WestEd-facilitated Smarter School Spending Community of Practice and are intended as resources for school district budget leaders and key decision-makers, including other district administrators and governing board members.

⁴ See the Appendix for more information on the interviewees and the development of this paper.

communication and collaboration. In particular, the budget strategies presented in this paper include the following:

Strategies for increasing effectiveness

- Using data to measure the effectiveness of investments
- Tracking the quality of investments, not just the quantity
- Defining and prioritizing funding allocations
- Strengthening connections between business and educational services

Strategies for increasing efficiency

- Streamlining administrative processes
- Reducing costs for required expenses such as utilities and transportation
- Comparing costs and using benchmarking data
- Maximizing revenues by improving student attendance and by looking for opportunities to increase revenue sources

Strategies for focusing on high-leverage budget decisions

- Carefully considering resources for special education
- Ensuring the highest-quality teaching to meet student needs

Strategies for strengthening communication and collaboration

- Ensuring that stakeholders are well-informed for financial decision-making by communicating transparently and providing clear and complete information
- Creating an inclusive budget development process by establishing trusting, productive relationships with stakeholders

In fleshing out how district and county leaders describe these strategies, the paper also conveys how CBOs are increasingly

assuming the role of strategic resource managers to guide resource-allocation decisions in their districts (Willis, Krausen, Byun, & Caparas, 2018).

Context: The Silent Recession

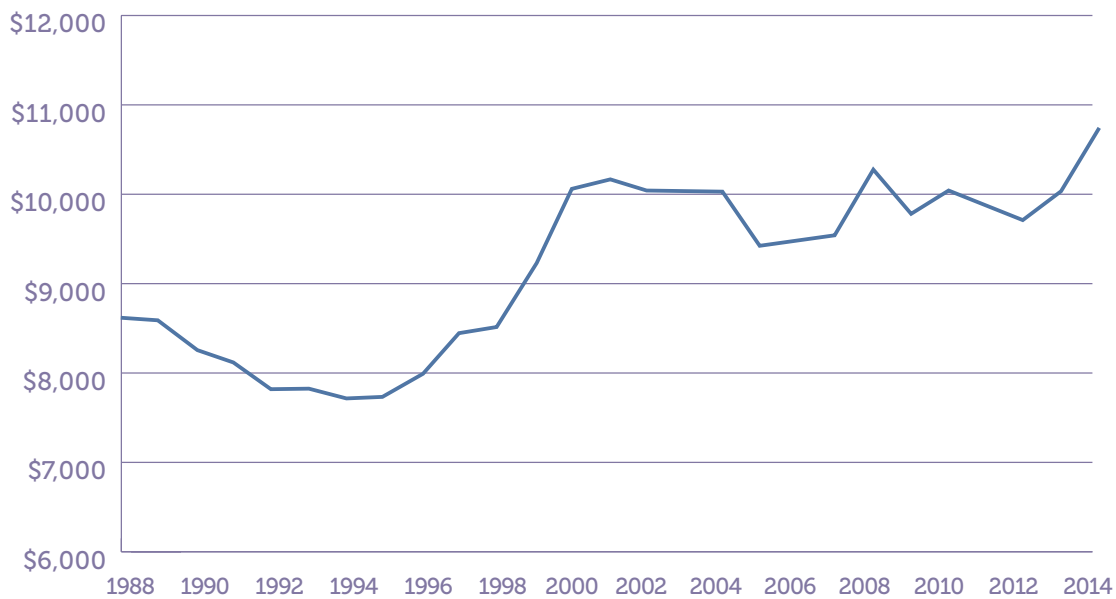
Funding challenges are not new for school districts. Although California's per-pupil school spending was among the highest in the nation during the 1960s (Schrag, 2006), the passage of Proposition 13 in 1978 led to a steep decline in the state's K–12 education funding compared to the national average. Specifically, Proposition 13 dramatically reduced property taxes, thereby reducing education funding overall throughout the state (Silva & Sonstelie, 1995) while also shifting funding responsibility from local jurisdictions to the state level. This reduction in funding was compounded by rapid enrollment growth in the 1980s, without enough additional state funding to support the increased student population.

During the recession of the early 1990s, funding for California's schools plunged once again, dropping from \$8,599 per pupil in 1989 to \$7,726 per pupil in 1994, adjusted to 2016 dollars.⁵ Funding for California school districts declined again during the Great Recession of 2008 – the nation's most severe economic downturn since the Great Depression – creating unprecedented challenges for California's education system (Evans, Schwab, & Wagner, 2014). This decline included a reduction in spending of nearly \$600 per student – from \$10,295 in 2008 to \$9,721 in 2012, adjusted to 2016 dollars (Figure 1 on page 3).

Yet, the current budget challenges facing California school districts are different in that California is not in the midst of an economic crisis. In fact, the current economic climate in California is healthy, with major labor market indicators exceeding their pre-recession performance (Public Policy Institute of California, 2018). Moreover, in 2013, through the LCFF, California reformed its state funding distribution formula for the first time in nearly 40 years, creating a simpler and more equitable TK–12 education funding system. Since enactment of the LCFF, funding for TK–12 education in California has increased each year, and the governor's 2018/19 state budget

⁵ The funding figures in this paragraph are from the 2016 Common Core of Data from the National Center for Education Statistics, retrieved from <https://edsources.org/2015/states-in-motion-school-finance-naep-child-poverty/83303>.

Figure 1: California K–12 Per-Pupil Expenditures, 1988 to 2014, Adjusted to 2016 Dollars



Source: 2016 Common Core of Data from the National Center for Education Statistics, retrieved from <https://edsources.org/2015/states-in-motion-school-finance-naep-child-poverty/83303>

Table 1: Increases in K–12 Per-Pupil Funding, Based on Average Daily Attendance, Since LCFF Enactment

General Fund Revenues by Category	2012/13	% Change	2013/14	% Change	2014/15	% Change	2015/16	% Change	2016/17
Federal Revenue	\$721	-10.3%	\$647	+3.8%	\$672	+0.8%	\$678	+1.3%	\$687
LCFF	\$5,645	+26.6%	\$7,149	+11.8%	\$7,994	+13.6%	\$9,079	+5.9%	\$9,615
Other Local Revenue	\$619	+1.8%	\$630	+8.1%	\$681	+1.5%	\$691	+0.1%	\$692
Other State Revenue	\$1,809	-49.0%	\$922	+2.0%	\$941	+70.4%	\$1,603	-16.4%	\$1,340
Total	\$8,794	+6.3%	\$9,348	+10.0%	\$10,288	+17.1%	\$12,050	+2.4%	\$12,334

Source: <http://www.ed-data.org/>

provides funding to fully fund the LCFF two years before it was projected to reach target funding levels (Table 1). In addition to increasing funding through the LCFF, the state has provided one-time discretionary funding for school districts every year since 2014/15 to support implementation of major

policy initiatives, such as the Common Core State Standards and other, local initiatives.

Nevertheless, increasing expenses for particular services such as special education programs and for aging facilities,

escalating pension contributions, employee health care, and recruiting and retaining quality staff are unmatched by projected revenues in many districts, even including cost-of-living adjustment (COLA) increases (Krausen & Willis, 2018; Taylor, 2018; Legislative Analyst’s Office, 2018).

As education expenses continue to outpace revenues, districts are experiencing a “Silent Recession” (discussed in detail in Krausen & Willis, 2018) that will force many school districts to make difficult decisions about how best to invest and maximize limited dollars and may push them to make reductions in funding for current employees and educational programs.

Budgetary Responses: Increasing Efficiency and Effectiveness

As William Baumol (1967) argued in the *Macroeconomics of Unbalanced Growth: The Anatomy of Urban Crisis*, there are two types of economic sectors. In one sector, when labor and overall production costs increase, higher productivity may offset such costs. The other sector, however, lacks the ability to take advantage of productivity improvements. As Baumol describes, this sector includes musical performances, the arts, and education. For example, if the cost of producing an opera increases, the costs cannot be reduced by having the opera performed with half the cast or twice as fast. As production costs increase, therefore, the opera has the potential to become unaffordable unless additional dollars can be raised through patrons or other sources. According to Baumol, education similarly falls into this category. It is not a practical solution to try to reduce costs by teaching children twice as fast or with half the staff while still expecting student outcomes to improve.

Although scholars such as Marguerite Roza have investigated strategies to make production functions in education more efficient (Roza, 2009), efficiency alone is unlikely to solve the deep-rooted fiscal challenges faced by districts when expenses continue to outpace increases in revenues. *Silent Recession: Why California School Districts Are Underwater Despite Increases in Funding* (Krausen & Willis, 2018) describes some of what Baumol predicted. The unit costs of providing education keep rising without commensurate changes in productivity. Moreover, many of the increased costs are outside the control of school districts. As Baumol notes, “We see then that costs in many sectors of the economy will rise relentlessly, and will do so for reasons that are for all practical purposes beyond the control of those involved” (Baumol, 1967, p. 420).

In the interviews for this paper, school district budget leaders reported a number of budget strategies that focused on increasing efficiency (e.g., reducing utility costs or automating systems) in the district as a way to address the challenges that Baumol describes. This perspective indicates that while adjustments in productivity may be challenging in education (as in the opera), there are still some opportunities for productivity gains. However, as Baumol notes, rising cost pressures create an “inherent threat to quality” as labor costs — which account for the lion’s share of district budgets — are not easily reduced without threatening quality. For example, hiring amateur actors to perform an opera will reduce costs but will likely also result in a reduction in the quality of the performance. Similarly, a singular focus on budget strategies that increase efficiency in a school district neglects to account for the *quality* of the district’s investments. To ensure continued improvement in student outcomes, district leaders may also need to focus on strategies to improve effectiveness.

PART II: STRATEGIES FOR INCREASING EFFECTIVENESS

Establishing a clear process for prioritizing district investments is important for districts during both healthy and difficult budget forecasts. Accordingly, districts need to establish systems to “assess all expenditures and how they are furthering school goals; prioritize programs accordingly; and cut those that do not further goals” (Rennie Center for Education Research and Policy, 2012, p. 4). This process of prioritization includes attention both to student achievement and to cost-efficiency (Levenson, 2012).

The CBOs interviewed for this paper described a range of strategies for prioritizing investments to ensure the greatest returns for students, as detailed in the sections that follow. Embedded within all of the strategies is the use of data — both financial and student outcome data — to measure the effectiveness of district investments.

Using Data to Measure the Effectiveness of Investments

Research (e.g., Schwartz, Hamilton, Stecher, & Steele, 2011; Ladd & Loeb, 2013) and the interviews conducted for this paper suggest the importance of measuring and monitoring not just *inputs* into the education system, but also the *outputs* — in other words, analyzing how investments impact student outcomes as a way to prioritize budget allocation decisions. Accordingly, the ability to prioritize school district resources requires a broad understanding of district needs with specific attention to results. The Government Finance Officers Association (2015) created a budget prioritization framework — which has been adapted to create Figure 2 (p. 6) — to build these prioritization strategies into a districtwide continuous improvement system. Under this framework, resource allocations are aligned with the district’s instructional goals and are informed by financial and student outcome data that the district monitors and evaluates. Prioritization is also guided throughout the process by informed input from stakeholders.

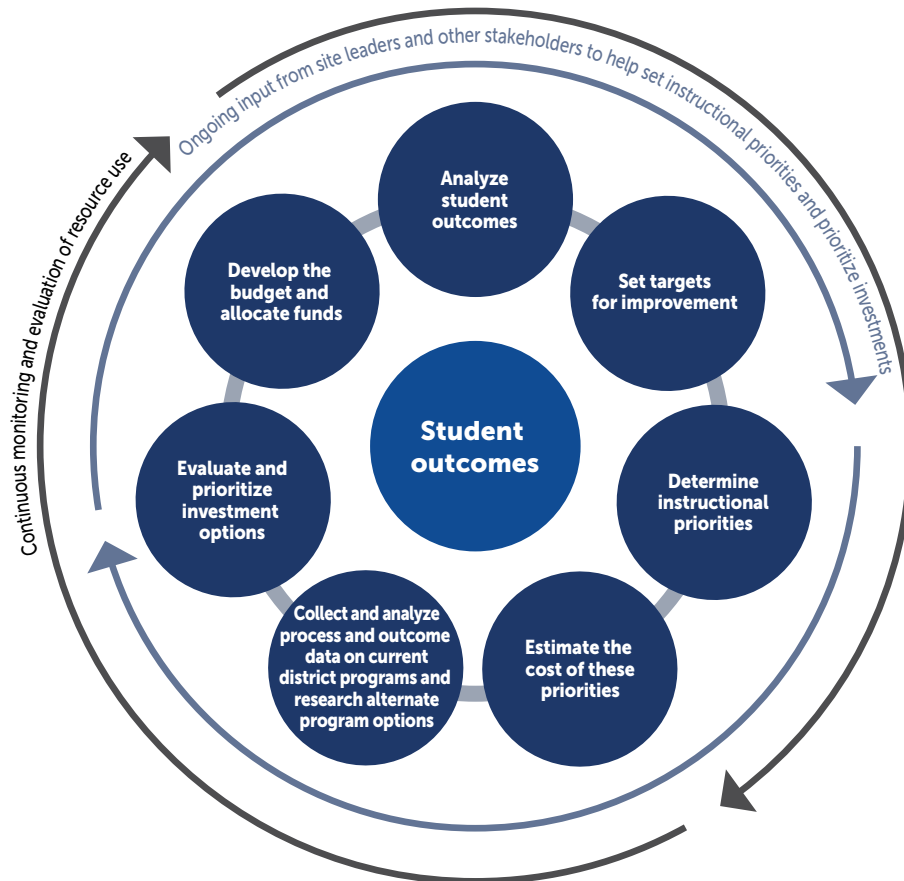
OUTCOME DATA

The CBOs who were interviewed for this paper frequently noted the need to use outcome data to measure the effectiveness of their investments and expressed a desire to improve their district’s data use. One district leader, referring to the district’s Multi-Tiered System of Support (MTSS) program, described the district’s use of data to measure and monitor the effectiveness of its programs and investments: “When we start a new program or start a new thing, we say, ‘What is the desired outcome in three years?’ We implemented a pilot program for MTSS within 13 schools, right. And we said, ‘Okay, when we implement this, these are the things that we should see. . . . We should have improved attendance. We should have lower suspensions.’ We monitor it in every quarter. . . . And then the principals are held accountable to those goals.”

As part of its process to measure effectiveness, the district compares outcome data between similar schools with and without the MTSS program. The district leader noted that these outcome data provide more valid justification for whether to continue investing in the program. “We could then prove that we need to implement MTSS across the district, not just because everybody likes it. . . . I like it when I have MTSS, and I like it when I have a teacher on campus who is working individually with my little kids. But if it’s not making a difference, then we’re not going to do it.” Accordingly, the district has clear metrics and a system of benchmarking progress to determine whether or not a program is working and should be expanded. This strategy is reflective of a continuous improvement approach in which change strategies are tested on a small scale first, and then decisions are made whether to continue, adjust, or expand the effort based on its impact on student outcomes.

Another business officer noted a desire to have budget-cutting decisions more firmly grounded in data and evidence. As the leader explained, “There will obviously be very strong advocacy to protect programs. And without very clear metrics to

Figure 2: A Conceptual Model for Budget Prioritization as Part of a Continuous Improvement System



Source: Adapted from Government Finance Officers Association, 2015

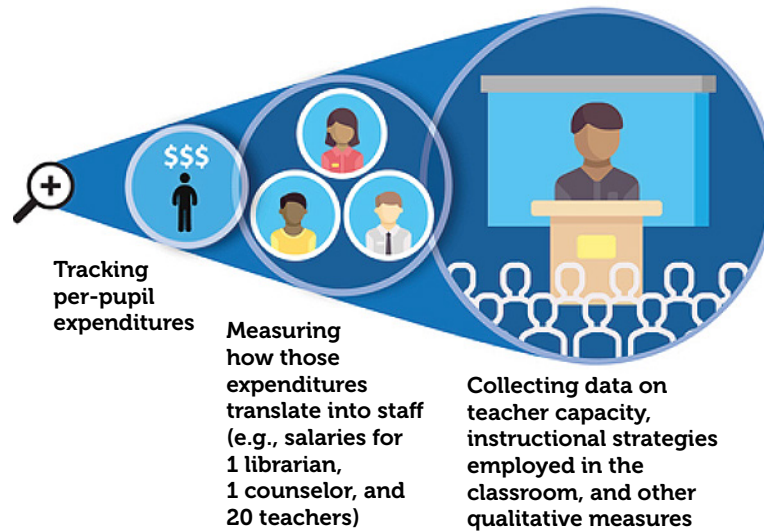
measure the effectiveness and the return on investment on the resources, it becomes challenging to make any concrete decisions about whether to continue to support a program or not.” These data exist in some districts, but reviewing the data requires additional staff time and expertise — capabilities that vary across districts.

INPUT FROM SITE LEADERS

CBOs also identified input by site leaders as another important source of data on program effectiveness. Specifically, several CBOs noted the value of having principals weigh in on the prioritization of funds, including when cuts had to be made. One CBO reported that when her previous district had to make cuts, the district worked with principals to

determine possible areas for cutting costs. Using this strategy, principals identified possible solutions that could work in the specific context of their school and local community. The CBO emphasized that because of principals’ proximity to the classroom, they hold valuable perspective on the school’s specific needs. “One of the things I always believe is that principals, they know their site. They know what their needs are. So, instead of me, [the] CBO, making the recommendations to the superintendent to cut certain areas, I think it’s really helpful to go to the site and talk to the principal.” In addition, getting input from principals can help with getting their buy-in for difficult budget decisions that need to be made in the future. As such, input from site leaders and other stakeholders (discussed further in the Strategies for Strengthening Communication and Collaboration section of this paper)

Figure 3: A Strategic Resource Management Framework — Measuring Quality of Inputs



constitutes a key source of data for determining how to prioritize investments and reduce spending.

Tracking the Quality of Investments, Not Just the Quantity

A related strategy for increasing effectiveness is to move beyond simply tracking the *amount* of investments in particular programs or student groups to also tracking the *quality* of those investments. Typically, tracking the amount of per-pupil expenditures forms the baseline of sound accounting, while districts that move toward a more strategic approach to resource management also attempt to measure the quality of per-pupil expenditures. To illustrate this approach, WestEd developed a strategic resource management framework based on experiences working with districts to maximize investments and improve student outcomes (Figure 3).

Under this framework, as the budget officer and other district leaders examine expenditures in more detail, a district may gain greater insight into how its resources are being allocated.⁶ For example, district leaders may begin by tracking per-pupil expenditures by school site. By comparing total expenditures between schools with similar demographics, the district can

measure whether funds are being distributed equitably across similar schools. Next, district leaders may measure expenditures by the total number of employees, by title and by site, to see how each site is using its budget allocations to pay for particular types of staff. This analysis provides a fuller picture of how resources are being used for staff at the school site to improve student outcomes (e.g., by illuminating the per-pupil staffing ratio by position type). In the third level of the framework (furthest to the right in Figure 3), the district measures how each full-time employee works individually and collectively to improve student outcomes. For example, the district may gather data on whether teachers have opportunities to collaborate through professional learning communities to improve their practice, or it may gather information on how much time individual teachers dedicate to classroom discussion and group work, as opposed to lecturing.

The same framework can also be applied to investments such as technology. Again, as a baseline, district leaders track per-pupil expenditures on technology. Next, district leaders track how school sites spend their technology allocation (e.g., the number of laptops in which classes, and in which schools). To further track the quality of expenditures,

⁶ This strategy has multiple advantages, including greater transparency in resource use and a way to understand how specific investments impact student outcomes.

the district tracks how the purchased technology is actually used in classrooms to improve student learning. In this way, district leaders avoid the assumption that technology is being used in the same way across all classrooms and in all schools, allowing them to more accurately measure the quality of this resource use within each context.

There are many possible types of data to collect as quality indicators, and these will vary by school and classroom context. Moreover, the work of collecting and analyzing data about the quality of inputs is complex and requires the time and attention of district leaders who are also working to keep districts solvent. Also, correlating teacher effectiveness to specific student outcomes is challenging because there may be other support staff (e.g., literacy coaches or intervention specialists), enrichment programs (e.g., after-school programs or tutoring), and other supports supplementing what students are learning in the classroom (Darling-Hammond, Amrein-Beardsley, Haertel, & Rothstein, 2012). Nevertheless, these data provide the opportunity for fuller descriptions and discussions about how resources are being used in the district to improve student outcomes.

Defining and Prioritizing Funding Allocations

Another major budget strategy that was evident from interviews with county and district leaders and is supported by the literature (Odden & Archibald, 2001; Pan, Rudo, Schneider, & Smith-Hansen, 2003; Kirst & Rhodes, 2007) is to align the budget to district or school goals. This practice is supported through the LCFF. The LCFF requires California school districts to prepare a plan commonly known as the Local Control and Accountability Plan (LCAP), which describes goals, actions, and how the budget meets such goals. Using either the LCAP or other means, districts must now identify clear *instructional strategies* as well as clear *spending priorities*, both of which can serve as a guide for districts to make decisions about where to invest limited resources.

One CBO described the importance of the LCAP to the district's prioritization process, particularly in terms of measuring the effectiveness of investments. "The LCAP is a really great process because it forces these conversations [about return on investment] to take place because we're

setting these metrics by which it is going to be measured later. And it becomes really important to use evidence-based strategies in order to bring that into place because it puts us in a position where we have to defend it later if it doesn't work. Or, really be willing to shift." Similarly, over half of the CBOs interviewed for a 2018 *Getting Down to Facts* study in California reported that they and other district leaders use the LCAP as a tool for the prioritization of funds (Willis et al., 2018).

Yet, the CBO who is quoted in the prior paragraph went on to describe the difficulties of making changes to the budget for certain long-standing investments, such as school libraries. As the CBO explained, "We read and consume differently now. Our kids are reading books on tablets . . . [but] we hold our libraries as monuments that have a lot of books in them. Many of those books are not being read because our kids enjoy new things and exploring different opportunities." Therefore, the district made a decision to shift its investments in ways that leaders believed resulted in a better match for students' 21st century learning style. "We are investing in computer technology positions. . . . Then they have a maker-space where they can go and create, and learn, and do those things. So, the cuts — well, they're painful. [But] when you grow again, it also creates the opportunity to look at things in new ways and say, 'Well, we don't necessarily need as much of this. If the kids are only reading 20 percent of these books, can we use the rest of the space for other things that engage them and get them involved in the learning process?'"

This CBO's comments, referring to libraries as "monuments," echoed the descriptions of others regarding the difficulty of making changes to the budget. However, the CBO also noted the importance of re-evaluating investment decisions to ensure an effective use of resources and remarked that the LCAP has become a helpful tool for this purpose. As another district budget leader explained, "That's where the LCAP really is coming into play in today's environment. . . . You have to make those decisions that are quantifiable. . . . This is the goal we've got to meet, and if we're not meeting it, there [are] not going to be any sacred cows anymore." As yet another CBO said, the key is to "never get complacent." Part of the work of business officials, therefore, is to confront budget allocations that should be discontinued as educational practice evolves.

MEASURING INCREASED AND IMPROVED SERVICES

Under the LCFF, the bulk of the funding that the state provides to each district is known as *base* grant funding. In addition, the LCFF also includes supplemental funding and concentration grant funding. *Supplemental* funding is based on unduplicated student counts, meaning the numbers of students from certain targeted populations: English learner students, low-income students, and foster youth in the district. The state also provides *concentration* funding to a district if more than 55 percent of the district's enrollment is from these targeted student populations. School districts are required to use supplemental and concentration funding to "increase or improve" services for the targeted student groups.

One CBO shared a novel approach to measuring return on these investments: requiring contractors who work with the district to demonstrate that supplemental and concentration funds are being used to increase or improve services for targeted student groups. As the CBO explained, the district "developed a template that our contractors have to fill out. . . . We have to measure whether or not they're improving services [or] increasing services for kids. So, there are metrics in there to show that it's a good return on investment. . . . We want to measure that what they're providing us will actually improve student outcomes."

Another district's CBO noted that the district used its LCAP process to ensure "that we were capturing the services that were truly supplemental and were providing an extension of service to students that qualified for supplemental funds." As this CBO's comment illustrates, many districts may be more focused on *increasing* services with their supplemental and concentration funding, rather than *improving* services. Providing evidence of increases in services may be easier than providing evidence of improvement to services for targeted groups, which may be a reason for this focus. In addition, advocacy groups have been active in efforts to push districts for greater transparency in the use of supplemental and concentration funds (The Education Trust-West, 2017). Specifically, advocacy groups and others have largely focused on increasing transparency around the *amount* of the inputs into the system for targeted student groups, rather than on the *quality* of inputs. Other groups, such as the California

Association of School Business Officials, have opposed legislation that called for closer tracking of per-pupil expenditures, arguing instead that it is more important that districts should be held accountable for the outputs — i.e., student outcomes (Fensterwald, 2017b).

In any case, in response to rising costs, districts will likely have to work differently with less purchasing power in the years to come. As a result, districts may begin focusing more on how to improve services — rather than increasing services — for targeted student groups. However, because efforts to improve services may prove more difficult to track, a collective effort from state policymakers, advocacy organizations, and district leaders will likely be needed to create new strategies to measure and report improvements in services. This focus has the potential to help ensure that targeted student groups continue to get the support they need for success, despite changes in districts' fiscal realities. These strategies for focusing on the quality of inputs into the system also have the potential to make resource allocation decisions more equitable, as leaders can ensure that funds are not only *distributed* equitably but also *utilized* equitably.

DEFINING THE BASE PROGRAM

Another budget strategy described by CBOs to prioritize funding is to define the needs of the district's base (or core) program. Importantly, a district's base program should be defined locally to meet the specific needs and context of the district. One district budget leader, for example, reported that a Budget Advisory Committee — composed of principals, union leaders, and district leaders — began its budget discussions by defining the essential needs in the district and whether the district was meeting these needs.

Budget leaders in another district similarly described the structure they created to define which resources constitute the base program and which resources constitute supplemental supports as a way to ensure greater equity across schools and to better meet the needs of the most vulnerable student groups. The district designated each school site as Tier 1, Tier 2, or Tier 3, and this designation was used to determine each school site's allocation. School designations were determined through equity-focused calculations based primarily

on the school's student demographics, along with some metrics of teacher experience and turnover. The district then defined the base resources that Tier 1 schools would receive, such as access to core curricula and behavioral supports, while higher-tier schools received additional, customized supports and interventions. In this manner, all school sites had access to the resources defined under the base program, and individual school sites received additional, supplemental, customized supports to account for differences in student demographics or lower academic performance. The district called this structure a Multi-Tiered System of Support (MTSS), having based it on the more widely known, student-level MTSS model. As a district leader described, "In the same way that schools use student-level data to tier their interventions, MTSS has become the central office's way of tiering interventions within our portfolio of schools." In this manner, the district has created a structure to allocate resources within the district based on clear and transparent metrics that are aligned with student needs.

This strategy of outlining student needs and defining the base program can serve as a useful starting point for building out the budget. Organizations such as WestEd use this approach in their technical assistance to districts to help them define the types of services that all students will receive and how the districts will use additional funding (e.g., supplemental and concentration funds) to provide enhanced services and support for disadvantaged and underperforming student groups. Accordingly, concentration and supplemental funding are not used merely to add on programs and staff, but are viewed as part of a broader strategy to build a strong instructional program for all students with additional supports for students with greater need. The strategy also involves blending federal, state, and local funding sources to maximize the use of funds to best support student learning.

Strengthening Connections Between Business and Educational Services

A collaborative relationship between business and educational services staff is regarded as a key strategy to support the alignment of district investments with its goals (Government Finance Officers Association, 2015; Murphy, 2017). As one CBO noted, the partnership between business and educational services staff has helped the district to refine its goals and strategies for achieving those goals. "We have . . . a fantastic partnership with our instructional side of house, so both business and instruction work hand-in-hand on these lists [of goals and strategies] together. Just like we work hand-in-hand on the LCAP so that there's a clear understanding from both sides of the house [about] what it takes in order to [improve outcomes]."

A county budget leader also underscored the importance of the relationship between fiscal and academic staff, noting that frequently superintendent search firms focus on recruiting educational leaders with more experience on the instructional side and fail to recruit candidates with a strong understanding of school business and operations. The county leader reported that superintendent search firms should "recruit educational leaders who understand the operational aspects of a school business. Search firms don't necessarily look for that, and I know, in this county, we suffer as a result."

Yet, it may not be realistic to expect all superintendents or elected board members, for that matter, to have deep knowledge and expertise on district finances. Strong communication and working relationships between CBOs, superintendents, and board members can help superintendents and the rest of the leadership in making sound financial decisions that align with instructional goals.

PART III: STRATEGIES FOR INCREASING EFFICIENCY

Many county and district leaders described how lean budgets drove them to maximize the cost-efficiency of standard district operations in order to keep cuts as far away from the classroom as possible. This approach includes streamlining administrative processes such as payment collection, reducing utility costs, comparing costs of in-house services and outside vendors' services to find the least expensive option, and benchmarking district services' costs against those of other districts. These efforts aim to reduce costs without sacrificing the quality or effectiveness of services — striving not only for cost-efficiency but also cost-effectiveness. Compared with other cost-cutting measures that involve significant trade-offs, these measures can represent somewhat easier budget decisions during a challenging fiscal period.

However, at least one CBO noted that years of lean budgets have left the district with little remaining to cut:

In the early 2000s, when the budget started getting tight and we were cutting everything, we pretty much did. Any low-hanging fruit, we've already done it. And none of those things got turned back on. . . . We already expanded the mileage radius for busing. We reduced the number of copiers allowed at a school to one. . . . There's not much left to cut there. We're kind of at the mercy now of just what those expenses are. The only time we feel like we can leverage bigger cuts is if we eliminate bus routes, because then we lose the cost of the driver. But unless it's fully turning off a position, we've trimmed it and cut it down as much as is reasonable without getting rid of the service completely.

Although this CBO's district and some other districts have already seized many opportunities to increase efficiency and reduce costs, there is likely variation across districts in how much they have historically attended to issues of efficiency in their budget process. The CBO's comment is also indicative of the challenges reported by many school districts around the

adequacy of funding for California school districts (California School Boards Association, 2016).

Streamlining Administrative Processes

One strategy for increasing efficiency within the district is to find ways to reduce the number of staff-hours required to conduct administrative tasks. As one district chief financial officer (CFO) described, "The areas that have taken the most cuts have been your central support [and] operational support areas." In particular, several district leaders described efforts to replace manual systems with more efficient, automated systems. For example, one described how the district's travel expense system shifted from a manual, paper process to an automated process. The district leader noted that the district tries to use "one-time dollars on system improvements that will look at our workflow and automate a lot of things that are done manually. . . . We try to look at one-time dollars that you can invest in systems that can translate to ongoing savings."

This strategy of using one-time dollars to invest in technology and equipment upgrades, rather than putting those dollars toward ongoing expenses, was a key strategy described by several budget leaders. One described how the district's special needs preschool, which collects tuition, is adopting an automated, online system that is utilized by many private preschools: "The parent will set things up in motion, and then they'll get [payments] automatically pulled from their checking account or the credit card every month."

As this district leader described, not only is the system expected to reduce the amount of staff time required for collecting payments, but it may reduce the frequency of costly human errors. Currently, the district has one staff member "doing Accounts Receivable along with 50 other things, and then all of a sudden it would be like, 'Oh my gosh, this person hasn't paid in three months,' and here we are providing free services." Similarly, another district found that streamlining its enrollment process — not by automating the

process but by centralizing it — improved the cost-efficiency of the system by improving accuracy. As the district’s CBO explained, “We’ve been able to clean up a lot of data errors that we used to have, because it used to be 30 people, 30 different schools, adding information into a system. And now it’s two people for the whole district.” The CBO added that this more accurate, streamlined system has helped the district identify more low-income and English learner students “at the point of enrollment,” enabling the district to quickly begin receiving supplemental funding for these students.

A budget leader in another district similarly described how the district improved its process for obtaining counts of low-income students, resulting in a higher and more accurate unduplicated student count. Specifically, the leader described how adopting the Community Eligibility Provision (CEP) at four of the district’s schools enabled the district to gain more flexibility in how it collects information on students’ free and reduced-price lunch eligibility, resulting in higher response rates and higher eligibility counts.⁷ According to the district leader, the CEP enables schools to use alternative forms to collect student household information for the LCFF eligibility requirements. The leader noted that the National School Lunch Form, the standard federal form for determining free and reduced-price lunch eligibility, “is the most complicated form, and it’s very hard to fill out and intimidating.” Instead, under the CEP, the district’s four participating schools used an alternative form and “designed it in a [much] more friendly way that is very easy to fill out.” Subsequently, three of the four participating schools found that their unduplicated student counts increased about 2 to 3 percent. As the district leader noted, “a 2 percent increase is big bucks,” making the shift to the CEP a worthwhile investment that could also be leveraged for LCFF funding purposes.

Reducing Costs for Required Expenses

TRANSPORTATION COSTS

Nearly 40 percent of interviewed district leaders mentioned having sought ways to reduce transportation costs. For example, some evaluated ways to reduce vehicle or driver costs. One described how district leaders realized that transportation expenses could be reduced by leasing vehicles because the costs for buses that the district owned kept rising as the vehicles aged. Another CBO found that for students with disabilities, whom the district must transport regardless of the students’ or schools’ locations, district-provided transportation would save money. “Because the route is so far away a lot of times, you may put the kids on taxis,” but the district could reduce costs by bringing the transportation services back in-house.

Furthermore, over half of the leaders who discussed transportation efficiency mentioned having re-examined bus routes. One CBO said that by staggering the district’s elementary, middle, and high school start times, “we can use the same [buses] for multiple routes. . . . We did that, and we were able to save ourselves quite a bit of money.” Indeed, staggering school start times in order to reduce transportation costs is a widespread practice across the United States (Edwards, 2012). However, in order to accommodate parents’ work schedules, staggering school start times has generally led to earlier school start times for some students, which has proven controversial. Research has linked earlier school start times to reductions in student health and academic performance as a result of inadequate sleep (Boergers, Gable, & Owens, 2014; Boergers, 2015; Barnes et al., 2016). Such findings led to an attempt to pass Senate Bill 328 in 2018, which proposed prohibiting California middle and high schools from starting earlier than 8:30 in the morning.

⁷ The CEP became available in California in 2014/15 as a result of the federal Healthy, Hunger-Free Kids Act of 2010. The provision allows high-poverty schools — those with at least 40 percent of students eligible for free meals — to serve free breakfast and lunch to all students and receive federal reimbursement for much of the cost. Schools are reimbursed at the federal “free” rate (capped at 100 percent of costs) for their proportion of Identified Student Percentage (ISP) students, and all other meals are reimbursed at the lower “paid” rate. To determine this eligibility, schools use their ISP: students qualified to receive free meals due to household enrollment in programs such as Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF), or due to certain classifications such as homeless students or foster youth. Alongside improving student nutrition, which is linked with improved student performance, the CEP reduces schools’ administrative burden, as they no longer have to collect and certify student eligibility applications, complete the annual verification process, or collect any student meal payments (California Department of Education, 2018).

The issues with transportation scheduling underscore the need to examine cost-cutting measures for potential, unintended side effects. If a district's ultimate goal is to improve student outcomes, then some cost-cutting measures may not be worth doing if they hinder student performance. Thus, when considering system adjustments — especially those close to students — district leaders should consider the existing evidence and monitor early outcomes after implementation to avoid unintended, counterproductive consequences.

UTILITY COSTS

Utilities were another area in which districts aimed to reduce costs without negatively impacting services and programs. Leaders from eight districts — nearly half of those interviewed — reported having found ways to reduce utility costs, with one referring to the water bill and seven referring to their energy bills. The district that reduced its water bill reported saving \$250,000 after it realized that there were different rates for irrigating fields than for running water in the buildings. Consequently, by “installing water meters in different places” across the school sites, the district could ensure that it was paying the lower rate (irrigation) wherever appropriate.

From the seven districts that reported reducing their energy costs, several strategies were described, including switching to renewable energy, installing more energy-efficient equipment, and implementing protocols for reducing energy use. Three district leaders mentioned the possibility of switching to solar electricity. One considered solar but decided not to go that route, and another district managed to go solar by using school bonds to pay for installation. Another district leader recalled previously having been in a nearby district that had gone solar and reaped tremendous benefits. “We eliminated our utility bill, which is about \$980,000 a year; we got all of that and basically preserved options for kids.”

Describing another solution, two districts reported upgrading to more energy-efficient equipment, such as new HVAC systems, energy-efficient light bulbs, and sensor-enabled light systems that shut off automatically. Yet, upgrading to

more energy-efficient equipment often requires an up-front investment, and some districts do not have funds available for these types of investments or cannot justify them due to limited funding and pressures to invest in other areas.⁸ Perhaps as a consequence, reducing energy consumption, which does not require up-front investments on the part of the district, was the most frequently cited strategy for reducing utility costs. As one district leader described, “We literally unplugged and took away microwaves, refrigerators, heaters. You cannot imagine, if you take all those things out from classrooms, how much money you actually save.”

Comparing Costs and Using Benchmarking Data

With employee benefits representing an increasingly large expense for districts (Legislative Analyst's Office, 2017; Krausen & Willis, 2018), 22 percent of district and county leaders who were interviewed reported finding cost savings by comparing benefit plans and providers. All of these leaders specifically mentioned comparing health care plans, while one also described “significant savings” from shifting to self-insurance for worker's compensation and changing the district's third-party provider for life insurance.

One district CBO described the success of a collaboration, known as the Joint Health Care Coalition, between district administrators and bargaining unit representatives, which negotiated lower costs on the district's health care options. As the CBO noted, “When we added our third carrier, [one of our existing carriers] became very competitive.” In previous years, this health care provider had increased rates 3 to 5 percent each year, but once it had an additional competitor, it kept its rates flat. Additionally, the district collaborated with its health care provider to introduce an employee wellness program and reported that “we have better rates because of this wellness program . . . because we're keeping people in the workplace and well.”

In another district, leaders determined that they could save significantly by self-insuring their employees' health care, and they have begun that process. A leader from this district

⁸ From 2012 to 2017, the state provided close to \$1.5 billion in one-time grants to districts from the passage of Proposition 39 by voters in 2012. These funds could be used for energy-efficiency improvements but were available for only 5 years.

explained, “We could potentially save \$2 to \$4 million per year by going self-insured. So, we’re pretty excited about that.” However, the interviewee acknowledged that making such a shift would not be fast or simple: “The bad news is that it’s going to take us two years to implement because it has to be negotiated and, to do it right, you have to have stakeholder meetings.”

In addition, county and district leaders noted the importance of regularly reassessing the cost-effectiveness of various services and exploring possible alternatives, including bringing programs in-house or simply conducting cost comparisons of competing vendors. Although several leaders described bringing programs in-house, another noted that in some cases, the opposite strategy — outsourcing — may end up providing the most cost-effective solution. This district leader described a re-examination of the cost-effectiveness of the district’s internal supply warehouse: “In today’s environment, how is the warehouse compared to Amazon? How are you utilizing Amazon, probably at a lower cost, to how you’re doing your purchasing?” The same budget leader described another decision to outsource, even at a higher up-front cost, to implement a revenue-earning program faster. In this case, the district hired an outside company to launch its Saturday school because the outside provider could begin offering the Saturday school sooner and could provide a high-quality service. The district leader explained: “How can we get it up and running quicker than us doing it ourselves? How can we partner with people that are better at it than we are, so that we don’t have to recreate the wheel?” Through the Saturday school, the district can recapture funding from the state based on average daily attendance as students make up missed school days due to absences.

Several district leaders mentioned the role of benchmarking data — comparing their services’ costs against those of other similar districts — in evaluating the cost-effectiveness of their expenditures. For example, one district leader reported that the district began considering charging students for transportation after recognizing that out of 40 districts in the county, their district was the only one providing school transportation free-of-charge. Another district mentioned planning an evaluation of its transportation systems by the

American Productivity & Quality Center, a company that provides research, benchmarking, and advisory services.

Two other districts described a much more intense, continual, internal use of benchmarking data. Leaders from both districts specifically mentioned using data from ActPoint KPI, an online system built in partnership with the Council of the Great City Schools, which compares key performance indicator (KPI) data across school districts nationwide in areas including finance, human resources, and operations. As one district leader described, the district uses this information for “comparing ourselves to the nation, comparing ourselves to districts in California, and comparing ourselves to ourselves.” Another district leader described using both ActPoint KPI and another data analytics software, Forecast5 Analytics, “to look at where we’re outliers and say, ‘Okay, why is everybody else here, and your expenditures are so much higher?’ . . . I’m just looking across all districts for benchmarking in today’s environment.” The district identified this benchmarking as a “key process” in evaluating the cost-effectiveness of the district’s investments.

Importantly, benchmarking is often used in tandem with continuous monitoring of the budget by district business leaders. As one CBO reported about the district’s use of KPIs to monitor its budget, “You just have to keep watching and making sure that everybody is on track and within your budget. . . . There are things that I watch every single month, like what percent are we at payroll right now? . . . I watch my power, I watch my gas, I watch my trash. . . . Little things, if you don’t watch, can really add up.” Although this budget-monitoring does not directly connect district operations to student outcomes, it is still an important, ongoing part of budget officers’ efforts to ensure that their districts remain fiscally solvent and can make sound budget decisions based on real-time data.

Maximizing Revenues

Recognizing that cost-cutting measures have their limits, several county and district leaders described efforts to maximize district revenue. Such efforts included increasing state funding by using marketing campaigns to combat declines in enrollment and to increase attendance, and drawing on

community support for potential opportunities to generate local revenue through voter-approved school bonds and tax measures, as well as from public facility rentals. In nearly all such efforts, community outreach played a critical role to garner support.

COMBATTING DECLINES IN ENROLLMENT

Of the local leaders interviewed, nearly 40 percent cited declining enrollment as a budget challenge. While some cited demographic shifts outside of the district's control, several attributed at least part of the enrollment decline to students transferring to charter schools. California charter school enrollment has grown 150 percent in the past 10 years — an increase of over 25,000 students every year — and approximately 630,000 California students, or 10 percent of the statewide total, currently attend charter schools (Reese, 2018). When a student transfers from a traditional public school to a charter school, the funding for that student follows the student to the charter school. However, many of the school district's fixed costs, such as those for facilities, utilities, and administrative staff, remain the same, leading to a net loss for the district's budget. A recent analysis of three large California school districts found that for each student that transferred to a charter school, the school district experienced a net loss in the range of \$4,913 to \$6,618 (Lafer, 2018). This finding is consistent with a 2012 analysis of Philadelphia schools, which found that when students transfer from district-operated schools to charter schools, the district typically was able to cut only 50 percent of the expenses associated with those students (Knudson & School District of Philadelphia, 2012).

To avoid losses in per-pupil funding, district leaders described efforts to keep students enrolled in the district. Such efforts included marketing, public outreach, and improved district program offerings. One district budget leader reported at least temporary success reversing the district's declining enrollment by working with the community to ensure that parents had accurate information about district-run school options. In addition, after hearing about plans for a new charter school petition, the district reached out to find out why some community members thought that a charter school

would be better equipped to meet students' needs. The district then "ended up opening up a magnet school to meet those needs, and so that avoided the whole charter petition."

For another district, the CBO described a strategy to retain students by improving the public's perception of the district and publicizing what the district offers: "We're going to work on our customer service, and we're working on marketing ourselves — because I think we have to do a very good job at telling our story, because we have wonderful programs for kids, [like] CTE and band, and some wonderful programs that the charter schools don't offer." The CBO reported that the district planned to contract with a marketing firm to improve its Facebook page, launch a Twitter account, and mail promotional flyers to all students' homes. As the CBO explained, "We have to now treat ourselves like a business and market ourselves to the students."

INCREASING ATTENDANCE

Because much of California school districts' funding is tied to average daily attendance,⁹ higher attendance leads to a district receiving increased funding from the state. Accordingly, one district CBO described success in increasing revenues by establishing a department dedicated to reducing chronic absenteeism, defined as missing 10 percent or more of the school year. Its staff identifies chronically absent students and tries "to reach out to parents and to the student to find out why they're not coming to school [and] if there are barriers, so they can break down [the barriers] in order to get them to school." Additionally, the district invests in public campaigns to increase school attendance, such as running ads about the importance of school attendance at the local theater. The CBO estimated that the district spends about \$30,000 per year on its attendance campaign and that the district is already seeing returns on this investment.

Strategies to increase attendance have tremendous potential for increasing district revenue because the cumulative effect of student absences can have a major fiscal impact. An analysis for the Los Angeles Unified School District found that in 2016/17, if every student in the district had attended one more day of school, the district would have received \$30 million

⁹ For more detail on how schools are funded in California, see <https://www.cde.ca.gov/fg/fo/profile.asp?id=1296>.

more in revenue (Los Angeles Unified Advisory Task Force, 2017). Most importantly, reducing chronic absenteeism, in addition to having a positive fiscal impact, can have a positive impact on student engagement and outcomes (Balfanz & Byrnes, 2018).

DRAWING ON COMMUNITY SUPPORT

While California law limits the local revenue generated from property taxes, some opportunities exist for districts to raise capital through other voter-approved measures. Additionally, there are no limits on the amount or use of private donations to public schools (Perry & Edwards, 2009). Budget leaders reported that efforts to increase local revenues, particularly through community-supported initiatives, have had a positive impact on their district budgets. However, communities' capacity for fundraising varies, and research shows that districts in lower-wealth communities are not able to generate as much in private donations (Weston, Cook, Murphy, & Ugo, 2015).

Budget leaders from two districts mentioned parent-driven fundraising efforts, while two other district leaders mentioned having partnerships with private foundations. One described how foundations are "key partners" to the district, both through direct contributions and through non-financial support. For example, one foundation provides training and instructional coaches to build teachers' capacity to improve early literacy for English learner students. With the foundation providing this support, the district can then redirect some of its professional development funds to other needed areas.

Budget leaders from four districts mentioned the impact of local voter-approved measures, including parcel taxes and school bonds. As one district leader noted, "We are fortunate to be in a [county] that does provide a lot of voter-initiated support for our arts and libraries and other types of enrichment activit[ies]." This leader indicated that the county also had a parcel tax on an upcoming ballot that would, if it passed, "provide additional salary increases to our teachers." In 2016/17, California school districts received a total of \$423 million in revenue from parcel taxes.¹⁰ However, in

2012/13, when California school districts received a total of \$362 million from parcel taxes, these taxes benefited only 108 California school districts, or about 1 in 10. Furthermore, a 2013 analysis indicated that districts with parcel tax measures in place were disproportionately located in more affluent communities (Chavez & Freedberg, 2013), and 86 of the 108 districts were located in the San Francisco Bay Area.

In talking about efforts to pass parcel taxes, district budget leaders described the importance of proactive efforts to engage the community — and not just leading up to the election. One CBO described how the district's recent emphasis on transparency and community engagement, championed by its new superintendent, had been critical in achieving voter support that was reflected in promising early poll results for a parcel tax measure. The CBO reported that this level of voter approval "would not have happened five years ago, four years ago, because there was a lot of distrust." Now, with its shift toward greater openness and community engagement, the district has achieved "a greater ability to have our community partner with us on long-term solutions." One of the leaders whose districts passed parcel tax measures expressed a similar sentiment, stating, "Communication is huge." This leader described the district's focus on communication as part of a long-term relationship-building effort with the community, and the leader credited the success of the parcel tax measures to "the trust the community has in the school district and the leadership of its board."

District leaders also reported alternatives such as pursuing local bond measures. Between 2004 and 2016 alone, local bond measures provided more than \$91 billion in school district funding, with bonds spread across districts in all but 5 of California's 58 counties (Lopes & Ugo, 2017). Districts can issue general obligation bonds for facilities purposes, including construction, renovation, equipment, or land acquisition, though the bonds are restricted to these purposes.¹¹ One CBO reported successfully passing a \$126 million bond in 2008, which has allowed the district to "modernize all our schools except for the high school." Another described that a school's investment in a solar energy system was made possible by

¹⁰ <http://www.ed-data.org/>

¹¹ Cal. Const. art. XIII, § 1

local bonds. And a third leader, representing another district, reported that the district is proposing a \$213 million bond after having put out “a poll to just test the waters last summer, and the polling showed 76 percent support for a potential measure that large.”

RENTING OUT FACILITIES

While most district leaders’ revenue-building strategies focused on enrollment, attendance, or community support, one district leader described the district’s effort to build a “pretty aggressive rental program,” renting out a variety of spaces across the district’s facilities. The leader described how the district first had “general facility rentals that I’m sure are pretty common with a lot of [districts], where we rent out our performing arts [spaces], our theaters, and our fields, and our pools, and our gyms, and everything on the weekends and at night.” Beyond that, the district relocated its continuation program onto a comprehensive school site, so now the district can “rent the whole facility [the prior location of the program] out to a private school.” In addition, on a few

campuses with declining enrollment, the district is “able to carve out pieces of the campus and rent a block of rooms to a Montessori preschool.” The leader described how the district has “tried really hard to bring in revenues in random places where we could,” and so in an effort to think outside the box, it has even leased out the light posts on the football field to a cell tower company.

Accordingly, district leaders may want to consider the trade offs between selling surplus property and retaining these properties for rental purposes or considering alternate ways to leverage district assets. These are important considerations given how many districts are experiencing declining enrollment and therefore have additional space available.

However, state law establishes regulations for how school districts can charge fees to external groups for using district facilities. For “nonprofit organizations, and clubs or associations organized to promote youth and school activities,” state law limits allowable fees to the direct costs associated with the facility use (e.g., janitorial services, utilities), while other groups can be charged “fair rental value.”¹²

¹² Education Code § 38134(g)

PART IV: STRATEGIES FOR FOCUSING ON HIGH-LEVERAGE BUDGET DECISIONS

Not all budget decisions are within the purview of district leaders. This condition may be due to the political implications of a particular decision or because a particular expense is mandated by the state or federal government. As one district business leader noted, “There are some things that . . . we cannot touch. And we want to be mindful of that. And then there are also certain departments that — for example, special education — it’s a body of work that’s critical to some of our most vulnerable students and we recognize that that may not be an area that can absorb the same level of reduction as others.” Therefore, district business leaders must seek out places to make reductions or adjust investments in their budget based on these complex considerations.

The prior Silent Recession paper (Krausen & Willis, 2018) presents a conceptual framework for districts to consider when looking for places in their budget that are within their control and have the potential for greater impact. The framework describes high-leverage areas of budgeting — areas in which districts have greater control over their budget and have greater opportunities to increase efficiency and effectiveness. These areas of the budget can be key entry points for strategic resource management.

The following sections of this paper outline the strategies that district leaders described for addressing rising costs in two areas that have a substantial impact on the budget, but where districts are also constrained by state and federal mandates or contract negotiations: special education and staffing. These are areas that have high political implications when decisions are made to reduce expenditures. A subsequent section describes some of the strategies that district budget leaders have employed to build robust communication with stakeholders — another high-leverage approach to navigating budget decisions, particularly when making difficult choices that directly impact students.

Carefully Considering Resources for Special Education

Special education is an area in which many county and district leaders sought strategies for improving cost-efficiency while also noting the sensitivity required and challenges involved. Seventy-two percent of interviewed leaders described the increasing costs of special education as a major fiscal pressure on their districts’ budgets. As detailed in the earlier Silent Recession paper (Krausen & Willis, 2018), increases in federal and state funding have not matched the escalating costs of providing high-quality, legally compliant special education services. Consequently, districts reported using their limited unrestricted funds, that now come in the form of the LCFF base funding, to make up for the difference.

Of the six leaders who offered strategies for controlling or reducing the cost of special education services, five noted the significance of avoiding costly litigation. As one explained, “If the school district is denying services to save money, then you’re just paying in a different form. Then you’re paying for lawyers and dispute resolution instead of just paying for the service, but the cost is probably close to the same.” According to the CBO, the district would rather have the funds go toward providing special education services than toward legal costs. Other times, if the district does not provide the services outright, it opts for “mediation to try to settle a disagreement” rather than allowing a case to escalate to court.

The CBO of another district described a similar approach focused on ensuring compliance, with the hope that avoiding legal fees will outweigh the costs of additional special education services. This CBO’s district created additional special education positions, including a Director of Compliance whose role is “to work with sites to make sure that we’re in timeline on IEPs [Individualized Education Programs] and that everything is being done right, so that we don’t end up

in litigation.” The CBO noted the successful reduction of legal expenses since adding this position: “Our filings are down . . . our lawyer costs and number of incidents. . . . We’re seeing fewer issues rise to that level.” However, the CBO acknowledged that because the position was added only within the last two years, the district would probably need another year to conclusively determine whether “it’s saving any money yet, because [it’s] kind of lumped in with all the services, additional services that we need to provide.”

As districts work to avoid costly litigation, they must also attend to issues of equity and issues with the continuation of restrictive or unnecessary services. Not all families have equal time and financial resources to challenge the school district to provide additional services for their children with disabilities. Research indicates that a chief cause of inequity within special education is that wealthier parents are more likely to demand additional services through litigation (Pasachoff, 2011). Given districts’ limited budgets for special education, these affluent families’ disproportionate demands then leave fewer resources for other students to receive the services they need. Research also suggests that students from minority groups are less likely to receive adequate special education services than their white peers (Losen & Welner, 2001; Morgan et al., 2015).

Districts also have an important legal responsibility to provide services in the *least restrictive environment*, meaning that “to the maximum extent appropriate, children with disabilities . . . are educated with children who are not disabled,” and are provided with appropriate aids and supports rather than being educated in separate classes.¹³ For most students, special education supports are meant to serve as a stepping stone; services are provided to build capacity and then are gradually reduced as the student exhibits more independence. Providing students with excessive or unnecessary services can hinder student growth and have detrimental effects. For example, providing an unnecessary paraprofessional aide can lead to dependence on the aide, separation from classmates, feeling stigmatized, loss of personal control, and interference with teacher engagement (Giangreco, Yuan, McKenzie, Cameron, & Dialka, 2005). Thus, districts’ acquiescing to

litigious parents may end up negatively impacting students’ abilities to function independently in the short term and in the future.

Therefore, while avoiding costly litigation may be an effective cost-saving strategy, caution must be exercised so as to avoid providing excessive services that may contribute to inequity or hinder students’ growth. To balance these concerns, district leaders may consider strengthening efforts to build relationships and work in partnership with the parents of students with disabilities. Parents often disagree with school districts regarding eligibility, recommended services, and placement of their children, and some of these disputes may stem from parents’ confusion around the language, procedures, and best practices within special education (Wellner, 2012). Moreover, the win/lose mentality of litigation can further deepen mistrust between parents and school districts (Wellner, 2012). But as one CBO pointed out, “The parents really care about their kids, [and] the district cares about services to the entire population,” so the key is to “find common ground.” By strengthening communication with parents of students with disabilities, districts can potentially build more trusting relationships, collaboratively determine the appropriate supports for each student, and avoid conflicts that can lead to costly litigation.

Along with avoiding expensive conflicts, another strategy identified by district leaders for improving the cost-effectiveness of special education services is to invest in increasing internal staff capacity. In some cases, this approach included bringing special education programs in-house. One district leader reported, “We designed a lot of in-house programs so that we’re not sending kids outside and paying privately for other services.” Indeed, a school district in Massachusetts, exploring various special education cost-effectiveness solutions found that it could replace out-of-district special education programs with comparable in-house programs at 50 percent of the cost, a savings of \$1.6 million per year (Levenson, 2009).

Similarly, one county leader conveyed the importance of a robust and responsive general education program, which can reduce the number of students needing special

¹³ This responsibility is a requirement of the Individuals with Disabilities Education Act (IDEA), defined in 20 U.S.C. § 1412(a)(5)(A).

education services. The leader cited learnings from the California State Board of Education on this strategy, noting that “a good general education program, if it’s robust and has RTI programs — Response to Intervention programs — [then] there’s a reduced amount of referrals to special education.” The county leader added that “a number of districts believe that once you identify a student for special ed, you’re able to get rid of the problem, rather than addressing the problem . . . [students are] getting shuttled over to special ed because they’re not being addressed in a general ed program.”

Indeed, research suggests that a focus on teacher effectiveness and content knowledge, rather than on special education certification and low caseloads, can both improve the outcomes for students with disabilities and significantly reduce costs (Levenson, 2012) as can investments in a Multi-Tiered System of Support (MTSS) (Reedy & Lacireno-Paquet, 2015). A case study of two California school districts with exemplary outcomes for students with disabilities further supports this notion. Both districts achieved high performance among students with disabilities, as well as lower referral rates and lower costs. Both largely credited these successes to their emphasis on successfully integrating students with disabilities into inclusive general education classes, as well as strong RTI programs (Parrish, 2012). A statewide evaluation of Kansas’s MTSS system found that implementation of MTSS led to a significant increase in student performance, a decrease in discipline referrals, and a decrease in special education referrals (Reedy & Lacireno-Paquet, 2015).

Ensuring the Highest-Quality Teaching to Meet Student Needs

Because staff salaries and benefits make up such a substantial portion of each district’s budget — 82 percent, on average statewide, in 2015/16¹⁴ — an analysis of staffing needs is an important component of a CBO’s work. In fact, 45 percent of CBOs interviewed for a 2018 *Getting Down to Facts* study noted that they analyze their staffing needs, both current and future, as a prioritization strategy (Willis et al., 2018). However, analysis of staffing needs may not be sufficient by itself to

strategically prioritize funding. Rather, districts should make staffing decisions based on the needs of students, rather than the needs of the adults in the system (Levenson, 2012). Accordingly, analyzing staffing needs requires more than counting the number of staff and their associated costs as a foundation for the budget (as discussed earlier in this paper in the Tracking the Quality of Investments, Not Just the Quantity section). Instead, analyzing staffing needs requires investigating how staffing can best be structured around the provision of the highest-quality support to meet student needs.

For example, one CBO focused on the district’s teacher evaluation system as the primary strategy for ensuring the greatest return on the district’s investments. This CBO noted, “The most important [prioritization strategy] is definitely the evaluation system. . . . The biggest way we measure the return on the investment is making sure all of our employees are doing their jobs.”

Monitoring staff ratios was also one of the most frequently cited cost-saving measures, reported by nearly 78 percent of CBOs. As one district leader explained, “You could negotiate the best deal for copiers in the history of the world; it’s not going to save you budget-wise because it’s such a small fraction of what any district spends. It’s almost all employee cost in this business.” Furthermore, this leader noted that the cost per person cannot easily be reduced, as districts must maintain salaries and benefits to remain competitive. “You really can’t do much to decrease the employee cost per person. You’ve got to decrease the total numbers of employees.”

While county and district leaders acknowledged that reducing staff can be challenging, they also noted, in some cases, its inevitability. They described a variety of strategies to mitigate the challenges associated with staff reductions, including increasing hours for some staff members to more than full-time, creating combined-grade classes, reconsidering whether to hire for open positions in the district, offering retirement incentives, and gradually reducing staff over time.

Given that California prescribes maximum class sizes, with penalties for districts that exceed the maximum,¹⁵ leaders

¹⁴ Based on data available from <http://www.ed-data.org/>

¹⁵ Education Code § 41376

described efforts to carefully budget staff based on each year's student enrollment. However, some pointed out that staffing closely around the maximum allowed class size can be challenging because, as one interviewee stated, "kids don't come in neat little bundles." For example, if a class is permitted to have a maximum of 30 students, and 75 students enroll in that grade, then there is no straightforward way to keep the student-to-teacher ratio close to the maximum. Consequently, as one district leader noted, "It's pretty easy to overstaff . . . and if you do that at every grade level to make the numbers work, and at 20 school sites, you could easily end up with 10 to 15 additional FTEs [full-time equivalent positions]. That's a lot of money."

To avoid overstaffing, district leaders suggested strategies that offer more year-to-year flexibility. Two districts mentioned creating classes that combined grade levels when needed. Another pointed out that not all full-time staff positions need to equal exactly 1.0 FTE each year. This district leader described a strategy of offering some staff positions as 1.2 FTE. As they described, "It's cheaper, it's more cost-efficient for the district to give some people an extra assignment than to try to find a kind of cobbled-together, full-time person. . . . [For example,] a high school teacher may teach six classes instead of five." Each staff member commands a higher annual salary than a 1.0 FTE staff, but this eliminates the need to pay for the benefits and pension of an additional full-time staff. In addition,

"that then provides a lot of movement and flexibility within fractional changes up or down" as enrollment changes.

This year-to-year flexibility is valuable not only from a cost-effectiveness standpoint but from an efficiency standpoint as well. That is, it may reduce the need to hire additional staff in a given year — a costly and time-intensive process. Furthermore, it may reduce the need for yearly layoffs, which can bear a steep cost in terms of public relations and employee morale (Guin, 2004; Taylor, 2012).

Indeed, when county and district leaders described methods of cutting existing staff positions, layoffs were consistently described as a last resort. Several leaders reported that their first step was "when people leave positions, we scrutinize a little bit more whether or not we should fill that position." If enough vacancies did not naturally occur, some districts offered retirement incentives. One county leader reported, "We have probably 7 of out 27 districts that are doing retirement incentives." Another district financial leader suggested that while staff reductions, whether through layoffs or other means, are perceived negatively by the public and staff, districts may be able to mitigate the harm by reducing staff numbers gradually. "I think [the superintendent] staffs our schools a lot more stringently than what we've done in the past. But he's done it gradually over the course of several years so that we haven't really got a lot of pushback."

PART V: STRATEGIES FOR STRENGTHENING COMMUNICATION AND COLLABORATION

Given the numerous priorities competing for limited funds, district leaders emphasized the importance of strong communication, transparency around the budget, and building trusting relationships with stakeholders, including board members, staff, unions, and the public. District leaders described how investing in these efforts reduced external pressure and, at times, led to more collaborative, cost-saving solutions.

Ensuring That Stakeholders Are Well-Informed

Under the LCFF, community members, parents, teachers, and students are considered partners and collaborators as the district sets priorities and determines how to allocate funding to meet these priorities. In order for the process of engaging these stakeholders to be successful both for the district and for the community, the process should be structured so that stakeholders can provide *informed* input. District budgets are complicated, and most stakeholders can provide informed recommendations about how to prioritize investments only if they are provided with information about the current budget, district programs, goals, and financial health. Accordingly, CBOs interviewed for this study noted the need to provide clear, comprehensive, and accurate information to stakeholders — from teachers to board members — to help guide decision-making, build trust, and ensure a transparent resource-allocation process.

BUILDING PUBLIC TRUST THROUGH TRANSPARENT COMMUNICATION

Many leaders described the importance of transparent communication with all stakeholders, including the community, in order to build trust during fiscally challenging times. One CBO described a philosophy of transparency and openness with the community in this CBO's district as follows:

"They can come and ask you questions if they have any questions. I said, this is our family budget. Don't just think it's mine. It's not mine. I oversee it, but it's ours together."

District leaders also shared their varied, proactive efforts to make budget information accessible to the public. As one CBO described, "I put all of my presentations on our website. . . . And then I show them, wow, look what happened with the \$5.5 million in cuts and the fiscal stabilization plan." In addition, the district provides information via social media, mailers, and other channels, in an effort to "engage in a long-term public relations, community relations process . . . to the extent that we can increase greater trust." Another superintendent described similar efforts to build trust by making information easily accessible to stakeholders through the district's website, newsletters, a Facebook page, flyers, and presentations at city council and neighborhood meetings. The superintendent noted that this active community engagement is valuable not only for responding to concerns but also "to market the success that you're having."

HELPING OTHERS UNDERSTAND THE FULL PICTURE

Several leaders mentioned that transparency around the budget helped people who are not district leaders to understand the full picture of the district's financial situation — including some of the lesser-known fiscal pressures. One district leader reported that for both teachers and classified staff, "we've been doing a series of training classes and just trying to lay the breadcrumbs and explain school district finance to more people. . . . [We] take them through the whole thing with LCFF and how it's funded. . . . I think the more of this outreach that we do, the more people are going to understand, to have a foundation to build on when we start talking about cuts." This communication and understanding of the district's financial situation is particularly important at

a time when K–12 public education funding is at an all-time high, and there may be misconceptions amongst voters, parents, and school staff that the districts are all benefitting from increases in state revenues. Moreover, since there is an expectation that LCFF funds will be available for increasing or improving services, the district leadership needs to clearly articulate to stakeholders why there may be insufficient LCFF funds to meet all of the desired strategies outlined in the district’s LCAP.

Another district leader described the value of convening a Budget Advisory Committee that had “broad representation from different stakeholder groups” and came to understand the district’s full financial picture. The committee devoted time to “building an understanding around our budget and gaining awareness of the district’s financial obligations and the trends around enrollment, and understanding those pieces to then work on a set of recommendations that were presented to [the CBO] for possible reductions into our budgets.” This example suggests the value of providing background on the district’s full financial context, including ongoing obligations, particularly when engaging stakeholders to collect input on the district’s priorities and financial decisions. With stakeholders advocating for a wide range of priorities, and with limited funds to implement different priorities, helping stakeholders understand the fiscal pressures that districts face may lead to more realistic expectations and thus more productive conversations around prioritization.

According to the interviewed leaders, providing information to stakeholders when a district is forced to make cuts to the budget serves several additional purposes. First, stakeholders become aware of why the district must make cuts. Second, stakeholders can help the district make informed choices about where those cuts should be made. In addition, having informed stakeholders is not only relevant during times of crisis (i.e., when cuts need to be made) but also when districts are taking a proactive approach and are looking to implement cost-efficiency measures or reevaluate program effectiveness. The provision of this critical information means that stakeholders have the context and background to base their decisions on facts (including financial and academic data) rather than on anecdotal evidence or pre-existing notions about the district’s finances. As one district leader noted,

“What usually happens to the parent who makes the argument is they’ll have it anchored in some misinformation. . . . So, I’m really careful to never say something that’s not true and that can’t be independently verified. . . . We will often make presentations off of databases that are publicly searchable — EdData, DataQuest, the CAASPP website — and openly tell people, ‘You can go right now to this web address and confirm everything we’re saying.’”

COMMUNICATING A FISCALLY CONSERVATIVE MINDSET

Several district leaders also noted the value of embracing and communicating a firm, fiscally conservative mindset. As one CBO explained, this mindset includes a commitment to maintaining savings whenever possible, even when the budget starts to look more optimistic: “If I could find any savings and increase the reserves, I’m not apologetic about that. Some districts that have a high reserve and wind up their year looking better than they promised everyone they would — they’re almost apologetic about it and maybe even give money and raises. For us, that’s not the way it is.” Another echoed this sentiment, explaining, “We don’t have as many long-term obligations as other districts. So, we don’t offer retirement benefits to people who aren’t employed anymore. . . . We don’t have ongoing salary increases that we don’t think we can afford. We built in a lot of one-time payments [instead], because we kept getting one-time money from the state.”

Another CBO emphasized the importance of instilling this long-term, cautious mindset across the rest of district leadership, even if others are reluctant to accept it. “My predecessor did a real good job of giving warnings, but nobody listened to him. . . . [So] I started to, in a concerted effort, issue warnings publicly in front of my board.” This same leader noted, “Probably over half of the school districts in the state have got these stormy clouds out on the horizon. But yet they’re not addressing them. I’m just so proud of my agency here and my board that we saw the storm clouds. And we did something to address them.”

In comparing their fiscal decisions with those of other districts, these district leaders suggested that many districts are not yet adopting a conservative enough approach. One

county leader suggested that because the fiscal pressures are rising gradually, some districts do not yet feel a sense of urgency: “Everybody looks okay this year, then we just see different districts start deficit spending in the next year, and then it looks worse the third year out. So, they’re not making dramatic changes right now. They’re looking for kind of easy wins right now.”

Some also noted that a fiscally conservative mindset is critical not just for district leadership but for school staff as well. As one district leader explained, “We kind of had a heart-to-heart talk with our site leadership that this is going to take everybody to pull this off. And typically, in school districts, I know you’ve heard that ‘spend it or lose it,’ so in April, everybody starts spending down their money. . . . Well, we told them, it’s okay to not spend all of your money, and we thank you for not spending all your money . . . because that money goes back into the general fund and into our reserve.” Another CBO provided the example of persuading all school staff to only use sick days for actual illnesses. “They were able to save so much money in one year . . . [by saying] if you’re not really sick, don’t take a day. . . . Because then there’s the sub cost and then all these additional costs that go on with it. . . . The superintendent there, she went out and met and [spread the] message.”

Creating an Inclusive Budget Development Process

PARTNERING WITH THE BOARD

Board members hold decision-making authority over the budget, and they serve as key representatives of the school district to the public. Consequently, many of the leaders interviewed for this report expressed the importance of building a strong partnership with the board to improve the district’s ability to maintain a healthy budget and a healthy relationship with the community. As one district leader said, “It’s important that you can depend on your school board to help make the hard decisions.” However, this CBO also went on to say that some of the district’s board members have not always been willing to make these difficult decisions.

Another district leader linked their local board members’ hesitance around cost-cutting to the pressure that boards receive from the public. “It’s hard on them because if they represent this school that’s losing staff, those parents don’t understand the details of why and, with social media now, they put a ton of pressure on the board.” The same district leader offered a specific example of how parents can apply pressure: “Well, why can’t you just sign the money to keep these three teachers? And that’s a great argument if we were a one-school district, but if you keep three teachers times 40 school sites, now it’s incredibly expensive. So, the board has to be very conscious of the overall impact of these decisions, not [just] the individual decisions themselves.”

School board members may often be torn between the demands of their constituents, the impact on students, and what’s best for the district’s fiscal health. These competing interests can be intensified by the fact that in California, school board members must live in the district that they represent,¹⁶ so their constituents may also be friends, co-workers, neighbors, or families of their children’s classmates. However, research indicates that the most effective school boards — those whose districts attain higher-than-expected student achievement — have board members who approach decision-making with a data-based, accountability-driven mindset (Dervarics & O’Brien, 2011). This finding suggests that despite possible pressure from community interests, boards should try to maintain a goal-focused mindset, considering parent and community feedback as just one data source — albeit a critical one — to inform district decision-making.

Along with their leadership role in district priority-setting and financial decisions, boards can play a critical role in long-term budget stabilization. One district leader noted that board buy-in was essential to the district’s success in stabilizing the budget through the strategic use of one-time funds. As the leader explained, “One of the most effective things that we’ve done is we’ve taken the one-time money out of the equation for salaries and benefits and all the other strains on that.” Because the board must approve the budget, the district administrators made a significant effort to help the board understand this strategy. “It is just a mindset and I’m

¹⁶ Education Code § 1000

very up-front, and when we pass the budget, I make sure that the board understands that ongoing money is used for ongoing expenses. One-time money can be used for one-time expenses.” Several budget leaders echoed this caution that one-time funding from the state should only be used for one-time expenditures and not to cover ongoing costs. Indeed, the use of one-time funds for ongoing expenses, particularly with regard to staffing, has raised some concern at the state level (Fiscal Crisis and Management Assistance Team, 2015).

Several other district and county leaders reported success in building partnerships with their boards. Most of all, they emphasized that building trust takes time. First, it requires dedicating time to helping board members understand the district’s full financial situation. As one district leader reported, “It really takes time, and it takes time between 8 and 5, and it takes time [for the] superintendent at 11:30 at night.” Many board members have full-time jobs in addition to serving on the board, so, as this leader pointed out, maintaining ongoing communication with them can require working around their schedules.

Another interviewee described similar investments of time in communicating with the board: “I would say my superintendent does an outstanding job when it comes to his communication and his interface with the board. . . . He has one-on-one meetings with them monthly. He communicates a lot to them, gives them a heads-up on things. . . . They trust him.” Specifically, these communication efforts included providing comprehensive information in advance about upcoming measures that might concern the board. “We should never spring something on a board out of the blue, especially on a major decision. You’ve got to have a study session. . . . [We] never give anything to a board on a major decision unless we’ve had at least one prior informational session on the matter.” One district leader also noted the importance of ensuring that the information is accurate and transparent. “Almost everything we run, you can independently verify. And the board knows that, so there’s a lot of trust built up that we’re not trying to get one over on somebody or trick them.”

Some interviewees also noted the value of recruiting outside experts, such as county office of education representatives

or other third-party representatives, to present to the board and give non-biased opinions and information on the fiscal challenges. Such outside perspectives can contribute additional detail to messages from the CBO and superintendent and can demonstrate that the fiscal challenges are not isolated to an individual district. Having a third-party share the messages may also add credibility to information about the district’s financial health, particularly if union leaders and board members do not necessarily trust information from the superintendent or CBO.

BUILDING RELATIONSHIPS WITH UNIONS

District leaders also described their relationships with unions as both a challenge and an opportunity for building trust and working collaboratively on solutions. Over 44 percent of those interviewed specifically mentioned unions’ pressures for salary increases as a major challenge. Half of these reported that if base funding from the state were to increase, unions would expect most or all of that funding to be allocated directly to salaries. As one district leader stated, “I would get a lot of pressure to give that amount as compensation increases, and I’d be ending up doing the cuts [to other areas] anyway.”

However, several district leaders reported having established positive, trusting relationships with their unions’ bargaining units. As for communicating with stakeholders and board members, CBOs identified transparency and open communication as critical for establishing trust. For example, one CBO reported, “We just haven’t had dysfunction in that area, and I think it’s because we are transparent and we provide the financial information when asked. And we do sit down together and we go over it.” This transparency and open communication can help union members, just as it helps other stakeholders, understand the full picture of the district’s finances, including underlying fiscal pressures. Another district leader reported, “The union came to the superintendents and said, ‘Well, we hear this all the time that you don’t have enough money. But why is it that the teachers’ compensation as a percentage of expenditures continues to drop?’” This leader then explained, “That’s not really a fair way of looking at things because the governor is giving us one-time

money every year,” and one-time funds are not a reliable source of revenue to fund permanent salary increases.

One district CBO pointed out that district administrators share the unions’ desires to increase staff salaries, and identifying this common ground can help unions understand the districts’ perspective, including the necessary trade offs involved. “It was connecting pretty closely with them to let them know [the] fiscal impact of compensation increases. And we were all aligned on wanting to afford more for our teachers and staff, and it was a good level of conversation of how much and what would the impact be.” Similarly, another CBO described how the CBO’s district made over \$5 million in cuts, approximately 80 percent of which was from cutting certificated staff, yet managed to justify these reductions to the union. “The union presidents and the teachers, they got up and said, ‘Hey, listen, I can’t tell you that we’re happy with these cuts. We can’t say that we support these. Well, we understand why you’re doing it, what your long-term goal is, and we support that. And we’re willing to work with you on this.’”

Several leaders reported that trusting relationships resulted in successful collaboration with their unions to find solutions to budget pressures, particularly with regard to reductions to staff costs. For example, one described meeting with union

groups for “more of a brainstorming” about how to make some necessary cuts. After the district leadership explained that the cuts were unavoidable, “each union was able to craft [a solution] as they wanted to. . . . One group decided to take furlough days instead of cutting employees. They felt they could each suffer a little bit but they didn’t want to lose those people. So people get creative.” Another budget leader reported collaborating with unions to delay negotiations over salary increases. “Coming into 2017/18, our projected ongoing revenues were more significantly reduced than we had projected. And our bargaining unit thankfully agreed to wait to do any bargaining until January of 2018. So our cycle with our bargaining units, and how we’re actually expending ongoing monies, has been a very collaborative process. That’s been really, really helpful and it’s kept us from deficit spending in year two and year three.”

Another district leader pointed out that even when the union’s desires were in opposition to those of the district, a compromise with the union may indeed lead to better outcomes. “We’re a big school district, so people get really anxious about changing work locations. If the district’s staffed however we wanted, it wouldn’t be good, and if the union got what it wanted, it wouldn’t be good. So that balance and that back and forth and that compromise leads to better results in the long run.”

PART VI: CONCLUSION

Despite the difficulty that districts face in navigating the Silent Recession, research suggests that budget crises can create new opportunities to disrupt status quo programs and budgeting practices, and can prompt a shift to a more strategic approach to resource management (Coleman, Walker, & Lawrence, 2012). For example, while some districts have systems in place to regularly measure and evaluate the impact of their investments, the budget crises emerging in districts throughout California provide an additional impetus to focus on the impact of investments. As one CBO noted, a budget crisis can provide the opportunity to make the difficult choices that seem unattainable in more stable budget periods. “Sometimes you think this [program or practice] really isn’t the best thing for our kids, but it just might be, for instance, political. . . . I find education is not good at stopping doing things that aren’t working. They want to add things that are better, but they don’t want to stop.” The silver lining to a difficult budget period, then, is that it can “give us that opportunity to have those conversations around ‘why are we doing this?’”

Strategic Resource Management and Continuous Improvement

In overseeing processes for prioritizing budget allocations, some CBOs have come to occupy a new role within their organizations, one that is at the intersection of resource use and data use. In this evolving role, the CBO is a “strategic resource manager” (Willis et al., 2018). Several CBOs, for example, reported that their existing processes for prioritizing budget allocations include analyses of current student outcomes, setting targets for improved outcomes, collecting and analyzing data on current district investments intended to meet these targets, and continuing to monitor and evaluate the impact of these investments. This role aligns with California’s shift to the LCFF, which requires that districts track, monitor, and report their goals for student achievement, how their expenditures are aligned to these goals, and their progress toward reaching the goals.

Having CBOs act as strategic resource managers differs from undertaking other, more traditional approaches to

budgeting, such as the incremental approach. In the incremental approach to budgeting, “the next year’s budget is the same as last year’s budget with changes around the margin to the degree necessary to distribute incremental revenue gains or losses among the district’s subunits” (Government Finance Officers Association, 2015, p. 46). By contrast, when CBOs act as strategic resource managers, they engage in multiple-step processes for strategically aligning resources to system needs, as well as measuring and continuously monitoring both the quality of investments (the inputs) and how these inputs improve outcomes for students (the outputs). In this continuous improvement framework for strategic resource management, districts typically test programs on a small scale before investing in them districtwide, data are used to measure whether a program or investment creates its intended outcomes, and data analyses are the basis for decisions about the most effective and efficient allocation of funds to meet student needs.

Communication and Mindset

The strategies outlined in this paper also suggest the value of thinking long-term, not only in regard to budget planning but also in communicating and relationship-building with staff and the community. To maximize every dollar’s impact on student outcomes, district leaders often must make tough choices. These choices may include decisions to cut programs or staff if the data suggest the associated financial resources could be more effectively utilized elsewhere. While these decisions may be unpopular among staff and other stakeholders at times, education leaders’ mandate is to prioritize the needs of students, not adults.

Creating opportunities for informed input from a range of stakeholders is a critical asset in the prioritization process, and maintaining a positive staff climate is a key factor in retaining high-quality staff. Consequently, district and county leaders underscored the importance of establishing trusting relationships built on transparent communication with key stakeholders, including staff, unions, board members, and the public. With this foundation of trust and openness, leaders

can help others understand the district’s full financial picture, including the necessary trade-offs and difficult financial decisions that the district faces.

Interview responses also suggest that rather than abandoning ineffective programs or increasing efficiency only during the most difficult budget periods, these steps should be part of districts’ everyday work as they continuously strive to become more effective organizations. As part of this work, a shared culture and mindset are critical. Districts that already have a culture of fiscal conservatism — and practices that align with this culture — will be in a much better position when there is an economic downturn.

The Need for Flexibility from the State

The most effective practices will vary from one district to the next, based on local needs and resources, and district leaders indicated the need for fiscal flexibility to make budget decisions. Economic pressures propelled the state’s decision during the Great Recession to eliminate categorical funding and provide districts with more flexibility (Weston, 2011). If expenses continue to outpace revenues in California school districts, the district leaders may call on state policymakers, once again, to extend local discretion and flexibility in resource allocation decisions even further.

In survey findings released in June 2018 by the Local Control Funding Formula Research Collaborative (LCFFRC), close to three-quarters of superintendents (74%) reported that the fiscal flexibility afforded under the LCFF has allowed their districts to allocate funding to meet local needs (Marsh & Koppich, 2018). Yet, on the same survey, 90 percent of superintendents agreed that districts should be allowed to use supplemental and concentration funding for other disadvantaged students, beyond just English learner students, foster youth, and low-income students — the student groups specifically targeted for additional funding under the LCFF.

These responses indicate superintendents’ desire for even greater flexibility in allocation decisions under the LCFF.

The state will need to balance any such requests for greater flexibility with the concerns of advocacy organizations and others — namely, concerns that making funding more flexible may mean that supplemental and concentration dollars will be diverted from the students for whom the funding was intended (The Education Trust-West, 2017; Fensterwald, 2017a). Yet, California’s funding and accountability system, the LCFF, is built on the theory that those closest to students are best positioned to make decisions about where to allocate funds to provide the greatest benefit to students. As budget pressures continue to rise for many districts across the state, this theory will be tested, and conditions may demand that policymakers make adjustments — such as adjusting base funding ratios, modifying guidance on the use of supplemental and concentration funding,¹⁷ or providing support to address unfunded liabilities — to ensure that districts have the flexibility they believe they need to remain fiscally solvent.

Regardless of state policy decisions about education funding in California, district budget leaders need ongoing opportunities to learn from each other and from research about the most effective ways to leverage funding to improve student outcomes. The budget strategies described in this paper represent just a small slice of the many ways that district budget leaders across California are beginning to navigate the Silent Recession. Given the strong motivation to increase effectiveness and efficiency within their districts, CBOs have also suggested the need for additional opportunities to collaborate with and learn from each other (Willis et al., 2018). The authors of this paper hope that the information presented here from district and county leaders will help spur those conversations and will contribute to existing and future discussions among education leaders about how to ensure that resources are allocated to generate the greatest benefits for students — during the Silent Recession and beyond.

¹⁷ The Legislative Analyst’s Office suggests that upon full implementation of the LCFF, the state will have several possible options to weigh, primarily concerning whether to increase base funding, whether to adjust funding for targeted student groups through concentration and supplemental funding, and/or whether to adjust the flexibility afforded to districts, particularly flexibility regarding the use of concentration and supplemental funding (Taylor, 2018).

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APPENDIX. METHODOLOGY

The development of this paper and its companion paper, *Silent Recession: Why California School Districts are Underwater Despite Increases in Funding* (Krausen & Willis, 2018), grew out of discussions among California school district and county budget and education services leaders, representing three school districts and two county offices of education, who were involved in WestEd’s Smarter School Spending Community of Practice (CoP) from February 2016 to June 2018.

The CoP and the development of the Silent Recession papers were supported by funding from the Bill and Melinda Gates Foundation through the Smarter School Spending project, which provides school districts with tools and strategies to align investments, to prioritize investments based on the districts’ goals for student achievement, and to evaluate program success relative to student outcomes. This paper is intended to capture some of the discussions that occurred through the WestEd-facilitated Smarter School Spending CoP and follow-up interviews and is intended to be a potential resource for school district budget leaders and other administrators.

In developing the Silent Recession papers, WestEd researchers invited each member of the CoP to participate in a 45- to 60-minute semi-structured interview about the most pressing budget challenges in their district (or districts, for the leaders representing county offices of education) and the strategies they were employing to mitigate some of these rising costs. All members of the CoP participated in in-person interviews, with the exception of one district which opted instead to provide written responses to interview questions.

WestEd researchers decided to expand the interview pool to include an additional group of chief business officers (CBOs) to gather greater insight into the most pressing issues facing

school districts and to better understand the types of strategies that districts are employing to navigate these increased costs. Many of the CBOs were selected based on having worked with WestEd in the past and being considered by WestEd staff to take a reflective and strategic approach to budgeting. Other CBOs were selected in order to ensure that the set of interviewees represented the full range of sizes, types, and regions of California school districts.

WestEd sent invitations to 25 school districts and 3 county offices of education to participate in an interview. In response, budget and education leaders from a total of 17 school districts and 3 county offices of education, including the CoP members, were interviewed for this paper. Most interviews were conducted with a single interviewee, but some were done in a small-group format with 2–4 interviewees.

This paper draws mainly on the interviewees’ responses describing the budget strategies that they are employing to manage rising expenses and to ensure that their investments are aligned with district goals and result in improved outcomes for students.

Limitations

Although the interviewees were selected to be representative of the range of districts in the state, they might not fully represent all districts in California or in other states, particularly because the CBOs who were interviewed were selected intentionally for their perceived approach to budgeting. Moreover, the sample of districts used to inform this paper is relatively small (California has nearly a thousand school districts in all), and school district revenues and expenditures vary considerably from district to district based on many factors.

Quarterly District Report: *Williams* Uniform Complaint Process (UCP)

Properly submitting this form to SCOE serves as your district's *Williams* UCP Quarterly Complaint Report per *Education Code* § 35186(d). **All fields are required.**

SUBMITTER INFORMATION

Name

Person submitting form

Job Title

Phone Number

Include area code

E-mail Address

DISTRICT INFORMATION

School District

Year Covered by This Report

Quarter Covered by This Report

COMPLAINTS

Sufficiency of Textbooks

Total Number of Textbook Complaints Enter 0 if none.	
Number of Textbook Complaints <u>Resolved</u> Enter 0 if none.	
Number of Textbook Complaints <u>Unresolved</u> Enter 0 if none.	

Emergency School Facilities Issues

Total Number of Emergency Facilities Complaints Enter 0 if none.	
Number of Emergency Facilities Complaints <u>Resolved</u> Enter 0 if none.	
Number of Emergency Facilities Complaints <u>Unresolved</u> Enter 0 if none.	

Vacancy or Misassignment of Teachers

Total Number of Vacancy/Misassignment Complaints Enter 0 if none.	
Number of Vacancy/Misassignment Complaints <u>Resolved</u> Enter 0 if none.	
Number of Vacancy/Misassignment Complaints <u>Unresolved</u> Enter 0 if none.	

RESOLUTION OF COMPLAINTS

Briefly summarize the nature of complaints and how they were resolved.

Enter "N/A" if no complaints were received. If you need more space, enter "sent by e-mail" and send your summary to Shannon Hansen with your report.

REPORT INCLUDES ALL COMPLAINTS FOR THIS QUARTER

The number of UCP complaints (textbooks, facilities, and teachers categories) filed for the quarter being reported *MUST* be entered in this report. Please check the box below confirming this:

Includes All UCP Complaints

All UCP complaints for the indicated quarter are being reported—from my district office and all school sites in my district.

By submitting this form, you certify that the information is complete and accurate, and that you have verified the accuracy of the report information by contacting each school in your district. The report includes *ALL* UCP complaints in the above categories received at school sites in the district, plus the district office.

RETURN INSTRUCTIONS

After completing the form in its entirety, save the file and e-mail it to Shannon Hansen at the Sacramento County Office of Education (SCOE): shannonh@scoe.net.



Board Meeting Agenda Item Information

Meeting Date: 1/23/19	Agenda Item: Board Discussion
Presenter: Grace Malson Karen Schauer	Action Item: Information Item: XX

1. Board Protocols and Procedures

The board will review protocols and procedures for use or modification.

Brown Act: Three Board members should not talk either together or serially, in person or electronically, about school district matters unless they are at a meeting that has been “posted” (announced to the public). There are many intricacies in the Brown Act—you will learn some of them at your CSBA workshop. Most of your questions will be answered in the pamphlet you received, and if you have any other questions—ask Karen!

Confidentiality: Items involving specific students, employees, collective bargaining, and litigation should be kept confidential and not shared with anybody else, including family members or friends.

Unity of Purpose: Board President John Gordon talked about the importance of all of the individual Board members working together based on a shared vision, focused on common goals.

Roles and Responsibilities: The governance team includes both Board members and the Superintendent and her senior staff members. The Board, representing the public that elected it, decides what the goals and priorities should be for the district, and the Superintendent and her staff are responsible for achieving those goals and priorities.

Individual Board members and the Board as a Whole: Individual Board members have no decision-making authority. It is only when a majority of the Board (three or more) agree on something that a decision is made. Individual Board members do not lose their right to act or speak independently; however, they should remember that they are seen by the general public as elected officials representing the school district in all settings.

Communication: The Board will receive a packet of information prior to every Board meeting. In addition, the Superintendent will notify Board members either by telephone or email when anything significant or newsworthy happens at one of the schools. The goal is for Board members to receive information about any district or school crisis before they read about it in the newspaper, or get asked about it at the supermarket.

Questions about Board meeting agenda items: If the background information provided to the Board before the meeting does not answer your questions about an agenda item, please ask the Superintendent for clarification. It is preferable to bring up any questions before the meeting, if possible, so the staff can be prepared with the information.

Questions about non-Board meeting issues: If you have questions about something else (something you heard on the grapevine, something a constituent asked you, etc.), usually it is best to ask the Superintendent. She may refer you to somebody else (another administrator, or a principal), but should know about the content of the question.

Responding to a concern raised by the public at a Board meeting: The Board is not allowed to discuss items that are not on the public agenda at a Board meeting, so the appropriate response to a comment about an item not on the agenda is to refer the item to the staff for a response. If the comment is about an item on the agenda, then it is all right to ask a clarifying question or ask a staff member for more information. However, when the time comes for Board discussion of the item, then public comment is over. It is the elected Board members who have the discussion *with each other* prior to voting on an item.

Dealing with the Media: The school district does not have a Public Information Officer to handle media requests. The Superintendent usually is the contact on district matters; the Board President usually represents the Board members. Individual Board members who give their opinions to reporters or write individual Letters to the Editor should emphasize that they are speaking as individuals, not for the whole Board. If a Board member is in contact with the media, he or she should let the Superintendent know. If the Superintendent is contacted by the media, she will inform the board members.

Putting Items on the Board Agenda: Individual Board members who would like to see something put on a future Board agenda can ask the superintendent or the Board president, or bring it up at a regular Board meeting during the section called Pending Agenda Items.

Board Visits to School Sites: Board members have a right to visit school sites, but should be cognizant of the time and effort these visits require from school staff, especially principals. The Superintendent's administrative assistant would be happy to schedule school visits if requested. The Superintendent will ask the principals what would work best for them if one or more Board members would like to visit, and report that information back to the Board.

Visibility of Board; Attendance at School Events: The Board discussed ways of ensuring that a Board member is in attendance at most major school events. They will consider implementing a rotating schedule in which a Board member has responsibility for a specific school for a month. President John Gordon will work on this schedule.

Next Steps: New members will attend the CSBA workshop in January. A follow-up study session to discuss governance issues may be scheduled following that workshop.



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.966 Board Consideration of Approval of Consent Calendar
Presenter: Karen Schauer	Action Item: XX Information Item:
<ul style="list-style-type: none"> a. Approval of the Agenda b. Minutes: December 12, 2018 Annual Organizational Meeting c. Payment of Warrants – <u>Certificated/Classified Payrolls Dated:</u> 12/10/18, 12/14/18, 1/1/19, 1/10/19 <u>Vendor Warrant Numbers:</u> 19440827- 19440910; 19443385- 19443448; 19445031- 19445094; 19446434-19446491 d. Personnel <ul style="list-style-type: none"> 1. Resignations/Retirement 2. Leave of Absence Requests 3. New Hires e. Donations f. Nonpublic, Non-Sectarian School, Agency Services <ul style="list-style-type: none"> 1. Children’s Choice for Hearing & Talking (CCHAT) 2. Maverick Education and Behavioral Solutions, LLC 3. Point Quest Education - Lodi g. Out of State Conference Attendance for Linda Ekstrom, Michelle Woods, Katie Mooney and Destiny Westbrooks to Attend the ‘Get Your Teach On’ Conference in Phoenix, AZ, January 21-22, 2019 	

Galt Joint Union Elementary School District
Board of Education
“Building a Bright Future for All Learners”

Regular/Annual Organizational Meeting
Board of Education
Galt Joint Union Elementary School District

Wednesday, December 12, 2018
Galt Joint Union Elementary School District Office
1018 C Street, Suite 210, Galt CA 956342

Board Members Present

John Gordon
Grace Malson
Wesley Cagle
Matthew Felix

Administrators Present

Lois Yount	Karen Schauer
Claudia Del Toro-Anguiano	Donna Mayo-Whitlock
Donna Gill	David Nelson
Ron Rammer	Judith Hayes
Jennifer Porter	Christina Homdus

MINUTES

- A. Present for closed session:** Karen Schauer, Claudia Del Toro-Anguiano, Lois Yount, Donna Mayo-Whitlock, John Gordon, Grace Malson, Wesley Cagle, Matthew Felix
- B. Closed Session** was called to order at 6:00 pm to discuss the following items:
1. CONFERENCE WITH LABOR NEGOTIATOR, Government Code §54957.6
Agency Negotiator: Karen Schauer, Lois Yount, Donna Mayo-Whitlock, Claudia Del Toro-Anguiano
 - Employee Agency: (GEFA) Galt Elementary Faculty Association
 - Employee Agency: (CSEA) California School Employee Association
 - Unrepresented Employees
 2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Government Code §54957
- C. Closed Session** adjourned at 7:00 pm. The open meeting was called to order at 7:08 pm by John Gordon followed by the flag salute. He announced no action taken in closed session.
- D. Public Comments** for topics not on the agenda
1. There was no public comment.
- E. Karen Schauer Announcement of Results of Board Member Election as Per Elections Code §15400**
She stated the following persons were nominated and shall be appointed:
1. Grace Malson
 2. Wesley Cagle
 3. Thomas Silva
- F. Karen Schauer Administered The Oath of Office** to the following appointees in lieu of election to the office of Galt Joint Union Elementary School District Governing Board Member

at an election duly held therein on the 6th day of November, 2018:

1. Wesley Cagle
2. Grace Malson
3. Thomas Silva

G. 171.956 Annual Organization of the Board/Election of Officers

Org of Board

A motion was made by John Gordon to Organize the Board/Election of Officers as follows, seconded by Wesley Cagle and unanimously carried:

President: Grace Malson
 Vice President: John Gordon
 Clerk: Matthew Felix
 Board Representative: Thomas Silva

H. 171.957 Board Committee Member Reorganization for 2019

Committee Reorg

A motion was made by John Gordon to approve the following Board Committee appointments, seconded by Thomas Silva and unanimously carried:

CAST	JPA	Transportation	SCSBA	Board Policy
John Gordon	Thomas Silva	Wesley Cagle	John Gordon	Grace Malson
Grace Malson	Grace Malson	Thomas Silva		
Alternate: Wesley Cagle	Alternate: Matthew Felix	Alternate: Matthew Felix	Alternate: Grace Malson	

I Recognition

1. Karen Schauer recognized John Gordon for his service as President of the Board of Trustees, 2018.
2. Karen Schauer recognized Karen Albert as recipient of the SEVA Student Educational Video Awards Teacher of the Week.

Ron Rammer also acknowledged Ms. Albert’s efforts and well-deserved award.

J. Reports

LCAP GOAL 1

Develop and implement a personalized learning and strengths-based growth plan for every learner that articulates and transitions to high school learning pathways while closing the achievement gap.

LCAP GOAL 2

Implement California State Standards in classrooms and other learning spaces through a variety of blended learning environments while closing the achievement gap.

LCAP GOAL 3

Processes and measures for continuous improvement and accountability are applied throughout the district, including personalized evaluation processes for educators.

1. Claudia Del Toro-Anguiano reported on the CA Dashboard for GJUESD. She stated the CA Dashboard is designed to help parents learn more about their schools and district. The Dashboard shows multiple measures of school and district success with an increased focus on equity. She shared state measures, school and district level including district and neighboring district results at a glance. She indicated that 1 of every 3 districts state-wide qualify for technical assistance. GJUESD is 1 of 3 districts in Sacramento county that does not require technical assistance. She indicated a district has to have 2 performance groups in the level red

to receive technical assistance.

Ms. Del Toro-Anguiano shared areas of promising success include English Language Arts progress, English Learner progress and suspension rate. Areas of further improvement include mathematics, and chronic absenteeism.

Karen Schauer stated the state is looking at status and change. She referenced the Sacramento Bee article reporting on SBAC results. The results are complex and difficult to report. The district is learning how to use this new information productively and proactively.

Claudia Del Toro-Anguiano shared next steps. She indicated the district will 1.) monitor and adjust Key Refinement Areas (KRAs) implementation, 2.) make ongoing adjustments based on local measures, academic conferences and professional learning opportunities, 3.) implement Single Plan for Student Achievement (SPSA's), 4.) collaborate on best practices.

Karen Schauer emphasized these are the four areas the district has chosen to focus on based on LCAP development.

LCAP GOAL 4

School facilities are safe, healthy, hazard free, clean and equipped for 21st century learning.

1. Lois Yount provide a Measure K Update. She reported the district had a successful close of its Series 2018 bonds. Government Financial Strategies will be at the January board meeting to provide a full report.

Lois Yount reported the Marengo Ranch Elementary school pre-construction services contractor, S&B James Construction, identified additional scope of work that is required to remedy the current state of the buildings at the school. The current project design will not work within the \$7 million construction budget. She indicated the district is working with the contractor and PBK architects to review potential design modifications to better align the project design to construction budget constraints.

Ms. Yount anticipates bringing a Lease Leaseback agreement to the next board meeting for action.

Board members asked clarifying questions about the age of the school and the initial building process.

Lois Yount shared that years ago, when Marengo Ranch was constructed, the original contractor filed for bankruptcy. A second contractor finished the school. She indicated the district is looking into legal options, if any.

Lois Yount provided a modernization projects update from the multi-year GJUESD Facilities Road Map. She indicated Greer's kinder playground is complete. She indicated the district has received California Department of Education (CDE) approval and has an appointment with Division of the State Architect (DSA).

John Gordon asked the status of Proposition 51 funding.

Lois Yount stated the district is on schedule to be eligible for funding in 2020/21 or 2021/22.

K. Recommended Actions/Routine Matters/New Business

- | | | |
|---------|--|---------------------------------------|
| 171.958 | A motion was made by Wesley Cagle to approve the Consent Calendar, seconded by Matthew Felix and unanimously carried.
a. Approval of the Agenda
At a regular meeting, the Board may take action upon an item of business not appearing on the posted agenda if, <u>first</u> , the Board publicly identifies the item, and <u>second</u> , one or more of the following occurs:
1) The Board, by a majority vote of the full Board, decides that an emergency (as defined in Government Code section 54956.5) exists; or
2) Upon a decision by a two-thirds vote of the Board, or if less than two-thirds of the Board members are present, a unanimous vote of those present, the Board decides that there is a need to take immediate action and that the need for action came to the attention of the District after the agenda was posted; or
3) The item was posted on the agenda of a prior meeting of the Board occurring not more than five calendar days prior to the date of this meeting, and at the prior meeting, the item was continued to this meeting.

b. Minutes: November 28, 2018 Regular Board Meeting

c. Payment of Warrants –
<u>Certificated/Classified Payrolls Dated:</u> 11/30/18
<u>Vendor Warrant Numbers:</u> 19437515-19437556, 19439286-19439317

d. Personnel
1. Resignations/Retirement
2. Leave of Absence Requests
3. New Hires | Consent
Calendar |
| 171.959 | Consent Calendar (Continued) – Items Removed for Later Consideration | CC
Items
Removed |
| 171.960 | A motion was made by John Gordon to approve School Boundary Change Beginning in the 2019-20 School Year, seconded by Matthew Felix and unanimously carried. | School
Boundary |
| 171.961 | A motion was made by John Gordon to approve 2018/19 First Period Interim Report, seconded by Grace Malson and unanimously carried. | First Period
Interim |
| 171.962 | A motion was made by Wesley Cagle to approve 2017/18 GJUESD Single Plans for Student Achievement, seconded by Thomas Silva and unanimously carried. | Single Plans |
| 171.963 | A motion was made by Grace Malson to approve 2019-20 School Calendar, seconded by Wesley Cagle and unanimously carried. | School
Calendar |
| 171.964 | California School Employees Association and its GJUESD Chapter No. 362 announced their Proposal for Fiscal Year 2019-20 with GJUESD. The proposal includes: | CSEA
Sunshine
Proposal |

- Article V: Hours and Overtime
- Article X: Transfers
- Article XI: Promotion Opportunities
- Article XIV: Grievance Procedure
- Article XVII: Professional Growth Program
- Article XVIII: Fringe Benefits
- Article XIX: Wages
- Article XX: Duration

171.965 GJUESD shared their Proposal for Fiscal Year 2019-20 with California School Employees Association and its GJUESD Chapter No. 362. The proposal includes:

**GJUESD
Sunshine
Proposal**

- Article VII: Employee Performance Evaluations

John Gordon requested to add nutrition guidelines to a future agenda.

L. Public Comments for topics not on the agenda

Public comment should be limited to five minutes or less pending Board President approval.

M. Pending Agenda Items

1. School Furniture Analysis and Pilot Programs
2. Farm To Futures Center
3. Technology and Learning
4. School District Properties

N. Adjournment 9:23 p.m.

Matthew Felix, Clerk

Date



CONSENT CALENDAR

Human Resources

Recommend approval of the following:

Resignations/Retirements

Name	Position	Effective Date	Site
Amrine, Kristin	Instructional Asst., Special Education	1/2/2019	McCaffrey
Enriquez, Celia (Retirement)	Bilingual Office Asst.	2/1/2019	McCaffrey
Papineau, Trevor	Instructional Asst.	1/4/2019	Lake Canyon
Quitter, Dana	Instructional Asst., Special Education	1/28/2019	River Oaks

Leave of Absence Requests

Name	Position	Effective Date	Site
Bartkowski, Elizabeth	Teacher	1/7/2019 – 6/6/2019	Lake Canyon
Farrell, Michelyn	Teacher	1/9/2019 – 2/4/2019	Marengo Ranch
Gibson, Greg	Maintenance Worker	Intermittent	District
Howard, Jolene	PLP Secretary	1/7/2019-2/10/2019	Valley Oaks/Greer
LaPorte, Vickie	Food Service	1/16/2019-2/28/2019	Valley Oaks
Newman, Ryan	Technology Asst.	1/7/2019-2/17/2019	District Office

New Hires

Name	Position	Site
Cooley, Matt	Classified Substitute	N/A
Dorough, Carey	Classified Substitute	N/A
Gomez, Victoria	Classified Substitute	N/A
Hill, Samantha	Special Education Instructional Assistant	Valley Oaks
Iniguez, Stacy	Classified Substitute	N/A
Jimenez, Alex	Classified Substitute	N/A
Ochoa, Nicole	Special Education Instructional Assistant	Fairsite
Ojeda, Erika	Yard Supervisor	Marengo Ranch
Ortiz, Jessica	Classified Substitute	N/A
Paton, Fiona	Teacher Substitute	N/A
Placencia, Alejandra	Classified Substitute	N/A
Villanueva-Perez, Maria	Yard Supervisor	River Oaks
Wilmoth, Sherri	Instructional Assistant (Transfer)	River Oaks
Wheeler, Kimber	Trainer-Dispatcher	Transportation
Woodward, Mary	Substitute Teacher	N/A



CONSENT CALENDAR Donations

Donations

Presenter: Karen Schauer, Superintendent

Marengo Ranch

- John Gathairu made a monetary donation towards site use
- Victor Herrera made a monetary donation towards site use

Other

- Harold House donated four Sandhill Cranes of Staten Island California books valued at \$120.00

GALEP

- Terri Riley made a donation of \$500.00 towards GALEP
- Patrick and Kathleen Fitzpatrick made a monetary donation
- Jackie Barton made a monetary donation towards GALEP



CONSENT CALENDAR Non Public Schools/Agencies Contracts

Additional Master Contracts for Non Public Schools and Agencies providing services to students whose needs cannot be met in the district's programs.

1. Point Quest Education, Lodi – Non Public School
2. CCHAT (Children's Choice for Hearing and Talking) – Non Public Agency
3. Maverick Education and Behavioral Solutions, LLC – Non Public Agency



Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632
209-744 4545 / 209-744-4553 fax / www.galt.k12.ca.us

Nonpublic, Non-Sectarian School/Agency Services

MASTER CONTRACT

#6

Point Quest Education - Lodi

SACRAMENTO COUNTY SELPA

*NONPUBLIC, NONSECTARIAN
SCHOOL/AGENCY SERVICES*

MASTER CONTRACT

2018–2019

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LEA: GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

NONPUBLIC SCHOOL/AGENCY/RELATED SERVICES PROVIDER: Point Quest Education-Lodi

NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES
MASTER CONTRACT

AUTHORIZATION FOR MASTER CONTRACT AND GENERAL PROVISIONS

1. MASTER CONTRACT

This Master Contract is entered into on January 1, 2019, between the **GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT** (hereinafter referred to as the local educational agency “LEA” or “District”) and **Point Quest Education-Lodi** (nonpublic, nonsectarian school or agency, hereinafter referred to as “CONTRACTOR”) for the purpose of providing special education and/or related services to LEA students with exceptional needs under the authorization of California Education Code sections 56157, 56361 and 56365 *et seq.* and Title 5 of the California Code of Regulations section 3000 *et seq.*, AB490 (Chapter 862, Statutes of 2003) and AB1858 (Chapter 914, Statutes of 2004). It is understood that this Master Contract does not commit LEA to pay for special education and/or related services provided to any LEA student, or CONTRACTOR to provide such special education and/or related services, unless and until an authorized LEA representative approves the provision of special education and/or related services by CONTRACTOR.

Upon acceptance of a student, LEA shall submit to CONTRACTOR an Individual Services Agreement (hereinafter referred to as “ISA”), and a Nonpublic Services Student Enrollment form. CONTRACTOR shall work with LEA to complete and return these forms to LEA prior to initiating any services for any student.

Unless otherwise agreed in writing, the ISA and the Nonpublic Services Student Enrollment form shall acknowledge CONTRACTOR’S obligation to provide all services specified in the student’s Individualized Education Plan (hereinafter referred to as “IEP”). The ISA shall be executed within ninety (90) days of an LEA student’s enrollment. LEA and CONTRACTOR shall enter into an ISA for each LEA student served by CONTRACTOR. As available and appropriate, LEA shall make available access to any electronic IEP system and/or electronic database for ISA development, including invoicing.

Unless placement is made pursuant to an Office of Administrative Hearings (hereinafter referred to as “OAH”) order, a lawfully executed agreement between LEA and parent, or authorized by LEA for a transfer student pursuant to California Education Code section 56325, LEA is not responsible for the costs associated with nonpublic school placement until the date on which an IEP team meeting is convened, the IEP team determines that a nonpublic school placement is appropriate, and the IEP is signed by LEA student’s parent.

2. CERTIFICATION AND LICENSES

CONTRACTOR shall be certified by the California Department of Education (hereinafter referred to as “CDE”) as a nonpublic, nonsectarian school/agency. All nonpublic school and nonpublic agency services shall be provided consistent with the area of certification specified by CDE Certification and as defined in California Education Code section 56366 *et seq.* and within the professional scope of practice of each provider’s license, certification and/or credential. A current copy of CONTRACTOR’S nonpublic school/agency certification or a waiver of such certification issued by the CDE pursuant to California Education Code section 56366.2 must be provided to LEA on or before the date this Master Contract is

executed by CONTRACTOR. This Master Contract shall be null and void if such certification or waiver is expired, revoked, rescinded, or otherwise nullified during the effective period of this Master Contract. Total student enrollment shall be limited to capacity as stated on the applicable CDE certification. Total LEA student enrollment shall be limited to capacity as stated in Section 24 of the Master Contract.

In addition to meeting the certification requirements of the state of California, a CONTRACTOR that operates a program outside of this state shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

If CONTRACTOR is a licensed children's institution (hereinafter referred to as "LCI"), CONTRACTOR shall be licensed by the state, or other public agency having delegated authority by contract with the state to license, to provide nonmedical care to children, including, but not limited to, individuals with exceptional needs. The LCI must also comply with all licensing requirements relevant to the protection of the child, and have a special permit, if necessary, to meet the needs of each child so placed. If the CONTRACTOR operates a program outside of this state, CONTRACTOR must obtain all required licenses from the appropriate licensing agency in both California and in the state where the LCI is located.

With respect to CONTRACTOR'S certification, failure to notify LEA and CDE of any changes in: (1) credentialed/licensed staff; (2) ownership; (3) management and/or control of the agency; (4) major modification or relocation of facilities; or (5) significant modification of the program may result in the suspension or revocation of CDE certification and shall also be good cause for the suspension or termination of this Master Contract by LEA.

3. COMPLIANCE WITH LAWS, STATUTES, REGULATIONS

During the term of this Master Contract, unless otherwise agreed, CONTRACTOR shall comply with all applicable Federal, state, and local statutes, laws, ordinances, rules, policies, and regulations. CONTRACTOR shall also comply with all applicable LEA policies and procedures unless CONTRACTOR and LEA specifically agree, in writing, that a policy or policies, or a portion of a policy, does/do not reasonably apply to CONTRACTOR. CONTRACTOR hereby acknowledges and agrees that it accepts all risks and responsibilities for its failure to comply with LEA policies and shall indemnify LEA under the provisions of Section 16 of this Agreement for all liability, loss, damage and expense (including reasonable attorneys' fees) resulting from or arising out of CONTRACTOR'S failure to comply with applicable LEA policies (e.g., those policies relating to the provision of special education and/or related services, facilities for individuals with exceptional needs, LEA student enrollment and transfer, LEA student inactive status, corporal punishment, student discipline, and positive behavior interventions).

CONTRACTOR acknowledges and understands that LEA may report to the CDE any violations of the provisions of this Master Contract, and that this may result in the suspension and/or revocation of CDE nonpublic school/agency certification pursuant to California Education Code section 56366.4(a).

4. TERM OF MASTER CONTRACT

The term of this Master Contract shall be from July 1, 2018 to June 30, 2019 unless otherwise stated. (Cal. Code Regs., tit. 5, § 3062(a).) Neither the CONTRACTOR nor LEA is required to renew this Master Contract in subsequent contract years. The parties acknowledge that any subsequent Master Contract is to be re-negotiated prior to June 30, 2019. In the event a subsequent Master Contract is not renegotiated by June 30, 2019, an interim contract may be made available as mutually agreed upon for up to 90 days from July 1 of the new fiscal year. (Cal. Code Regs., tit. 5, § 3062(d).) No Master Contract will be offered unless and until all of the contracting requirements have been satisfied. The offer of a Master Contract to a CONTRACTOR is at the sole discretion of LEA.

The provisions of this Master Contract apply to CONTRACTOR and any of its employees or independent contractors. Notice of any change in CONTRACTOR'S ownership or authorized representative shall be

provided in writing to LEA within thirty (30) calendar days of change of ownership or change of authorized representative.

5. INTEGRATION/CONTINUANCE OF CONTRACT FOLLOWING EXPIRATION OR TERMINATION

This Master Contract includes LEA Procedures and each Individual Services Agreement which are incorporated herein by this reference. This Master Contract supersedes any prior or contemporaneous written or oral understanding or agreement. This Master Contract may be amended only by written amendment executed by both parties. Notwithstanding the foregoing, LEA may modify LEA procedures from time to time without the consent of CONTRACTOR.

CONTRACTOR shall provide LEA with all information as requested in writing to secure a Master Contract or a renewal.

At a minimum, such information shall include copies of teacher credentials and clearance, insurance documentation, and CDE certification. LEA may require additional information as applicable. If the application packet is not completed and returned to LEA, no Master Contract will be issued. If CONTRACTOR does not return the Master Contract to LEA duly signed by an authorized representative within ninety (90) calendar days of issuance by LEA, the new contract rates will not take effect until the newly executed Master Contract is received by LEA and will not be retroactive to the first day of the new Master Contract's effective date. If CONTRACTOR fails to execute the new Master Contract within such ninety day period, all payments shall cease until such time as the new Master Contract for the current school year is signed and returned to LEA by CONTRACTOR. (Ed. Code §§ 56366(c)(1), (2).) In the event that this Master Contract expires or terminates, CONTRACTOR shall continue to be bound to all of the terms and conditions of the most recent executed Master Contract between CONTRACTOR and LEA for so long as CONTRACTOR is servicing authorized LEA students at the discretion of LEA.

6. INDIVIDUAL SERVICES AGREEMENT

This Master Contract shall include an ISA developed for each LEA student for whom CONTRACTOR is to provide special education and/or related services. An ISA shall only be issued for LEA students enrolled with the approval of LEA pursuant to California Education Code section 56366(a)(2)(A). An ISA may be effective for more than one contract year provided that there is a concurrent Master Contract in effect. In the event that this Master Contract expires or terminates, CONTRACTOR shall continue to be bound to all of the terms and conditions of the most recent executed ISAs between CONTRACTOR and LEA for so long as CONTRACTOR is servicing authorized LEA students.

Any and all changes to a LEA student's educational placement/program provided under this Master Contract and/or an ISA shall be made solely on the basis of a revision to LEA student's IEP. At any time during the term of this Master Contract, a LEA student's parent, CONTRACTOR, or LEA may request a review of a LEA student's IEP subject to all procedural safeguards required by law.

Unless otherwise provided in this Master Contract, the CONTRACTOR shall provide all services specified in the IEP unless the CONTRACTOR and LEA agree otherwise in the ISA. (Ed. Code § 56366(a)(5); Cal. Code Regs., tit. 5, § 3062(e).) In the event the CONTRACTOR is unable to provide a specific service at any time during the life of the ISA, the CONTRACTOR shall notify LEA in writing within five (5) business days of the last date a service was provided. CONTRACTOR shall provide any and all subsequent compensatory service hours awarded to an LEA student as a result of lack of provision of services while the student was served by the nonpublic school or agency.

If a parent or LEA contests the termination of an ISA by initiating a due process proceeding with the OAH, CONTRACTOR shall abide by the "stay-put" requirement of state and Federal law unless the parent and LEA voluntarily agree otherwise, or an interim alternative educational setting is deemed lawful by OAH consistent with section 1415(k) of Title 20 of the United States Code. CONTRACTOR shall adhere to all LEA requirements concerning changes in placement.

Disagreements between LEA and CONTRACTOR concerning the formulation of an ISA or the Master Contract may be appealed to the County Superintendent of Schools of the County where LEA is located, or the State Superintendent of Public Instruction pursuant to the provisions of California Education Code section 56366(c)(2).

7. DEFINITIONS

The following definitions shall apply for purposes of this contract:

- a. The term “CONTRACTOR” means a nonpublic, nonsectarian school/agency certified by the California Department of Education and its officers, agents, and employees.
- b. The term “authorized LEA representative” means a LEA administrator designated to be responsible for nonpublic school/agencies. It is understood that a representative of the Special Education Local Plan Area (“SELPA”) of which LEA is a member is an authorized LEA representative in collaboration with LEA. LEA maintains sole responsibility for the Master Contract, unless otherwise specified in the Master Contract.
- c. The term “credential” means a valid credential, life diploma, permit, or document in special education or Pupil Personnel Services issued by, or under the jurisdiction of, the California State Board of Education if issued prior to 1970 or the California Commission on Teacher Credentialing, which entitles the holder thereof to perform services for which certification qualifications are required as defined in Title 5 of the California Code of Regulations section 3001(g).
- d. As defined in Title 5 of the California Code of Regulations section 3001(r), the term "qualified" means that a person has met Federal and state certification, licensing, registration, or other comparable requirements which apply to the area in which he or she is providing special education or related services (including but not limited to, for example, the requirements set forth in Title 34 of the Code of Federal Regulations sections 200.56 and 200.58, California Code of Regulations, title 5, sections 3064 and 3065 and California Education Code section 56366.1(n)(1)), or, in the absence of such requirements, the state-education-agency–approved or recognized requirements, and adheres to the standards of professional practice established in Federal and state law or regulation, including the standards contained in the California Business and Professions Code and the scope of practice as defined by the licensing or credentialing body.) Nothing in this definition shall be construed as restricting the activities or services of a graduate needing direct hours leading to licensure, or of a student teacher or intern leading to a graduate degree at an accredited or approved college or university, as authorized by state laws or regulations.
- e. The term “license” means a valid non-expired document issued by a licensing agency within the Department of Consumer Affairs or other state licensing office authorized to grant licenses and authorizing the bearer of the document to provide certain professional services or refer to themselves using a specified professional title. This includes, but is not limited to mental health and board and care services at a residential placement. If a license is not available through an appropriate state licensing agency, a certificate of registration with the appropriate professional organization at the national or state level which has standards established for the certificate that are equivalent to a license shall be deemed to be a license as defined in Title 5 of the California Code of Regulations section 3001(l).
- f. “Parent” means a biological or adoptive parent unless the biological or adoptive parent does not have legal authority to make educational decisions for the child, a guardian generally authorized to act as the child’s parent or authorized to make educational decisions for the child, an individual acting in the place of a biological or adoptive parent, including a grandparent, stepparent, or other relative with whom the child lives, or an individual who is legally responsible for the child’s welfare, a surrogate parent, a foster parent if the authority of the biological or adoptive parent to

make educational decisions on the child's behalf has been specifically limited by court order in accordance with Title 34 of the Code of Federal Regulations sections 300.30(b)(1) or (2). Parent does not include the state or any political subdivision of government or the nonpublic school or agency under contract with LEA for the provision of special education or designated instruction and services for a child. (Ed. Code § 56028.)

- g. The term "days" means calendar days unless otherwise specified.
- h. The phrase "billable day" means a school day in which instructional minutes meet or exceed those in comparable LEA programs.
- i. The phrase "billable day of attendance" means a school day as defined in California Education Code section 46307, in which a LEA student is in attendance and in which instructional minutes meet or exceed those in comparable LEA programs unless otherwise stipulated in an IEP or ISA.
- j. It is understood that the term "Master Contract" also means "Agreement" and may be referred to as such in this document.

ADMINISTRATION OF CONTRACT

8. NOTICES

All notices provided for by this Master Contract shall be in writing. Notices shall be mailed or delivered by hand and shall be effective as of the date of receipt by addressee.

All notices mailed to LEA shall be addressed to the person and address as indicated on the signature page of the Master Contract. Notices to CONTRACTOR shall be addressed as indicated on signature page of this Master Contract.

9. MAINTENANCE OF RECORDS

All records shall be maintained by CONTRACTOR as required by state and Federal laws and regulations. Notwithstanding the foregoing sentence, CONTRACTOR shall maintain all records for at least five (5) years after the termination of this Master Contract. For purposes of this Master Contract, "records" shall include, but not be limited to pupil records as defined by California Education Code section 49061(b) including electronically stored information; cost data records as set forth in Title 5 of the California Code of Regulations section 3061; registers and roll books of teachers and/or daily service providers; chart notes, Medi-Cal logs, daily service logs and notes and other documents used to record the provision of related services including supervision; daily service logs and notes used to record the provision of services provided by instructional assistants, NPA behavior intervention aides, and bus aides and supervisors; absence verification records (parent/doctor notes, telephone logs, and related documents); bus rosters; staff lists specifying credentials held; business licenses held; documents evidencing other staff qualifications including social security numbers, dates of hire, and dates of termination; records of employee training and certification, staff time sheets; non-paid staff and volunteer sign-in sheets; transportation and other related services subcontracts; school calendars; bell/class schedules when applicable; liability and worker's compensation insurance policies; state nonpublic school and/or agency certifications; by-laws; lists of current board of directors/trustees, if incorporated; statements of income and expenses; general journals; cash receipts and disbursement books, general ledgers and supporting documents; documents evidencing financial expenditures; Federal/state payroll quarterly reports (Form 941/DE3DP); and bank statements and canceled checks or facsimile thereof.

CONTRACTOR shall maintain LEA student records in a secure location to ensure confidentiality and prevent unauthorized access. CONTRACTOR shall maintain a current list of the names and positions of CONTRACTOR'S employees who have access to confidential records. CONTRACTOR shall maintain an access log for each LEA student's record which lists all persons, agencies, or organizations requesting or receiving information from the record and the legitimate interests therefore. Such log shall be maintained

as required by California Education Code section 49064 and include the name, title, agency/organization affiliation, and date/time of access for each individual requesting or receiving information from LEA student's record. Such log needs not to record access to LEA student's records by: (a) LEA student's parent; (b) an individual to whom written consent has been executed by LEA student's parent; or (c) employees of LEA or CONTRACTOR having a legitimate educational interest in requesting or receiving information from the record. CONTRACTOR/LEA shall maintain copies of any written parental concerns granting access to student records. For purposes of this paragraph, "employees of LEA or CONTRACTOR" do not include subcontractors. CONTRACTOR shall grant parents access to student records and comply with parents' requests for copies of student records, as required by state and Federal laws and regulations. CONTRACTOR agrees, in the event of school or agency closure, to forward all records within ten (10) business days to LEA. LEA shall have access to and receive copies of any and all documents required to be maintained by CONTRACTOR within five (5) business days of a request.

10. SEVERABILITY CLAUSE

If any provision of this Master Contract is held, in whole or in part, to be unenforceable for any reason, the remainder of that provision and of the entire Master Contract shall be severable and remain in effect.

11. SUCCESSORS IN INTEREST

This contract binds CONTRACTOR'S successors and assignees. CONTRACTOR shall notify LEA, in writing, of any change of ownership or corporate control within ten (10) business days of such change.

12. VENUE AND GOVERNING LAW

The laws of the State of California shall govern the terms and conditions of this Master Contract with venue in the County where LEA is located.

13. MODIFICATIONS AND AMENDMENTS REQUIRED TO CONFORM TO LEGAL AND ADMINISTRATIVE GUIDELINES

This Master Contract may be modified or amended by LEA to conform to administrative and statutory guidelines issued by any state, Federal or local governmental agency. LEA shall provide CONTRACTOR thirty (30) days' notice of any such changes or modifications made to conform to administrative or statutory guidelines and a copy of the statute or regulation upon which the modification or changes are based.

14. TERMINATION

This Master Contract or an Individual Services Agreement may be terminated for cause. Cause shall include but not be limited to non-maintenance of current nonpublic school certification, failure of either LEA or the CONTRACTOR to maintain the standards required under the Master Contract and/or Individual Services Agreement, or other material breach of this Master Contract by CONTRACTOR or LEA. For purposes of Non Public School placement, the cause shall not be the availability of a public class initiated during the period of the Master Contract unless the parent agrees to the transfer of the student to a public school program at an IEP team meeting. To terminate the Master Contract, either party shall give twenty (20) days prior written notice to the other party (Ed. Code § 56366(a)(4)), or immediately, if CONTRACTOR and LEA mutually agree that there are significant health or safety concerns. At the time of termination, CONTRACTOR shall provide to LEA any and all documents CONTRACTOR is required to maintain under this Master Contract. ISAs are void upon termination of this Master Contract, except as provided in Sections 5 or 6. CONTRACTOR or LEA may terminate an ISA for cause, without terminating the Master Contract in its entirety. To terminate the ISA, either party shall also give twenty (20) days prior written notice to the other.

15. INSURANCE

CONTRACTOR shall, at his, her, or its sole cost and expense, maintain in full force and effect, during the term of this Agreement, the following insurance coverage from a California licensed and/or admitted insurer with an A minus (A-), VII, or better rating from A.M. Best, sufficient to cover any claims, damages, liabilities, costs and expenses (including counsel fees) arising out of or in connection with CONTRACTOR's fulfillment of any of its obligations under this Agreement or either party's use of the work or any component or part thereof:

PART I

- A. **Commercial General Liability Insurance**, including both bodily injury and property damage, with limits as follows:

- \$2,000,000 per occurrence
- \$ 500,000 fire damage
- \$ 5,000 medical expenses
- \$1,000,000 personal & adv. injury
- \$3,000,000 general aggregate
- \$2,000,000 products/completed operations aggregate

The policy may not contain an exclusion for coverage of claims arising from claims for sexual molestation or abuse. In the event that CONTRACTOR's policy should have an exclusion for sexual molestation or abuse claims, then CONTRACTOR shall be required to procure a supplemental policy providing such coverage.

- B. **Business Auto Liability Insurance** for all owned scheduled, non-owned or hired automobiles with a \$1 million combined single limit.

If no owned automobiles, then only hired and non-owned is required.

If CONTRACTOR uses a vehicle to travel to/from school sites, between schools and/or to/from students' homes or other locations as approved service locations by the LEA, CONTRACTOR must comply with State of California auto insurance requirements.

- C. **Workers' Compensation and Employers Liability Insurance** in a form and amount covering CONTRACTOR's full liability under the California Workers' Compensation Insurance and Safety Act and in accordance with applicable state and Federal laws.

- Part A – Statutory Limits
- Part B – \$1,000,000/\$1,000,000/\$1,000,000 Employers Liability

- D. **Errors & Omissions (E & O)/Malpractice (Professional Liability) Insurance**, including sexual molestation and abuse coverage, unless that coverage is afforded elsewhere in the Commercial General Liability policy by endorsement or separate policy, with the following limits:

- \$1,000,000 per occurrence
- \$2,000,000 general aggregate

- E. CONTRACTOR, upon execution of this Master Contract and periodically thereafter upon request, shall furnish the LEA with certificates of insurance evidencing such coverage. The certificate of insurance shall include a ten (10) day non-renewal notice provision. The Commercial General Liability and Automobile Liability policy shall name the LEA as

additional insured and shall be endorsed on all policies. Certificate of Insurance, additional insured endorsement and declaration of insurance coverages shall be provided to LEA. All premiums on all insurance policies shall be paid by CONTRACTOR and shall be deemed included in CONTRACTOR's obligations under this contract at no additional charge.

- F. Any deductibles or self-insured retentions above \$100,000 must be disclosed to and approved by the LEA. At its option, LEA may require the CONTRACTOR, at the CONTRACTOR's sole cost, to: (a) cause its insurer to reduce to levels specified by the LEA or eliminate such deductibles or self-insured retentions with respect to the LEA, its officials and employees, or (b) procure a bond guaranteeing payment of losses and related investigation.
- G. For any claims related to the services contracted for under this Agreement, the CONTRACTOR's insurance coverage shall be primary insurance as respects to the LEA, its subsidiaries, officials and employees. Any insurance or self-insurance maintained by the LEA, its subsidiaries, officials and employees shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
- H. All Certificates of Insurance may reference the contract number, name of the school or agency submitting the certificate, and the location of the school or agency submitting the certificate on the certificate.

PART II – INSURANCE REQUIREMENTS FOR NONPUBLIC SCHOOLS AFFILIATED WITH A RESIDENTIAL TREATMENT FACILITY (“RTC”)

When CONTRACTOR is a nonpublic school affiliated with a residential treatment center (“NPS/RTC”), the following insurance policies are required:

- A. **Commercial General Liability Insurance** of \$3,000,000 per Occurrence and \$6,000,000 in General Aggregate. The policy shall be endorsed to name the LEA and the Board of Education as named additional insureds and shall provide specifically that any insurance carried by the LEA which may be applicable to any claims or loss shall be deemed excess and the RTC's insurance primary despite any conflicting provisions in the RTC's policy. Coverage shall be maintained with no self-insured retention above \$100,000 without the prior written approval of the LEA.
- B. **Workers' Compensation Insurance** in accordance with provisions of the California Labor Code adequate to protect the RTC from claims that may arise from its operations pursuant to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation Insurance coverage must also include Employers Liability coverage with limits of \$1,000,000/\$1,000,000/\$1,000,000.
- C. **Commercial Auto Liability** coverage with limits of \$1,000,000 Combined Single Limit per Occurrence if the RTC does not operate a student bus service. If the RTC provides student bus services, the required coverage limit is \$5,000,000 Combined Single Limit per Occurrence.
- D. **Fidelity Bond or Crime** coverage shall be maintained by the RTC to cover all employees who process or otherwise have responsibility for RTC funds, supplies, equipment or other assets. Minimum amount of coverage shall be \$250,000 per occurrence, with no self-insured retention.
- E. **Professional Liability/Errors & Omissions/Malpractice** coverage with minimum limits of \$3,000,000 per occurrence and \$6,000,000 general aggregate.
- F. **Sexual Molestation and Abuse** coverage, unless that coverage is afforded elsewhere in the Commercial General Liability or Professional liability policy by endorsement, with minimum limits of \$3,000,000 per occurrence and \$6,000,000 general aggregate.

If LEA or CONTRACTOR determines that a change in insurance coverage obligations under this section is necessary, either party may reopen negotiations to modify the insurance obligations.

16. INDEMNIFICATION AND HOLD HARMLESS

Except with respect to claims arising from a Party's separate negligence or willful acts, which shall remain that Party's personal obligation, each Party agrees to defend, indemnify and hold harmless the other Party and its directors, officers, employees, agents, attorneys, volunteers, and subcontractors with respect to a claim resulting from or arising out of this Master Contract or its performance and arising from the Party's actual or alleged act, failure to act, error, or omission in the performance of their obligations under this Agreement or any governing law or regulations.

17. INDEPENDENT CONTRACTOR

Nothing herein contained shall be construed to imply a joint venture, partnership or principal-agent relationship between LEA and CONTRACTOR. CONTRACTOR shall provide all services under this Agreement as an independent contractor, and neither party shall have the authority to bind or make any commitment on behalf of the other. Nothing contained in this Agreement shall be deemed to create any association, partnership, joint venture or relationship of principal and agent, master and servant, or employer and employee between the Parties or any affiliates of the Parties, or between LEA and any individual assigned by CONTRACTOR to perform any services for LEA.

If LEA is held to be a partner, joint venturer, co-principal, employer or co-employer of CONTRACTOR, CONTRACTOR shall indemnify and hold harmless LEA from and against any and all claims for loss, liability, or damages arising from that holding, as well as any expenses, costs, taxes, penalties and interest charges incurred by LEA as a result of that holding.

18. SUBCONTRACTING

CONTRACTOR shall not enter into any subcontracting relationship without first obtaining final written approval of LEA. Should CONTRACTOR wish to subcontract for special education and/or related services pursuant to this Master Contract, it must provide written notification to LEA before any subcontracting arrangement is made. In the event LEA determines that it can provide the subcontracted service(s) at a lower rate, LEA may elect to provide such service(s). If LEA elects to provide such service(s), LEA shall provide written notification to CONTRACTOR within five (5) days of receipt of CONTRACTOR'S original request and CONTRACTOR shall not subcontract for said services.

Should LEA approve in concept of CONTRACTOR subcontracting for services, CONTRACTOR shall submit the proposed subcontract to LEA for approval. CONTRACTOR shall incorporate all of the provisions of this Master Contract in all subcontracts to the fullest extent possible. Furthermore, when CONTRACTOR creates subcontracts for the provision of special education and/or related services (including without limitation, transportation) for any student, CONTRACTOR shall cause each subcontractor to procure and maintain indemnification and insurance requirements which comply with the provisions of Sections 15 and 16 of this Master Contract, for the duration of the term of each subcontract. If a proposed subcontract is approved by LEA, each subcontractor must furnish LEA with original endorsements and certificates of insurance effective coverage required by Section 15 of this Master Contract. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Unless otherwise agreed to by LEA, the endorsements are to be on forms provided by the LEA. The Commercial General Liability and Automobile Liability policies shall name the LEA/SELPA and the LEA Board of Education as additional insured. All endorsements are to be received and approved by LEA before the subcontractor's work commences. In addition, all sub-contractors must meet the requirements as contained in Section 45 (Clearance Requirements) and Section 46 (Staff Qualifications) of this Master Contract. No subcontract shall be considered final without LEA approval.

19. CONFLICTS OF INTEREST

CONTRACTOR shall provide to LEA upon request a copy of its current bylaws and a current list of its Board of Directors (or Trustees), if it is incorporated. CONTRACTOR and any member of its Board of Directors (or Trustees) shall avoid and disclose any relationship with LEA that constitutes or may constitute a conflict of interest pursuant to California Education Code section 56042 including, but not limited to, employment with LEA, provision of private party assessments and/or reports, and attendance at IEP team meetings acting as a student’s advocate. Pursuant to California Education Code section 56042, an attorney or advocate for a parent of an individual with exceptional needs shall not recommend placement at CONTRACTOR’S facility if the attorney or advocate is employed or contracted by the CONTRACTOR, or will receive a benefit from the CONTRACTOR, or otherwise has a conflict of interest.

Unless CONTRACTOR and LEA otherwise agree in writing, LEA shall neither execute an ISA with CONTRACTOR nor amend an existing ISA for a LEA student when a recommendation for special education and/or related services is based in whole or in part on assessment(s) or reports provided by CONTRACTOR to LEA student without prior written authorization by LEA. This paragraph shall apply to CONTRACTOR regardless of when an assessment is performed or a report is prepared (i.e. before or after LEA student is enrolled in CONTRACTOR’S school/agency) or whether an assessment of LEA student is performed or a report is prepared in the normal course of the services provided to LEA student by CONTRACTOR. To avoid a conflict of interest, and in order to ensure the appropriateness of an Independent Educational Evaluation (hereinafter referred to as “IEE”) and its recommendations, LEA may, in its discretion, not fund an IEE by an evaluator who provides ongoing service(s) or is sought to provide service(s) to the student for whom the IEE is requested. Likewise, LEA may, in its discretion, not fund services through the evaluator whose IEE LEA agrees to fund. When no other appropriate assessor is available, LEA may request and if CONTRACTOR agrees, the CONTRACTOR may provide an IEE.

When CONTRACTOR is a nonpublic agency, CONTRACTOR acknowledges that its authorized representative has read and understands California Education Code section 56366.3 which provides, in relevant part, that no special education and/or related services provided by CONTRACTOR shall be paid for by LEA if provided by an individual who was an employee of LEA within three hundred and sixty five (365) days prior to executing this Master Contract. This provision does not apply to any person who is able to provide designated instruction and services during the extended school year because he or she is otherwise employed for up to ten months of the school year by LEA.

CONTRACTOR shall not admit a student living within the jurisdictional boundaries of LEA on a private pay or tuition free “scholarship” basis and concurrently or subsequently advise/request parent(s) to pursue funding for the admitted school year from LEA through due process proceedings. Such action shall constitute sufficient good cause for termination of this Master Contract.

20. NON-DISCRIMINATION

CONTRACTOR shall not unlawfully discriminate on the basis of gender, nationality, race or ethnicity, religion, age, sexual orientation, gender identity, gender expression, or disability or any other classification protected by Federal or state law, in employment or operation of its programs.

EDUCATIONAL PROGRAM

21. FREE AND APPROPRIATE PUBLIC EDUCATION (“FAPE”)

LEA shall provide CONTRACTOR with a copy of the IEP including the Individualized Transition Plan (hereinafter referred to as “ITP”) of each LEA student served by CONTRACTOR. CONTRACTOR shall provide to each LEA student special education and/or related services (including transition services) within the nonpublic school or nonpublic agency consistent with LEA student’s IEP and as specified in the ISA. If CONTRACTOR is a nonpublic school, CONTRACTOR shall not accept a LEA student if it cannot

provide or ensure the provision of the services outlined in the student's IEP. If a LEA student's services are provided by a third party (i.e. a related services provider) CONTRACTOR shall notify LEA, in writing, if the provision of services ceases.

Unless otherwise agreed to between CONTRACTOR and LEA, CONTRACTOR shall be responsible for the provision of all appropriate supplies, equipment, and/or facilities for LEA students, as specified in LEA student's IEP and ISA. CONTRACTOR shall make no charge of any kind to parents for special education and/or related services as specified in LEA student's IEP and ISA (including, but not limited to, screenings, assessments, or interviews that occur prior to or as a condition of LEA student's enrollment under the terms of this Master Contract). LEA shall provide low incidence equipment for eligible students with low incidence disabilities when specified in the student's IEP and ISA. Such equipment remains the property of the SELPA/LEA and shall be returned to the SELPA/LEA when the IEP team determines the equipment is no longer needed or when the student is no longer enrolled in the nonpublic school. CONTRACTOR shall ensure that facilities are adequate to provide all LEA students with an environment which meets all pertinent health and safety regulations. CONTRACTOR may charge a LEA student's parent(s) for services and/or activities not necessary for LEA student to receive a free appropriate public education after: (a) written notification to LEA student's parent(s) of the cost and voluntary nature of the services and/or activities; and (b) receipt by LEA of the written notification and a written acknowledgment signed by LEA student's parent(s) of the cost and voluntary nature of the services and/or activities. CONTRACTOR shall adhere to all LEA requirements concerning parent acknowledgment of financial responsibility.

Voluntary services and/or activities not necessary for an LEA student to receive a free appropriate public education shall not interfere with LEA student's receipt of special education and/or related services as specified in LEA student's IEP and ISA unless LEA and CONTRACTOR agree otherwise in writing.

22. GENERAL PROGRAM OF INSTRUCTION

All nonpublic school and nonpublic agency services shall be provided consistent with the area of certification specified by CDE Certification and as defined in California Education Code section 56366 *et seq.* and shall ensure that facilities are adequate to provide LEA students with an environment which meets all pertinent health and safety regulations.

When CONTRACTOR is a nonpublic school, CONTRACTOR'S general program of instruction shall: (a) utilize evidence-based practices and predictors and be consistent with LEA's standards regarding the particular course of study and curriculum; (b) include curriculum that addresses mathematics, literacy and the use of educational, assistive technology and transition services; (c) be consistent with CDE's standards regarding the particular course of study and curriculum; (d) provide the services as specified in LEA student's IEP and ISA. LEA students shall have access to: (a) State Board of Education ("SBE") - adopted Common Core State Standards ("CCSS") for curriculum and the same instructional materials for kindergarten and grades 1 to 8, inclusive; and provide standards-aligned core curriculum and instructional materials for grades 9 to 12, inclusive, used by a local education agency ("LEA"), that contracts with the nonpublic school: (b) college preparation courses; (c) extracurricular activities such as art, sports, music and academic clubs; (d) career preparation and vocational training, consistent with transition plans pursuant to state and Federal law and; (e) supplemental assistance, including individual academic tutoring, psychological counseling, and career and college counseling. When appropriate, CONTRACTOR shall utilize the designated curriculum guidelines for students with moderate to severe disabilities who participate in the State's alternative assessment. These students shall have access to the core content, activities, and instructional materials delineated within these curriculum guidelines. CONTRACTOR'S general program of instruction shall be described in writing and a copy provided to LEA prior to the effective date of this Master Contract.

When CONTRACTOR serves LEA students in grades nine through twelve inclusive, LEA shall provide to CONTRACTOR a specific list of the course requirements to be satisfied by the CONTRACTOR leading toward graduation or completion of LEA's diploma requirements. CONTRACTOR shall not award a high

school diploma to LEA students who have not successfully completed all of LEA's graduation requirements.

When CONTRACTOR is a nonpublic agency and/or related services provider, CONTRACTOR'S general program of instruction and/or services shall utilize evidence-based practices and predictors and be consistent with LEA and CDE guidelines/certifications and any state licensing requirements and shall be provided as specified in LEA student's IEP and ISA. The nonpublic agency providing Behavior Intervention Services shall develop a written plan that specifies the nature of their nonpublic agency service for each student within thirty (30) days of enrollment and shall be provided in writing to LEA. School-based services may not be unilaterally converted by CONTRACTOR to a substitute program or provided at a location not specifically authorized by the IEP team. Except for services provided by a contractor that is a licensed children's institution ("LCI"), all services not provided in the school setting require the presence of a parent, guardian or adult caregiver during the delivery of services, provided such guardian or caregiver has a signed authorization by the parent or legal guardian to authorize emergency services as requested. LCI contractors shall ensure that appropriate and qualified residential or clinical staff is present during the provision of services under this Master Contract. CONTRACTOR shall immediately notify LEA in writing if no parent, guardian, or adult caregiver is present. CONTRACTOR shall provide to LEA a written description of the services and location provided prior to the effective date of this Master Contract. Contractors providing Behavior Intervention Services must have on staff individuals trained as the law requires. (Cal. Code Regs., tit. 5, § 3051.23.) It is understood that Behavior Intervention Services are limited per CDE Certification and do not constitute an instructional program.

When CONTRACTOR is a nonpublic agency, CONTRACTOR shall not provide transportation nor subcontract for transportation services for students unless LEA and CONTRACTOR agree otherwise in writing.

23. INSTRUCTIONAL MINUTES

When CONTRACTOR is a nonpublic school, the total number of instructional minutes per school day provided by CONTRACTOR shall be at least equivalent to the number of instructional minutes per school day provided to LEA students at like grade level attending LEA schools and shall be specified in LEA student's ISA developed in accordance with LEA student's IEP.

For students in grades kindergarten through 12, inclusive, unless otherwise specified in the student's IEP and ISA, the number of instructional minutes, excluding breakfast, recess, lunch and pass time shall be the same as the California Education Code prescribes for the LEA.

The total number of annual instructional minutes shall be at least equivalent to the total number of annual instructional minutes provided to LEA students attending LEA schools in like grade levels unless otherwise specified in LEA student's IEP and ISA.

When CONTRACTOR is a nonpublic agency and/or related services provider, the total number of minutes per school day provided by CONTRACTOR shall be specified in LEA student's ISA developed in accordance with LEA student's IEP.

24. CLASS SIZE

When CONTRACTOR is a nonpublic school, CONTRACTOR shall ensure that class size shall not exceed a ratio of one teacher per twelve (12) students unless CONTRACTOR and LEA agree otherwise in writing. Upon prior written approval by an authorized LEA representative, class size may be temporarily increased by a ratio of 1 teacher to fourteen (14) students when necessary during the regular or extended school year to provide services to students with disabilities.

In the event a nonpublic school is unable to fill a vacant teaching position responsible for direct instruction to students, and the vacancy has direct impact on the California Department of Education Certification of

that school, the nonpublic school shall develop a plan to ensure appropriate coverage of students by first utilizing existing certificated staff. The nonpublic school and LEA may agree to one 30 school day period per contract year where class size may be increased to ensure coverage by an appropriately credentialed teacher. Such an agreement shall be in writing and signed by both Parties. This provision does not apply to a nonpublic agency.

25. CALENDARS

When CONTRACTOR is a nonpublic school, CONTRACTOR shall submit to LEA a school calendar with the total number of billable days not to exceed 180 days, plus extended school year billable days equivalent to the number of days determined by LEA's extended school year calendar. Billable days shall include only those days that are included on the submitted and approved school calendar, and/or required by the IEP (developed by LEA) for each student. CONTRACTOR shall not be allowed to change its school calendar and/or amend the number of billable days without the prior written approval of LEA. Nothing in this Master Contract shall be interpreted to require LEA to accept any requests for calendar changes. In the event LEA adjusts the number of school days for the regular school year and/or extended school year, the approved number of days shall become the total billable days for the nonpublic school or agency. In such a case, an amended calendar shall be provided by CONTRACTOR for LEA approval.

Unless otherwise specified by the student's IEP, educational services shall occur at the school site. A student shall only be eligible for extended school year services if such are recommended by his/her IEP team and the provision of such is specifically included in the ISA. Extended school year shall consist of twenty (20) instructional days, unless otherwise agreed upon by the IEP team convened by LEA. Any days of extended school year in excess of twenty (20) billable days must be mutually agreed to, in writing, prior to the start of the extended school year.

Student must have actually been in attendance during the regular school year and/or during extended school year and actually received services on a billable day of attendance in order for CONTRACTOR to be eligible for payment. It is specifically understood that services may not be provided on weekends/holidays and other times when school is not in session, unless agreed to by LEA, in writing, in advance of the delivery of any nonpublic school service. Any instructional days provided without this written agreement shall be at the sole financial responsibility of the CONTRACTOR.

CONTRACTOR shall observe only the same legal holidays as LEA. As of the execution of this Master Contract, these holidays are: Labor Day, Veteran's Day, Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King, Jr. Day, Lincoln's Birthday, Washington's Birthday, Memorial Day, and Independence Day. With the approval of LEA, CONTRACTOR may revise the date upon which CONTRACTOR closes in observance of any of the holidays observed by LEA.

When CONTRACTOR is a nonpublic agency, CONTRACTOR shall be provided with a LEA-developed/approved calendar prior to the initiation of services. CONTRACTOR herein agrees to observe holidays as specified in LEA-developed/approved calendar. CONTRACTOR shall provide services pursuant to LEA-developed/approved calendar; or as specified in LEA student's IEP and ISA. Unless otherwise specified in LEA student's ISA, CONTRACTOR shall provide related services to LEA students on only those days that LEA student's school of attendance is in session and LEA student attends school. CONTRACTOR shall bill only for services provided on billable days of attendance as indicated on LEA calendar unless CONTRACTOR and LEA agree otherwise, in writing. Student must have actually been in attendance and/or received services on a billable day of attendance in order for CONTRACTOR to be eligible for payment. It is specifically understood that services may not be provided on weekends/holidays and other times when school is not in session, unless agreed to by LEA, in writing, in advance of the delivery of any nonpublic agency service provided by CONTRACTOR. Any instructional days provided without this written agreement shall be at the sole financial responsibility of the CONTRACTOR.

26. DATA REPORTING

CONTRACTOR agrees to provide to LEA, all data (including billing information) related to students who are served by the CONTRACTOR. CONTRACTOR agrees to provide all data related to or referenced in any and all sections of this Master Contract if requested by LEA. CONTRACTOR agrees to provide all requested information in the format required by LEA. It is understood that all nonpublic schools and nonpublic agencies shall utilize the Special Education Information System (“SEIS”) or comparable program/system approved by LEA/SELPA for all IEP development and progress reporting. Additional progress reporting may be required by LEA. LEA shall provide the CONTRACTOR with appropriate software, user training and proper internet permissions to allow adequate access so that this information may be compiled.

LEA shall provide CONTRACTOR with approved forms and/or format for such data including but not limited to invoicing, attendance reports and progress reports. LEA may approve use of CONTRACTOR-provided forms at its discretion.

27. LEAST RESTRICTIVE ENVIRONMENT/DUAL ENROLLMENT

CONTRACTOR and LEA shall follow all LEA policies and procedures that support Least Restrictive Environment (“LRE”) options (and/or dual enrollment options if available and appropriate) for students to have access to the general curriculum and to be educated with their nondisabled peers to the maximum extent appropriate.

CONTRACTOR and LEA shall ensure that LRE placement options are addressed at all IEP team meetings regarding students for whom ISAs have been or may be executed. This shall include IEP team consideration of supplementary aids and services and goals and objectives necessary for placement in the LRE and necessary to enable students to transition to less restrictive settings.

When an IEP team has determined that a student should be transitioned into the public school setting, CONTRACTOR shall assist LEA in implementing the IEP team’s recommendations and/or activities to support the transition.

28. STATEWIDE ACHIEVEMENT TESTING

When CONTRACTOR is a nonpublic school, CONTRACTOR shall administer all Statewide assessments within the California Assessment of Student Performance and Progress (“CAASPP”), Desired Results Developmental Profile (“DRDP”), California Alternative Assessment (“CAA”), achievement and abilities tests (using LEA-authorized assessment instruments), the Fitness Gram, California English Language Development Test (“CELDT”), and the English Language Proficiency Assessments for California (“ELPAC”), as appropriate to the student and mandated by LEA pursuant to LEA and state and Federal guidelines.

CONTRACTOR is subject to the alternative accountability system developed pursuant to California Education Code section 52052, in the same manner as public schools. Each LEA student placed with CONTRACTOR by the LEA shall be tested by qualified staff of CONTRACTOR in accordance with that accountability program. LEA shall provide test administration training to CONTRACTOR’S qualified staff. CONTRACTOR shall attend LEA test training and comply with completion of all coding requirements as required by LEA.

29. MANDATED ATTENDANCE AT LEA MEETINGS

CONTRACTOR shall attend LEA mandated meetings when legal mandates, and/or LEA policy and procedures are reviewed, including but not limited to the areas of: curriculum, high school graduation, standards-based instruction, behavior intervention, cultural and linguistic needs of students with disabilities, dual enrollment responsibilities, LRE responsibilities, transition services, standardized testing,

and IEPs. LEA shall provide CONTRACTOR with reasonable notice of mandated meetings. Attendance at such meetings does not constitute a billable service hour(s).

30. POSITIVE BEHAVIOR INTERVENTIONS AND SUPPORTS

CONTRACTOR shall comply with all requirements of California Education Code sections 56521.1 and 56521.2 regarding positive behavior interventions and supports. Failure to do so shall constitute sufficient good cause for termination of this Master Contract.

LEA students who exhibit behaviors that interfere with their learning or the learning of others must receive timely and appropriate assessments and positive supports and interventions in accordance with Federal and state law and implementing regulations. If the individualized education program (“IEP”) team determines that a student’s behavior impedes his or her learning or the learning of others, the IEP team is required to consider the use of positive behavioral interventions and supports, and other strategies, to address that behavior, consistent with Section 1414(d)(3)(B)(i) and (d)(4) of Title 20 of the United States Code and associated Federal regulations. This could mean that instead of developing a Behavior Intervention Plan (“BIP”), the IEP team may conclude it is sufficient to address the student’s behavioral problems through the development of behavioral goals and behavioral interventions to support those goals.

CONTRACTOR shall maintain a written policy consistent with California Education Code section 56521.1 regarding emergency interventions and Behavioral Emergency Reports (“BERs”). Further, CONTRACTOR shall affirmatively inform each of its employees about the policy and provide each employee a copy thereof. CONTRACTOR shall also ensure that all of its staff members are trained annually in crisis intervention and emergency procedures as related to appropriate behavior management strategies. Training includes certification with an approved SELPA crisis intervention program. Evidence of such training shall be submitted to the LEA at the beginning of the school year and within 6 days of any new hire.

Pursuant to California Education Code section 56521.1, emergency interventions shall not be used as a substitute for a BIP and shall not be employed longer than necessary to contain the behavior. Emergency interventions may only be used to control unpredictable, spontaneous behavior that poses clear and present danger of serious physical harm to the LEA student or others and that cannot be immediately prevented by a response less restrictive than the temporary application of a technique used to contain the behavior. If a situation requires prolonged use of an emergency intervention, staff must seek assistance from the school site administrator or a law enforcement agency, as suitable to the situation.

To prevent emergency interventions from being used in lieu of planned, systematic behavioral interventions, the parent, guardian, and residential care provider, if appropriate, shall be notified within one school day, if an emergency intervention is used or serious property damage occurs. CONTRACTOR shall immediately complete and maintain in the file of LEA student a BER which shall include all of the following: (1) The name and age of the individual with exceptional needs; (2) The setting and location of the incident; (3) The name of the staff or other persons involved; (4) A description of the incident and the emergency intervention used, and whether the LEA student is currently engaged in any systematic behavioral intervention plan; and (5) Details of any injuries sustained by LEA student or others, including staff, as a result of the incident. The BER shall immediately be forwarded to LEA for administrative action. CONTRACTOR shall also notify Parent within twenty-four (24) hours via telephone.

Consistent with the requirements of California Education Code section 56521.1(g), if a BER is written regarding an LEA student who does not have a behavior intervention plan, the designated responsible administrator shall, within two days, schedule an IEP team meeting to review the emergency report, to determine the necessity for a functional behavioral assessment, and to determine the necessity for an interim plan. The IEP team shall document the reasons for not conducting the functional behavioral assessment, not developing an interim plan, or both. Consistent with the requirements of California Education Code section 56521.1(h), if a behavioral emergency report is written regarding an LEA student who has a positive behavioral intervention plan, an incident involving a previously unseen serious behavior

problem, or where a previously designed intervention is ineffective, shall be referred to the IEP team to review and determine if the incident constitutes a need to modify the positive behavioral intervention plan.

Pursuant to Education Code section 56521.2, CONTRACTOR shall not authorize, order, consent to, or pay for the following interventions, or any other interventions similar to or like the following:

(1) Any intervention that is designed to, or likely to, cause physical pain, including, but not limited to, electric-shock; (2) An intervention that involves the release of noxious, toxic, or otherwise unpleasant sprays, mists, or substances in proximity to the face of the individual; (3) An intervention that denies adequate sleep, food, water, shelter, bedding, physical comfort, or access to bathroom facilities; (4) An intervention that is designed to subject, used to subject, or likely to subject, the individual to verbal abuse, ridicule, or humiliation, or that can be expected to cause excessive emotional trauma; (5) Restrictive interventions that employ a device, material, or objects that simultaneously immobilize all four extremities, including the procedure known as prone containment, except that prone containment or similar techniques may be used by trained personnel as a limited emergency intervention; (6) Locked seclusion, unless it is in a facility otherwise licensed or permitted by state law to use a locked room; (7) An intervention that precludes adequate supervision of the individual; (8) An intervention that deprives the individual of one or more of his or her senses. In the case of a child whose behavior impedes the child's learning or that of others, the IEP team shall consider the use of positive behavioral interventions and supports, and other strategies, to address that behavior, consistent with Section 1414(d)(3)(B)(i) and (d)(4) of Title 20 of the United States Code and associated Federal regulations.

All restraint practices must be reviewed and revised when they have an adverse effect on a student and are used repeatedly for an individual child, either on multiple occasions within the same classroom or multiple uses by the same individual. CONTRACTOR shall notify the student's parent/guardian when any type of physical or mechanical restraint or seclusion has been used. Upon the use of any type of physical or mechanical restraint or seclusions of a District student, CONTRACTOR shall complete a BER per the reporting and notification requirements listed above.

31. STUDENT DISCIPLINE

CONTRACTOR shall maintain and abide by a written policy for student discipline that is consistent with state and Federal law and regulations.

When CONTRACTOR seeks to remove a LEA student from his/her current educational placement for disciplinary reasons, CONTRACTOR shall submit a written discipline report within 24 hours to LEA and a manifestation IEP team meeting shall be scheduled. Written discipline reports shall include, but not be limited to: LEA student's name; the time, date, and description of the misconduct; the disciplinary action taken by CONTRACTOR; and the rationale for such disciplinary action. A copy of LEA student's behavior plan, if any, shall be submitted with the written discipline report. CONTRACTOR and LEA agree to participate in a manifestation determination at an IEP meeting no later than the tenth (10th) day of suspension. CONTRACTOR shall notify and invite LEA representatives to the IEP team meeting where the manifestation determination will be made.

32. IEP TEAM MEETINGS

An IEP team meeting shall be convened at least annually to evaluate: (1) the educational progress of each student placed with CONTRACTOR, including all state assessment results pursuant to the requirements of California Education Code section 52052; (2) whether or not the needs of the student continue to be best met at the nonpublic school and/or by the nonpublic agency; and (3) whether changes to the student's IEP are necessary, including whether the student may be transitioned to a public school setting. (Ed. Code §§ 56366(a)(2)(B)(i), (ii); 56345(b)(4).)

If an LEA student is to be transferred from a nonpublic school setting into a regular class setting in a public school for any part of the school day, the IEP team shall document, if appropriate, a description of activities provided to integrate the student into the regular education program, including the nature of each activity as

well as the time spent on the activity each day or week and a description of the activities provided to support the transition of the student from the special education program into the regular education program. Each student shall be allowed to provide confidential input to any representative of his or her IEP team. Except as otherwise provided in the Master Contract, CONTRACTOR and LEA shall participate in all IEP team meetings regarding LEA students for whom ISAs have been or may be executed. At any time during the term of this Master Contract, a parent, the CONTRACTOR or LEA may request a review of the student's IEP, subject to all procedural safeguards required by law, including reasonable notice given to, and participation of, the CONTRACTOR in the meeting. Every effort shall be made to schedule IEP team meetings at a time and place that is mutually convenient to the parent(s), the CONTRACTOR and LEA. CONTRACTOR shall provide to LEA, at no cost and prior to an annual or triennial IEP team meeting, documentation which shows progress on goals and any and all assessments and written assessment reports (including testing protocols) created by CONTRACTOR and any of its agents or subcontractors, upon request and/or pursuant to LEA policy and procedures. It is understood that attendance at an IEP meeting is part of CONTRACTOR'S professional responsibility and is not a billable service under this Master Contract.

It is understood that the CONTRACTOR shall utilize the Special Education Information System ("SEIS") or other comparable program/system as approved by LEA solely at LEA's discretion, for all IEP planning and progress reporting. LEA shall provide training for any nonpublic school and nonpublic agency to ensure access to SEIS or the comparable program/system designated and approved for use by LEA. The nonpublic school and/or nonpublic agency shall maintain confidentiality of all IEP data on SEIS or on the LEA-approved comparable program/system, and shall protect the password requirements of the system. When a student disenrolls from the nonpublic school or stops receiving services from the nonpublic agency, such CONTRACTOR shall discontinue use of SEIS and/or LEA-approved comparable program/system for that student.

Changes in any LEA student's educational program, including instruction, services, or instructional setting provided under this Master Contract may only be made on the basis of revisions to the student's IEP. In the event that the CONTRACTOR believes the student requires a change of placement, the CONTRACTOR may request a review of the student's IEP for the purpose of considering a change in the student's placement. Student is entitled to remain in the last agreed upon and implemented placement unless parent agrees otherwise or an interim alternative educational setting is deemed lawful and appropriate.

33. SURROGATE PARENTS AND FOSTER YOUTH

CONTRACTOR shall comply with all LEA surrogate parent assignments. A pupil in foster care shall be defined pursuant to California Education Code section 42238.01(b). The LEA shall annually notify the CONTRACTOR who the LEA has designated as the educational liaison for foster children. When a pupil in foster care is enrolled in a nonpublic school by the LEA any time after the completion of the pupil's second year of high school, the CONTRACTOR shall schedule the pupil in courses leading towards graduation based on the diploma requirements of the LEA unless provided notice otherwise in writing pursuant to Section 51225.1

34. DUE PROCESS PROCEEDINGS

CONTRACTOR shall fully participate in special education due process proceedings including mediations and hearings, as requested by LEA. CONTRACTOR shall also fully participate in the investigation and provision of documentation related to any complaint filed with the State of California, the Office for Civil Rights, or any other state and/or Federal governmental body or agency. Full participation shall include, but in no way be limited to, cooperating with LEA representatives to provide complete answers raised by any investigator and/or the immediate provision of any and all documentation that pertains to the operation of CONTRACTOR'S program and/or the implementation of a particular student's IEP/ISA.

35. COMPLAINT PROCEDURES

CONTRACTOR shall maintain and adhere to its own written procedures for responding to parent complaints. These procedures shall include annually notifying and providing parents of LEA students with appropriate information (including complaint forms) for the following: (1) Uniform Complaint Procedures pursuant to Title 5 of the California Code of Regulations section 4600 et seq.; (2) Nondiscrimination Policy pursuant to Title 5 of the California Code of Regulations section 4960(a); (3) Sexual Harassment Policy pursuant to California Education Code section 231.5; (4) Title IX Student Grievance Procedures pursuant to Title 34 of the Code of Federal Regulations sections 106.8 and 106.9; (5) Notice of Privacy Practices in compliance with Health Insurance Portability and Accountability Act (“HIPPA”), 45 C.F.R. § 164.520; and (6) Notification and Complaint Procedures for Disability Access, pursuant to 42 U.S.C. §§ 12101 *et seq.* CONTRACTOR shall include verification of these procedures to LEA.

36. LEA STUDENT PROGRESS REPORTS/REPORT CARDS AND ASSESSMENTS

Unless LEA requests in writing that progress reports be provided on a monthly basis, CONTRACTOR shall provide to parents, with a concurrent copy sent to LEA, at least four written progress reports/report cards. At a minimum, progress reports shall include progress over time towards IEP goals and objectives. A copy of the progress reports/report cards shall be maintained at the CONTRACTOR’S place of business.

CONTRACTOR shall also provide an LEA representative access to supporting documentation used to determine progress on any goal or objective, including but not limited to log sheets, chart notes, observation notes, data sheets, pre/post tests, rubrics and other similar data collection used to determine progress or lack of progress on approved goals, objectives, transition plans or behavior support and/or intervention plans. LEA may request copies of such data at any time within five years of the date of service. CONTRACTOR agrees to maintain the information for at least five years and also shall provide this data supporting progress within 5 business days of request. Additional time may be granted as needed by LEA.

CONTRACTOR shall complete academic or other assessment of a LEA student ten (10) days prior to LEA student’s annual or triennial review IEP team meeting for the purpose of reporting LEA student’s present levels of performance at the IEP team meeting as required by state and Federal laws and regulations and pursuant to LEA policies, procedures, and/or practices. Sufficient copies of reports, projected goals and/or any other relevant documents to be reviewed by the IEP team shall be provided to the District no later than five (5) business days prior to an annual or triennial IEP team meeting. CONTRACTOR shall maintain all supporting documentation including but not limited to test protocols and data collection, which shall be made available to LEA within 5 business days of request.

CONTRACTOR is responsible for all assessment costs regarding the updating of goals and objectives, progress reporting and the development of present levels of performance. All other assessments shall be provided by LEA unless LEA specifies in writing a request that CONTRACTOR perform such additional assessment. Such assessment costs may be added to the ISA and/or approved separately by LEA at LEA’s sole discretion.

It is understood that all billable hours must be in direct services to pupils as specified in the ISA. For nonpublic agency services, supervision provided by a qualified individual as specified in Title 5 of the California Code of Regulations section 3065, shall be determined as appropriate and included in the ISA. Supervision means the direct observation of services, data review, case conferencing and program design consistent with professional standards for each professional’s license, certification, or credential.

CONTRACTOR shall not charge LEA student’s parent(s) or LEA for the development or provision of progress reports, report cards, and/or any assessments, interviews, or attendance at any meetings, including but not limited to IEP meetings. It is understood that all billable hours have limits to those specified on the ISA consistent with the IEP. It is understood that copies of data collection notes, forms, charts and other such data are part of the pupil’s record and shall be made available to LEA upon written request.

37. TRANSCRIPTS

When CONTRACTOR is a nonpublic school, CONTRACTOR shall prepare transcripts at the close of each semester, or upon LEA student transfer, for LEA students in grades nine (9) through twelve (12) inclusive. CONTRACTOR shall submit all transcripts on LEA-approved forms to LEA student's school of residence for evaluation of progress toward completion of diploma requirements as specified in LEA Procedures. CONTRACTOR shall submit to LEA names of LEA students and their schools of residence for whom transcripts have been submitted as specified by LEA. All transcripts shall be maintained by CONTRACTOR and furnished to LEA upon request, consistent with the parameters of Sections 9 and 26 of this Master Contract.

38. LEA STUDENT CHANGE OF RESIDENCE

Upon enrollment, CONTRACTOR shall notify parents in writing of their obligation to notify CONTRACTOR of LEA student's change of residence. Within five (5) school days after CONTRACTOR becomes aware of a LEA student's change of residence, CONTRACTOR shall notify LEA, in writing, of LEA student's change of residence. CONTRACTOR shall maintain, and provide upon request by LEA, documentation of such notice to parents.

If CONTRACTOR had knowledge or should reasonably have had knowledge of LEA student's change of residence boundaries and CONTRACTOR fails to follow the procedures specified in this provision, LEA shall not be responsible for the costs of services delivered after LEA student's change of residence.

39. WITHDRAWAL OF LEA STUDENT FROM PROGRAM

CONTRACTOR shall immediately report, by telephone, with a follow-up written notification within five (5) business days to LEA Representative responsible for overseeing nonpublic schools and nonpublic agencies, and any other required representative from the California Department of Education, when a LEA student is withdrawn without prior notice from school and/or services. CONTRACTOR shall confirm such telephone call on LEA approved forms and submit to LEA and the Department of Education, if required, within five (5) business days of the withdrawal, including a student's change in residence to a residence outside of LEA service boundaries, and the student's discharge against professional advice from a Nonpublic School/Residential Treatment Center ("NPS/RTC"). CONTRACTOR shall assist LEA to verify potential dropouts three (3) times per year.

40. PARENT ACCESS

CONTRACTOR shall provide for reasonable parental access to LEA students and all facilities including, but not limited to, the instructional setting, recreational activity areas, meeting rooms and LEA student's living quarters. CONTRACTOR shall comply with any known court orders regarding parental visits and access to LEA students.

CONTRACTORS operating programs associated with a NPS/RTC shall cooperate with a parent's reasonable request for LEA student therapeutic visits in their home or at the NPS/RTC. CONTRACTOR shall require that parents obtain prior written authorization for therapeutic visits from the CONTRACTOR and the LEA at least thirty (30) days in advance. CONTRACTOR shall facilitate all parent travel and accommodations and provide travel information to the parent as appropriate. Payment by LEA for approved travel-related expenses shall be made directly through the LEA.

41. SERVICES AND SUPERVISION AND PROFESSIONAL CONDUCT

If CONTRACTOR provides services on a LEA public school campus, CONTRACTOR shall comply with California Penal Code section 627.1 *et seq.*, as well as all other LEA and campus-specific policies and procedures regarding visitors to/on school campuses. CONTRACTOR shall be responsible for the

purchase and provision of the supplies and assessment tools necessary to implement the provision of CONTRACTOR services on LEA public school campuses.

For services provided on a public school campus, sign in/out procedures shall be followed along with all procedures for being on campus consistent with school and LEA policy. It is understood that the public school credentialed classroom teacher is responsible for the educational program and all nonpublic agency service providers shall work collaboratively with the classroom teacher who shall remain in charge of the instructional program.

It is understood that all employees, subcontractors and volunteers of any certified nonpublic school or agency shall adhere to customary professional standards when providing services. All practices shall be within the scope of professional responsibility as defined in the professional code of conduct for each profession. Reports regarding student progress shall be consistent with the provision of the Master Contract.

CONTRACTOR providing services outside of the student's school as specified in the IEP shall ensure that at least one parent of the child or an adult caregiver with written and signed authority to make decisions in an emergency is present during provision of services. The names of any adult caregiver other than the parent shall be provided to LEA prior to the start of any home-based services, including written and signed authorization in emergency situations. The adult caregiver cannot also be an employee or volunteer associated with the NPS/NPA service provider. All problems and/or concerns reported by CONTRACTOR to parents or guardians, in either verbal or written form, shall be reported to LEA.

CONTRACTOR, if providing services in a student's home as specified in the IEP, shall assure that at least one parent of the child or an adult caregiver with written and signed authorization to make decisions in an emergency is present during the provision of services. The names of any adult caregiver other than the parent shall be provided to LEA prior to the start of any home based services, including written and signed authorization in emergency situations. The parent shall inform LEA of any changes of caregivers and provide written authorization for emergency situations. The adult caregiver cannot be an employee or volunteer associated with the nonpublic school or nonpublic agency service provider. Moreover, for services provided in a pupil's home as specified in the IEP, CONTRACTOR must assure that the parent or LEA-approved responsible adult is present during the provision of services. All problems and/or concerns reported to parents, both verbal and written, shall also be provided to the LEA.

42. LICENSED CHILDREN'S INSTITUTION ("LCI") CONTRACTORS AND RESIDENTIAL TREATMENT CENTER ("RTC") CONTRACTORS

If CONTRACTOR is a licensed children's institution ("LCI"), CONTRACTOR shall adhere to all legal requirements regarding educational placements for LCI students as stated in California Education Code sections 56366(a)(2)(C) and 56366.9, California Health and Safety Code section 1501.1(b), (AB1858, AB490 (Chapter 862, Statutes of 2003)) and the procedures set forth in LEA Procedures. A LCI shall not require that a pupil be placed in its nonpublic school as a condition of being placed in its residential facility.

If CONTRACTOR is a nonpublic, nonsectarian school that is owned, operated by, or associated with a LCI, CONTRACTOR shall provide to LEA, on a quarterly basis, a list of all LEA students, including those identified as eligible for special education. For those identified special education students, the list shall include: 1) special education eligibility at the time of enrollment and 2) the educational placement and services specified in each student's IEP at the time of enrollment.

If CONTRACTOR is a nonpublic, nonsectarian school that is owned, operated by, or associated with a residential treatment center (hereinafter referred to as "NPS/RTC"), CONTRACTOR shall adhere to all legal requirements under the Individuals with Disabilities Education Act ("IDEA"), 20 U.S.C. section 1411 *et seq.* and California Education Code section 56000, *et seq.*; amended and reorganized by the Individuals with Disabilities Education Improvement Act of 2004 ("IDEIA"), 20 U.S.C. section 1401(29); California Education Code section 56031; Title 5, California Code of Regulations section 3001 *et seq.*, Title 2,

California Code of Regulations section 60100 *et seq.* regarding the provision of counseling services, including residential care for students to receive a FAPE as set forth in LEA student's IEPs.

Unless placement is made pursuant to an Office of Administrative Hearings order or a lawfully executed agreement between LEA and parent, LEA is not responsible for the costs associated with nonpublic school placement until the date on which an IEP team meeting is convened, the IEP team determines that a nonpublic school placement is appropriate, and the IEP is signed by LEA student's parent or another adult with educational decision-making rights.

In addition to meeting the certification requirements of the State of California, a CONTRACTOR that operates a program outside of this state shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

43. STATE MEAL MANDATE

When CONTRACTOR is a nonpublic school, CONTRACTOR and LEA shall satisfy the State Meal Mandate under California Education Code sections 49530, 49530.5 and 49550.

44. MONITORING

CONTRACTOR shall allow LEA representatives access to its facilities for the purpose of periodic monitoring of each LEA student's instructional program, and shall be invited to participate in the formal review of each student's progress. LEA representatives shall have access to observe each LEA student at work, observe the instructional setting, interview CONTRACTOR, and review each LEA student's records and progress. Such access shall include unannounced monitoring visits. When making site visits, LEA shall initially report to CONTRACTOR'S site administrative office. CONTRACTOR shall be invited to participate in the review of each student's progress.

If CONTRACTOR is also a LCI and/or NPS/RTC, CDE shall annually evaluate whether CONTRACTOR is in compliance with California Education Code section 56366.9 and California Health and Safety Code section 1501.1(b). LEA may also conduct its own on-site review of a NPS using the LEA's Quality On-Site NPS Review Rubric.

The State Superintendent of Public Instruction ("Superintendent") shall monitor CONTRACTOR'S facilities, the educational environment, and the quality of the educational program, including the teaching staff, the credentials authorizing service, the standards-based core curriculum being employed, and the standards-focused instructional materials used on a three-year cycle, as follows: (1) CONTRACTOR shall complete a self-review in year one; (2) the Superintendent shall conduct an onsite review in year two; and (3) the Superintendent shall conduct a follow-up visit in year three.

CONTRACTOR shall fully participate in any LEA and CDE compliance review, if applicable, to be conducted as aligned with the CDE Onsite Review and monitoring cycle in accordance with California Education Code section 56366.1(j). This review will address programmatic aspects of the nonpublic school/agency, compliance with relevant state and Federal regulations, and Master Contract compliance. If requested by LEA, CONTRACTOR shall complete and submit a Nonpublic School/Agency Self-Review Assessment submitted as specified by LEA. CONTRACTOR shall conduct any follow-up or corrective action procedures related to review findings.

CONTRACTOR understands that LEA reserves the right to institute a program audit with or without cause. The program audit may include, but is not limited to, a review of core compliance areas of health and safety; curriculum/instruction; related services; and contractual, legal, and procedural compliance.

When CONTRACTOR is a nonpublic school, CONTRACTOR shall collect all applicable data and prepare the applicable portion of a School Accountability Report Card in accordance with California Education Code Section 33126.

PERSONNEL

45. CLEARANCE REQUIREMENTS

CONTRACTOR shall comply with the requirements of California Education Code sections 44237, 35021.1 and 35021.2 including, but not limited to: obtaining clearance from both the California Department of Justice (“CDOJ”) and clearance from the Federal Bureau of Investigation (hereinafter referred to as "FBI") for all of CONTRACTOR’S employees and volunteers who will have or likely may have any direct contact with LEA students. CONTRACTOR hereby agrees that CONTRACTOR’S employees and volunteers shall not come in contact with LEA students until both CDOJ and FBI clearance are ascertained. CONTRACTOR shall further certify in writing to LEA that none of its employees, volunteers, or subcontractors who will have, or likely may have any direct contact with LEA students, have been convicted of a violent or serious felony as those terms are defined in California Education Code section 44237(h), unless despite the employee’s conviction of a violent or serious felony, he or she has met the criteria to be eligible for employment pursuant to California Education Code section 44237(i) or (j). Clearance certification shall be submitted to LEA. In addition, CONTRACTOR shall make a request for subsequent arrest service from the CDOJ as required by California Penal Code section 11105.2.

The passage of AB 389 amends California Education Code sections 44237 and 56366.1 as to the verification that the CONTRACTOR has received a successful criminal background check clearance and has enrolled in subsequent arrest notification service, as specified, for each owner, operator, and employee of the nonpublic, nonsectarian school or agency. Further this bill deletes the exemption for applicants possessing a valid California state teaching credential or who are currently licensed by another state agency that requires a criminal record summary, from submitting 2 sets of fingerprints for the purpose of obtaining a criminal record summary from the California Department of Justice (“CDOJ”) and the Federal Bureau of Investigation (“FBI”). Notwithstanding the restrictions on sharing and destroying criminal background check information, CONTRACTOR, upon demand, shall make available to the LEA evidence of a successful criminal background check clearance and enrollment in subsequent arrest notification service, as provided, for each owner, operator, and employee of the nonpublic, nonsectarian school or agency. CONTRACTOR is required to retain the evidence on-site, as specified, for all staff, including those licensed or credentialed by another state agency. Background clearances and proof of subsequent arrest notification service as required by California Penal Code section 11105.2 for all staff shall be provided to LEA upon request.

46. STAFF QUALIFICATIONS

CONTRACTOR shall ensure that all individuals employed, contracted, and/or otherwise hired by CONTRACTOR to provide classroom and/or individualized instruction or related services are qualified as defined in Section 7(d) of this Mater Contract, including but not limited to holding a license, certificate, permit, or other document equivalent to that which staff in a public school are required to hold to render the service consistent with California Education Code section 56366.1(n)(1) and are qualified pursuant to Title 34 of the Code of Federal Regulations sections 200.56 and 200.58 and Title 5 of the California Code of Regulations, sections 3064 and 3065. Such qualified staff may only provide related services within the scope of their professional license, certification or credential and ethical standards set by each profession and not assume responsibility or authority for another related services provider or special education teacher’s scope of practice.

CONTRACTOR shall ensure that all staff are appropriately credentialed to provide instruction and/or services to students with the disabling conditions placed in their program/school through documentation provided to the CDE. (Cal. Code Regs., tit. 5, § 3064(a).)

When CONTRACTOR is a nonpublic school, an appropriately qualified person shall serve as curricular and instructional leader, and be able to provide leadership, oversight and professional development.

Only those nonpublic, nonsectarian schools or agencies located outside of California that employ staff who hold a current valid credential or license to render special education and related services as required by that state shall be eligible to be certified.

CONTRACTOR shall comply with personnel standards and qualifications regarding instructional aides and teacher assistants respectively pursuant to Federal requirements and California Education Code sections 45340 *et seq.* and 45350 *et seq.* All paraprofessionals, including, but not limited to instructional aides and teacher assistants, employed, contracted, and/or otherwise hired or subcontracted by CONTRACTOR to provide classroom and/or individualized instruction or related services, shall possess a high school diploma (or its recognized equivalent) and at least one of the following qualifications: (a) completed at least two (2) years of study at an institution of higher education; or (b) obtained an associate's (or higher) degree; or (c) met a rigorous standard of quality and can demonstrate, through a formal state or local assessment (i) knowledge of, and the ability to assist in instructing, reading, writing, and mathematics; or (ii) knowledge of, and the ability to assist in instructing, reading readiness, writing readiness, and mathematics readiness, as appropriate. CONTRACTOR shall comply with all laws and regulations governing the licensed professions, including but not limited to, the provisions with respect to supervision.

In addition to meeting the certification requirements of the State of California, a CONTRACTOR that operates a program outside of this State and serving a LEA student shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

47. VERIFICATION OF LICENSES, CREDENTIALS AND OTHER DOCUMENTS

CONTRACTOR shall submit to LEA a staff list, and copies of all current licenses, credentials, certifications, permits and/or other documents which entitle the holder to provide special education and/or related services by individuals employed, contracted, and/or otherwise hired or sub-contracted by CONTRACTOR. CONTRACTOR shall ensure that all licenses, credentials, permits or other documents are on file at the office of the County Superintendent of Schools. CONTRACTOR shall notify LEA in writing within thirty (30) days when personnel changes occur which may affect the provision of special education and/or related services to LEA students as specified in LEA Procedures. Within thirty (30) days, CONTRACTOR shall provide LEA with the verified dates of fingerprint clearance, Department of Justice clearance and Tuberculosis Test clearance for all employees, approved subcontractors and/or volunteers prior to such individuals starting to work with any student.

CONTRACTOR shall monitor the status of licenses, credentials, certifications, permits and/or other documents for all individuals employed, contracted, and/or otherwise hired by CONTRACTOR. CONTRACTOR shall notify LEA and CDE in writing within thirty (30) days when personnel changes occur which may affect the provision of special education and/or related services to LEA students. CONTRACTOR shall notify LEA within thirty (30) days if any such licenses, certifications or waivers are expired, suspended, revoked, rescinded, challenged pursuant to an administrative or legal complaint or lawsuit, or otherwise nullified during the effective period of this Master Contract. LEA shall not be obligated to pay for any services provided by a person whose such licenses, certifications or waivers are expired, suspended, revoked, rescinded, or otherwise nullified during the period during which such person is providing services under this Master Contract. Failure to notify LEA of changes in licenses, certifications or suspensions shall be good cause for termination of this Master Contract by LEA.

Failure to notify LEA and CDE of any changes in credentialing/licensed staff may result in suspension or revocation of CDE certification and shall also suffice as good cause for the suspension or termination of this Master Contract by LEA.

48. STAFF ABSENCE

When CONTRACTOR is a nonpublic school and CONTRACTOR’S classroom teacher is absent, CONTRACTOR shall provide an appropriately credentialed substitute teacher in the absent teacher’s classroom in accordance with California Education Code section 56061. CONTRACTOR shall provide to LEA documentation of substitute coverage on LEA substitute teacher log. Substitute teachers shall remain with their assigned class during all instructional time. LEA shall not be responsible for any payment for instruction and/or services when an appropriately credentialed substitute teacher is not provided.

When CONTRACTOR is a nonpublic agency and/or related services provider, and CONTRACTOR’S service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section seven (7) of this Master Contract and as determined by LEA) substitute, unless LEA provides appropriate coverage in lieu of CONTRACTOR’S service providers. It is understood that the parent of a student shall not be deemed to be a qualified substitute for his/her student. LEA will not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of “make-up” services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided. CONTRACTOR shall not “bank” or “carry over” make up service hours under any circumstances, unless otherwise agreed to in writing by CONTRACTOR and an authorized LEA representative.

49. STAFF PROFESSIONAL BEHAVIOR WHEN PROVIDING SERVICES AT SCHOOL OR SCHOOL RELATED EVENTS OR AT SCHOOL FACILITY AND/OR IN THE HOME

It is understood that all employees, subcontractors, and volunteers of any certified nonpublic school or nonpublic agency shall adhere to the customary professional and ethical standards when providing services. All practices shall only be within the scope of professional responsibility as defined in the professional code of conduct for each profession as well as any LEA professional standards as specified in Board policies and/or regulations when made available to the CONTRACTOR.

For services provided on a public school campus, sign in/out procedures shall be followed by nonpublic agency providers working in a public school classroom along with all other procedures for being on campus consistent with school and LEA policy. Such policies and procedures shall be made available to CONTRACTOR upon CONTRACTOR’S request. It is understood that the public school credentialed classroom teacher is responsible for the instructional program, and all nonpublic agency service providers shall work collaboratively with the classroom teacher, who shall remain in charge of the instructional program. Failure to comply with this and all LEA requirements in this regard shall be sufficient cause to terminate this Master Contract.

For services provided in a pupil’s home as specified in the IEP, CONTRACTOR must assure that the parent or an LEA-approved responsible adult is present during the provision of services. All problems and/or concerns reported to parents, both verbal and written shall also be provided to LEA. It is understood that unless otherwise agreed to by LEA, a public school credentialed teacher is responsible for the instructional program and all nonpublic agency related service providers shall work collaboratively with the teacher who shall remain in charge of supervising the instructional program.

HEALTH AND SAFETY MANDATES

50. HEALTH AND SAFETY

CONTRACTOR shall comply with all applicable Federal, state, local, and LEA laws, regulations, ordinances, policies, and procedures regarding student and employee health and safety. CONTRACTOR shall comply with the requirements of California Education Code sections 35021 *et seq.*, and 49406, and California Health and Safety Code section 121545 regarding the examination of CONTRACTOR’S employees and volunteers for tuberculosis. CONTRACTOR shall provide to LEA documentation for each

individual volunteering, employed, contracted, and/or otherwise hired by CONTRACTOR of such compliance before an individual comes in contact with an LEA student.

CONTRACTOR shall comply with OSHA Blood Borne Pathogens Standards, Title 29 of the Code of Federal Regulations section 1910.1030, when providing medical treatment or assistance to a student. CONTRACTOR further agrees to provide annual training regarding universal health care precautions and to post required notices in areas designated in the California Health and Safety Code.

51. FACILITIES AND FACILITIES MODIFICATIONS

CONTRACTOR shall provide special education and/or related services to LEA students in facilities that comply with all applicable Federal, state, and local laws, regulations, and ordinances related, but not limited to disability access, fire, health, sanitation, and building standards and safety, fire warning systems, zoning permits and occupancy capacity. When CONTRACTOR is a nonpublic school, CONTRACTOR shall conduct fire drills as required by Title 5 of the California Code of Regulations section 550. During the duration of this Agreement, if CONTRACTOR is subject to fines, penalties and findings of non-compliance, CONTRACTOR shall assume any and all responsibilities for payment of such financial obligations. CONTRACTOR shall also be fully responsible for any structural changes and/or modifications to CONTRACTOR'S facilities as required to comply with applicable Federal, state, and local laws, regulations, and ordinances. Failure to notify LEA or CDE of any changes in, major modification or relocation of facilities may result in the suspension or revocation of CDE certification and/or suspension or termination of this Master Contract by LEA.

In signing this Agreement, CONTRACTOR certifies that its facilities either comply with Federal and state and local laws regarding disability access, or possesses and has available upon demand, a self-evaluation and/or transition plan in accordance with said laws.

52. ADMINISTRATION OF MEDICATION

CONTRACTOR shall comply with the requirements of California Education Code section 49423 when CONTRACTOR serves a LEA student that is required to take prescription and/or over-the-counter medication during the school day. CONTRACTOR may designate personnel to assist a LEA student with the administration of such medication after LEA student's parent(s) provide(s) to CONTRACTOR: (a) a written statement from a physician detailing the type, administration method, amount, and time schedules by which such medication shall be taken; and (b) a written statement from LEA student's parent(s) granting CONTRACTOR permission to administer medication(s) as specified in the physician's statement. CONTRACTOR shall maintain, and provide to LEA upon request, copies of such written statements. CONTRACTOR shall maintain a written log for each LEA student to whom medication is administered. Such written log shall specify a LEA student's name, the type of medication, the date, time, and amount of each administration, and the name of CONTRACTOR'S employee who administered the medication. CONTRACTOR maintains full responsibility for assuring appropriate staff training in the administration of such medication consistent with student's physician's written orders. Any change in medication type, administration method, amount or schedule must be authorized by both a licensed physician and parent.

In the event there is a LEA student who is on a prescription medication regimen, the CONTRACTOR is to: (a) first obtain a copy of the appropriate medication authorization form available from LEA student's primary regional or site nurse; or (b) in the event the student does not take prescription medication during the school day, but would only take such medication while in the care, custody and control of the CONTRACTOR, prior to the commencement of services to LEA student, CONTRACTOR is to obtain a signed copy of the appropriate medication authorization form from the District. Both the District and CONTRACTOR shall retain a copy of the Authorization.

53. INCIDENT/ACCIDENT REPORTING

CONTRACTOR shall electronically submit, within 24 hours, any accident or incident report to LEA. CONTRACTOR shall properly submit accident or incident reports as required by the District.

54. CHILD ABUSE REPORTING

CONTRACTOR hereby agrees to annually train all staff members, including volunteers, so that they are familiar with and agree to adhere to its own child and dependent adult abuse reporting obligations and procedures as specified in California Penal Code section 11164 *et seq.* and California Education Code section 44691. To protect the privacy rights of all parties involved (i.e. reporter, child and alleged abuser), reports will remain confidential as required by law and professional ethical mandates. A written statement acknowledging the legal requirements of such reporting and verification of staff adherence to such reporting shall be submitted to LEA.

CONTRACTOR is to read and become familiar with the District's *Mandated Child Abuse and Neglect Reporting Manual*. In the event there is a suspicion of abuse conducted by anyone (students, staff, contractor or others) on or off campus, CONTRACTOR is to file the appropriate report to the Sacramento County Sheriff. CONTRACTOR is also to confidentially notify the Risk Management Department ("Risk Manager") of the report. CONTRACTOR is to cooperate with any investigation conducted by the District in connection with such report.

55. SEXUAL HARASSMENT

CONTRACTOR shall have a Sexual and Gender Identity Harassment Policy that clearly describes the kinds of conduct that constitute sexual harassment and that is prohibited by the CONTRACTOR'S policy, as well as Federal and state law. The policy should include procedures to make complaints without fear of retaliation and procedures for prompt and objective investigations of all sexual harassment complaints. CONTRACTOR further agrees to provide annual training to all employees regarding the laws concerning sexual harassment and related procedures.

56. REPORTING OF MISSING CHILDREN

CONTRACTOR assures LEA that all staff members, including volunteers and any independent contractor and/or subcontractor authorized pursuant to this Master Contract, are familiar with and agree to adhere to requirements for reporting missing children as specified in California Education Code section 49370 *et seq.* A written statement acknowledging the legal requirements of such reporting and verification of staff adherence to such reporting shall be properly submitted to LEA. The written statement shall be submitted as specified by LEA.

FINANCIAL

57. ENROLLMENT, CONTRACTING, SERVICE TRACKING, ATTENDANCE REPORTING, AND BILLING PROCEDURES

CONTRACTOR shall assure that the nonpublic school or nonpublic agency has the necessary financial resources to provide an appropriate education for the students enrolled and will distribute those resources in such a manner to implement the IEP and ISA for each and every student.

CONTRACTOR shall comply with all LEA procedures concerning enrollment, contracting, attendance reporting, service tracking and billing, including requirements of electronic billing, as specified by LEA Procedures. CONTRACTOR shall be paid for the provision of special education and/or related services specified in LEA student's IEP and ISA which are provided on billable days of attendance. All payments by LEA shall be made in accordance with the terms and conditions of this Master Contract and in compliance with LEA Procedures, and will be governed by all applicable Federal and state laws.

CONTRACTOR shall maintain separate registers for the basic education program, each related service, and services provided by instructional assistants, behavior intervention aides and bus aides. Original attendance forms (i.e., roll books for the basic education program service tracking documents and notes for instructional assistants, behavioral intervention aides, bus aides, and each related service) shall be completed by the actual service provider whose signature shall appear on such forms and shall be available for review, inspection, or audit by LEA during the effective period of this Master Contract and for a period of five (5) years thereafter. CONTRACTOR shall verify the accuracy of minutes of reported attendance that is the basis of services being billed for payment.

CONTRACTOR shall submit invoices and related documents to LEA for payment for each calendar month when education or related services were provided. Invoices and related documents shall be properly submitted electronically and, in addition, on a LEA form with signatures in the manner prescribed by LEA. Contractor will submit invoices using the format provided by LEA. At the request of LEA, invoices may require the following information: Name of LEA student for whom service was provided; the type of service provided; (if payment for assessment is approved by LEA pursuant to Section 36 of this Master Contract, the invoice must describe whether the assessment was prepared for an initial, annual, amended, or triennial IEP); month of service; specific dates (date, month, year and times) of services coordinated pursuant to LEA-approved calendar unless otherwise specified in the IEP or agreed to by LEA; name of staff who provided the service and that individual's licensing and credentials; approved cost of each invoice; total for each service and total for the monthly invoice; date invoice was mailed; signature of the nonpublic school/nonpublic agency administrator authorizing that the information is accurate and consistent with the ISA, CDE certificates and staff notification; verification that attendance report is attached as appropriate; indication of any made-up session consistent with this Master Contract; and verification that progress reports have been provided consistent with the ISA (consistent with IEP benchmark dates, unless otherwise specified on the ISA); and name or initials of each student for when the service was provided. In the event services were not provided, rationale for why the services were not provided shall be included.

Such an invoice is subject to all conditions of this Master Contract. At the discretion of LEA, an electronic invoice may be required provided such notice has been made in writing and training provided to the CONTRACTOR at no additional charge for such training.

Invoices shall be submitted no later than thirty (30) days after the end of the attendance accounting period in which the services were rendered. LEA shall make payment to CONTRACTOR based on the number of billable days of attendance and hours of service at rates specified in this Master Contract within forty-five (45) days of LEA's receipt of properly submitted hard copy of invoices prepared and submitted as specified in California Education Code Section 56366.5. CONTRACTOR shall correct deficiencies and submit re-billing invoices no later than thirty (30) calendar days after the invoice is returned by LEA. LEA shall pay properly submitted re-billing invoices no later than forty-five (45) days after the date a completely corrected re-billing invoice is received by LEA.

In no case shall initial payment claim submission for any Master Contract fiscal year (July through June) extend beyond December 31st after the close of the fiscal year. In no case shall any re-billing for the Master Contract fiscal year (July through June) extend beyond six (6) months after the close of the fiscal year unless approved by LEA to resolve billing issues including re-billing issues directly related to a delay in obtaining information from the Commission on Teacher Credentialing regarding teacher qualification, but no later than twelve (12) months from the close of the fiscal year. If the billing or re-billing error is the responsibility of LEA, then no limit is set provided that LEA and CONTRACTOR have communicated such concerns in writing during the twelve-month period following the close of the fiscal year. LEA will not pay mileage for NPA employee.

58. RIGHT TO WITHHOLD PAYMENT

LEA may withhold payment to CONTRACTOR when: (a) CONTRACTOR has failed to perform, in whole or in part, under the terms of this Contract; (b) CONTRACTOR has billed for services rendered on days other than billable days of attendance or for days when student was not in attendance and/or did not receive services; (c) CONTRACTOR was overpaid by LEA as determined by inspection, review, and/or audit of its program, work, and/or records; (d) CONTRACTOR has failed to provide supporting documentation with an invoice; (e) education and/or related services are provided to LEA students by personnel who are not appropriately credentialed, licensed, or otherwise qualified; (f) LEA has not received, prior to school closure or contract termination, all documents concerning one or more LEA students enrolled in CONTRACTOR'S educational program; (g) CONTRACTOR fails to confirm a student's change of residence to another district or confirms the change or residence to another district, but fails to notify LEA within five (5) days of such confirmation; (h) CONTRACTOR receives payment from Medi-Cal or from any other agency or funding source for a service provided to a LEA student; or (i) CONTRACTOR fails to provide the required liability/insurance documentation as outlined in Section 15 of this Master Contract. It is understood that no payments shall be made for any invoices that are not received by six (6) months following the close of the prior fiscal year, for services provided in that year.

Final payment to CONTRACTOR in connection with the cessation of operations and/or termination of a Master Contract will be subject to the same documentation standards described for all payment claims for regular ongoing operations. In addition, final payment may be withheld by LEA until completion of a review or audit, if deemed necessary by LEA. Such review or audit will be completed within ninety (90) days. The final payment may be adjusted to offset any previous payments to the CONTRACTOR determined to have been paid in error or in anticipation of correction of documentation deficiencies by the CONTRACTOR that remain uncorrected.

The amount which may be withheld by LEA with respect to each of the subparagraphs of the preceding paragraph are as follows: (a) the value of the service CONTRACTOR failed to perform; (b) the amount of overpayment; (c) the entire amount of the invoice for which satisfactory documentation has not been provided by CONTRACTOR; (d) the amount invoiced for services provided by the individual not appropriately credentialed, licensed, or otherwise qualified; (e) the proportionate amount of the invoice related to the applicable pupil for the time period from the date the violation occurred and until the violation is cured; or (f) the amount paid to CONTRACTOR by Medi-Cal or another agency or funding source for the service provided to LEA student.

If LEA determines that cause exists to withhold payment to CONTRACTOR, LEA shall, within ten (10) business days of this determination, provide to CONTRACTOR written notice that LEA is withholding payment. Such notice shall specify the basis or bases for LEA's withholding payment and the amount to be withheld. Within thirty (30) days from the date of receipt of such notice, CONTRACTOR shall take all necessary and appropriate action to correct the deficiencies that form the basis for LEA's withholding payment or submit a written request for extension of time to correct the deficiencies. Upon receipt of CONTRACTOR'S written request showing good cause, LEA shall extend CONTRACTOR'S time to correct deficiencies (usually an additional thirty (30) days), otherwise payment will be denied.

If after subsequent request for payment has been denied and CONTRACTOR believes that payment should not be withheld, CONTRACTOR shall send written notice to LEA specifying the reason it believes payment should not be withheld. LEA shall respond to CONTRACTOR'S notice within thirty (30) business days by indicating that a warrant for the amount of payment will be made or stating the reason LEA believes payment should not be made. If LEA fails to respond within thirty (30) business days or a dispute regarding the withholding of payment continues after LEA's response to CONTRACTOR'S notice, CONTRACTOR may invoke the following escalation policy.

After forty-five (45) business days: The CONTRACTOR may notify the Authorized LEA's Representative of the dispute in writing. LEA Authorized Representative shall respond to the CONTRACTOR in writing within fifteen (15) business days.

After sixty (60) business days: Disagreements between LEA and CONTRACTOR concerning the Master Contract may be appealed to the County Superintendent of Schools or the State Superintendent of Public Instruction pursuant to the provisions of California Education Code Section 56366(c)(2).

59. PAYMENT FROM OUTSIDE AGENCIES

CONTRACTOR shall notify LEA when Medi-Cal or any other agency is billed for the costs associated with the provision of special education and/or related services to LEA students. Upon request, CONTRACTOR shall provide to LEA any and all documentation regarding reports, billing, and/or payment by Medi-Cal or any other agency for the costs associated with the provision of special education and/or related services to LEA students.

60. PAYMENT FOR ABSENCES

NONPUBLIC SCHOOL STAFF ABSENCE

Whenever a classroom teacher employed by CONTRACTOR is absent, CONTRACTOR shall provide an appropriately credentialed substitute teacher in the absent teacher's classroom in accordance with California Education Code section 56061. CONTRACTOR shall provide to LEA documentation of substitute coverage pursuant to LEA Procedures. Substitute teachers shall remain with their assigned class during all instructional time. LEA will not pay for instruction and/or services unless said instruction or service is provided by an appropriately credentialed substitute teacher.

Whenever a related service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section Seven (7) of this Master Contract and as determined by LEA) substitute. LEA will not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided unless otherwise agreed in LEA student's IEP.

NONPUBLIC SCHOOL STUDENT ABSENCE

If CONTRACTOR is a nonpublic school, no later than the tenth (10th) cumulative day of LEA student's unexcused absence, CONTRACTOR shall notify LEA of such absence as specified in LEA Procedures.

Criteria for a billable day for payment purposes is one day of attendance as defined in California Education Code sections 46010, 46010.3 and 46307. LEA shall not pay for services provided on days that a student's attendance does not qualify for Average Daily Attendance ("ADA") reimbursement under state law. *Per Diem* rates for students whose IEPs authorize less than a full instructional day may be adjusted on a pro rata basis in accordance with the actual proportion of the school day the student was served. LEA shall not be responsible for payment of related services for days on which a student's attendance does not qualify for ADA reimbursement under state law, nor shall student be eligible for make-up services.

NONPUBLIC AGENCY STAFF ABSENCE

When CONTRACTOR is a nonpublic agency and CONTRACTOR'S service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section Seven (7) of this Master Contract and as determined by LEA) substitute, unless LEA provides appropriate coverage in lieu of CONTRACTOR'S service providers. LEA shall not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided. CONTRACTOR shall not "bank" or "carry over" make up service hours under any circumstances, unless otherwise agreed to in writing by CONTRACTOR and LEA. In the event services were not provided, reasons for why the services were not provided shall be included.

NONPUBLIC AGENCY STUDENT ABSENCE

If CONTRACTOR is a nonpublic agency, it shall notify LEA of the absence of a LEA student no later than the fifth (5th) consecutive service day of the student's absence. LEA shall not be responsible for the payment of services when a student is absent.

61. INSPECTION AND AUDIT

CONTRACTOR shall maintain and LEA shall have the right to examine and audit all of the books, records, documents, accounting procedures and practices and other evidence that reflect all costs claimed to have been incurred or fees claimed to have been earned under this Agreement.

CONTRACTOR shall also provide LEA access to all records contemplated by Section 9 of this Master Contract. CONTRACTOR shall make all records available at the office of LEA or CONTRACTOR'S offices (to be specified by LEA), at all reasonable times and without charge. All records shall be provided to LEA within five (5) working days of a written request from LEA. CONTRACTOR shall, at no cost to LEA, provide assistance for such examination or audit. LEA's rights under this section shall also include access to CONTRACTOR'S offices for purposes of interviewing CONTRACTOR'S employees. If any document or evidence is stored in an electronic form, a hard copy shall be made available to LEA, unless LEA agrees to the use of the electronic format.

CONTRACTOR shall obtain from its subcontractors and suppliers written agreements to the requirements of this section and shall provide a copy of such agreements to LEA upon request by LEA.

If an inspection, review, or audit by LEA, a state agency, a Federal agency, and/or an independent agency/firm determines that CONTRACTOR owes LEA monies as a result of CONTRACTOR'S over billing or failure to perform, in whole or in part, any of its obligations under this Master Contract, LEA shall provide to CONTRACTOR written notice demanding payment from CONTRACTOR and specifying the basis or bases for such demand. Unless CONTRACTOR and LEA otherwise agree in writing, CONTRACTOR shall pay to LEA the full amount owed as a result of CONTRACTOR'S over billing and/or failure to perform, in whole or in part, any of its obligations under this Master Contract, as determined by an inspection, review, or audit by LEA, a state agency, a Federal agency, and/or an independent agency/firm. CONTRACTOR shall make such payment to LEA within thirty (30) days of receipt of LEA's written notice demanding payment.

62. RATE SCHEDULE

The attached rate schedules (Exhibits A and B) limit the number of LEA students that may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students that can be provided specific services. Per Diem rates for LEA students whose IEPs authorize less than a full instructional day may be adjusted proportionally. In such cases only, the adjustments in basic education rate shall be based on the required minimum number of minutes per grade level as noted in California Education Code sections 46200-46208.

Special education and/or related services offered by CONTRACTOR shall be provided by qualified personnel as per State and Federal law, and the codes and charges for such educational and/or related services during the term of this Master Contract, shall be as stated in Exhibits A and B.

When CONTRACTOR is a nonpublic school associated with a Residential Treatment Center ("NPS/RTC"), Educationally Related Mental Health Services ("ERMHS") are provided in an integrated, intensive, educationally related therapeutic residential setting which includes social emotional/behavior support through individual counseling, group counseling, family consultation and support, as appropriate. It is a collaborative model which includes educational professionals and related service providers, where all supports and services are integrated in the NPS/RTC program. Costs for ERMHS are all inclusive and combined with the daily rate as ERMHS+RB ("ERMHS + Room and Board"). ERMHS plus Room and Board payments are based on positive attendance (payable for up to a maximum of 365 days) only, with up

to a maximum of 10 days payment per student, per contract year, when a bed is unoccupied, for home visits of a therapeutic nature.

Any Nonpublic School (“NPS”) or residential facility requesting a change in rate for any services provided during a subsequent Master Contract year must make a request in writing to the Sacramento County SELPA Directors, with a copy sent to LEA Director, Douglas Phillips, or designee, by January 15th of each calendar year. Increases will only be considered for approval for entities that have received a positive review on the Quality On-Site NPS Review Rubric.

63. DEBARMENT CERTIFICATION

By signing this agreement, CONTRACTOR certifies that:

- (a) CONTRACTOR and any of its shareholders, partners, or executive officers are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency, and
- (b) Has/have not, within a three-year period preceding this contract, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.

The Parties hereto have executed this Master Contract by and through their duly authorized agents or representatives. This Master Contract is effective on the 1st day of July 2018 and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided herein.

CONTRACTOR
Point Quest Education - Lodi

Nonpublic School/Agency

By:

Signature Date

Ronda Jagers, CEO

Name and Title of Authorized
Representative

Notices to CONTRACTOR shall be addressed to:

Ronda Jagers, CEO

Name and Title

Point Quest Education

Nonpublic School/Agency/Related Service Provider
6600 44th Street

Address

Sacramento CA 95823

City State Zip

916-422-0571 916-422-0160

Phone Fax

Email*

(*Required)

LEA

Galt Joint Union Elementary School District

By:

Signature Date

By:

Lois Yount, Director of Business Services

Name and Title of Authorized
Representative

Notices to LEA shall be addressed to:

Donna Mayo-Whitlock

Galt Joint Union Elementary School District

LEA

1018 C Street, Suite 210

Address

Galt, CA 95632

City State Zip

209-744-4545, ext 303 209-744-4554

Phone Fax

dwhitlock@galt.k12.ca.us

Email

Additional LEA Notification

(Required if Completed)

Stephanie Gutierrez, Program Specialist

Name and Title

Galt Joint Union Elementary School District

LEA

1018 C Street, Suite 210

Address

Galt, CA 95632

City State Zip

209-744-4545, ext. 339 209-744-4554

Phone Fax

sgutierrez@galt.k12.ca.us

Email

EXHIBIT A: RATES - NON-PUBLIC SCHOOL ONLY – 2018-2019 CONTRACT YEAR

CONTRACTOR Point Quest Education - Lodi **CONTRACTOR NUMBER** -6- **2018-2019**
(NONPUBLIC SCHOOL) (CONTRACT YEAR)

Per CDE Certification, total enrollment may not exceed _____ **If blank, the number shall be as determine by CDE Certification.**

Rate Schedule. This rate schedule limits the number of LEA students who may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students who can be provided specific services. Special education and/or related services offered by CONTRACTOR, and the charges for such educational and/or related services during the term of this contract shall be as follows:

Payment under this contract may not exceed _____
 Total LEA enrollment may not exceed _____
 (per Master Contract Section 62)

A. Basic Education Program/Special Education Instruction
 Basic Education Program/Dual Enrollment

Rate	Period
161.97	Daily

Per diem rates for LEA students whose IEPs authorize less than a full instructional day shall be adjusted proportionally.

B. Related Services

(1)	a. Transportation – Round Trip (NPS only, unless otherwise agreed to by LEA)	35.00	Daily
	b. Transportation – One Way (NPS only, unless otherwise agreed to by LEA)		
	c. Transportation-Dual Enrollment		
	d. Public Transportation		
	e. Parent*		
(2)	a. Educational Counseling – Individual	Inc.	Inc.
	b. Educational Counseling – Group of	Inc.	Inc.
	c. Counseling – Parent		
(3)	a. Adapted Physical Education – Individual		
	b. Adapted Physical Education – Group of _____		
	c. Adapted Physical Education – Group of _____		
(4)	a. Language and Speech Therapy – Individual	100.00	Hourly
	b. Language and Speech Therapy – Group of 2	100.00	Hourly
	c. Language and Speech Therapy – Group of 3	100.00	Hourly
	d. Language and Speech Therapy – Per diem	100.00	Hourly
	e. Language and Speech - Consultation Rate	100.00	Hourly
(5)	a. Additional Instructional Assistant - Individual (must be authorized on IEP)	25.00	Hourly
	b. Additional Instructional Assistant – Group of 2		
	c. Additional Instructional Assistant – Group of 3		
(6)	Intensive Special Education Instruction**	25.00	Hourly
(7)	a. Occupational Therapy – Individual	110.00	Hourly
	b. Occupational Therapy – Group of 2	110.00	Hourly
	c. Occupational Therapy – Group of 3	110.00	Hourly
	d. Occupational Therapy – Group of 4 - 7	110.00	Hourly
	e. Occupational Therapy - Consultation Rate	110.00	Hourly
(9)	Physical Therapy		
(10)	a. Behavior Intervention – BII		
	b. Behavior Intervention – BID		
	Provided by: _____		
(11)	Nursing Services		
(12)	Other:		

*Parent transportation reimbursement rates are to be determined by LEA.

**By credentialed Special Education Teacher.

INDIVIDUAL SERVICES AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL SERVICES
(Education Code Sections 56365 *et seq.*)

This agreement is effective on ___ or the date student begins attending a nonpublic school if after the date identified, and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided in the Master Contract and by applicable law.

Local Education Agency (LEA)				Nonpublic School			
Address				Address			
City, State Zip				City, State, Zip			
LEA Case Manager				Phone		Fax	
				e-Mail			
Student Last Name		Student First Name		Program Contact Name		Stephanie Gutierrez	
				Phone		Fax	
D.O.B.		I.D. #		e-Mail			
Grade		Level		Sex	(X) M () F		
Parent/Guardian Last Name				Parent/Guardian First Name			
				Education Schedule – Regular School Year			
				Number of Days		Number of Weeks	
				Education Schedule – Extended School Year			
				Number of Days		Number of Weeks	
Address				Contract Begins		Ends	
City, State, Zip				Master Contract Approved by the Governing Board on			
Home Phone		Business					

DESIGNATED INSTRUCTION AND SERVICES / RELATED SERVICES:

SERVICES	PROVIDER				Cost and Duration of Session	Number of Sessions per wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	LEA	NPS	NPA	OTHER Specify			Reg School Year	ESY	
A. BASIC EDUCATION									
B. RELATED SERVICES									
1. Transportation a. Paid to NPS/A b. Reimburse parent									
2. Counseling a. Group b. Individual c. Family									
3. Adapted P.E.									
4. Speech/Language a. Group b. Individual									
5. Occupational Therapy a. Therapy b. Consultation									

B. RELATED SERVICES (cont'd)	Provider				Cost and Duration of Session	Number of Sessions per wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	LEA	NPS	NPA	OTHER Specify			Reg School Year	ESY	
6. Physical Therapy a. Therapy b. Consultation									
7. ABA a. Consult b. Direct c. Supervision d. Assessment									
8. One-to-One Aide									
9. Other									
						TOTAL COST		\$	

ESTIMATED MAXIMUM RELATED SERVICES COST \$ _____

SPECIALIZED EQUIPMENT/SUPPLIES _____ \$ _____

TOTAL ESTIMATED MAXIMUM BASIC EDUCATION AND RELATED SERVICES COSTS/SPECIALIZED EQUIPMENT/SUPPLIES \$ _____

4. Other Provisions/Attachments: _____

5. Progress Reporting Requirements: _____ Quarterly _____ Monthly _____ Other (Specify _____)

MASTER CONTRACT APPROVED BY THE GOVERNING BOARD ON _____

The Parties hereto have executed this Individual Services Agreement by and through their duly authorized agents or representatives as set forth below.

-CONTRACTOR-

-LEA-

(Name of Nonpublic School)

(Name of LEA)

(Signature)

(Date)

(Signature)

(Date)

(Name and Title)

(Name of Superintendent or Authorized Designee)

EXHIBIT B: RATES – NON-PUBLIC AGENCY ONLY – 2018-2019 CONTRACT YEAR

CONTRACTOR _____ CONTRACTOR NUMBER _____ CDE TOTAL ENROLLMENT ALLOWED _____

Rate Schedule. This rate schedule limits the number of LEA students who may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students who can be provided specific services. Special education and/or related services offered by CONTRACTOR, and the charges for such educational and/or related services during the term of this contract shall be as follows:

Payment under this contract may not exceed _____
 Total LEA enrollment may not exceed _____
 (per Master Contract Section 62)

SERVICE	DESCRIPTION	RATE
Language and Speech Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	\$ _____ Per Hour
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Occupational Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	\$ _____ Per Hour
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Physical Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	\$ _____ Per Hour Evals:
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Behavior Intervention Services	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on the work day for this discipline. Rate will be pro-rated if NPA staff works less than the identified work day: <i>Check the applicable work day:</i> <input type="checkbox"/> Full Work Day <input type="checkbox"/> Half Work Day	\$ _____ Per Diem
	DIRECT STUDENT AIDE 1:1 or small group, implementing behavior plan, data collection.	\$ _____ Per Hour
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s).	\$ _____ Per Hour
	SUPERVISING CONSULTANT: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s).	\$ _____ Per Hour
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting; attendance at IEP meetings.	\$ _____ Per Hour
Other:	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
		\$ _____ Per Hour

INDIVIDUAL SERVICES AGREEMENT FOR NONPUBLIC AGENCY SERVICES (Education Code Sections 56365 et seq.)

This Agreement is effective on _____ or the date student begins receiving services from a nonpublic agency, if after the date identified, and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided in the Master Contract and by applicable law.

SELPA INFORMATION	
Student Services	Program Contact:
	Program Contact Phone:
	Program Contact Fax:
	Program Contact E-mail:

NPA INFORMATION	
Nonpublic Agency:	Program Contact:
Address:	Program Contact Phone:
City/State/Zip	Program Contact Fax:
	Program Contact E-mail:

STUDENT INFORMATION			
Student Last:		Student First:	
DOB:	Grade:	Sex: () F () M	Student ID#:
Student Track:		Progress Reporting Requirements: (At least 4 per Section 36)	
# of Days Reg School Yr:	# of Days Ext School Yr:	() IEP Benchmark Dates () Other: _____	
Parent/Guardian Last:		Parent/Guardian First:	
Parent/Guardian Phone #1: ()-		Parent/Guardian Phone #2: ()-	
School Site:		SpEd Case Manager:	
Address:		SpEd Case Manager Phone: ()-	
City/Zip:		SpEd Case Manager Fax: ()-	
School Site Phone: ()-		SpEd Case Manager E-mail:	

CONTRACT INFORMATION		
ISA Begins:	ISA Ends:	Master Contract Approved by Governing Board on:

SERVICE INFORMATION									
	Direct Therapy Sessions/Duration per IEP Year		Consultation Sessions/Duration per IEP Year		Other Services per IEP Year		TOTAL Duration	COST Per Hour	Estimated Max Total for ISA Period
	Reg School YR	ESY	Reg School YR	ESY	Reg School YR	ESY			
Language and Speech Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Occupational Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Physical Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Behavior Intervention Services	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		

Other:	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
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The Parties hereto have executed this Individual Services Agreement by and through their duly authorized agents or representatives as set forth below.

-CONTRACTOR-

-LEA-

(Name of Nonpublic Agency)

(Name of LEA)

(Signature) _____
(Date)

(Signature) _____
(Date)

(Name and Title)

(Name of Superintendent or Authorized Designee)



Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632

209-744 4545 / 209-744-4553 fax / www.galt.k12.ca.us

Nonpublic, Non-Sectarian School/Agency Services

MASTER CONTRACT

#7

Children's Choice for Hearing & Talking (CCHAT)
Non-Public Agency

SACRAMENTO COUNTY SELPA

*NONPUBLIC, NONSECTARIAN
SCHOOL/AGENCY SERVICES*

MASTER CONTRACT

2018–2019

MASTER CONTRACT

GENERAL AGREEMENT FOR NONSECTARIAN,
NONPUBLIC SCHOOL AND AGENCY SERVICES

GALT JOINT UNION ELEMENTARY SCHOOL

District _____ DISTRICT _____

Contract Year 2018-2019

_____ Nonpublic School
X _____ Nonpublic Agency

Type of Contract:

 x Master Contract for fiscal year with Individual Service Agreements (ISA) to be approved throughout the term of this contract.

 Individual Master Contract for a specific student incorporating the Individual Service Agreement (ISA) into the terms of this Individual Master Contract specific to a single student.

 Interim Contract: an extension of the previous fiscal years approved contracts and rates. The sole purpose of this Interim Contract is to provide for ongoing funding at the prior year's rates for 90 days at the sole discretion of the District. Expiration Date: _____

When this section is included as part of any Master Contract, the changes specified above shall amend Section 4 – Term of Master Contract.

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LEA: GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

NONPUBLIC SCHOOL/AGENCY/RELATED SERVICES PROVIDER: CCHAT Center – Sacramento (Non-Public Agency Services)

NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES
MASTER CONTRACT

AUTHORIZATION FOR MASTER CONTRACT AND GENERAL PROVISIONS

1. MASTER CONTRACT

This Master Contract is entered into on September 27, 2018, between the **GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT** (hereinafter referred to as the local educational agency “LEA” or “District”) and **CCHAT CENTER – SACRAMENTO (Non-Public Agency Services)** (nonpublic, nonsectarian school or agency, hereinafter referred to as “CONTRACTOR”) for the purpose of providing special education and/or related services to LEA students with exceptional needs under the authorization of California Education Code sections 56157, 56361 and 56365 *et seq.* and Title 5 of the California Code of Regulations section 3000 *et seq.*, AB490 (Chapter 862, Statutes of 2003) and AB1858 (Chapter 914, Statutes of 2004). It is understood that this Master Contract does not commit LEA to pay for special education and/or related services provided to any LEA student, or CONTRACTOR to provide such special education and/or related services, unless and until an authorized LEA representative approves the provision of special education and/or related services by CONTRACTOR.

Upon acceptance of a student, LEA shall submit to CONTRACTOR an Individual Services Agreement (hereinafter referred to as “ISA”), and a Nonpublic Services Student Enrollment form. CONTRACTOR shall work with LEA to complete and return these forms to LEA prior to initiating any services for any student.

Unless otherwise agreed in writing, the ISA and the Nonpublic Services Student Enrollment form shall acknowledge CONTRACTOR’S obligation to provide all services specified in the student’s Individualized Education Plan (hereinafter referred to as “IEP”). The ISA shall be executed within ninety (90) days of an LEA student’s enrollment. LEA and CONTRACTOR shall enter into an ISA for each LEA student served by CONTRACTOR. As available and appropriate, LEA shall make available access to any electronic IEP system and/or electronic database for ISA development, including invoicing.

Unless placement is made pursuant to an Office of Administrative Hearings (hereinafter referred to as “OAH”) order, a lawfully executed agreement between LEA and parent, or authorized by LEA for a transfer student pursuant to California Education Code section 56325, LEA is not responsible for the costs associated with nonpublic school placement until the date on which an IEP team meeting is convened, the IEP team determines that a nonpublic school placement is appropriate, and the IEP is signed by LEA student’s parent.

2. CERTIFICATION AND LICENSES

CONTRACTOR shall be certified by the California Department of Education (hereinafter referred to as “CDE”) as a nonpublic, nonsectarian school/agency. All nonpublic school and nonpublic agency services shall be provided consistent with the area of certification specified by CDE Certification and as defined in California Education Code section 56366 *et seq.* and within the professional scope of practice of each provider’s license, certification and/or credential. A current copy of CONTRACTOR’S nonpublic school/agency certification or a waiver of such certification issued by the CDE pursuant to California

Education Code section 56366.2 must be provided to LEA on or before the date this Master Contract is executed by CONTRACTOR. This Master Contract shall be null and void if such certification or waiver is expired, revoked, rescinded, or otherwise nullified during the effective period of this Master Contract. Total student enrollment shall be limited to capacity as stated on the applicable CDE certification. Total LEA student enrollment shall be limited to capacity as stated in Section 24 of the Master Contract.

In addition to meeting the certification requirements of the state of California, a CONTRACTOR that operates a program outside of this state shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

If CONTRACTOR is a licensed children's institution (hereinafter referred to as "LCI"), CONTRACTOR shall be licensed by the state, or other public agency having delegated authority by contract with the state to license, to provide nonmedical care to children, including, but not limited to, individuals with exceptional needs. The LCI must also comply with all licensing requirements relevant to the protection of the child, and have a special permit, if necessary, to meet the needs of each child so placed. If the CONTRACTOR operates a program outside of this state, CONTRACTOR must obtain all required licenses from the appropriate licensing agency in both California and in the state where the LCI is located.

With respect to CONTRACTOR'S certification, failure to notify LEA and CDE of any changes in: (1) credentialed/licensed staff; (2) ownership; (3) management and/or control of the agency; (4) major modification or relocation of facilities; or (5) significant modification of the program may result in the suspension or revocation of CDE certification and shall also be good cause for the suspension or termination of this Master Contract by LEA.

3. COMPLIANCE WITH LAWS, STATUTES, REGULATIONS

During the term of this Master Contract, unless otherwise agreed, CONTRACTOR shall comply with all applicable Federal, state, and local statutes, laws, ordinances, rules, policies, and regulations. CONTRACTOR shall also comply with all applicable LEA policies and procedures unless CONTRACTOR and LEA specifically agree, in writing, that a policy or policies, or a portion of a policy, does/do not reasonably apply to CONTRACTOR. CONTRACTOR hereby acknowledges and agrees that it accepts all risks and responsibilities for its failure to comply with LEA policies and shall indemnify LEA under the provisions of Section 16 of this Agreement for all liability, loss, damage and expense (including reasonable attorneys' fees) resulting from or arising out of CONTRACTOR'S failure to comply with applicable LEA policies (e.g., those policies relating to the provision of special education and/or related services, facilities for individuals with exceptional needs, LEA student enrollment and transfer, LEA student inactive status, corporal punishment, student discipline, and positive behavior interventions).

CONTRACTOR acknowledges and understands that LEA may report to the CDE any violations of the provisions of this Master Contract, and that this may result in the suspension and/or revocation of CDE nonpublic school/agency certification pursuant to California Education Code section 56366.4(a).

4. TERM OF MASTER CONTRACT

The term of this Master Contract shall be from July 1, 2018 to June 30, 2019 unless otherwise stated. (Cal. Code Regs., tit. 5, § 3062(a).) Neither the CONTRACTOR nor LEA is required to renew this Master Contract in subsequent contract years. The parties acknowledge that any subsequent Master Contract is to be re-negotiated prior to June 30, 2019. In the event a subsequent Master Contract is not renegotiated by June 30, 2019, an interim contract may be made available as mutually agreed upon for up to 90 days from July 1 of the new fiscal year. (Cal. Code Regs., tit. 5, § 3062(d).) No Master Contract will be offered unless and until all of the contracting requirements have been satisfied. The offer of a Master Contract to a CONTRACTOR is at the sole discretion of LEA.

The provisions of this Master Contract apply to CONTRACTOR and any of its employees or independent contractors. Notice of any change in CONTRACTOR'S ownership or authorized representative shall be

provided in writing to LEA within thirty (30) calendar days of change of ownership or change of authorized representative.

5. INTEGRATION/CONTINUANCE OF CONTRACT FOLLOWING EXPIRATION OR TERMINATION

This Master Contract includes LEA Procedures and each Individual Services Agreement which are incorporated herein by this reference. This Master Contract supersedes any prior or contemporaneous written or oral understanding or agreement. This Master Contract may be amended only by written amendment executed by both parties. Notwithstanding the foregoing, LEA may modify LEA procedures from time to time without the consent of CONTRACTOR.

CONTRACTOR shall provide LEA with all information as requested in writing to secure a Master Contract or a renewal.

At a minimum, such information shall include copies of teacher credentials and clearance, insurance documentation, and CDE certification. LEA may require additional information as applicable. If the application packet is not completed and returned to LEA, no Master Contract will be issued. If CONTRACTOR does not return the Master Contract to LEA duly signed by an authorized representative within ninety (90) calendar days of issuance by LEA, the new contract rates will not take effect until the newly executed Master Contract is received by LEA and will not be retroactive to the first day of the new Master Contract's effective date. If CONTRACTOR fails to execute the new Master Contract within such ninety day period, all payments shall cease until such time as the new Master Contract for the current school year is signed and returned to LEA by CONTRACTOR. (Ed. Code §§ 56366(c)(1), (2).) In the event that this Master Contract expires or terminates, CONTRACTOR shall continue to be bound to all of the terms and conditions of the most recent executed Master Contract between CONTRACTOR and LEA for so long as CONTRACTOR is servicing authorized LEA students at the discretion of LEA.

6. INDIVIDUAL SERVICES AGREEMENT

This Master Contract shall include an ISA developed for each LEA student for whom CONTRACTOR is to provide special education and/or related services. An ISA shall only be issued for LEA students enrolled with the approval of LEA pursuant to California Education Code section 56366(a)(2)(A). An ISA may be effective for more than one contract year provided that there is a concurrent Master Contract in effect. In the event that this Master Contract expires or terminates, CONTRACTOR shall continue to be bound to all of the terms and conditions of the most recent executed ISAs between CONTRACTOR and LEA for so long as CONTRACTOR is servicing authorized LEA students.

Any and all changes to a LEA student's educational placement/program provided under this Master Contract and/or an ISA shall be made solely on the basis of a revision to LEA student's IEP. At any time during the term of this Master Contract, a LEA student's parent, CONTRACTOR, or LEA may request a review of a LEA student's IEP subject to all procedural safeguards required by law.

Unless otherwise provided in this Master Contract, the CONTRACTOR shall provide all services specified in the IEP unless the CONTRACTOR and LEA agree otherwise in the ISA. (Ed. Code § 56366(a)(5); Cal. Code Regs., tit. 5, § 3062(e).) In the event the CONTRACTOR is unable to provide a specific service at any time during the life of the ISA, the CONTRACTOR shall notify LEA in writing within five (5) business days of the last date a service was provided. CONTRACTOR shall provide any and all subsequent compensatory service hours awarded to an LEA student as a result of lack of provision of services while the student was served by the nonpublic school or agency.

If a parent or LEA contests the termination of an ISA by initiating a due process proceeding with the OAH, CONTRACTOR shall abide by the "stay-put" requirement of state and Federal law unless the parent and LEA voluntarily agree otherwise, or an interim alternative educational setting is deemed lawful by OAH consistent with section 1415(k) of Title 20 of the United States Code. CONTRACTOR shall adhere to all LEA requirements concerning changes in placement.

Disagreements between LEA and CONTRACTOR concerning the formulation of an ISA or the Master Contract may be appealed to the County Superintendent of Schools of the County where LEA is located, or the State Superintendent of Public Instruction pursuant to the provisions of California Education Code section 56366(c)(2).

7. DEFINITIONS

The following definitions shall apply for purposes of this contract:

- a. The term “CONTRACTOR” means a nonpublic, nonsectarian school/agency certified by the California Department of Education and its officers, agents, and employees.
- b. The term “authorized LEA representative” means a LEA administrator designated to be responsible for nonpublic school/agencies. It is understood that a representative of the Special Education Local Plan Area (“SELPA”) of which LEA is a member is an authorized LEA representative in collaboration with LEA. LEA maintains sole responsibility for the Master Contract, unless otherwise specified in the Master Contract.
- c. The term “credential” means a valid credential, life diploma, permit, or document in special education or Pupil Personnel Services issued by, or under the jurisdiction of, the California State Board of Education if issued prior to 1970 or the California Commission on Teacher Credentialing, which entitles the holder thereof to perform services for which certification qualifications are required as defined in Title 5 of the California Code of Regulations section 3001(g).
- d. As defined in Title 5 of the California Code of Regulations section 3001(r), the term "qualified" means that a person has met Federal and state certification, licensing, registration, or other comparable requirements which apply to the area in which he or she is providing special education or related services (including but not limited to, for example, the requirements set forth in Title 34 of the Code of Federal Regulations sections 200.56 and 200.58, California Code of Regulations, title 5, sections 3064 and 3065 and California Education Code section 56366.1(n)(1)), or, in the absence of such requirements, the state-education-agency–approved or recognized requirements, and adheres to the standards of professional practice established in Federal and state law or regulation, including the standards contained in the California Business and Professions Code and the scope of practice as defined by the licensing or credentialing body.) Nothing in this definition shall be construed as restricting the activities or services of a graduate needing direct hours leading to licensure, or of a student teacher or intern leading to a graduate degree at an accredited or approved college or university, as authorized by state laws or regulations.
- e. The term “license” means a valid non-expired document issued by a licensing agency within the Department of Consumer Affairs or other state licensing office authorized to grant licenses and authorizing the bearer of the document to provide certain professional services or refer to themselves using a specified professional title. This includes, but is not limited to mental health and board and care services at a residential placement. If a license is not available through an appropriate state licensing agency, a certificate of registration with the appropriate professional organization at the national or state level which has standards established for the certificate that are equivalent to a license shall be deemed to be a license as defined in Title 5 of the California Code of Regulations section 3001(l).
- f. “Parent” means a biological or adoptive parent unless the biological or adoptive parent does not have legal authority to make educational decisions for the child, a guardian generally authorized to act as the child’s parent or authorized to make educational decisions for the child, an individual acting in the place of a biological or adoptive parent, including a grandparent, stepparent, or other relative with whom the child lives, or an individual who is legally responsible for the child’s welfare, a surrogate parent, a foster parent if the authority of the biological or adoptive parent to

make educational decisions on the child's behalf has been specifically limited by court order in accordance with Title 34 of the Code of Federal Regulations sections 300.30(b)(1) or (2). Parent does not include the state or any political subdivision of government or the nonpublic school or agency under contract with LEA for the provision of special education or designated instruction and services for a child. (Ed. Code § 56028.)

- g. The term "days" means calendar days unless otherwise specified.
- h. The phrase "billable day" means a school day in which instructional minutes meet or exceed those in comparable LEA programs.
- i. The phrase "billable day of attendance" means a school day as defined in California Education Code section 46307, in which a LEA student is in attendance and in which instructional minutes meet or exceed those in comparable LEA programs unless otherwise stipulated in an IEP or ISA.
- j. It is understood that the term "Master Contract" also means "Agreement" and may be referred to as such in this document.

ADMINISTRATION OF CONTRACT

8. NOTICES

All notices provided for by this Master Contract shall be in writing. Notices shall be mailed or delivered by hand and shall be effective as of the date of receipt by addressee.

All notices mailed to LEA shall be addressed to the person and address as indicated on the signature page of the Master Contract. Notices to CONTRACTOR shall be addressed as indicated on signature page of this Master Contract.

9. MAINTENANCE OF RECORDS

All records shall be maintained by CONTRACTOR as required by state and Federal laws and regulations. Notwithstanding the foregoing sentence, CONTRACTOR shall maintain all records for at least five (5) years after the termination of this Master Contract. For purposes of this Master Contract, "records" shall include, but not be limited to pupil records as defined by California Education Code section 49061(b) including electronically stored information; cost data records as set forth in Title 5 of the California Code of Regulations section 3061; registers and roll books of teachers and/or daily service providers; chart notes, Medi-Cal logs, daily service logs and notes and other documents used to record the provision of related services including supervision; daily service logs and notes used to record the provision of services provided by instructional assistants, NPA behavior intervention aides, and bus aides and supervisors; absence verification records (parent/doctor notes, telephone logs, and related documents); bus rosters; staff lists specifying credentials held; business licenses held; documents evidencing other staff qualifications including social security numbers, dates of hire, and dates of termination; records of employee training and certification, staff time sheets; non-paid staff and volunteer sign-in sheets; transportation and other related services subcontracts; school calendars; bell/class schedules when applicable; liability and worker's compensation insurance policies; state nonpublic school and/or agency certifications; by-laws; lists of current board of directors/trustees, if incorporated; statements of income and expenses; general journals; cash receipts and disbursement books, general ledgers and supporting documents; documents evidencing financial expenditures; Federal/state payroll quarterly reports (Form 941/DE3DP); and bank statements and canceled checks or facsimile thereof.

CONTRACTOR shall maintain LEA student records in a secure location to ensure confidentiality and prevent unauthorized access. CONTRACTOR shall maintain a current list of the names and positions of CONTRACTOR'S employees who have access to confidential records. CONTRACTOR shall maintain an access log for each LEA student's record which lists all persons, agencies, or organizations requesting or receiving information from the record and the legitimate interests therefore. Such log shall be maintained

as required by California Education Code section 49064 and include the name, title, agency/organization affiliation, and date/time of access for each individual requesting or receiving information from LEA student's record. Such log needs not to record access to LEA student's records by: (a) LEA student's parent; (b) an individual to whom written consent has been executed by LEA student's parent; or (c) employees of LEA or CONTRACTOR having a legitimate educational interest in requesting or receiving information from the record. CONTRACTOR/LEA shall maintain copies of any written parental concerns granting access to student records. For purposes of this paragraph, "employees of LEA or CONTRACTOR" do not include subcontractors. CONTRACTOR shall grant parents access to student records and comply with parents' requests for copies of student records, as required by state and Federal laws and regulations. CONTRACTOR agrees, in the event of school or agency closure, to forward all records within ten (10) business days to LEA. LEA shall have access to and receive copies of any and all documents required to be maintained by CONTRACTOR within five (5) business days of a request.

10. SEVERABILITY CLAUSE

If any provision of this Master Contract is held, in whole or in part, to be unenforceable for any reason, the remainder of that provision and of the entire Master Contract shall be severable and remain in effect.

11. SUCCESSORS IN INTEREST

This contract binds CONTRACTOR'S successors and assignees. CONTRACTOR shall notify LEA, in writing, of any change of ownership or corporate control within ten (10) business days of such change.

12. VENUE AND GOVERNING LAW

The laws of the State of California shall govern the terms and conditions of this Master Contract with venue in the County where LEA is located.

13. MODIFICATIONS AND AMENDMENTS REQUIRED TO CONFORM TO LEGAL AND ADMINISTRATIVE GUIDELINES

This Master Contract may be modified or amended by LEA to conform to administrative and statutory guidelines issued by any state, Federal or local governmental agency. LEA shall provide CONTRACTOR thirty (30) days' notice of any such changes or modifications made to conform to administrative or statutory guidelines and a copy of the statute or regulation upon which the modification or changes are based.

14. TERMINATION

This Master Contract or an Individual Services Agreement may be terminated for cause. Cause shall include but not be limited to non-maintenance of current nonpublic school certification, failure of either LEA or the CONTRACTOR to maintain the standards required under the Master Contract and/or Individual Services Agreement, or other material breach of this Master Contract by CONTRACTOR or LEA. For purposes of Non Public School placement, the cause shall not be the availability of a public class initiated during the period of the Master Contract unless the parent agrees to the transfer of the student to a public school program at an IEP team meeting. To terminate the Master Contract, either party shall give twenty (20) days prior written notice to the other party (Ed. Code § 56366(a)(4)), or immediately, if CONTRACTOR and LEA mutually agree that there are significant health or safety concerns. At the time of termination, CONTRACTOR shall provide to LEA any and all documents CONTRACTOR is required to maintain under this Master Contract. ISAs are void upon termination of this Master Contract, except as provided in Sections 5 or 6. CONTRACTOR or LEA may terminate an ISA for cause, without terminating the Master Contract in its entirety. To terminate the ISA, either party shall also give twenty (20) days prior written notice to the other.

15. INSURANCE

CONTRACTOR shall, at his, her, or its sole cost and expense, maintain in full force and effect, during the term of this Agreement, the following insurance coverage from a California licensed and/or admitted insurer with an A minus (A-), VII, or better rating from A.M. Best, sufficient to cover any claims, damages, liabilities, costs and expenses (including counsel fees) arising out of or in connection with CONTRACTOR's fulfillment of any of its obligations under this Agreement or either party's use of the work or any component or part thereof:

PART I

- A. **Commercial General Liability Insurance**, including both bodily injury and property damage, with limits as follows:

- \$2,000,000 per occurrence
- \$ 500,000 fire damage
- \$ 5,000 medical expenses
- \$1,000,000 personal & adv. injury
- \$3,000,000 general aggregate
- \$2,000,000 products/completed operations aggregate

The policy may not contain an exclusion for coverage of claims arising from claims for sexual molestation or abuse. In the event that CONTRACTOR's policy should have an exclusion for sexual molestation or abuse claims, then CONTRACTOR shall be required to procure a supplemental policy providing such coverage.

- B. **Business Auto Liability Insurance** for all owned scheduled, non-owned or hired automobiles with a \$1 million combined single limit.

If no owned automobiles, then only hired and non-owned is required.

If CONTRACTOR uses a vehicle to travel to/from school sites, between schools and/or to/from students' homes or other locations as approved service locations by the LEA, CONTRACTOR must comply with State of California auto insurance requirements.

- C. **Workers' Compensation and Employers Liability Insurance** in a form and amount covering CONTRACTOR's full liability under the California Workers' Compensation Insurance and Safety Act and in accordance with applicable state and Federal laws.

- Part A – Statutory Limits
- Part B – \$1,000,000/\$1,000,000/\$1,000,000 Employers Liability

- D. **Errors & Omissions (E & O)/Malpractice (Professional Liability) Insurance**, including sexual molestation and abuse coverage, unless that coverage is afforded elsewhere in the Commercial General Liability policy by endorsement or separate policy, with the following limits:

- \$1,000,000 per occurrence
- \$2,000,000 general aggregate

- E. CONTRACTOR, upon execution of this Master Contract and periodically thereafter upon request, shall furnish the LEA with certificates of insurance evidencing such coverage. The certificate of insurance shall include a ten (10) day non-renewal notice provision. The Commercial General Liability and Automobile Liability policy shall name the LEA as

additional insured and shall be endorsed on all policies. Certificate of Insurance, additional insured endorsement and declaration of insurance coverages shall be provided to LEA. All premiums on all insurance policies shall be paid by CONTRACTOR and shall be deemed included in CONTRACTOR's obligations under this contract at no additional charge.

- F. Any deductibles or self-insured retentions above \$100,000 must be disclosed to and approved by the LEA. At its option, LEA may require the CONTRACTOR, at the CONTRACTOR's sole cost, to: (a) cause its insurer to reduce to levels specified by the LEA or eliminate such deductibles or self-insured retentions with respect to the LEA, its officials and employees, or (b) procure a bond guaranteeing payment of losses and related investigation.
- G. For any claims related to the services contracted for under this Agreement, the CONTRACTOR's insurance coverage shall be primary insurance as respects to the LEA, its subsidiaries, officials and employees. Any insurance or self-insurance maintained by the LEA, its subsidiaries, officials and employees shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
- H. All Certificates of Insurance may reference the contract number, name of the school or agency submitting the certificate, and the location of the school or agency submitting the certificate on the certificate.

PART II – INSURANCE REQUIREMENTS FOR NONPUBLIC SCHOOLS AFFILIATED WITH A RESIDENTIAL TREATMENT FACILITY (“RTC”)

When CONTRACTOR is a nonpublic school affiliated with a residential treatment center (“NPS/RTC”), the following insurance policies are required:

- A. **Commercial General Liability Insurance** of \$3,000,000 per Occurrence and \$6,000,000 in General Aggregate. The policy shall be endorsed to name the LEA and the Board of Education as named additional insureds and shall provide specifically that any insurance carried by the LEA which may be applicable to any claims or loss shall be deemed excess and the RTC's insurance primary despite any conflicting provisions in the RTC's policy. Coverage shall be maintained with no self-insured retention above \$100,000 without the prior written approval of the LEA.
- B. **Workers' Compensation Insurance** in accordance with provisions of the California Labor Code adequate to protect the RTC from claims that may arise from its operations pursuant to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation Insurance coverage must also include Employers Liability coverage with limits of \$1,000,000/\$1,000,000/\$1,000,000.
- C. **Commercial Auto Liability** coverage with limits of \$1,000,000 Combined Single Limit per Occurrence if the RTC does not operate a student bus service. If the RTC provides student bus services, the required coverage limit is \$5,000,000 Combined Single Limit per Occurrence.
- D. **Fidelity Bond or Crime** coverage shall be maintained by the RTC to cover all employees who process or otherwise have responsibility for RTC funds, supplies, equipment or other assets. Minimum amount of coverage shall be \$250,000 per occurrence, with no self-insured retention.
- E. **Professional Liability/Errors & Omissions/Malpractice** coverage with minimum limits of \$3,000,000 per occurrence and \$6,000,000 general aggregate.
- F. **Sexual Molestation and Abuse** coverage, unless that coverage is afforded elsewhere in the Commercial General Liability or Professional liability policy by endorsement, with minimum limits of \$3,000,000 per occurrence and \$6,000,000 general aggregate.

If LEA or CONTRACTOR determines that a change in insurance coverage obligations under this section is necessary, either party may reopen negotiations to modify the insurance obligations.

16. INDEMNIFICATION AND HOLD HARMLESS

Except with respect to claims arising from a Party's separate negligence or willful acts, which shall remain that Party's personal obligation, each Party agrees to defend, indemnify and hold harmless the other Party and its directors, officers, employees, agents, attorneys, volunteers, and subcontractors with respect to a claim resulting from or arising out of this Master Contract or its performance and arising from the Party's actual or alleged act, failure to act, error, or omission in the performance of their obligations under this Agreement or any governing law or regulations.

17. INDEPENDENT CONTRACTOR

Nothing herein contained shall be construed to imply a joint venture, partnership or principal-agent relationship between LEA and CONTRACTOR. CONTRACTOR shall provide all services under this Agreement as an independent contractor, and neither party shall have the authority to bind or make any commitment on behalf of the other. Nothing contained in this Agreement shall be deemed to create any association, partnership, joint venture or relationship of principal and agent, master and servant, or employer and employee between the Parties or any affiliates of the Parties, or between LEA and any individual assigned by CONTRACTOR to perform any services for LEA.

If LEA is held to be a partner, joint venturer, co-principal, employer or co-employer of CONTRACTOR, CONTRACTOR shall indemnify and hold harmless LEA from and against any and all claims for loss, liability, or damages arising from that holding, as well as any expenses, costs, taxes, penalties and interest charges incurred by LEA as a result of that holding.

18. SUBCONTRACTING

CONTRACTOR shall not enter into any subcontracting relationship without first obtaining final written approval of LEA. Should CONTRACTOR wish to subcontract for special education and/or related services pursuant to this Master Contract, it must provide written notification to LEA before any subcontracting arrangement is made. In the event LEA determines that it can provide the subcontracted service(s) at a lower rate, LEA may elect to provide such service(s). If LEA elects to provide such service(s), LEA shall provide written notification to CONTRACTOR within five (5) days of receipt of CONTRACTOR'S original request and CONTRACTOR shall not subcontract for said services.

Should LEA approve in concept of CONTRACTOR subcontracting for services, CONTRACTOR shall submit the proposed subcontract to LEA for approval. CONTRACTOR shall incorporate all of the provisions of this Master Contract in all subcontracts to the fullest extent possible. Furthermore, when CONTRACTOR creates subcontracts for the provision of special education and/or related services (including without limitation, transportation) for any student, CONTRACTOR shall cause each subcontractor to procure and maintain indemnification and insurance requirements which comply with the provisions of Sections 15 and 16 of this Master Contract, for the duration of the term of each subcontract. If a proposed subcontract is approved by LEA, each subcontractor must furnish LEA with original endorsements and certificates of insurance effective coverage required by Section 15 of this Master Contract. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Unless otherwise agreed to by LEA, the endorsements are to be on forms provided by the LEA. The Commercial General Liability and Automobile Liability policies shall name the LEA/SELPA and the LEA Board of Education as additional insured. All endorsements are to be received and approved by LEA before the subcontractor's work commences. In addition, all sub-contractors must meet the requirements as contained in Section 45 (Clearance Requirements) and Section 46 (Staff Qualifications) of this Master Contract. No subcontract shall be considered final without LEA approval.

19. CONFLICTS OF INTEREST

CONTRACTOR shall provide to LEA upon request a copy of its current bylaws and a current list of its Board of Directors (or Trustees), if it is incorporated. CONTRACTOR and any member of its Board of Directors (or Trustees) shall avoid and disclose any relationship with LEA that constitutes or may constitute a conflict of interest pursuant to California Education Code section 56042 including, but not limited to, employment with LEA, provision of private party assessments and/or reports, and attendance at IEP team meetings acting as a student’s advocate. Pursuant to California Education Code section 56042, an attorney or advocate for a parent of an individual with exceptional needs shall not recommend placement at CONTRACTOR’S facility if the attorney or advocate is employed or contracted by the CONTRACTOR, or will receive a benefit from the CONTRACTOR, or otherwise has a conflict of interest.

Unless CONTRACTOR and LEA otherwise agree in writing, LEA shall neither execute an ISA with CONTRACTOR nor amend an existing ISA for a LEA student when a recommendation for special education and/or related services is based in whole or in part on assessment(s) or reports provided by CONTRACTOR to LEA student without prior written authorization by LEA. This paragraph shall apply to CONTRACTOR regardless of when an assessment is performed or a report is prepared (i.e. before or after LEA student is enrolled in CONTRACTOR’S school/agency) or whether an assessment of LEA student is performed or a report is prepared in the normal course of the services provided to LEA student by CONTRACTOR. To avoid a conflict of interest, and in order to ensure the appropriateness of an Independent Educational Evaluation (hereinafter referred to as “IEE”) and its recommendations, LEA may, in its discretion, not fund an IEE by an evaluator who provides ongoing service(s) or is sought to provide service(s) to the student for whom the IEE is requested. Likewise, LEA may, in its discretion, not fund services through the evaluator whose IEE LEA agrees to fund. When no other appropriate assessor is available, LEA may request and if CONTRACTOR agrees, the CONTRACTOR may provide an IEE.

When CONTRACTOR is a nonpublic agency, CONTRACTOR acknowledges that its authorized representative has read and understands California Education Code section 56366.3 which provides, in relevant part, that no special education and/or related services provided by CONTRACTOR shall be paid for by LEA if provided by an individual who was an employee of LEA within three hundred and sixty five (365) days prior to executing this Master Contract. This provision does not apply to any person who is able to provide designated instruction and services during the extended school year because he or she is otherwise employed for up to ten months of the school year by LEA.

CONTRACTOR shall not admit a student living within the jurisdictional boundaries of LEA on a private pay or tuition free “scholarship” basis and concurrently or subsequently advise/request parent(s) to pursue funding for the admitted school year from LEA through due process proceedings. Such action shall constitute sufficient good cause for termination of this Master Contract.

20. NON-DISCRIMINATION

CONTRACTOR shall not unlawfully discriminate on the basis of gender, nationality, race or ethnicity, religion, age, sexual orientation, gender identity, gender expression, or disability or any other classification protected by Federal or state law, in employment or operation of its programs.

EDUCATIONAL PROGRAM

21. FREE AND APPROPRIATE PUBLIC EDUCATION (“FAPE”)

LEA shall provide CONTRACTOR with a copy of the IEP including the Individualized Transition Plan (hereinafter referred to as “ITP”) of each LEA student served by CONTRACTOR. CONTRACTOR shall provide to each LEA student special education and/or related services (including transition services) within the nonpublic school or nonpublic agency consistent with LEA student’s IEP and as specified in the ISA. If CONTRACTOR is a nonpublic school, CONTRACTOR shall not accept a LEA student if it cannot

provide or ensure the provision of the services outlined in the student's IEP. If a LEA student's services are provided by a third party (i.e. a related services provider) CONTRACTOR shall notify LEA, in writing, if the provision of services ceases.

Unless otherwise agreed to between CONTRACTOR and LEA, CONTRACTOR shall be responsible for the provision of all appropriate supplies, equipment, and/or facilities for LEA students, as specified in LEA student's IEP and ISA. CONTRACTOR shall make no charge of any kind to parents for special education and/or related services as specified in LEA student's IEP and ISA (including, but not limited to, screenings, assessments, or interviews that occur prior to or as a condition of LEA student's enrollment under the terms of this Master Contract). LEA shall provide low incidence equipment for eligible students with low incidence disabilities when specified in the student's IEP and ISA. Such equipment remains the property of the SELPA/LEA and shall be returned to the SELPA/LEA when the IEP team determines the equipment is no longer needed or when the student is no longer enrolled in the nonpublic school. CONTRACTOR shall ensure that facilities are adequate to provide all LEA students with an environment which meets all pertinent health and safety regulations. CONTRACTOR may charge a LEA student's parent(s) for services and/or activities not necessary for LEA student to receive a free appropriate public education after: (a) written notification to LEA student's parent(s) of the cost and voluntary nature of the services and/or activities; and (b) receipt by LEA of the written notification and a written acknowledgment signed by LEA student's parent(s) of the cost and voluntary nature of the services and/or activities. CONTRACTOR shall adhere to all LEA requirements concerning parent acknowledgment of financial responsibility.

Voluntary services and/or activities not necessary for an LEA student to receive a free appropriate public education shall not interfere with LEA student's receipt of special education and/or related services as specified in LEA student's IEP and ISA unless LEA and CONTRACTOR agree otherwise in writing.

22. GENERAL PROGRAM OF INSTRUCTION

All nonpublic school and nonpublic agency services shall be provided consistent with the area of certification specified by CDE Certification and as defined in California Education Code section 56366 *et seq.* and shall ensure that facilities are adequate to provide LEA students with an environment which meets all pertinent health and safety regulations.

When CONTRACTOR is a nonpublic school, CONTRACTOR'S general program of instruction shall: (a) utilize evidence-based practices and predictors and be consistent with LEA's standards regarding the particular course of study and curriculum; (b) include curriculum that addresses mathematics, literacy and the use of educational, assistive technology and transition services; (c) be consistent with CDE's standards regarding the particular course of study and curriculum; (d) provide the services as specified in LEA student's IEP and ISA. LEA students shall have access to: (a) State Board of Education ("SBE") - adopted Common Core State Standards ("CCSS") for curriculum and the same instructional materials for kindergarten and grades 1 to 8, inclusive; and provide standards-aligned core curriculum and instructional materials for grades 9 to 12, inclusive, used by a local education agency ("LEA"), that contracts with the nonpublic school: (b) college preparation courses; (c) extracurricular activities such as art, sports, music and academic clubs; (d) career preparation and vocational training, consistent with transition plans pursuant to state and Federal law and; (e) supplemental assistance, including individual academic tutoring, psychological counseling, and career and college counseling. When appropriate, CONTRACTOR shall utilize the designated curriculum guidelines for students with moderate to severe disabilities who participate in the State's alternative assessment. These students shall have access to the core content, activities, and instructional materials delineated within these curriculum guidelines. CONTRACTOR'S general program of instruction shall be described in writing and a copy provided to LEA prior to the effective date of this Master Contract.

When CONTRACTOR serves LEA students in grades nine through twelve inclusive, LEA shall provide to CONTRACTOR a specific list of the course requirements to be satisfied by the CONTRACTOR leading toward graduation or completion of LEA's diploma requirements. CONTRACTOR shall not award a high

school diploma to LEA students who have not successfully completed all of LEA's graduation requirements.

When CONTRACTOR is a nonpublic agency and/or related services provider, CONTRACTOR'S general program of instruction and/or services shall utilize evidence-based practices and predictors and be consistent with LEA and CDE guidelines/certifications and any state licensing requirements and shall be provided as specified in LEA student's IEP and ISA. The nonpublic agency providing Behavior Intervention Services shall develop a written plan that specifies the nature of their nonpublic agency service for each student within thirty (30) days of enrollment and shall be provided in writing to LEA. School-based services may not be unilaterally converted by CONTRACTOR to a substitute program or provided at a location not specifically authorized by the IEP team. Except for services provided by a contractor that is a licensed children's institution ("LCI"), all services not provided in the school setting require the presence of a parent, guardian or adult caregiver during the delivery of services, provided such guardian or caregiver has a signed authorization by the parent or legal guardian to authorize emergency services as requested. LCI contractors shall ensure that appropriate and qualified residential or clinical staff is present during the provision of services under this Master Contract. CONTRACTOR shall immediately notify LEA in writing if no parent, guardian, or adult caregiver is present. CONTRACTOR shall provide to LEA a written description of the services and location provided prior to the effective date of this Master Contract. Contractors providing Behavior Intervention Services must have on staff individuals trained as the law requires. (Cal. Code Regs., tit. 5, § 3051.23.) It is understood that Behavior Intervention Services are limited per CDE Certification and do not constitute an instructional program.

When CONTRACTOR is a nonpublic agency, CONTRACTOR shall not provide transportation nor subcontract for transportation services for students unless LEA and CONTRACTOR agree otherwise in writing.

23. INSTRUCTIONAL MINUTES

When CONTRACTOR is a nonpublic school, the total number of instructional minutes per school day provided by CONTRACTOR shall be at least equivalent to the number of instructional minutes per school day provided to LEA students at like grade level attending LEA schools and shall be specified in LEA student's ISA developed in accordance with LEA student's IEP.

For students in grades kindergarten through 12, inclusive, unless otherwise specified in the student's IEP and ISA, the number of instructional minutes, excluding breakfast, recess, lunch and pass time shall be the same as the California Education Code prescribes for the LEA.

The total number of annual instructional minutes shall be at least equivalent to the total number of annual instructional minutes provided to LEA students attending LEA schools in like grade levels unless otherwise specified in LEA student's IEP and ISA.

When CONTRACTOR is a nonpublic agency and/or related services provider, the total number of minutes per school day provided by CONTRACTOR shall be specified in LEA student's ISA developed in accordance with LEA student's IEP.

24. CLASS SIZE

When CONTRACTOR is a nonpublic school, CONTRACTOR shall ensure that class size shall not exceed a ratio of one teacher per twelve (12) students unless CONTRACTOR and LEA agree otherwise in writing. Upon prior written approval by an authorized LEA representative, class size may be temporarily increased by a ratio of 1 teacher to fourteen (14) students when necessary during the regular or extended school year to provide services to students with disabilities.

In the event a nonpublic school is unable to fill a vacant teaching position responsible for direct instruction to students, and the vacancy has direct impact on the California Department of Education Certification of

that school, the nonpublic school shall develop a plan to ensure appropriate coverage of students by first utilizing existing certificated staff. The nonpublic school and LEA may agree to one 30 school day period per contract year where class size may be increased to ensure coverage by an appropriately credentialed teacher. Such an agreement shall be in writing and signed by both Parties. This provision does not apply to a nonpublic agency.

25. CALENDARS

When CONTRACTOR is a nonpublic school, CONTRACTOR shall submit to LEA a school calendar with the total number of billable days not to exceed 180 days, plus extended school year billable days equivalent to the number of days determined by LEA's extended school year calendar. Billable days shall include only those days that are included on the submitted and approved school calendar, and/or required by the IEP (developed by LEA) for each student. CONTRACTOR shall not be allowed to change its school calendar and/or amend the number of billable days without the prior written approval of LEA. Nothing in this Master Contract shall be interpreted to require LEA to accept any requests for calendar changes. In the event LEA adjusts the number of school days for the regular school year and/or extended school year, the approved number of days shall become the total billable days for the nonpublic school or agency. In such a case, an amended calendar shall be provided by CONTRACTOR for LEA approval.

Unless otherwise specified by the student's IEP, educational services shall occur at the school site. A student shall only be eligible for extended school year services if such are recommended by his/her IEP team and the provision of such is specifically included in the ISA. Extended school year shall consist of twenty (20) instructional days, unless otherwise agreed upon by the IEP team convened by LEA. Any days of extended school year in excess of twenty (20) billable days must be mutually agreed to, in writing, prior to the start of the extended school year.

Student must have actually been in attendance during the regular school year and/or during extended school year and actually received services on a billable day of attendance in order for CONTRACTOR to be eligible for payment. It is specifically understood that services may not be provided on weekends/holidays and other times when school is not in session, unless agreed to by LEA, in writing, in advance of the delivery of any nonpublic school service. Any instructional days provided without this written agreement shall be at the sole financial responsibility of the CONTRACTOR.

CONTRACTOR shall observe only the same legal holidays as LEA. As of the execution of this Master Contract, these holidays are: Labor Day, Veteran's Day, Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King, Jr. Day, Lincoln's Birthday, Washington's Birthday, Memorial Day, and Independence Day. With the approval of LEA, CONTRACTOR may revise the date upon which CONTRACTOR closes in observance of any of the holidays observed by LEA.

When CONTRACTOR is a nonpublic agency, CONTRACTOR shall be provided with a LEA-developed/approved calendar prior to the initiation of services. CONTRACTOR herein agrees to observe holidays as specified in LEA-developed/approved calendar. CONTRACTOR shall provide services pursuant to LEA-developed/approved calendar; or as specified in LEA student's IEP and ISA. Unless otherwise specified in LEA student's ISA, CONTRACTOR shall provide related services to LEA students on only those days that LEA student's school of attendance is in session and LEA student attends school. CONTRACTOR shall bill only for services provided on billable days of attendance as indicated on LEA calendar unless CONTRACTOR and LEA agree otherwise, in writing. Student must have actually been in attendance and/or received services on a billable day of attendance in order for CONTRACTOR to be eligible for payment. It is specifically understood that services may not be provided on weekends/holidays and other times when school is not in session, unless agreed to by LEA, in writing, in advance of the delivery of any nonpublic agency service provided by CONTRACTOR. Any instructional days provided without this written agreement shall be at the sole financial responsibility of the CONTRACTOR.

26. DATA REPORTING

CONTRACTOR agrees to provide to LEA, all data (including billing information) related to students who are served by the CONTRACTOR. CONTRACTOR agrees to provide all data related to or referenced in any and all sections of this Master Contract if requested by LEA. CONTRACTOR agrees to provide all requested information in the format required by LEA. It is understood that all nonpublic schools and nonpublic agencies shall utilize the Special Education Information System (“SEIS”) or comparable program/system approved by LEA/SELPA for all IEP development and progress reporting. Additional progress reporting may be required by LEA. LEA shall provide the CONTRACTOR with appropriate software, user training and proper internet permissions to allow adequate access so that this information may be compiled.

LEA shall provide CONTRACTOR with approved forms and/or format for such data including but not limited to invoicing, attendance reports and progress reports. LEA may approve use of CONTRACTOR-provided forms at its discretion.

27. LEAST RESTRICTIVE ENVIRONMENT/DUAL ENROLLMENT

CONTRACTOR and LEA shall follow all LEA policies and procedures that support Least Restrictive Environment (“LRE”) options (and/or dual enrollment options if available and appropriate) for students to have access to the general curriculum and to be educated with their nondisabled peers to the maximum extent appropriate.

CONTRACTOR and LEA shall ensure that LRE placement options are addressed at all IEP team meetings regarding students for whom ISAs have been or may be executed. This shall include IEP team consideration of supplementary aids and services and goals and objectives necessary for placement in the LRE and necessary to enable students to transition to less restrictive settings.

When an IEP team has determined that a student should be transitioned into the public school setting, CONTRACTOR shall assist LEA in implementing the IEP team’s recommendations and/or activities to support the transition.

28. STATEWIDE ACHIEVEMENT TESTING

When CONTRACTOR is a nonpublic school, CONTRACTOR shall administer all Statewide assessments within the California Assessment of Student Performance and Progress (“CAASPP”), Desired Results Developmental Profile (“DRDP”), California Alternative Assessment (“CAA”), achievement and abilities tests (using LEA-authorized assessment instruments), the Fitness Gram, California English Language Development Test (“CELDT”), and the English Language Proficiency Assessments for California (“ELPAC”), as appropriate to the student and mandated by LEA pursuant to LEA and state and Federal guidelines.

CONTRACTOR is subject to the alternative accountability system developed pursuant to California Education Code section 52052, in the same manner as public schools. Each LEA student placed with CONTRACTOR by the LEA shall be tested by qualified staff of CONTRACTOR in accordance with that accountability program. LEA shall provide test administration training to CONTRACTOR’S qualified staff. CONTRACTOR shall attend LEA test training and comply with completion of all coding requirements as required by LEA.

29. MANDATED ATTENDANCE AT LEA MEETINGS

CONTRACTOR shall attend LEA mandated meetings when legal mandates, and/or LEA policy and procedures are reviewed, including but not limited to the areas of: curriculum, high school graduation, standards-based instruction, behavior intervention, cultural and linguistic needs of students with disabilities, dual enrollment responsibilities, LRE responsibilities, transition services, standardized testing,

and IEPs. LEA shall provide CONTRACTOR with reasonable notice of mandated meetings. Attendance at such meetings does not constitute a billable service hour(s).

30. POSITIVE BEHAVIOR INTERVENTIONS AND SUPPORTS

CONTRACTOR shall comply with all requirements of California Education Code sections 56521.1 and 56521.2 regarding positive behavior interventions and supports. Failure to do so shall constitute sufficient good cause for termination of this Master Contract.

LEA students who exhibit behaviors that interfere with their learning or the learning of others must receive timely and appropriate assessments and positive supports and interventions in accordance with Federal and state law and implementing regulations. If the individualized education program (“IEP”) team determines that a student’s behavior impedes his or her learning or the learning of others, the IEP team is required to consider the use of positive behavioral interventions and supports, and other strategies, to address that behavior, consistent with Section 1414(d)(3)(B)(i) and (d)(4) of Title 20 of the United States Code and associated Federal regulations. This could mean that instead of developing a Behavior Intervention Plan (“BIP”), the IEP team may conclude it is sufficient to address the student’s behavioral problems through the development of behavioral goals and behavioral interventions to support those goals.

CONTRACTOR shall maintain a written policy consistent with California Education Code section 56521.1 regarding emergency interventions and Behavioral Emergency Reports (“BERs”). Further, CONTRACTOR shall affirmatively inform each of its employees about the policy and provide each employee a copy thereof. CONTRACTOR shall also ensure that all of its staff members are trained annually in crisis intervention and emergency procedures as related to appropriate behavior management strategies. Training includes certification with an approved SELPA crisis intervention program. Evidence of such training shall be submitted to the LEA at the beginning of the school year and within 6 days of any new hire.

Pursuant to California Education Code section 56521.1, emergency interventions shall not be used as a substitute for a BIP and shall not be employed longer than necessary to contain the behavior. Emergency interventions may only be used to control unpredictable, spontaneous behavior that poses clear and present danger of serious physical harm to the LEA student or others and that cannot be immediately prevented by a response less restrictive than the temporary application of a technique used to contain the behavior. If a situation requires prolonged use of an emergency intervention, staff must seek assistance from the school site administrator or a law enforcement agency, as suitable to the situation.

To prevent emergency interventions from being used in lieu of planned, systematic behavioral interventions, the parent, guardian, and residential care provider, if appropriate, shall be notified within one school day, if an emergency intervention is used or serious property damage occurs. CONTRACTOR shall immediately complete and maintain in the file of LEA student a BER which shall include all of the following: (1) The name and age of the individual with exceptional needs; (2) The setting and location of the incident; (3) The name of the staff or other persons involved; (4) A description of the incident and the emergency intervention used, and whether the LEA student is currently engaged in any systematic behavioral intervention plan; and (5) Details of any injuries sustained by LEA student or others, including staff, as a result of the incident. The BER shall immediately be forwarded to LEA for administrative action. CONTRACTOR shall also notify Parent within twenty-four (24) hours via telephone.

Consistent with the requirements of California Education Code section 56521.1(g), if a BER is written regarding an LEA student who does not have a behavior intervention plan, the designated responsible administrator shall, within two days, schedule an IEP team meeting to review the emergency report, to determine the necessity for a functional behavioral assessment, and to determine the necessity for an interim plan. The IEP team shall document the reasons for not conducting the functional behavioral assessment, not developing an interim plan, or both. Consistent with the requirements of California Education Code section 56521.1(h), if a behavioral emergency report is written regarding an LEA student who has a positive behavioral intervention plan, an incident involving a previously unseen serious behavior

problem, or where a previously designed intervention is ineffective, shall be referred to the IEP team to review and determine if the incident constitutes a need to modify the positive behavioral intervention plan.

Pursuant to Education Code section 56521.2, CONTRACTOR shall not authorize, order, consent to, or pay for the following interventions, or any other interventions similar to or like the following:

(1) Any intervention that is designed to, or likely to, cause physical pain, including, but not limited to, electric-shock; (2) An intervention that involves the release of noxious, toxic, or otherwise unpleasant sprays, mists, or substances in proximity to the face of the individual; (3) An intervention that denies adequate sleep, food, water, shelter, bedding, physical comfort, or access to bathroom facilities; (4) An intervention that is designed to subject, used to subject, or likely to subject, the individual to verbal abuse, ridicule, or humiliation, or that can be expected to cause excessive emotional trauma; (5) Restrictive interventions that employ a device, material, or objects that simultaneously immobilize all four extremities, including the procedure known as prone containment, except that prone containment or similar techniques may be used by trained personnel as a limited emergency intervention; (6) Locked seclusion, unless it is in a facility otherwise licensed or permitted by state law to use a locked room; (7) An intervention that precludes adequate supervision of the individual; (8) An intervention that deprives the individual of one or more of his or her senses. In the case of a child whose behavior impedes the child's learning or that of others, the IEP team shall consider the use of positive behavioral interventions and supports, and other strategies, to address that behavior, consistent with Section 1414(d)(3)(B)(i) and (d)(4) of Title 20 of the United States Code and associated Federal regulations.

All restraint practices must be reviewed and revised when they have an adverse effect on a student and are used repeatedly for an individual child, either on multiple occasions within the same classroom or multiple uses by the same individual. CONTRACTOR shall notify the student's parent/guardian when any type of physical or mechanical restraint or seclusion has been used. Upon the use of any type of physical or mechanical restraint or seclusions of a District student, CONTRACTOR shall complete a BER per the reporting and notification requirements listed above.

31. STUDENT DISCIPLINE

CONTRACTOR shall maintain and abide by a written policy for student discipline that is consistent with state and Federal law and regulations.

When CONTRACTOR seeks to remove a LEA student from his/her current educational placement for disciplinary reasons, CONTRACTOR shall submit a written discipline report within 24 hours to LEA and a manifestation IEP team meeting shall be scheduled. Written discipline reports shall include, but not be limited to: LEA student's name; the time, date, and description of the misconduct; the disciplinary action taken by CONTRACTOR; and the rationale for such disciplinary action. A copy of LEA student's behavior plan, if any, shall be submitted with the written discipline report. CONTRACTOR and LEA agree to participate in a manifestation determination at an IEP meeting no later than the tenth (10th) day of suspension. CONTRACTOR shall notify and invite LEA representatives to the IEP team meeting where the manifestation determination will be made.

32. IEP TEAM MEETINGS

An IEP team meeting shall be convened at least annually to evaluate: (1) the educational progress of each student placed with CONTRACTOR, including all state assessment results pursuant to the requirements of California Education Code section 52052; (2) whether or not the needs of the student continue to be best met at the nonpublic school and/or by the nonpublic agency; and (3) whether changes to the student's IEP are necessary, including whether the student may be transitioned to a public school setting. (Ed. Code §§ 56366(a)(2)(B)(i), (ii); 56345(b)(4).)

If an LEA student is to be transferred from a nonpublic school setting into a regular class setting in a public school for any part of the school day, the IEP team shall document, if appropriate, a description of activities provided to integrate the student into the regular education program, including the nature of each activity as

well as the time spent on the activity each day or week and a description of the activities provided to support the transition of the student from the special education program into the regular education program. Each student shall be allowed to provide confidential input to any representative of his or her IEP team. Except as otherwise provided in the Master Contract, CONTRACTOR and LEA shall participate in all IEP team meetings regarding LEA students for whom ISAs have been or may be executed. At any time during the term of this Master Contract, a parent, the CONTRACTOR or LEA may request a review of the student's IEP, subject to all procedural safeguards required by law, including reasonable notice given to, and participation of, the CONTRACTOR in the meeting. Every effort shall be made to schedule IEP team meetings at a time and place that is mutually convenient to the parent(s), the CONTRACTOR and LEA. CONTRACTOR shall provide to LEA, at no cost and prior to an annual or triennial IEP team meeting, documentation which shows progress on goals and any and all assessments and written assessment reports (including testing protocols) created by CONTRACTOR and any of its agents or subcontractors, upon request and/or pursuant to LEA policy and procedures. It is understood that attendance at an IEP meeting is part of CONTRACTOR'S professional responsibility and is not a billable service under this Master Contract.

It is understood that the CONTRACTOR shall utilize the Special Education Information System ("SEIS") or other comparable program/system as approved by LEA solely at LEA's discretion, for all IEP planning and progress reporting. LEA shall provide training for any nonpublic school and nonpublic agency to ensure access to SEIS or the comparable program/system designated and approved for use by LEA. The nonpublic school and/or nonpublic agency shall maintain confidentiality of all IEP data on SEIS or on the LEA-approved comparable program/system, and shall protect the password requirements of the system. When a student disenrolls from the nonpublic school or stops receiving services from the nonpublic agency, such CONTRACTOR shall discontinue use of SEIS and/or LEA-approved comparable program/system for that student.

Changes in any LEA student's educational program, including instruction, services, or instructional setting provided under this Master Contract may only be made on the basis of revisions to the student's IEP. In the event that the CONTRACTOR believes the student requires a change of placement, the CONTRACTOR may request a review of the student's IEP for the purpose of considering a change in the student's placement. Student is entitled to remain in the last agreed upon and implemented placement unless parent agrees otherwise or an interim alternative educational setting is deemed lawful and appropriate.

33. SURROGATE PARENTS AND FOSTER YOUTH

CONTRACTOR shall comply with all LEA surrogate parent assignments. A pupil in foster care shall be defined pursuant to California Education Code section 42238.01(b). The LEA shall annually notify the CONTRACTOR who the LEA has designated as the educational liaison for foster children. When a pupil in foster care is enrolled in a nonpublic school by the LEA any time after the completion of the pupil's second year of high school, the CONTRACTOR shall schedule the pupil in courses leading towards graduation based on the diploma requirements of the LEA unless provided notice otherwise in writing pursuant to Section 51225.1

34. DUE PROCESS PROCEEDINGS

CONTRACTOR shall fully participate in special education due process proceedings including mediations and hearings, as requested by LEA. CONTRACTOR shall also fully participate in the investigation and provision of documentation related to any complaint filed with the State of California, the Office for Civil Rights, or any other state and/or Federal governmental body or agency. Full participation shall include, but in no way be limited to, cooperating with LEA representatives to provide complete answers raised by any investigator and/or the immediate provision of any and all documentation that pertains to the operation of CONTRACTOR'S program and/or the implementation of a particular student's IEP/ISA.

35. COMPLAINT PROCEDURES

CONTRACTOR shall maintain and adhere to its own written procedures for responding to parent complaints. These procedures shall include annually notifying and providing parents of LEA students with appropriate information (including complaint forms) for the following: (1) Uniform Complaint Procedures pursuant to Title 5 of the California Code of Regulations section 4600 et seq.; (2) Nondiscrimination Policy pursuant to Title 5 of the California Code of Regulations section 4960(a); (3) Sexual Harassment Policy pursuant to California Education Code section 231.5; (4) Title IX Student Grievance Procedures pursuant to Title 34 of the Code of Federal Regulations sections 106.8 and 106.9; (5) Notice of Privacy Practices in compliance with Health Insurance Portability and Accountability Act (“HIPPA”), 45 C.F.R. § 164.520; and (6) Notification and Complaint Procedures for Disability Access, pursuant to 42 U.S.C. §§ 12101 *et seq.* CONTRACTOR shall include verification of these procedures to LEA.

36. LEA STUDENT PROGRESS REPORTS/REPORT CARDS AND ASSESSMENTS

Unless LEA requests in writing that progress reports be provided on a monthly basis, CONTRACTOR shall provide to parents, with a concurrent copy sent to LEA, at least four written progress reports/report cards. At a minimum, progress reports shall include progress over time towards IEP goals and objectives. A copy of the progress reports/report cards shall be maintained at the CONTRACTOR’S place of business.

CONTRACTOR shall also provide an LEA representative access to supporting documentation used to determine progress on any goal or objective, including but not limited to log sheets, chart notes, observation notes, data sheets, pre/post tests, rubrics and other similar data collection used to determine progress or lack of progress on approved goals, objectives, transition plans or behavior support and/or intervention plans. LEA may request copies of such data at any time within five years of the date of service. CONTRACTOR agrees to maintain the information for at least five years and also shall provide this data supporting progress within 5 business days of request. Additional time may be granted as needed by LEA.

CONTRACTOR shall complete academic or other assessment of a LEA student ten (10) days prior to LEA student’s annual or triennial review IEP team meeting for the purpose of reporting LEA student’s present levels of performance at the IEP team meeting as required by state and Federal laws and regulations and pursuant to LEA policies, procedures, and/or practices. Sufficient copies of reports, projected goals and/or any other relevant documents to be reviewed by the IEP team shall be provided to the District no later than five (5) business days prior to an annual or triennial IEP team meeting. CONTRACTOR shall maintain all supporting documentation including but not limited to test protocols and data collection, which shall be made available to LEA within 5 business days of request.

CONTRACTOR is responsible for all assessment costs regarding the updating of goals and objectives, progress reporting and the development of present levels of performance. All other assessments shall be provided by LEA unless LEA specifies in writing a request that CONTRACTOR perform such additional assessment. Such assessment costs may be added to the ISA and/or approved separately by LEA at LEA’s sole discretion.

It is understood that all billable hours must be in direct services to pupils as specified in the ISA. For nonpublic agency services, supervision provided by a qualified individual as specified in Title 5 of the California Code of Regulations section 3065, shall be determined as appropriate and included in the ISA. Supervision means the direct observation of services, data review, case conferencing and program design consistent with professional standards for each professional’s license, certification, or credential.

CONTRACTOR shall not charge LEA student’s parent(s) or LEA for the development or provision of progress reports, report cards, and/or any assessments, interviews, or attendance at any meetings, including but not limited to IEP meetings. It is understood that all billable hours have limits to those specified on the ISA consistent with the IEP. It is understood that copies of data collection notes, forms, charts and other such data are part of the pupil’s record and shall be made available to LEA upon written request.

37. TRANSCRIPTS

When CONTRACTOR is a nonpublic school, CONTRACTOR shall prepare transcripts at the close of each semester, or upon LEA student transfer, for LEA students in grades nine (9) through twelve (12) inclusive. CONTRACTOR shall submit all transcripts on LEA-approved forms to LEA student's school of residence for evaluation of progress toward completion of diploma requirements as specified in LEA Procedures. CONTRACTOR shall submit to LEA names of LEA students and their schools of residence for whom transcripts have been submitted as specified by LEA. All transcripts shall be maintained by CONTRACTOR and furnished to LEA upon request, consistent with the parameters of Sections 9 and 26 of this Master Contract.

38. LEA STUDENT CHANGE OF RESIDENCE

Upon enrollment, CONTRACTOR shall notify parents in writing of their obligation to notify CONTRACTOR of LEA student's change of residence. Within five (5) school days after CONTRACTOR becomes aware of a LEA student's change of residence, CONTRACTOR shall notify LEA, in writing, of LEA student's change of residence. CONTRACTOR shall maintain, and provide upon request by LEA, documentation of such notice to parents.

If CONTRACTOR had knowledge or should reasonably have had knowledge of LEA student's change of residence boundaries and CONTRACTOR fails to follow the procedures specified in this provision, LEA shall not be responsible for the costs of services delivered after LEA student's change of residence.

39. WITHDRAWAL OF LEA STUDENT FROM PROGRAM

CONTRACTOR shall immediately report, by telephone, with a follow-up written notification within five (5) business days to LEA Representative responsible for overseeing nonpublic schools and nonpublic agencies, and any other required representative from the California Department of Education, when a LEA student is withdrawn without prior notice from school and/or services. CONTRACTOR shall confirm such telephone call on LEA approved forms and submit to LEA and the Department of Education, if required, within five (5) business days of the withdrawal, including a student's change in residence to a residence outside of LEA service boundaries, and the student's discharge against professional advice from a Nonpublic School/Residential Treatment Center ("NPS/RTC"). CONTRACTOR shall assist LEA to verify potential dropouts three (3) times per year.

40. PARENT ACCESS

CONTRACTOR shall provide for reasonable parental access to LEA students and all facilities including, but not limited to, the instructional setting, recreational activity areas, meeting rooms and LEA student's living quarters. CONTRACTOR shall comply with any known court orders regarding parental visits and access to LEA students.

CONTRACTORS operating programs associated with a NPS/RTC shall cooperate with a parent's reasonable request for LEA student therapeutic visits in their home or at the NPS/RTC. CONTRACTOR shall require that parents obtain prior written authorization for therapeutic visits from the CONTRACTOR and the LEA at least thirty (30) days in advance. CONTRACTOR shall facilitate all parent travel and accommodations and provide travel information to the parent as appropriate. Payment by LEA for approved travel-related expenses shall be made directly through the LEA.

41. SERVICES AND SUPERVISION AND PROFESSIONAL CONDUCT

If CONTRACTOR provides services on a LEA public school campus, CONTRACTOR shall comply with California Penal Code section 627.1 *et seq.*, as well as all other LEA and campus-specific policies and procedures regarding visitors to/on school campuses. CONTRACTOR shall be responsible for the

purchase and provision of the supplies and assessment tools necessary to implement the provision of CONTRACTOR services on LEA public school campuses.

For services provided on a public school campus, sign in/out procedures shall be followed along with all procedures for being on campus consistent with school and LEA policy. It is understood that the public school credentialed classroom teacher is responsible for the educational program and all nonpublic agency service providers shall work collaboratively with the classroom teacher who shall remain in charge of the instructional program.

It is understood that all employees, subcontractors and volunteers of any certified nonpublic school or agency shall adhere to customary professional standards when providing services. All practices shall be within the scope of professional responsibility as defined in the professional code of conduct for each profession. Reports regarding student progress shall be consistent with the provision of the Master Contract.

CONTRACTOR providing services outside of the student's school as specified in the IEP shall ensure that at least one parent of the child or an adult caregiver with written and signed authority to make decisions in an emergency is present during provision of services. The names of any adult caregiver other than the parent shall be provided to LEA prior to the start of any home-based services, including written and signed authorization in emergency situations. The adult caregiver cannot also be an employee or volunteer associated with the NPS/NPA service provider. All problems and/or concerns reported by CONTRACTOR to parents or guardians, in either verbal or written form, shall be reported to LEA.

CONTRACTOR, if providing services in a student's home as specified in the IEP, shall assure that at least one parent of the child or an adult caregiver with written and signed authorization to make decisions in an emergency is present during the provision of services. The names of any adult caregiver other than the parent shall be provided to LEA prior to the start of any home based services, including written and signed authorization in emergency situations. The parent shall inform LEA of any changes of caregivers and provide written authorization for emergency situations. The adult caregiver cannot be an employee or volunteer associated with the nonpublic school or nonpublic agency service provider. Moreover, for services provided in a pupil's home as specified in the IEP, CONTRACTOR must assure that the parent or LEA-approved responsible adult is present during the provision of services. All problems and/or concerns reported to parents, both verbal and written, shall also be provided to the LEA.

42. LICENSED CHILDREN'S INSTITUTION ("LCI") CONTRACTORS AND RESIDENTIAL TREATMENT CENTER ("RTC") CONTRACTORS

If CONTRACTOR is a licensed children's institution ("LCI"), CONTRACTOR shall adhere to all legal requirements regarding educational placements for LCI students as stated in California Education Code sections 56366(a)(2)(C) and 56366.9, California Health and Safety Code section 1501.1(b), (AB1858, AB490 (Chapter 862, Statutes of 2003)) and the procedures set forth in LEA Procedures. A LCI shall not require that a pupil be placed in its nonpublic school as a condition of being placed in its residential facility.

If CONTRACTOR is a nonpublic, nonsectarian school that is owned, operated by, or associated with a LCI, CONTRACTOR shall provide to LEA, on a quarterly basis, a list of all LEA students, including those identified as eligible for special education. For those identified special education students, the list shall include: 1) special education eligibility at the time of enrollment and 2) the educational placement and services specified in each student's IEP at the time of enrollment.

If CONTRACTOR is a nonpublic, nonsectarian school that is owned, operated by, or associated with a residential treatment center (hereinafter referred to as "NPS/RTC"), CONTRACTOR shall adhere to all legal requirements under the Individuals with Disabilities Education Act ("IDEA"), 20 U.S.C. section 1411 *et seq.* and California Education Code section 56000, *et seq.*; amended and reorganized by the Individuals with Disabilities Education Improvement Act of 2004 ("IDEIA"), 20 U.S.C. section 1401(29); California Education Code section 56031; Title 5, California Code of Regulations section 3001 *et seq.*, Title 2,

California Code of Regulations section 60100 *et seq.* regarding the provision of counseling services, including residential care for students to receive a FAPE as set forth in LEA student's IEPs.

Unless placement is made pursuant to an Office of Administrative Hearings order or a lawfully executed agreement between LEA and parent, LEA is not responsible for the costs associated with nonpublic school placement until the date on which an IEP team meeting is convened, the IEP team determines that a nonpublic school placement is appropriate, and the IEP is signed by LEA student's parent or another adult with educational decision-making rights.

In addition to meeting the certification requirements of the State of California, a CONTRACTOR that operates a program outside of this state shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

43. STATE MEAL MANDATE

When CONTRACTOR is a nonpublic school, CONTRACTOR and LEA shall satisfy the State Meal Mandate under California Education Code sections 49530, 49530.5 and 49550.

44. MONITORING

CONTRACTOR shall allow LEA representatives access to its facilities for the purpose of periodic monitoring of each LEA student's instructional program, and shall be invited to participate in the formal review of each student's progress. LEA representatives shall have access to observe each LEA student at work, observe the instructional setting, interview CONTRACTOR, and review each LEA student's records and progress. Such access shall include unannounced monitoring visits. When making site visits, LEA shall initially report to CONTRACTOR'S site administrative office. CONTRACTOR shall be invited to participate in the review of each student's progress.

If CONTRACTOR is also a LCI and/or NPS/RTC, CDE shall annually evaluate whether CONTRACTOR is in compliance with California Education Code section 56366.9 and California Health and Safety Code section 1501.1(b). LEA may also conduct its own on-site review of a NPS using the LEA's Quality On-Site NPS Review Rubric.

The State Superintendent of Public Instruction ("Superintendent") shall monitor CONTRACTOR'S facilities, the educational environment, and the quality of the educational program, including the teaching staff, the credentials authorizing service, the standards-based core curriculum being employed, and the standards-focused instructional materials used on a three-year cycle, as follows: (1) CONTRACTOR shall complete a self-review in year one; (2) the Superintendent shall conduct an onsite review in year two; and (3) the Superintendent shall conduct a follow-up visit in year three.

CONTRACTOR shall fully participate in any LEA and CDE compliance review, if applicable, to be conducted as aligned with the CDE Onsite Review and monitoring cycle in accordance with California Education Code section 56366.1(j). This review will address programmatic aspects of the nonpublic school/agency, compliance with relevant state and Federal regulations, and Master Contract compliance. If requested by LEA, CONTRACTOR shall complete and submit a Nonpublic School/Agency Self-Review Assessment submitted as specified by LEA. CONTRACTOR shall conduct any follow-up or corrective action procedures related to review findings.

CONTRACTOR understands that LEA reserves the right to institute a program audit with or without cause. The program audit may include, but is not limited to, a review of core compliance areas of health and safety; curriculum/instruction; related services; and contractual, legal, and procedural compliance.

When CONTRACTOR is a nonpublic school, CONTRACTOR shall collect all applicable data and prepare the applicable portion of a School Accountability Report Card in accordance with California Education Code Section 33126.

PERSONNEL

45. CLEARANCE REQUIREMENTS

CONTRACTOR shall comply with the requirements of California Education Code sections 44237, 35021.1 and 35021.2 including, but not limited to: obtaining clearance from both the California Department of Justice (“CDOJ”) and clearance from the Federal Bureau of Investigation (hereinafter referred to as "FBI") for all of CONTRACTOR’S employees and volunteers who will have or likely may have any direct contact with LEA students. CONTRACTOR hereby agrees that CONTRACTOR’S employees and volunteers shall not come in contact with LEA students until both CDOJ and FBI clearance are ascertained. CONTRACTOR shall further certify in writing to LEA that none of its employees, volunteers, or subcontractors who will have, or likely may have any direct contact with LEA students, have been convicted of a violent or serious felony as those terms are defined in California Education Code section 44237(h), unless despite the employee’s conviction of a violent or serious felony, he or she has met the criteria to be eligible for employment pursuant to California Education Code section 44237(i) or (j). Clearance certification shall be submitted to LEA. In addition, CONTRACTOR shall make a request for subsequent arrest service from the CDOJ as required by California Penal Code section 11105.2.

The passage of AB 389 amends California Education Code sections 44237 and 56366.1 as to the verification that the CONTRACTOR has received a successful criminal background check clearance and has enrolled in subsequent arrest notification service, as specified, for each owner, operator, and employee of the nonpublic, nonsectarian school or agency. Further this bill deletes the exemption for applicants possessing a valid California state teaching credential or who are currently licensed by another state agency that requires a criminal record summary, from submitting 2 sets of fingerprints for the purpose of obtaining a criminal record summary from the California Department of Justice (“CDOJ”) and the Federal Bureau of Investigation (“FBI”). Notwithstanding the restrictions on sharing and destroying criminal background check information, CONTRACTOR, upon demand, shall make available to the LEA evidence of a successful criminal background check clearance and enrollment in subsequent arrest notification service, as provided, for each owner, operator, and employee of the nonpublic, nonsectarian school or agency. CONTRACTOR is required to retain the evidence on-site, as specified, for all staff, including those licensed or credentialed by another state agency. Background clearances and proof of subsequent arrest notification service as required by California Penal Code section 11105.2 for all staff shall be provided to LEA upon request.

46. STAFF QUALIFICATIONS

CONTRACTOR shall ensure that all individuals employed, contracted, and/or otherwise hired by CONTRACTOR to provide classroom and/or individualized instruction or related services are qualified as defined in Section 7(d) of this Mater Contract, including but not limited to holding a license, certificate, permit, or other document equivalent to that which staff in a public school are required to hold to render the service consistent with California Education Code section 56366.1(n)(1) and are qualified pursuant to Title 34 of the Code of Federal Regulations sections 200.56 and 200.58 and Title 5 of the California Code of Regulations, sections 3064 and 3065. Such qualified staff may only provide related services within the scope of their professional license, certification or credential and ethical standards set by each profession and not assume responsibility or authority for another related services provider or special education teacher’s scope of practice.

CONTRACTOR shall ensure that all staff are appropriately credentialed to provide instruction and/or services to students with the disabling conditions placed in their program/school through documentation provided to the CDE. (Cal. Code Regs., tit. 5, § 3064(a).)

When CONTRACTOR is a nonpublic school, an appropriately qualified person shall serve as curricular and instructional leader, and be able to provide leadership, oversight and professional development.

Only those nonpublic, nonsectarian schools or agencies located outside of California that employ staff who hold a current valid credential or license to render special education and related services as required by that state shall be eligible to be certified.

CONTRACTOR shall comply with personnel standards and qualifications regarding instructional aides and teacher assistants respectively pursuant to Federal requirements and California Education Code sections 45340 *et seq.* and 45350 *et seq.* All paraprofessionals, including, but not limited to instructional aides and teacher assistants, employed, contracted, and/or otherwise hired or subcontracted by CONTRACTOR to provide classroom and/or individualized instruction or related services, shall possess a high school diploma (or its recognized equivalent) and at least one of the following qualifications: (a) completed at least two (2) years of study at an institution of higher education; or (b) obtained an associate's (or higher) degree; or (c) met a rigorous standard of quality and can demonstrate, through a formal state or local assessment (i) knowledge of, and the ability to assist in instructing, reading, writing, and mathematics; or (ii) knowledge of, and the ability to assist in instructing, reading readiness, writing readiness, and mathematics readiness, as appropriate. CONTRACTOR shall comply with all laws and regulations governing the licensed professions, including but not limited to, the provisions with respect to supervision.

In addition to meeting the certification requirements of the State of California, a CONTRACTOR that operates a program outside of this State and serving a LEA student shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

47. VERIFICATION OF LICENSES, CREDENTIALS AND OTHER DOCUMENTS

CONTRACTOR shall submit to LEA a staff list, and copies of all current licenses, credentials, certifications, permits and/or other documents which entitle the holder to provide special education and/or related services by individuals employed, contracted, and/or otherwise hired or sub-contracted by CONTRACTOR. CONTRACTOR shall ensure that all licenses, credentials, permits or other documents are on file at the office of the County Superintendent of Schools. CONTRACTOR shall notify LEA in writing within thirty (30) days when personnel changes occur which may affect the provision of special education and/or related services to LEA students as specified in LEA Procedures. Within thirty (30) days, CONTRACTOR shall provide LEA with the verified dates of fingerprint clearance, Department of Justice clearance and Tuberculosis Test clearance for all employees, approved subcontractors and/or volunteers prior to such individuals starting to work with any student.

CONTRACTOR shall monitor the status of licenses, credentials, certifications, permits and/or other documents for all individuals employed, contracted, and/or otherwise hired by CONTRACTOR. CONTRACTOR shall notify LEA and CDE in writing within thirty (30) days when personnel changes occur which may affect the provision of special education and/or related services to LEA students. CONTRACTOR shall notify LEA within thirty (30) days if any such licenses, certifications or waivers are expired, suspended, revoked, rescinded, challenged pursuant to an administrative or legal complaint or lawsuit, or otherwise nullified during the effective period of this Master Contract. LEA shall not be obligated to pay for any services provided by a person whose such licenses, certifications or waivers are expired, suspended, revoked, rescinded, or otherwise nullified during the period during which such person is providing services under this Master Contract. Failure to notify LEA of changes in licenses, certifications or suspensions shall be good cause for termination of this Master Contract by LEA.

Failure to notify LEA and CDE of any changes in credentialing/licensed staff may result in suspension or revocation of CDE certification and shall also suffice as good cause for the suspension or termination of this Master Contract by LEA.

48. STAFF ABSENCE

When CONTRACTOR is a nonpublic school and CONTRACTOR'S classroom teacher is absent, CONTRACTOR shall provide an appropriately credentialed substitute teacher in the absent teacher's classroom in accordance with California Education Code section 56061. CONTRACTOR shall provide to LEA documentation of substitute coverage on LEA substitute teacher log. Substitute teachers shall remain with their assigned class during all instructional time. LEA shall not be responsible for any payment for instruction and/or services when an appropriately credentialed substitute teacher is not provided.

When CONTRACTOR is a nonpublic agency and/or related services provider, and CONTRACTOR'S service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section seven (7) of this Master Contract and as determined by LEA) substitute, unless LEA provides appropriate coverage in lieu of CONTRACTOR'S service providers. It is understood that the parent of a student shall not be deemed to be a qualified substitute for his/her student. LEA will not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided. CONTRACTOR shall not "bank" or "carry over" make up service hours under any circumstances, unless otherwise agreed to in writing by CONTRACTOR and an authorized LEA representative.

49. STAFF PROFESSIONAL BEHAVIOR WHEN PROVIDING SERVICES AT SCHOOL OR SCHOOL RELATED EVENTS OR AT SCHOOL FACILITY AND/OR IN THE HOME

It is understood that all employees, subcontractors, and volunteers of any certified nonpublic school or nonpublic agency shall adhere to the customary professional and ethical standards when providing services. All practices shall only be within the scope of professional responsibility as defined in the professional code of conduct for each profession as well as any LEA professional standards as specified in Board policies and/or regulations when made available to the CONTRACTOR.

For services provided on a public school campus, sign in/out procedures shall be followed by nonpublic agency providers working in a public school classroom along with all other procedures for being on campus consistent with school and LEA policy. Such policies and procedures shall be made available to CONTRACTOR upon CONTRACTOR'S request. It is understood that the public school credentialed classroom teacher is responsible for the instructional program, and all nonpublic agency service providers shall work collaboratively with the classroom teacher, who shall remain in charge of the instructional program. Failure to comply with this and all LEA requirements in this regard shall be sufficient cause to terminate this Master Contract.

For services provided in a pupil's home as specified in the IEP, CONTRACTOR must assure that the parent or an LEA-approved responsible adult is present during the provision of services. All problems and/or concerns reported to parents, both verbal and written shall also be provided to LEA. It is understood that unless otherwise agreed to by LEA, a public school credentialed teacher is responsible for the instructional program and all nonpublic agency related service providers shall work collaboratively with the teacher who shall remain in charge of supervising the instructional program.

HEALTH AND SAFETY MANDATES

50. HEALTH AND SAFETY

CONTRACTOR shall comply with all applicable Federal, state, local, and LEA laws, regulations, ordinances, policies, and procedures regarding student and employee health and safety. CONTRACTOR shall comply with the requirements of California Education Code sections 35021 *et seq.*, and 49406, and California Health and Safety Code section 121545 regarding the examination of CONTRACTOR'S employees and volunteers for tuberculosis. CONTRACTOR shall provide to LEA documentation for each

individual volunteering, employed, contracted, and/or otherwise hired by CONTRACTOR of such compliance before an individual comes in contact with an LEA student.

CONTRACTOR shall comply with OSHA Blood Borne Pathogens Standards, Title 29 of the Code of Federal Regulations section 1910.1030, when providing medical treatment or assistance to a student. CONTRACTOR further agrees to provide annual training regarding universal health care precautions and to post required notices in areas designated in the California Health and Safety Code.

51. FACILITIES AND FACILITIES MODIFICATIONS

CONTRACTOR shall provide special education and/or related services to LEA students in facilities that comply with all applicable Federal, state, and local laws, regulations, and ordinances related, but not limited to disability access, fire, health, sanitation, and building standards and safety, fire warning systems, zoning permits and occupancy capacity. When CONTRACTOR is a nonpublic school, CONTRACTOR shall conduct fire drills as required by Title 5 of the California Code of Regulations section 550. During the duration of this Agreement, if CONTRACTOR is subject to fines, penalties and findings of non-compliance, CONTRACTOR shall assume any and all responsibilities for payment of such financial obligations. CONTRACTOR shall also be fully responsible for any structural changes and/or modifications to CONTRACTOR'S facilities as required to comply with applicable Federal, state, and local laws, regulations, and ordinances. Failure to notify LEA or CDE of any changes in, major modification or relocation of facilities may result in the suspension or revocation of CDE certification and/or suspension or termination of this Master Contract by LEA.

In signing this Agreement, CONTRACTOR certifies that its facilities either comply with Federal and state and local laws regarding disability access, or possesses and has available upon demand, a self-evaluation and/or transition plan in accordance with said laws.

52. ADMINISTRATION OF MEDICATION

CONTRACTOR shall comply with the requirements of California Education Code section 49423 when CONTRACTOR serves a LEA student that is required to take prescription and/or over-the-counter medication during the school day. CONTRACTOR may designate personnel to assist a LEA student with the administration of such medication after LEA student's parent(s) provide(s) to CONTRACTOR: (a) a written statement from a physician detailing the type, administration method, amount, and time schedules by which such medication shall be taken; and (b) a written statement from LEA student's parent(s) granting CONTRACTOR permission to administer medication(s) as specified in the physician's statement. CONTRACTOR shall maintain, and provide to LEA upon request, copies of such written statements. CONTRACTOR shall maintain a written log for each LEA student to whom medication is administered. Such written log shall specify a LEA student's name, the type of medication, the date, time, and amount of each administration, and the name of CONTRACTOR'S employee who administered the medication. CONTRACTOR maintains full responsibility for assuring appropriate staff training in the administration of such medication consistent with student's physician's written orders. Any change in medication type, administration method, amount or schedule must be authorized by both a licensed physician and parent.

In the event there is a LEA student who is on a prescription medication regimen, the CONTRACTOR is to: (a) first obtain a copy of the appropriate medication authorization form available from LEA student's primary regional or site nurse; or (b) in the event the student does not take prescription medication during the school day, but would only take such medication while in the care, custody and control of the CONTRACTOR, prior to the commencement of services to LEA student, CONTRACTOR is to obtain a signed copy of the appropriate medication authorization form from the District. Both the District and CONTRACTOR shall retain a copy of the Authorization.

53. INCIDENT/ACCIDENT REPORTING

CONTRACTOR shall electronically submit, within 24 hours, any accident or incident report to LEA. CONTRACTOR shall properly submit accident or incident reports as required by the District.

54. CHILD ABUSE REPORTING

CONTRACTOR hereby agrees to annually train all staff members, including volunteers, so that they are familiar with and agree to adhere to its own child and dependent adult abuse reporting obligations and procedures as specified in California Penal Code section 11164 *et seq.* and California Education Code section 44691. To protect the privacy rights of all parties involved (i.e. reporter, child and alleged abuser), reports will remain confidential as required by law and professional ethical mandates. A written statement acknowledging the legal requirements of such reporting and verification of staff adherence to such reporting shall be submitted to LEA.

CONTRACTOR is to read and become familiar with the District's *Mandated Child Abuse and Neglect Reporting Manual*. In the event there is a suspicion of abuse conducted by anyone (students, staff, contractor or others) on or off campus, CONTRACTOR is to file the appropriate report to the Sacramento County Sheriff. CONTRACTOR is also to confidentially notify the Risk Management Department ("Risk Manager") of the report. CONTRACTOR is to cooperate with any investigation conducted by the District in connection with such report.

55. SEXUAL HARASSMENT

CONTRACTOR shall have a Sexual and Gender Identity Harassment Policy that clearly describes the kinds of conduct that constitute sexual harassment and that is prohibited by the CONTRACTOR'S policy, as well as Federal and state law. The policy should include procedures to make complaints without fear of retaliation and procedures for prompt and objective investigations of all sexual harassment complaints. CONTRACTOR further agrees to provide annual training to all employees regarding the laws concerning sexual harassment and related procedures.

56. REPORTING OF MISSING CHILDREN

CONTRACTOR assures LEA that all staff members, including volunteers and any independent contractor and/or subcontractor authorized pursuant to this Master Contract, are familiar with and agree to adhere to requirements for reporting missing children as specified in California Education Code section 49370 *et seq.* A written statement acknowledging the legal requirements of such reporting and verification of staff adherence to such reporting shall be properly submitted to LEA. The written statement shall be submitted as specified by LEA.

FINANCIAL

57. ENROLLMENT, CONTRACTING, SERVICE TRACKING, ATTENDANCE REPORTING, AND BILLING PROCEDURES

CONTRACTOR shall assure that the nonpublic school or nonpublic agency has the necessary financial resources to provide an appropriate education for the students enrolled and will distribute those resources in such a manner to implement the IEP and ISA for each and every student.

CONTRACTOR shall comply with all LEA procedures concerning enrollment, contracting, attendance reporting, service tracking and billing, including requirements of electronic billing, as specified by LEA Procedures. CONTRACTOR shall be paid for the provision of special education and/or related services specified in LEA student's IEP and ISA which are provided on billable days of attendance. All payments by LEA shall be made in accordance with the terms and conditions of this Master Contract and in compliance with LEA Procedures, and will be governed by all applicable Federal and state laws.

CONTRACTOR shall maintain separate registers for the basic education program, each related service, and services provided by instructional assistants, behavior intervention aides and bus aides. Original attendance forms (i.e., roll books for the basic education program service tracking documents and notes for instructional assistants, behavioral intervention aides, bus aides, and each related service) shall be completed by the actual service provider whose signature shall appear on such forms and shall be available for review, inspection, or audit by LEA during the effective period of this Master Contract and for a period of five (5) years thereafter. CONTRACTOR shall verify the accuracy of minutes of reported attendance that is the basis of services being billed for payment.

CONTRACTOR shall submit invoices and related documents to LEA for payment for each calendar month when education or related services were provided. Invoices and related documents shall be properly submitted electronically and, in addition, on a LEA form with signatures in the manner prescribed by LEA. Contractor will submit invoices using the format provided by LEA. At the request of LEA, invoices may require the following information: Name of LEA student for whom service was provided; the type of service provided; (if payment for assessment is approved by LEA pursuant to Section 36 of this Master Contract, the invoice must describe whether the assessment was prepared for an initial, annual, amended, or triennial IEP); month of service; specific dates (date, month, year and times) of services coordinated pursuant to LEA-approved calendar unless otherwise specified in the IEP or agreed to by LEA; name of staff who provided the service and that individual's licensing and credentials; approved cost of each invoice; total for each service and total for the monthly invoice; date invoice was mailed; signature of the nonpublic school/nonpublic agency administrator authorizing that the information is accurate and consistent with the ISA, CDE certificates and staff notification; verification that attendance report is attached as appropriate; indication of any made-up session consistent with this Master Contract; and verification that progress reports have been provided consistent with the ISA (consistent with IEP benchmark dates, unless otherwise specified on the ISA); and name or initials of each student for when the service was provided. In the event services were not provided, rationale for why the services were not provided shall be included.

Such an invoice is subject to all conditions of this Master Contract. At the discretion of LEA, an electronic invoice may be required provided such notice has been made in writing and training provided to the CONTRACTOR at no additional charge for such training.

Invoices shall be submitted no later than thirty (30) days after the end of the attendance accounting period in which the services were rendered. LEA shall make payment to CONTRACTOR based on the number of billable days of attendance and hours of service at rates specified in this Master Contract within forty-five (45) days of LEA's receipt of properly submitted hard copy of invoices prepared and submitted as specified in California Education Code Section 56366.5. CONTRACTOR shall correct deficiencies and submit re-billing invoices no later than thirty (30) calendar days after the invoice is returned by LEA. LEA shall pay properly submitted re-billing invoices no later than forty-five (45) days after the date a completely corrected re-billing invoice is received by LEA.

In no case shall initial payment claim submission for any Master Contract fiscal year (July through June) extend beyond December 31st after the close of the fiscal year. In no case shall any re-billing for the Master Contract fiscal year (July through June) extend beyond six (6) months after the close of the fiscal year unless approved by LEA to resolve billing issues including re-billing issues directly related to a delay in obtaining information from the Commission on Teacher Credentialing regarding teacher qualification, but no later than twelve (12) months from the close of the fiscal year. If the billing or re-billing error is the responsibility of LEA, then no limit is set provided that LEA and CONTRACTOR have communicated such concerns in writing during the twelve-month period following the close of the fiscal year. LEA will not pay mileage for NPA employee.

58. RIGHT TO WITHHOLD PAYMENT

LEA may withhold payment to CONTRACTOR when: (a) CONTRACTOR has failed to perform, in whole or in part, under the terms of this Contract; (b) CONTRACTOR has billed for services rendered on days other than billable days of attendance or for days when student was not in attendance and/or did not receive services; (c) CONTRACTOR was overpaid by LEA as determined by inspection, review, and/or audit of its program, work, and/or records; (d) CONTRACTOR has failed to provide supporting documentation with an invoice; (e) education and/or related services are provided to LEA students by personnel who are not appropriately credentialed, licensed, or otherwise qualified; (f) LEA has not received, prior to school closure or contract termination, all documents concerning one or more LEA students enrolled in CONTRACTOR'S educational program; (g) CONTRACTOR fails to confirm a student's change of residence to another district or confirms the change or residence to another district, but fails to notify LEA within five (5) days of such confirmation; (h) CONTRACTOR receives payment from Medi-Cal or from any other agency or funding source for a service provided to a LEA student; or (i) CONTRACTOR fails to provide the required liability/insurance documentation as outlined in Section 15 of this Master Contract. It is understood that no payments shall be made for any invoices that are not received by six (6) months following the close of the prior fiscal year, for services provided in that year.

Final payment to CONTRACTOR in connection with the cessation of operations and/or termination of a Master Contract will be subject to the same documentation standards described for all payment claims for regular ongoing operations. In addition, final payment may be withheld by LEA until completion of a review or audit, if deemed necessary by LEA. Such review or audit will be completed within ninety (90) days. The final payment may be adjusted to offset any previous payments to the CONTRACTOR determined to have been paid in error or in anticipation of correction of documentation deficiencies by the CONTRACTOR that remain uncorrected.

The amount which may be withheld by LEA with respect to each of the subparagraphs of the preceding paragraph are as follows: (a) the value of the service CONTRACTOR failed to perform; (b) the amount of overpayment; (c) the entire amount of the invoice for which satisfactory documentation has not been provided by CONTRACTOR; (d) the amount invoiced for services provided by the individual not appropriately credentialed, licensed, or otherwise qualified; (e) the proportionate amount of the invoice related to the applicable pupil for the time period from the date the violation occurred and until the violation is cured; or (f) the amount paid to CONTRACTOR by Medi-Cal or another agency or funding source for the service provided to LEA student.

If LEA determines that cause exists to withhold payment to CONTRACTOR, LEA shall, within ten (10) business days of this determination, provide to CONTRACTOR written notice that LEA is withholding payment. Such notice shall specify the basis or bases for LEA's withholding payment and the amount to be withheld. Within thirty (30) days from the date of receipt of such notice, CONTRACTOR shall take all necessary and appropriate action to correct the deficiencies that form the basis for LEA's withholding payment or submit a written request for extension of time to correct the deficiencies. Upon receipt of CONTRACTOR'S written request showing good cause, LEA shall extend CONTRACTOR'S time to correct deficiencies (usually an additional thirty (30) days), otherwise payment will be denied.

If after subsequent request for payment has been denied and CONTRACTOR believes that payment should not be withheld, CONTRACTOR shall send written notice to LEA specifying the reason it believes payment should not be withheld. LEA shall respond to CONTRACTOR'S notice within thirty (30) business days by indicating that a warrant for the amount of payment will be made or stating the reason LEA believes payment should not be made. If LEA fails to respond within thirty (30) business days or a dispute regarding the withholding of payment continues after LEA's response to CONTRACTOR'S notice, CONTRACTOR may invoke the following escalation policy.

After forty-five (45) business days: The CONTRACTOR may notify the Authorized LEA's Representative of the dispute in writing. LEA Authorized Representative shall respond to the CONTRACTOR in writing within fifteen (15) business days.

After sixty (60) business days: Disagreements between LEA and CONTRACTOR concerning the Master Contract may be appealed to the County Superintendent of Schools or the State Superintendent of Public Instruction pursuant to the provisions of California Education Code Section 56366(c)(2).

59. PAYMENT FROM OUTSIDE AGENCIES

CONTRACTOR shall notify LEA when Medi-Cal or any other agency is billed for the costs associated with the provision of special education and/or related services to LEA students. Upon request, CONTRACTOR shall provide to LEA any and all documentation regarding reports, billing, and/or payment by Medi-Cal or any other agency for the costs associated with the provision of special education and/or related services to LEA students.

60. PAYMENT FOR ABSENCES

NONPUBLIC SCHOOL STAFF ABSENCE

Whenever a classroom teacher employed by CONTRACTOR is absent, CONTRACTOR shall provide an appropriately credentialed substitute teacher in the absent teacher's classroom in accordance with California Education Code section 56061. CONTRACTOR shall provide to LEA documentation of substitute coverage pursuant to LEA Procedures. Substitute teachers shall remain with their assigned class during all instructional time. LEA will not pay for instruction and/or services unless said instruction or service is provided by an appropriately credentialed substitute teacher.

Whenever a related service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section Seven (7) of this Master Contract and as determined by LEA) substitute. LEA will not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided unless otherwise agreed in LEA student's IEP.

NONPUBLIC SCHOOL STUDENT ABSENCE

If CONTRACTOR is a nonpublic school, no later than the tenth (10th) cumulative day of LEA student's unexcused absence, CONTRACTOR shall notify LEA of such absence as specified in LEA Procedures.

Criteria for a billable day for payment purposes is one day of attendance as defined in California Education Code sections 46010, 46010.3 and 46307. LEA shall not pay for services provided on days that a student's attendance does not qualify for Average Daily Attendance ("ADA") reimbursement under state law. *Per Diem* rates for students whose IEPs authorize less than a full instructional day may be adjusted on a pro rata basis in accordance with the actual proportion of the school day the student was served. LEA shall not be responsible for payment of related services for days on which a student's attendance does not qualify for ADA reimbursement under state law, nor shall student be eligible for make-up services.

NONPUBLIC AGENCY STAFF ABSENCE

When CONTRACTOR is a nonpublic agency and CONTRACTOR'S service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section Seven (7) of this Master Contract and as determined by LEA) substitute, unless LEA provides appropriate coverage in lieu of CONTRACTOR'S service providers. LEA shall not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided. CONTRACTOR shall not "bank" or "carry over" make up service hours under any circumstances, unless otherwise agreed to in writing by CONTRACTOR and LEA. In the event services were not provided, reasons for why the services were not provided shall be included.

NONPUBLIC AGENCY STUDENT ABSENCE

If CONTRACTOR is a nonpublic agency, it shall notify LEA of the absence of a LEA student no later than the fifth (5th) consecutive service day of the student's absence. LEA shall not be responsible for the payment of services when a student is absent.

61. INSPECTION AND AUDIT

CONTRACTOR shall maintain and LEA shall have the right to examine and audit all of the books, records, documents, accounting procedures and practices and other evidence that reflect all costs claimed to have been incurred or fees claimed to have been earned under this Agreement.

CONTRACTOR shall also provide LEA access to all records contemplated by Section 9 of this Master Contract. CONTRACTOR shall make all records available at the office of LEA or CONTRACTOR'S offices (to be specified by LEA), at all reasonable times and without charge. All records shall be provided to LEA within five (5) working days of a written request from LEA. CONTRACTOR shall, at no cost to LEA, provide assistance for such examination or audit. LEA's rights under this section shall also include access to CONTRACTOR'S offices for purposes of interviewing CONTRACTOR'S employees. If any document or evidence is stored in an electronic form, a hard copy shall be made available to LEA, unless LEA agrees to the use of the electronic format.

CONTRACTOR shall obtain from its subcontractors and suppliers written agreements to the requirements of this section and shall provide a copy of such agreements to LEA upon request by LEA.

If an inspection, review, or audit by LEA, a state agency, a Federal agency, and/or an independent agency/firm determines that CONTRACTOR owes LEA monies as a result of CONTRACTOR'S over billing or failure to perform, in whole or in part, any of its obligations under this Master Contract, LEA shall provide to CONTRACTOR written notice demanding payment from CONTRACTOR and specifying the basis or bases for such demand. Unless CONTRACTOR and LEA otherwise agree in writing, CONTRACTOR shall pay to LEA the full amount owed as a result of CONTRACTOR'S over billing and/or failure to perform, in whole or in part, any of its obligations under this Master Contract, as determined by an inspection, review, or audit by LEA, a state agency, a Federal agency, and/or an independent agency/firm. CONTRACTOR shall make such payment to LEA within thirty (30) days of receipt of LEA's written notice demanding payment.

62. RATE SCHEDULE

The attached rate schedules (Exhibits A and B) limit the number of LEA students that may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students that can be provided specific services. Per Diem rates for LEA students whose IEPs authorize less than a full instructional day may be adjusted proportionally. In such cases only, the adjustments in basic education rate shall be based on the required minimum number of minutes per grade level as noted in California Education Code sections 46200-46208.

Special education and/or related services offered by CONTRACTOR shall be provided by qualified personnel as per State and Federal law, and the codes and charges for such educational and/or related services during the term of this Master Contract, shall be as stated in Exhibits A and B.

When CONTRACTOR is a nonpublic school associated with a Residential Treatment Center ("NPS/RTC"), Educationally Related Mental Health Services ("ERMHS") are provided in an integrated, intensive, educationally related therapeutic residential setting which includes social emotional/behavior support through individual counseling, group counseling, family consultation and support, as appropriate. It is a collaborative model which includes educational professionals and related service providers, where all supports and services are integrated in the NPS/RTC program. Costs for ERMHS are all inclusive and combined with the daily rate as ERMHS+RB ("ERMHS + Room and Board"). ERMHS plus Room and Board payments are based on positive attendance (payable for up to a maximum of 365 days) only, with up

to a maximum of 10 days payment per student, per contract year, when a bed is unoccupied, for home visits of a therapeutic nature.

Any Nonpublic School (“NPS”) or residential facility requesting a change in rate for any services provided during a subsequent Master Contract year must make a request in writing to the Sacramento County SELPA Directors, with a copy sent to LEA Director, Douglas Phillips, or designee, by January 15th of each calendar year. Increases will only be considered for approval for entities that have received a positive review on the Quality On-Site NPS Review Rubric.

63. DEBARMENT CERTIFICATION

By signing this agreement, CONTRACTOR certifies that:

- (a) CONTRACTOR and any of its shareholders, partners, or executive officers are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency, and
- (b) Has/have not, within a three-year period preceding this contract, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.

The Parties hereto have executed this Master Contract by and through their duly authorized agents or representatives. This Master Contract is effective on the 1st day of July 2018 and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided herein.

CONTRACTOR
CCHAT Center - Sacramento

Nonpublic School/Agency

By:

Signature Date

Laura Covello, Director

Name and Title of Authorized Representative

Notices to CONTRACTOR shall be addressed to:
Laura Covello, Director

Name and Title

CCHAT Center - Sacramento

Nonpublic School/Agency/Related Service Provider
11100 Coloma Road

Address

Rancho Cordova CA 95815

City State Zip

916-361-7290 916-361-8613

Phone Fax

laurac@cchatsacramento.org

Email*

(*Required)

LEA
Galt Joint Union Elementary School District

By:

Signature Date

By:

Lois Yount, Director of Business Services

Name and Title of Authorized Representative

Notices to LEA shall be addressed to:
Donna Mayo-Whitlock

Galt Joint Union Elementary School District

LEA
1018 C Street, Suite 210

Address

Galt, CA 95632

City State Zip

209-744-4545, ext 303 209-744-4554

Phone Fax

dwhitlock@galt.k12.ca.us

Email

Additional LEA Notification
(Required if Completed)

Stephanie Gutierrez, Program Specialist

Name and Title

Galt Joint Union Elementary School District

LEA

1018 C Street, Suite 210

Address

Galt, CA 95632

City State Zip

209-744-4545, ext. 339 209-744-4554

Phone Fax

sgutierrez@galt.k12.ca.us

Email

EXHIBIT A: RATES - NON-PUBLIC SCHOOL ONLY – 2018-2019 CONTRACT YEAR

CONTRACTOR _____ **CONTRACTOR NUMBER** _____ **2018-2019**
(NONPUBLIC SCHOOL) (CONTRACT YEAR)

Per CDE Certification, total enrollment may not exceed _____ **If blank, the number shall be as determine by CDE Certification.**

Rate Schedule. This rate schedule limits the number of LEA students who may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students who can be provided specific services. Special education and/or related services offered by CONTRACTOR, and the charges for such educational and/or related services during the term of this contract shall be as follows:

Payment under this contract may not exceed _____
 Total LEA enrollment may not exceed _____
 (per Master Contract Section 62)

Rate	Period
_____	_____
_____	_____
_____	_____

A. Basic Education Program/Special Education Instruction
 Basic Education Program/Dual Enrollment

Per diem rates for LEA students whose IEPs authorize less than a full instructional day shall be adjusted proportionally.

B. Related Services

- (1) a. Transportation – Round Trip (NPS only, unless otherwise agreed to by LEA) _____
- b. Transportation – One Way (NPS only, unless otherwise agreed to by LEA) _____
- c. Transportation-Dual Enrollment _____
- d. Public Transportation _____
- e. Parent* _____
- (2) a. Educational Counseling – Individual _____
- b. Educational Counseling – Group of _____
- c. Counseling – Parent _____
- (3) a. Adapted Physical Education – Individual _____
- b. Adapted Physical Education – Group of _____
- c. Adapted Physical Education – Group of _____
- (4) a. Language and Speech Therapy – Individual _____
- b. Language and Speech Therapy – Group of 2 _____
- c. Language and Speech Therapy – Group of 3 _____
- d. Language and Speech Therapy – Per diem _____
- e. Language and Speech - Consultation Rate _____
- (5) a. Additional Instructional Assistant - Individual (must be authorized on IEP) _____
- b. Additional Instructional Assistant – Group of 2 _____
- c. Additional Instructional Assistant – Group of 3 _____
- (6) Intensive Special Education Instruction** _____
- (7) a. Occupational Therapy – Individual _____
- b. Occupational Therapy – Group of 2 _____
- c. Occupational Therapy – Group of 3 _____
- d. Occupational Therapy – Group of 4 - 7 _____
- e. Occupational Therapy - Consultation Rate _____
- (9) Physical Therapy _____
- (10) a. Behavior Intervention – BII _____
- b. Behavior Intervention – BID _____
- Provided by: _____
- (11) Nursing Services _____
- (12) Other: B.E.S.T. Model Rate _____

*Parent transportation reimbursement rates are to be determined by LEA.
 **By credentialed Special Education Teacher.

INDIVIDUAL SERVICES AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL SERVICES
(Education Code Sections 56365 *et seq.*)

This agreement is effective on _ ___ or the date student begins attending a nonpublic school if after the date identified, and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided in the Master Contract and by applicable law.

Local Education Agency (LEA)				Nonpublic School			
Address				Address			
City, State Zip				City, State, Zip			
LEA Case Manager				Phone		Fax	
				e-Mail			
Student Last Name		Student First Name		Program Contact Name		Stephanie Gutierrez	
				Phone		Fax	
D.O.B.		I.D. #		e-Mail			
Grade		Level		Sex	(X) M () F		
Parent/Guardian Last Name				Parent/Guardian First Name			
				Education Schedule – Regular School Year			
				Number of Days		Number of Weeks	
				Education Schedule – Extended School Year			
				Number of Days		Number of Weeks	
Address				Contract Begins		Ends	
City, State, Zip				Master Contract Approved by the Governing Board on			
Home Phone		Business					

DESIGNATED INSTRUCTION AND SERVICES / RELATED SERVICES:

SERVICES	PROVIDER				Cost and Duration of Session	Number of Sessions per wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	LEA	NPS	NPA	OTHER Specify			Reg School Year	ESY	
A. BASIC EDUCATION									
B. RELATED SERVICES									
1. Transportation a. Paid to NPS/A b. Reimburse parent									
2. Counseling a. Group b. Individual c. Family									
3. Adapted P.E.									
4. Speech/Language a. Group b. Individual									
5. Occupational Therapy a. Therapy b. Consultation									

B. RELATED SERVICES (cont'd)	Provider				Cost and Duration of Session	Number of Sessions per wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	LEA	NPS	NPA	OTHER Specify			Reg School Year	ESY	
6. Physical Therapy a. Therapy b. Consultation									
7. ABA a. Consult b. Direct c. Supervision d. Assessment									
8. One-to-One Aide									
9. Other									
						TOTAL COST		\$	

ESTIMATED MAXIMUM RELATED SERVICES COST \$ _____

SPECIALIZED EQUIPMENT/SUPPLIES _____ \$ _____

TOTAL ESTIMATED MAXIMUM BASIC EDUCATION AND RELATED SERVICES COSTS/SPECIALIZED EQUIPMENT/SUPPLIES \$ _____

4. Other Provisions/Attachments: _____

5. Progress Reporting Requirements: _____ Quarterly _____ Monthly _____ Other (Specify _____)

MASTER CONTRACT APPROVED BY THE GOVERNING BOARD ON _____

The Parties hereto have executed this Individual Services Agreement by and through their duly authorized agents or representatives as set forth below.

-CONTRACTOR-

-LEA-

(Name of Nonpublic School)

(Name of LEA)

(Signature)

(Date)

(Signature)

(Date)

(Name and Title)

(Name of Superintendent or Authorized Designee)

EXHIBIT B: RATES – NON-PUBLIC AGENCY ONLY – 2018-2019 CONTRACT YEAR

CONTRACTOR CCHAT Center - Sacramento CONTRACTOR NUMBER -7-_ CDE TOTAL ENROLLMENT ALLOWED _____

Rate Schedule. This rate schedule limits the number of LEA students who may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students who can be provided specific services. Special education and/or related services offered by CONTRACTOR, and the charges for such educational and/or related services during the term of this contract shall be as follows:

Payment under this contract may not exceed _____
 Total LEA enrollment may not exceed _____
 (per Master Contract Section 62)

SERVICE	DESCRIPTION	RATE
Language and Speech Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	\$120.00 ___ Per Hour
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Occupational Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	\$ _____ Per Hour
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Physical Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	\$ _____ Per Hour Evals:
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Behavior Intervention Services	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on the work day for this discipline. Rate will be pro-rated if NPA staff works less than the identified work day: <i>Check the applicable work day:</i> <input type="checkbox"/> Full Work Day <input type="checkbox"/> Half Work Day	\$ _____ Per Diem
	DIRECT STUDENT AIDE 1:1 or small group, implementing behavior plan, data collection.	\$ _____ Per Hour
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s).	\$ _____ Per Hour
	SUPERVISING CONSULTANT: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s).	\$ _____ Per Hour
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting; attendance at IEP meetings.	\$ _____ Per Hour
Other:	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
		\$ _____ Per Hour

INDIVIDUAL SERVICES AGREEMENT FOR NONPUBLIC AGENCY SERVICES (Education Code Sections 56365 et seq.)

This Agreement is effective on _____ or the date student begins receiving services from a nonpublic agency, if after the date identified, and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided in the Master Contract and by applicable law.

SELPA INFORMATION	
Student Services	Program Contact:
	Program Contact Phone:
	Program Contact Fax:
	Program Contact E-mail:

NPA INFORMATION	
Nonpublic Agency:	Program Contact:
Address:	Program Contact Phone:
City/State/Zip	Program Contact Fax:
	Program Contact E-mail:

STUDENT INFORMATION			
Student Last:		Student First:	
DOB:	Grade:	Sex: () F () M	Student ID#:
Student Track:		Progress Reporting Requirements: (At least 4 per Section 36)	
# of Days Reg School Yr:	# of Days Ext School Yr:	() IEP Benchmark Dates () Other: _____	
Parent/Guardian Last:		Parent/Guardian First:	
Parent/Guardian Phone #1: ()-		Parent/Guardian Phone #2: ()-	
School Site:		SpEd Case Manager:	
Address:		SpEd Case Manager Phone: ()-	
City/Zip:		SpEd Case Manager Fax: ()-	
School Site Phone: ()-		SpEd Case Manager E-mail:	

CONTRACT INFORMATION		
ISA Begins:	ISA Ends:	Master Contract Approved by Governing Board on:

SERVICE INFORMATION									
	Direct Therapy Sessions/Duration per IEP Year		Consultation Sessions/Duration per IEP Year		Other Services per IEP Year		TOTAL Duration	COST Per Hour	Estimated Max Total for ISA Period
	Reg School YR	ESY	Reg School YR	ESY	Reg School YR	ESY			
Language and Speech Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Occupational Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Physical Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Behavior Intervention Services	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		

Other:	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
--------	---------------------	---------------------	---------------------	---------------------	--	--	-------	--	--

The Parties hereto have executed this Individual Services Agreement by and through their duly authorized agents or representatives as set forth below.

-CONTRACTOR-

-LEA-

(Name of Nonpublic Agency)

(Name of LEA)

(Signature) (Date)

(Signature) (Date)

(Name and Title)

(Name of Superintendent or Authorized Designee)



Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632

209-744 4545 / 209-744-4553 fax / www.galt.k12.ca.us

Nonpublic, Non-Sectarian School/Agency Services

MASTER CONTRACT

#8

Maverick Education and Behavioral Solutions, LLC

SACRAMENTO COUNTY SELPA

*NONPUBLIC, NONSECTARIAN
SCHOOL/AGENCY SERVICES*

MASTER CONTRACT

2018–2019

MASTER CONTRACT

GENERAL AGREEMENT FOR NONSECTARIAN,
NONPUBLIC SCHOOL AND AGENCY SERVICES

GALT JOINT UNION ELEMENTARY SCHOOL

District _____ DISTRICT _____

Contract Year 2018-2019

_____ Nonpublic School
X Nonpublic Agency

Type of Contract:

 x Master Contract for fiscal year with Individual Service Agreements (ISA) to be approved throughout the term of this contract.

 Individual Master Contract for a specific student incorporating the Individual Service Agreement (ISA) into the terms of this Individual Master Contract specific to a single student.

 Interim Contract: an extension of the previous fiscal years approved contracts and rates. The sole purpose of this Interim Contract is to provide for ongoing funding at the prior year's rates for 90 days at the sole discretion of the District. Expiration Date: _____

When this section is included as part of any Master Contract, the changes specified above shall amend Section 4 – Term of Master Contract.

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LEA: GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

NONPUBLIC SCHOOL/AGENCY/RELATED SERVICES PROVIDER: Maverick Education and Behavioral Solutions, LLC.

NONPUBLIC, NONSECTARIAN SCHOOL/AGENCY SERVICES
MASTER CONTRACT

AUTHORIZATION FOR MASTER CONTRACT AND GENERAL PROVISIONS

1. MASTER CONTRACT

This Master Contract is entered into on January 1, 2019, between the **GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT** (hereinafter referred to as the local educational agency “LEA” or “District”) and **Maverick Education and Behavioral Solutions, LLC.** (nonpublic, nonsectarian school or agency, hereinafter referred to as “CONTRACTOR”) for the purpose of providing special education and/or related services to LEA students with exceptional needs under the authorization of California Education Code sections 56157, 56361 and 56365 *et seq.* and Title 5 of the California Code of Regulations section 3000 *et seq.*, AB490 (Chapter 862, Statutes of 2003) and AB1858 (Chapter 914, Statutes of 2004). It is understood that this Master Contract does not commit LEA to pay for special education and/or related services provided to any LEA student, or CONTRACTOR to provide such special education and/or related services, unless and until an authorized LEA representative approves the provision of special education and/or related services by CONTRACTOR.

Upon acceptance of a student, LEA shall submit to CONTRACTOR an Individual Services Agreement (hereinafter referred to as “ISA”), and a Nonpublic Services Student Enrollment form. CONTRACTOR shall work with LEA to complete and return these forms to LEA prior to initiating any services for any student.

Unless otherwise agreed in writing, the ISA and the Nonpublic Services Student Enrollment form shall acknowledge CONTRACTOR’S obligation to provide all services specified in the student’s Individualized Education Plan (hereinafter referred to as “IEP”). The ISA shall be executed within ninety (90) days of an LEA student’s enrollment. LEA and CONTRACTOR shall enter into an ISA for each LEA student served by CONTRACTOR. As available and appropriate, LEA shall make available access to any electronic IEP system and/or electronic database for ISA development, including invoicing.

Unless placement is made pursuant to an Office of Administrative Hearings (hereinafter referred to as “OAH”) order, a lawfully executed agreement between LEA and parent, or authorized by LEA for a transfer student pursuant to California Education Code section 56325, LEA is not responsible for the costs associated with nonpublic school placement until the date on which an IEP team meeting is convened, the IEP team determines that a nonpublic school placement is appropriate, and the IEP is signed by LEA student’s parent.

2. CERTIFICATION AND LICENSES

CONTRACTOR shall be certified by the California Department of Education (hereinafter referred to as “CDE”) as a nonpublic, nonsectarian school/agency. All nonpublic school and nonpublic agency services shall be provided consistent with the area of certification specified by CDE Certification and as defined in California Education Code section 56366 *et seq.* and within the professional scope of practice of each provider’s license, certification and/or credential. A current copy of CONTRACTOR’S nonpublic school/agency certification or a waiver of such certification issued by the CDE pursuant to California

Education Code section 56366.2 must be provided to LEA on or before the date this Master Contract is executed by CONTRACTOR. This Master Contract shall be null and void if such certification or waiver is expired, revoked, rescinded, or otherwise nullified during the effective period of this Master Contract. Total student enrollment shall be limited to capacity as stated on the applicable CDE certification. Total LEA student enrollment shall be limited to capacity as stated in Section 24 of the Master Contract.

In addition to meeting the certification requirements of the state of California, a CONTRACTOR that operates a program outside of this state shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

If CONTRACTOR is a licensed children's institution (hereinafter referred to as "LCI"), CONTRACTOR shall be licensed by the state, or other public agency having delegated authority by contract with the state to license, to provide nonmedical care to children, including, but not limited to, individuals with exceptional needs. The LCI must also comply with all licensing requirements relevant to the protection of the child, and have a special permit, if necessary, to meet the needs of each child so placed. If the CONTRACTOR operates a program outside of this state, CONTRACTOR must obtain all required licenses from the appropriate licensing agency in both California and in the state where the LCI is located.

With respect to CONTRACTOR'S certification, failure to notify LEA and CDE of any changes in: (1) credentialed/licensed staff; (2) ownership; (3) management and/or control of the agency; (4) major modification or relocation of facilities; or (5) significant modification of the program may result in the suspension or revocation of CDE certification and shall also be good cause for the suspension or termination of this Master Contract by LEA.

3. COMPLIANCE WITH LAWS, STATUTES, REGULATIONS

During the term of this Master Contract, unless otherwise agreed, CONTRACTOR shall comply with all applicable Federal, state, and local statutes, laws, ordinances, rules, policies, and regulations. CONTRACTOR shall also comply with all applicable LEA policies and procedures unless CONTRACTOR and LEA specifically agree, in writing, that a policy or policies, or a portion of a policy, does/do not reasonably apply to CONTRACTOR. CONTRACTOR hereby acknowledges and agrees that it accepts all risks and responsibilities for its failure to comply with LEA policies and shall indemnify LEA under the provisions of Section 16 of this Agreement for all liability, loss, damage and expense (including reasonable attorneys' fees) resulting from or arising out of CONTRACTOR'S failure to comply with applicable LEA policies (e.g., those policies relating to the provision of special education and/or related services, facilities for individuals with exceptional needs, LEA student enrollment and transfer, LEA student inactive status, corporal punishment, student discipline, and positive behavior interventions).

CONTRACTOR acknowledges and understands that LEA may report to the CDE any violations of the provisions of this Master Contract, and that this may result in the suspension and/or revocation of CDE nonpublic school/agency certification pursuant to California Education Code section 56366.4(a).

4. TERM OF MASTER CONTRACT

The term of this Master Contract shall be from July 1, 2018 to June 30, 2019 unless otherwise stated. (Cal. Code Regs., tit. 5, § 3062(a).) Neither the CONTRACTOR nor LEA is required to renew this Master Contract in subsequent contract years. The parties acknowledge that any subsequent Master Contract is to be re-negotiated prior to June 30, 2019. In the event a subsequent Master Contract is not renegotiated by June 30, 2019, an interim contract may be made available as mutually agreed upon for up to 90 days from July 1 of the new fiscal year. (Cal. Code Regs., tit. 5, § 3062(d).) No Master Contract will be offered unless and until all of the contracting requirements have been satisfied. The offer of a Master Contract to a CONTRACTOR is at the sole discretion of LEA.

The provisions of this Master Contract apply to CONTRACTOR and any of its employees or independent contractors. Notice of any change in CONTRACTOR'S ownership or authorized representative shall be

provided in writing to LEA within thirty (30) calendar days of change of ownership or change of authorized representative.

5. INTEGRATION/CONTINUANCE OF CONTRACT FOLLOWING EXPIRATION OR TERMINATION

This Master Contract includes LEA Procedures and each Individual Services Agreement which are incorporated herein by this reference. This Master Contract supersedes any prior or contemporaneous written or oral understanding or agreement. This Master Contract may be amended only by written amendment executed by both parties. Notwithstanding the foregoing, LEA may modify LEA procedures from time to time without the consent of CONTRACTOR.

CONTRACTOR shall provide LEA with all information as requested in writing to secure a Master Contract or a renewal.

At a minimum, such information shall include copies of teacher credentials and clearance, insurance documentation, and CDE certification. LEA may require additional information as applicable. If the application packet is not completed and returned to LEA, no Master Contract will be issued. If CONTRACTOR does not return the Master Contract to LEA duly signed by an authorized representative within ninety (90) calendar days of issuance by LEA, the new contract rates will not take effect until the newly executed Master Contract is received by LEA and will not be retroactive to the first day of the new Master Contract's effective date. If CONTRACTOR fails to execute the new Master Contract within such ninety day period, all payments shall cease until such time as the new Master Contract for the current school year is signed and returned to LEA by CONTRACTOR. (Ed. Code §§ 56366(c)(1), (2).) In the event that this Master Contract expires or terminates, CONTRACTOR shall continue to be bound to all of the terms and conditions of the most recent executed Master Contract between CONTRACTOR and LEA for so long as CONTRACTOR is servicing authorized LEA students at the discretion of LEA.

6. INDIVIDUAL SERVICES AGREEMENT

This Master Contract shall include an ISA developed for each LEA student for whom CONTRACTOR is to provide special education and/or related services. An ISA shall only be issued for LEA students enrolled with the approval of LEA pursuant to California Education Code section 56366(a)(2)(A). An ISA may be effective for more than one contract year provided that there is a concurrent Master Contract in effect. In the event that this Master Contract expires or terminates, CONTRACTOR shall continue to be bound to all of the terms and conditions of the most recent executed ISAs between CONTRACTOR and LEA for so long as CONTRACTOR is servicing authorized LEA students.

Any and all changes to a LEA student's educational placement/program provided under this Master Contract and/or an ISA shall be made solely on the basis of a revision to LEA student's IEP. At any time during the term of this Master Contract, a LEA student's parent, CONTRACTOR, or LEA may request a review of a LEA student's IEP subject to all procedural safeguards required by law.

Unless otherwise provided in this Master Contract, the CONTRACTOR shall provide all services specified in the IEP unless the CONTRACTOR and LEA agree otherwise in the ISA. (Ed. Code § 56366(a)(5); Cal. Code Regs., tit. 5, § 3062(e).) In the event the CONTRACTOR is unable to provide a specific service at any time during the life of the ISA, the CONTRACTOR shall notify LEA in writing within five (5) business days of the last date a service was provided. CONTRACTOR shall provide any and all subsequent compensatory service hours awarded to an LEA student as a result of lack of provision of services while the student was served by the nonpublic school or agency.

If a parent or LEA contests the termination of an ISA by initiating a due process proceeding with the OAH, CONTRACTOR shall abide by the "stay-put" requirement of state and Federal law unless the parent and LEA voluntarily agree otherwise, or an interim alternative educational setting is deemed lawful by OAH consistent with section 1415(k) of Title 20 of the United States Code. CONTRACTOR shall adhere to all LEA requirements concerning changes in placement.

Disagreements between LEA and CONTRACTOR concerning the formulation of an ISA or the Master Contract may be appealed to the County Superintendent of Schools of the County where LEA is located, or the State Superintendent of Public Instruction pursuant to the provisions of California Education Code section 56366(c)(2).

7. DEFINITIONS

The following definitions shall apply for purposes of this contract:

- a. The term “CONTRACTOR” means a nonpublic, nonsectarian school/agency certified by the California Department of Education and its officers, agents, and employees.
- b. The term “authorized LEA representative” means a LEA administrator designated to be responsible for nonpublic school/agencies. It is understood that a representative of the Special Education Local Plan Area (“SELPA”) of which LEA is a member is an authorized LEA representative in collaboration with LEA. LEA maintains sole responsibility for the Master Contract, unless otherwise specified in the Master Contract.
- c. The term “credential” means a valid credential, life diploma, permit, or document in special education or Pupil Personnel Services issued by, or under the jurisdiction of, the California State Board of Education if issued prior to 1970 or the California Commission on Teacher Credentialing, which entitles the holder thereof to perform services for which certification qualifications are required as defined in Title 5 of the California Code of Regulations section 3001(g).
- d. As defined in Title 5 of the California Code of Regulations section 3001(r), the term "qualified" means that a person has met Federal and state certification, licensing, registration, or other comparable requirements which apply to the area in which he or she is providing special education or related services (including but not limited to, for example, the requirements set forth in Title 34 of the Code of Federal Regulations sections 200.56 and 200.58, California Code of Regulations, title 5, sections 3064 and 3065 and California Education Code section 56366.1(n)(1)), or, in the absence of such requirements, the state-education-agency–approved or recognized requirements, and adheres to the standards of professional practice established in Federal and state law or regulation, including the standards contained in the California Business and Professions Code and the scope of practice as defined by the licensing or credentialing body.) Nothing in this definition shall be construed as restricting the activities or services of a graduate needing direct hours leading to licensure, or of a student teacher or intern leading to a graduate degree at an accredited or approved college or university, as authorized by state laws or regulations.
- e. The term “license” means a valid non-expired document issued by a licensing agency within the Department of Consumer Affairs or other state licensing office authorized to grant licenses and authorizing the bearer of the document to provide certain professional services or refer to themselves using a specified professional title. This includes, but is not limited to mental health and board and care services at a residential placement. If a license is not available through an appropriate state licensing agency, a certificate of registration with the appropriate professional organization at the national or state level which has standards established for the certificate that are equivalent to a license shall be deemed to be a license as defined in Title 5 of the California Code of Regulations section 3001(l).
- f. “Parent” means a biological or adoptive parent unless the biological or adoptive parent does not have legal authority to make educational decisions for the child, a guardian generally authorized to act as the child’s parent or authorized to make educational decisions for the child, an individual acting in the place of a biological or adoptive parent, including a grandparent, stepparent, or other relative with whom the child lives, or an individual who is legally responsible for the child’s welfare, a surrogate parent, a foster parent if the authority of the biological or adoptive parent to

make educational decisions on the child's behalf has been specifically limited by court order in accordance with Title 34 of the Code of Federal Regulations sections 300.30(b)(1) or (2). Parent does not include the state or any political subdivision of government or the nonpublic school or agency under contract with LEA for the provision of special education or designated instruction and services for a child. (Ed. Code § 56028.)

- g. The term "days" means calendar days unless otherwise specified.
- h. The phrase "billable day" means a school day in which instructional minutes meet or exceed those in comparable LEA programs.
- i. The phrase "billable day of attendance" means a school day as defined in California Education Code section 46307, in which a LEA student is in attendance and in which instructional minutes meet or exceed those in comparable LEA programs unless otherwise stipulated in an IEP or ISA.
- j. It is understood that the term "Master Contract" also means "Agreement" and may be referred to as such in this document.

ADMINISTRATION OF CONTRACT

8. NOTICES

All notices provided for by this Master Contract shall be in writing. Notices shall be mailed or delivered by hand and shall be effective as of the date of receipt by addressee.

All notices mailed to LEA shall be addressed to the person and address as indicated on the signature page of the Master Contract. Notices to CONTRACTOR shall be addressed as indicated on signature page of this Master Contract.

9. MAINTENANCE OF RECORDS

All records shall be maintained by CONTRACTOR as required by state and Federal laws and regulations. Notwithstanding the foregoing sentence, CONTRACTOR shall maintain all records for at least five (5) years after the termination of this Master Contract. For purposes of this Master Contract, "records" shall include, but not be limited to pupil records as defined by California Education Code section 49061(b) including electronically stored information; cost data records as set forth in Title 5 of the California Code of Regulations section 3061; registers and roll books of teachers and/or daily service providers; chart notes, Medi-Cal logs, daily service logs and notes and other documents used to record the provision of related services including supervision; daily service logs and notes used to record the provision of services provided by instructional assistants, NPA behavior intervention aides, and bus aides and supervisors; absence verification records (parent/doctor notes, telephone logs, and related documents); bus rosters; staff lists specifying credentials held; business licenses held; documents evidencing other staff qualifications including social security numbers, dates of hire, and dates of termination; records of employee training and certification, staff time sheets; non-paid staff and volunteer sign-in sheets; transportation and other related services subcontracts; school calendars; bell/class schedules when applicable; liability and worker's compensation insurance policies; state nonpublic school and/or agency certifications; by-laws; lists of current board of directors/trustees, if incorporated; statements of income and expenses; general journals; cash receipts and disbursement books, general ledgers and supporting documents; documents evidencing financial expenditures; Federal/state payroll quarterly reports (Form 941/DE3DP); and bank statements and canceled checks or facsimile thereof.

CONTRACTOR shall maintain LEA student records in a secure location to ensure confidentiality and prevent unauthorized access. CONTRACTOR shall maintain a current list of the names and positions of CONTRACTOR'S employees who have access to confidential records. CONTRACTOR shall maintain an access log for each LEA student's record which lists all persons, agencies, or organizations requesting or receiving information from the record and the legitimate interests therefore. Such log shall be maintained

as required by California Education Code section 49064 and include the name, title, agency/organization affiliation, and date/time of access for each individual requesting or receiving information from LEA student's record. Such log needs not to record access to LEA student's records by: (a) LEA student's parent; (b) an individual to whom written consent has been executed by LEA student's parent; or (c) employees of LEA or CONTRACTOR having a legitimate educational interest in requesting or receiving information from the record. CONTRACTOR/LEA shall maintain copies of any written parental concerns granting access to student records. For purposes of this paragraph, "employees of LEA or CONTRACTOR" do not include subcontractors. CONTRACTOR shall grant parents access to student records and comply with parents' requests for copies of student records, as required by state and Federal laws and regulations. CONTRACTOR agrees, in the event of school or agency closure, to forward all records within ten (10) business days to LEA. LEA shall have access to and receive copies of any and all documents required to be maintained by CONTRACTOR within five (5) business days of a request.

10. SEVERABILITY CLAUSE

If any provision of this Master Contract is held, in whole or in part, to be unenforceable for any reason, the remainder of that provision and of the entire Master Contract shall be severable and remain in effect.

11. SUCCESSORS IN INTEREST

This contract binds CONTRACTOR'S successors and assignees. CONTRACTOR shall notify LEA, in writing, of any change of ownership or corporate control within ten (10) business days of such change.

12. VENUE AND GOVERNING LAW

The laws of the State of California shall govern the terms and conditions of this Master Contract with venue in the County where LEA is located.

13. MODIFICATIONS AND AMENDMENTS REQUIRED TO CONFORM TO LEGAL AND ADMINISTRATIVE GUIDELINES

This Master Contract may be modified or amended by LEA to conform to administrative and statutory guidelines issued by any state, Federal or local governmental agency. LEA shall provide CONTRACTOR thirty (30) days' notice of any such changes or modifications made to conform to administrative or statutory guidelines and a copy of the statute or regulation upon which the modification or changes are based.

14. TERMINATION

This Master Contract or an Individual Services Agreement may be terminated for cause. Cause shall include but not be limited to non-maintenance of current nonpublic school certification, failure of either LEA or the CONTRACTOR to maintain the standards required under the Master Contract and/or Individual Services Agreement, or other material breach of this Master Contract by CONTRACTOR or LEA. For purposes of Non Public School placement, the cause shall not be the availability of a public class initiated during the period of the Master Contract unless the parent agrees to the transfer of the student to a public school program at an IEP team meeting. To terminate the Master Contract, either party shall give twenty (20) days prior written notice to the other party (Ed. Code § 56366(a)(4)), or immediately, if CONTRACTOR and LEA mutually agree that there are significant health or safety concerns. At the time of termination, CONTRACTOR shall provide to LEA any and all documents CONTRACTOR is required to maintain under this Master Contract. ISAs are void upon termination of this Master Contract, except as provided in Sections 5 or 6. CONTRACTOR or LEA may terminate an ISA for cause, without terminating the Master Contract in its entirety. To terminate the ISA, either party shall also give twenty (20) days prior written notice to the other.

15. INSURANCE

CONTRACTOR shall, at his, her, or its sole cost and expense, maintain in full force and effect, during the term of this Agreement, the following insurance coverage from a California licensed and/or admitted insurer with an A minus (A-), VII, or better rating from A.M. Best, sufficient to cover any claims, damages, liabilities, costs and expenses (including counsel fees) arising out of or in connection with CONTRACTOR's fulfillment of any of its obligations under this Agreement or either party's use of the work or any component or part thereof:

PART I

- A. **Commercial General Liability Insurance**, including both bodily injury and property damage, with limits as follows:

- \$2,000,000 per occurrence
- \$ 500,000 fire damage
- \$ 5,000 medical expenses
- \$1,000,000 personal & adv. injury
- \$3,000,000 general aggregate
- \$2,000,000 products/completed operations aggregate

The policy may not contain an exclusion for coverage of claims arising from claims for sexual molestation or abuse. In the event that CONTRACTOR's policy should have an exclusion for sexual molestation or abuse claims, then CONTRACTOR shall be required to procure a supplemental policy providing such coverage.

- B. **Business Auto Liability Insurance** for all owned scheduled, non-owned or hired automobiles with a \$1 million combined single limit.

If no owned automobiles, then only hired and non-owned is required.

If CONTRACTOR uses a vehicle to travel to/from school sites, between schools and/or to/from students' homes or other locations as approved service locations by the LEA, CONTRACTOR must comply with State of California auto insurance requirements.

- C. **Workers' Compensation and Employers Liability Insurance** in a form and amount covering CONTRACTOR's full liability under the California Workers' Compensation Insurance and Safety Act and in accordance with applicable state and Federal laws.

- Part A – Statutory Limits
- Part B – \$1,000,000/\$1,000,000/\$1,000,000 Employers Liability

- D. **Errors & Omissions (E & O)/Malpractice (Professional Liability) Insurance**, including sexual molestation and abuse coverage, unless that coverage is afforded elsewhere in the Commercial General Liability policy by endorsement or separate policy, with the following limits:

- \$1,000,000 per occurrence
- \$2,000,000 general aggregate

- E. CONTRACTOR, upon execution of this Master Contract and periodically thereafter upon request, shall furnish the LEA with certificates of insurance evidencing such coverage. The certificate of insurance shall include a ten (10) day non-renewal notice provision. The Commercial General Liability and Automobile Liability policy shall name the LEA as

additional insured and shall be endorsed on all policies. Certificate of Insurance, additional insured endorsement and declaration of insurance coverages shall be provided to LEA. All premiums on all insurance policies shall be paid by CONTRACTOR and shall be deemed included in CONTRACTOR's obligations under this contract at no additional charge.

- F. Any deductibles or self-insured retentions above \$100,000 must be disclosed to and approved by the LEA. At its option, LEA may require the CONTRACTOR, at the CONTRACTOR's sole cost, to: (a) cause its insurer to reduce to levels specified by the LEA or eliminate such deductibles or self-insured retentions with respect to the LEA, its officials and employees, or (b) procure a bond guaranteeing payment of losses and related investigation.
- G. For any claims related to the services contracted for under this Agreement, the CONTRACTOR's insurance coverage shall be primary insurance as respects to the LEA, its subsidiaries, officials and employees. Any insurance or self-insurance maintained by the LEA, its subsidiaries, officials and employees shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
- H. All Certificates of Insurance may reference the contract number, name of the school or agency submitting the certificate, and the location of the school or agency submitting the certificate on the certificate.

PART II – INSURANCE REQUIREMENTS FOR NONPUBLIC SCHOOLS AFFILIATED WITH A RESIDENTIAL TREATMENT FACILITY (“RTC”)

When CONTRACTOR is a nonpublic school affiliated with a residential treatment center (“NPS/RTC”), the following insurance policies are required:

- A. **Commercial General Liability Insurance** of \$3,000,000 per Occurrence and \$6,000,000 in General Aggregate. The policy shall be endorsed to name the LEA and the Board of Education as named additional insureds and shall provide specifically that any insurance carried by the LEA which may be applicable to any claims or loss shall be deemed excess and the RTC's insurance primary despite any conflicting provisions in the RTC's policy. Coverage shall be maintained with no self-insured retention above \$100,000 without the prior written approval of the LEA.
- B. **Workers' Compensation Insurance** in accordance with provisions of the California Labor Code adequate to protect the RTC from claims that may arise from its operations pursuant to the Workers' Compensation Act (Statutory Coverage). The Workers' Compensation Insurance coverage must also include Employers Liability coverage with limits of \$1,000,000/\$1,000,000/\$1,000,000.
- C. **Commercial Auto Liability** coverage with limits of \$1,000,000 Combined Single Limit per Occurrence if the RTC does not operate a student bus service. If the RTC provides student bus services, the required coverage limit is \$5,000,000 Combined Single Limit per Occurrence.
- D. **Fidelity Bond or Crime** coverage shall be maintained by the RTC to cover all employees who process or otherwise have responsibility for RTC funds, supplies, equipment or other assets. Minimum amount of coverage shall be \$250,000 per occurrence, with no self-insured retention.
- E. **Professional Liability/Errors & Omissions/Malpractice** coverage with minimum limits of \$3,000,000 per occurrence and \$6,000,000 general aggregate.
- F. **Sexual Molestation and Abuse** coverage, unless that coverage is afforded elsewhere in the Commercial General Liability or Professional liability policy by endorsement, with minimum limits of \$3,000,000 per occurrence and \$6,000,000 general aggregate.

If LEA or CONTRACTOR determines that a change in insurance coverage obligations under this section is necessary, either party may reopen negotiations to modify the insurance obligations.

16. INDEMNIFICATION AND HOLD HARMLESS

Except with respect to claims arising from a Party's separate negligence or willful acts, which shall remain that Party's personal obligation, each Party agrees to defend, indemnify and hold harmless the other Party and its directors, officers, employees, agents, attorneys, volunteers, and subcontractors with respect to a claim resulting from or arising out of this Master Contract or its performance and arising from the Party's actual or alleged act, failure to act, error, or omission in the performance of their obligations under this Agreement or any governing law or regulations.

17. INDEPENDENT CONTRACTOR

Nothing herein contained shall be construed to imply a joint venture, partnership or principal-agent relationship between LEA and CONTRACTOR. CONTRACTOR shall provide all services under this Agreement as an independent contractor, and neither party shall have the authority to bind or make any commitment on behalf of the other. Nothing contained in this Agreement shall be deemed to create any association, partnership, joint venture or relationship of principal and agent, master and servant, or employer and employee between the Parties or any affiliates of the Parties, or between LEA and any individual assigned by CONTRACTOR to perform any services for LEA.

If LEA is held to be a partner, joint venturer, co-principal, employer or co-employer of CONTRACTOR, CONTRACTOR shall indemnify and hold harmless LEA from and against any and all claims for loss, liability, or damages arising from that holding, as well as any expenses, costs, taxes, penalties and interest charges incurred by LEA as a result of that holding.

18. SUBCONTRACTING

CONTRACTOR shall not enter into any subcontracting relationship without first obtaining final written approval of LEA. Should CONTRACTOR wish to subcontract for special education and/or related services pursuant to this Master Contract, it must provide written notification to LEA before any subcontracting arrangement is made. In the event LEA determines that it can provide the subcontracted service(s) at a lower rate, LEA may elect to provide such service(s). If LEA elects to provide such service(s), LEA shall provide written notification to CONTRACTOR within five (5) days of receipt of CONTRACTOR'S original request and CONTRACTOR shall not subcontract for said services.

Should LEA approve in concept of CONTRACTOR subcontracting for services, CONTRACTOR shall submit the proposed subcontract to LEA for approval. CONTRACTOR shall incorporate all of the provisions of this Master Contract in all subcontracts to the fullest extent possible. Furthermore, when CONTRACTOR creates subcontracts for the provision of special education and/or related services (including without limitation, transportation) for any student, CONTRACTOR shall cause each subcontractor to procure and maintain indemnification and insurance requirements which comply with the provisions of Sections 15 and 16 of this Master Contract, for the duration of the term of each subcontract. If a proposed subcontract is approved by LEA, each subcontractor must furnish LEA with original endorsements and certificates of insurance effective coverage required by Section 15 of this Master Contract. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. Unless otherwise agreed to by LEA, the endorsements are to be on forms provided by the LEA. The Commercial General Liability and Automobile Liability policies shall name the LEA/SELPA and the LEA Board of Education as additional insured. All endorsements are to be received and approved by LEA before the subcontractor's work commences. In addition, all sub-contractors must meet the requirements as contained in Section 45 (Clearance Requirements) and Section 46 (Staff Qualifications) of this Master Contract. No subcontract shall be considered final without LEA approval.

19. CONFLICTS OF INTEREST

CONTRACTOR shall provide to LEA upon request a copy of its current bylaws and a current list of its Board of Directors (or Trustees), if it is incorporated. CONTRACTOR and any member of its Board of Directors (or Trustees) shall avoid and disclose any relationship with LEA that constitutes or may constitute a conflict of interest pursuant to California Education Code section 56042 including, but not limited to, employment with LEA, provision of private party assessments and/or reports, and attendance at IEP team meetings acting as a student’s advocate. Pursuant to California Education Code section 56042, an attorney or advocate for a parent of an individual with exceptional needs shall not recommend placement at CONTRACTOR’S facility if the attorney or advocate is employed or contracted by the CONTRACTOR, or will receive a benefit from the CONTRACTOR, or otherwise has a conflict of interest.

Unless CONTRACTOR and LEA otherwise agree in writing, LEA shall neither execute an ISA with CONTRACTOR nor amend an existing ISA for a LEA student when a recommendation for special education and/or related services is based in whole or in part on assessment(s) or reports provided by CONTRACTOR to LEA student without prior written authorization by LEA. This paragraph shall apply to CONTRACTOR regardless of when an assessment is performed or a report is prepared (i.e. before or after LEA student is enrolled in CONTRACTOR’S school/agency) or whether an assessment of LEA student is performed or a report is prepared in the normal course of the services provided to LEA student by CONTRACTOR. To avoid a conflict of interest, and in order to ensure the appropriateness of an Independent Educational Evaluation (hereinafter referred to as “IEE”) and its recommendations, LEA may, in its discretion, not fund an IEE by an evaluator who provides ongoing service(s) or is sought to provide service(s) to the student for whom the IEE is requested. Likewise, LEA may, in its discretion, not fund services through the evaluator whose IEE LEA agrees to fund. When no other appropriate assessor is available, LEA may request and if CONTRACTOR agrees, the CONTRACTOR may provide an IEE.

When CONTRACTOR is a nonpublic agency, CONTRACTOR acknowledges that its authorized representative has read and understands California Education Code section 56366.3 which provides, in relevant part, that no special education and/or related services provided by CONTRACTOR shall be paid for by LEA if provided by an individual who was an employee of LEA within three hundred and sixty five (365) days prior to executing this Master Contract. This provision does not apply to any person who is able to provide designated instruction and services during the extended school year because he or she is otherwise employed for up to ten months of the school year by LEA.

CONTRACTOR shall not admit a student living within the jurisdictional boundaries of LEA on a private pay or tuition free “scholarship” basis and concurrently or subsequently advise/request parent(s) to pursue funding for the admitted school year from LEA through due process proceedings. Such action shall constitute sufficient good cause for termination of this Master Contract.

20. NON-DISCRIMINATION

CONTRACTOR shall not unlawfully discriminate on the basis of gender, nationality, race or ethnicity, religion, age, sexual orientation, gender identity, gender expression, or disability or any other classification protected by Federal or state law, in employment or operation of its programs.

EDUCATIONAL PROGRAM

21. FREE AND APPROPRIATE PUBLIC EDUCATION (“FAPE”)

LEA shall provide CONTRACTOR with a copy of the IEP including the Individualized Transition Plan (hereinafter referred to as “ITP”) of each LEA student served by CONTRACTOR. CONTRACTOR shall provide to each LEA student special education and/or related services (including transition services) within the nonpublic school or nonpublic agency consistent with LEA student’s IEP and as specified in the ISA. If CONTRACTOR is a nonpublic school, CONTRACTOR shall not accept a LEA student if it cannot

provide or ensure the provision of the services outlined in the student's IEP. If a LEA student's services are provided by a third party (i.e. a related services provider) CONTRACTOR shall notify LEA, in writing, if the provision of services ceases.

Unless otherwise agreed to between CONTRACTOR and LEA, CONTRACTOR shall be responsible for the provision of all appropriate supplies, equipment, and/or facilities for LEA students, as specified in LEA student's IEP and ISA. CONTRACTOR shall make no charge of any kind to parents for special education and/or related services as specified in LEA student's IEP and ISA (including, but not limited to, screenings, assessments, or interviews that occur prior to or as a condition of LEA student's enrollment under the terms of this Master Contract). LEA shall provide low incidence equipment for eligible students with low incidence disabilities when specified in the student's IEP and ISA. Such equipment remains the property of the SELPA/LEA and shall be returned to the SELPA/LEA when the IEP team determines the equipment is no longer needed or when the student is no longer enrolled in the nonpublic school. CONTRACTOR shall ensure that facilities are adequate to provide all LEA students with an environment which meets all pertinent health and safety regulations. CONTRACTOR may charge a LEA student's parent(s) for services and/or activities not necessary for LEA student to receive a free appropriate public education after: (a) written notification to LEA student's parent(s) of the cost and voluntary nature of the services and/or activities; and (b) receipt by LEA of the written notification and a written acknowledgment signed by LEA student's parent(s) of the cost and voluntary nature of the services and/or activities. CONTRACTOR shall adhere to all LEA requirements concerning parent acknowledgment of financial responsibility.

Voluntary services and/or activities not necessary for an LEA student to receive a free appropriate public education shall not interfere with LEA student's receipt of special education and/or related services as specified in LEA student's IEP and ISA unless LEA and CONTRACTOR agree otherwise in writing.

22. GENERAL PROGRAM OF INSTRUCTION

All nonpublic school and nonpublic agency services shall be provided consistent with the area of certification specified by CDE Certification and as defined in California Education Code section 56366 *et seq.* and shall ensure that facilities are adequate to provide LEA students with an environment which meets all pertinent health and safety regulations.

When CONTRACTOR is a nonpublic school, CONTRACTOR'S general program of instruction shall: (a) utilize evidence-based practices and predictors and be consistent with LEA's standards regarding the particular course of study and curriculum; (b) include curriculum that addresses mathematics, literacy and the use of educational, assistive technology and transition services; (c) be consistent with CDE's standards regarding the particular course of study and curriculum; (d) provide the services as specified in LEA student's IEP and ISA. LEA students shall have access to: (a) State Board of Education ("SBE") - adopted Common Core State Standards ("CCSS") for curriculum and the same instructional materials for kindergarten and grades 1 to 8, inclusive; and provide standards-aligned core curriculum and instructional materials for grades 9 to 12, inclusive, used by a local education agency ("LEA"), that contracts with the nonpublic school: (b) college preparation courses; (c) extracurricular activities such as art, sports, music and academic clubs; (d) career preparation and vocational training, consistent with transition plans pursuant to state and Federal law and; (e) supplemental assistance, including individual academic tutoring, psychological counseling, and career and college counseling. When appropriate, CONTRACTOR shall utilize the designated curriculum guidelines for students with moderate to severe disabilities who participate in the State's alternative assessment. These students shall have access to the core content, activities, and instructional materials delineated within these curriculum guidelines. CONTRACTOR'S general program of instruction shall be described in writing and a copy provided to LEA prior to the effective date of this Master Contract.

When CONTRACTOR serves LEA students in grades nine through twelve inclusive, LEA shall provide to CONTRACTOR a specific list of the course requirements to be satisfied by the CONTRACTOR leading toward graduation or completion of LEA's diploma requirements. CONTRACTOR shall not award a high

school diploma to LEA students who have not successfully completed all of LEA's graduation requirements.

When CONTRACTOR is a nonpublic agency and/or related services provider, CONTRACTOR'S general program of instruction and/or services shall utilize evidence-based practices and predictors and be consistent with LEA and CDE guidelines/certifications and any state licensing requirements and shall be provided as specified in LEA student's IEP and ISA. The nonpublic agency providing Behavior Intervention Services shall develop a written plan that specifies the nature of their nonpublic agency service for each student within thirty (30) days of enrollment and shall be provided in writing to LEA. School-based services may not be unilaterally converted by CONTRACTOR to a substitute program or provided at a location not specifically authorized by the IEP team. Except for services provided by a contractor that is a licensed children's institution ("LCI"), all services not provided in the school setting require the presence of a parent, guardian or adult caregiver during the delivery of services, provided such guardian or caregiver has a signed authorization by the parent or legal guardian to authorize emergency services as requested. LCI contractors shall ensure that appropriate and qualified residential or clinical staff is present during the provision of services under this Master Contract. CONTRACTOR shall immediately notify LEA in writing if no parent, guardian, or adult caregiver is present. CONTRACTOR shall provide to LEA a written description of the services and location provided prior to the effective date of this Master Contract. Contractors providing Behavior Intervention Services must have on staff individuals trained as the law requires. (Cal. Code Regs., tit. 5, § 3051.23.) It is understood that Behavior Intervention Services are limited per CDE Certification and do not constitute an instructional program.

When CONTRACTOR is a nonpublic agency, CONTRACTOR shall not provide transportation nor subcontract for transportation services for students unless LEA and CONTRACTOR agree otherwise in writing.

23. INSTRUCTIONAL MINUTES

When CONTRACTOR is a nonpublic school, the total number of instructional minutes per school day provided by CONTRACTOR shall be at least equivalent to the number of instructional minutes per school day provided to LEA students at like grade level attending LEA schools and shall be specified in LEA student's ISA developed in accordance with LEA student's IEP.

For students in grades kindergarten through 12, inclusive, unless otherwise specified in the student's IEP and ISA, the number of instructional minutes, excluding breakfast, recess, lunch and pass time shall be the same as the California Education Code prescribes for the LEA.

The total number of annual instructional minutes shall be at least equivalent to the total number of annual instructional minutes provided to LEA students attending LEA schools in like grade levels unless otherwise specified in LEA student's IEP and ISA.

When CONTRACTOR is a nonpublic agency and/or related services provider, the total number of minutes per school day provided by CONTRACTOR shall be specified in LEA student's ISA developed in accordance with LEA student's IEP.

24. CLASS SIZE

When CONTRACTOR is a nonpublic school, CONTRACTOR shall ensure that class size shall not exceed a ratio of one teacher per twelve (12) students unless CONTRACTOR and LEA agree otherwise in writing. Upon prior written approval by an authorized LEA representative, class size may be temporarily increased by a ratio of 1 teacher to fourteen (14) students when necessary during the regular or extended school year to provide services to students with disabilities.

In the event a nonpublic school is unable to fill a vacant teaching position responsible for direct instruction to students, and the vacancy has direct impact on the California Department of Education Certification of

that school, the nonpublic school shall develop a plan to ensure appropriate coverage of students by first utilizing existing certificated staff. The nonpublic school and LEA may agree to one 30 school day period per contract year where class size may be increased to ensure coverage by an appropriately credentialed teacher. Such an agreement shall be in writing and signed by both Parties. This provision does not apply to a nonpublic agency.

25. CALENDARS

When CONTRACTOR is a nonpublic school, CONTRACTOR shall submit to LEA a school calendar with the total number of billable days not to exceed 180 days, plus extended school year billable days equivalent to the number of days determined by LEA's extended school year calendar. Billable days shall include only those days that are included on the submitted and approved school calendar, and/or required by the IEP (developed by LEA) for each student. CONTRACTOR shall not be allowed to change its school calendar and/or amend the number of billable days without the prior written approval of LEA. Nothing in this Master Contract shall be interpreted to require LEA to accept any requests for calendar changes. In the event LEA adjusts the number of school days for the regular school year and/or extended school year, the approved number of days shall become the total billable days for the nonpublic school or agency. In such a case, an amended calendar shall be provided by CONTRACTOR for LEA approval.

Unless otherwise specified by the student's IEP, educational services shall occur at the school site. A student shall only be eligible for extended school year services if such are recommended by his/her IEP team and the provision of such is specifically included in the ISA. Extended school year shall consist of twenty (20) instructional days, unless otherwise agreed upon by the IEP team convened by LEA. Any days of extended school year in excess of twenty (20) billable days must be mutually agreed to, in writing, prior to the start of the extended school year.

Student must have actually been in attendance during the regular school year and/or during extended school year and actually received services on a billable day of attendance in order for CONTRACTOR to be eligible for payment. It is specifically understood that services may not be provided on weekends/holidays and other times when school is not in session, unless agreed to by LEA, in writing, in advance of the delivery of any nonpublic school service. Any instructional days provided without this written agreement shall be at the sole financial responsibility of the CONTRACTOR.

CONTRACTOR shall observe only the same legal holidays as LEA. As of the execution of this Master Contract, these holidays are: Labor Day, Veteran's Day, Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King, Jr. Day, Lincoln's Birthday, Washington's Birthday, Memorial Day, and Independence Day. With the approval of LEA, CONTRACTOR may revise the date upon which CONTRACTOR closes in observance of any of the holidays observed by LEA.

When CONTRACTOR is a nonpublic agency, CONTRACTOR shall be provided with a LEA-developed/approved calendar prior to the initiation of services. CONTRACTOR herein agrees to observe holidays as specified in LEA-developed/approved calendar. CONTRACTOR shall provide services pursuant to LEA-developed/approved calendar; or as specified in LEA student's IEP and ISA. Unless otherwise specified in LEA student's ISA, CONTRACTOR shall provide related services to LEA students on only those days that LEA student's school of attendance is in session and LEA student attends school. CONTRACTOR shall bill only for services provided on billable days of attendance as indicated on LEA calendar unless CONTRACTOR and LEA agree otherwise, in writing. Student must have actually been in attendance and/or received services on a billable day of attendance in order for CONTRACTOR to be eligible for payment. It is specifically understood that services may not be provided on weekends/holidays and other times when school is not in session, unless agreed to by LEA, in writing, in advance of the delivery of any nonpublic agency service provided by CONTRACTOR. Any instructional days provided without this written agreement shall be at the sole financial responsibility of the CONTRACTOR.

26. DATA REPORTING

CONTRACTOR agrees to provide to LEA, all data (including billing information) related to students who are served by the CONTRACTOR. CONTRACTOR agrees to provide all data related to or referenced in any and all sections of this Master Contract if requested by LEA. CONTRACTOR agrees to provide all requested information in the format required by LEA. It is understood that all nonpublic schools and nonpublic agencies shall utilize the Special Education Information System (“SEIS”) or comparable program/system approved by LEA/SELPA for all IEP development and progress reporting. Additional progress reporting may be required by LEA. LEA shall provide the CONTRACTOR with appropriate software, user training and proper internet permissions to allow adequate access so that this information may be compiled.

LEA shall provide CONTRACTOR with approved forms and/or format for such data including but not limited to invoicing, attendance reports and progress reports. LEA may approve use of CONTRACTOR-provided forms at its discretion.

27. LEAST RESTRICTIVE ENVIRONMENT/DUAL ENROLLMENT

CONTRACTOR and LEA shall follow all LEA policies and procedures that support Least Restrictive Environment (“LRE”) options (and/or dual enrollment options if available and appropriate) for students to have access to the general curriculum and to be educated with their nondisabled peers to the maximum extent appropriate.

CONTRACTOR and LEA shall ensure that LRE placement options are addressed at all IEP team meetings regarding students for whom ISAs have been or may be executed. This shall include IEP team consideration of supplementary aids and services and goals and objectives necessary for placement in the LRE and necessary to enable students to transition to less restrictive settings.

When an IEP team has determined that a student should be transitioned into the public school setting, CONTRACTOR shall assist LEA in implementing the IEP team’s recommendations and/or activities to support the transition.

28. STATEWIDE ACHIEVEMENT TESTING

When CONTRACTOR is a nonpublic school, CONTRACTOR shall administer all Statewide assessments within the California Assessment of Student Performance and Progress (“CAASPP”), Desired Results Developmental Profile (“DRDP”), California Alternative Assessment (“CAA”), achievement and abilities tests (using LEA-authorized assessment instruments), the Fitness Gram, California English Language Development Test (“CELDT”), and the English Language Proficiency Assessments for California (“ELPAC”), as appropriate to the student and mandated by LEA pursuant to LEA and state and Federal guidelines.

CONTRACTOR is subject to the alternative accountability system developed pursuant to California Education Code section 52052, in the same manner as public schools. Each LEA student placed with CONTRACTOR by the LEA shall be tested by qualified staff of CONTRACTOR in accordance with that accountability program. LEA shall provide test administration training to CONTRACTOR’S qualified staff. CONTRACTOR shall attend LEA test training and comply with completion of all coding requirements as required by LEA.

29. MANDATED ATTENDANCE AT LEA MEETINGS

CONTRACTOR shall attend LEA mandated meetings when legal mandates, and/or LEA policy and procedures are reviewed, including but not limited to the areas of: curriculum, high school graduation, standards-based instruction, behavior intervention, cultural and linguistic needs of students with disabilities, dual enrollment responsibilities, LRE responsibilities, transition services, standardized testing,

and IEPs. LEA shall provide CONTRACTOR with reasonable notice of mandated meetings. Attendance at such meetings does not constitute a billable service hour(s).

30. POSITIVE BEHAVIOR INTERVENTIONS AND SUPPORTS

CONTRACTOR shall comply with all requirements of California Education Code sections 56521.1 and 56521.2 regarding positive behavior interventions and supports. Failure to do so shall constitute sufficient good cause for termination of this Master Contract.

LEA students who exhibit behaviors that interfere with their learning or the learning of others must receive timely and appropriate assessments and positive supports and interventions in accordance with Federal and state law and implementing regulations. If the individualized education program (“IEP”) team determines that a student’s behavior impedes his or her learning or the learning of others, the IEP team is required to consider the use of positive behavioral interventions and supports, and other strategies, to address that behavior, consistent with Section 1414(d)(3)(B)(i) and (d)(4) of Title 20 of the United States Code and associated Federal regulations. This could mean that instead of developing a Behavior Intervention Plan (“BIP”), the IEP team may conclude it is sufficient to address the student’s behavioral problems through the development of behavioral goals and behavioral interventions to support those goals.

CONTRACTOR shall maintain a written policy consistent with California Education Code section 56521.1 regarding emergency interventions and Behavioral Emergency Reports (“BERs”). Further, CONTRACTOR shall affirmatively inform each of its employees about the policy and provide each employee a copy thereof. CONTRACTOR shall also ensure that all of its staff members are trained annually in crisis intervention and emergency procedures as related to appropriate behavior management strategies. Training includes certification with an approved SELPA crisis intervention program. Evidence of such training shall be submitted to the LEA at the beginning of the school year and within 6 days of any new hire.

Pursuant to California Education Code section 56521.1, emergency interventions shall not be used as a substitute for a BIP and shall not be employed longer than necessary to contain the behavior. Emergency interventions may only be used to control unpredictable, spontaneous behavior that poses clear and present danger of serious physical harm to the LEA student or others and that cannot be immediately prevented by a response less restrictive than the temporary application of a technique used to contain the behavior. If a situation requires prolonged use of an emergency intervention, staff must seek assistance from the school site administrator or a law enforcement agency, as suitable to the situation.

To prevent emergency interventions from being used in lieu of planned, systematic behavioral interventions, the parent, guardian, and residential care provider, if appropriate, shall be notified within one school day, if an emergency intervention is used or serious property damage occurs. CONTRACTOR shall immediately complete and maintain in the file of LEA student a BER which shall include all of the following: (1) The name and age of the individual with exceptional needs; (2) The setting and location of the incident; (3) The name of the staff or other persons involved; (4) A description of the incident and the emergency intervention used, and whether the LEA student is currently engaged in any systematic behavioral intervention plan; and (5) Details of any injuries sustained by LEA student or others, including staff, as a result of the incident. The BER shall immediately be forwarded to LEA for administrative action. CONTRACTOR shall also notify Parent within twenty-four (24) hours via telephone.

Consistent with the requirements of California Education Code section 56521.1(g), if a BER is written regarding an LEA student who does not have a behavior intervention plan, the designated responsible administrator shall, within two days, schedule an IEP team meeting to review the emergency report, to determine the necessity for a functional behavioral assessment, and to determine the necessity for an interim plan. The IEP team shall document the reasons for not conducting the functional behavioral assessment, not developing an interim plan, or both. Consistent with the requirements of California Education Code section 56521.1(h), if a behavioral emergency report is written regarding an LEA student who has a positive behavioral intervention plan, an incident involving a previously unseen serious behavior

problem, or where a previously designed intervention is ineffective, shall be referred to the IEP team to review and determine if the incident constitutes a need to modify the positive behavioral intervention plan.

Pursuant to Education Code section 56521.2, CONTRACTOR shall not authorize, order, consent to, or pay for the following interventions, or any other interventions similar to or like the following:

(1) Any intervention that is designed to, or likely to, cause physical pain, including, but not limited to, electric-shock; (2) An intervention that involves the release of noxious, toxic, or otherwise unpleasant sprays, mists, or substances in proximity to the face of the individual; (3) An intervention that denies adequate sleep, food, water, shelter, bedding, physical comfort, or access to bathroom facilities; (4) An intervention that is designed to subject, used to subject, or likely to subject, the individual to verbal abuse, ridicule, or humiliation, or that can be expected to cause excessive emotional trauma; (5) Restrictive interventions that employ a device, material, or objects that simultaneously immobilize all four extremities, including the procedure known as prone containment, except that prone containment or similar techniques may be used by trained personnel as a limited emergency intervention; (6) Locked seclusion, unless it is in a facility otherwise licensed or permitted by state law to use a locked room; (7) An intervention that precludes adequate supervision of the individual; (8) An intervention that deprives the individual of one or more of his or her senses. In the case of a child whose behavior impedes the child's learning or that of others, the IEP team shall consider the use of positive behavioral interventions and supports, and other strategies, to address that behavior, consistent with Section 1414(d)(3)(B)(i) and (d)(4) of Title 20 of the United States Code and associated Federal regulations.

All restraint practices must be reviewed and revised when they have an adverse effect on a student and are used repeatedly for an individual child, either on multiple occasions within the same classroom or multiple uses by the same individual. CONTRACTOR shall notify the student's parent/guardian when any type of physical or mechanical restraint or seclusion has been used. Upon the use of any type of physical or mechanical restraint or seclusions of a District student, CONTRACTOR shall complete a BER per the reporting and notification requirements listed above.

31. STUDENT DISCIPLINE

CONTRACTOR shall maintain and abide by a written policy for student discipline that is consistent with state and Federal law and regulations.

When CONTRACTOR seeks to remove a LEA student from his/her current educational placement for disciplinary reasons, CONTRACTOR shall submit a written discipline report within 24 hours to LEA and a manifestation IEP team meeting shall be scheduled. Written discipline reports shall include, but not be limited to: LEA student's name; the time, date, and description of the misconduct; the disciplinary action taken by CONTRACTOR; and the rationale for such disciplinary action. A copy of LEA student's behavior plan, if any, shall be submitted with the written discipline report. CONTRACTOR and LEA agree to participate in a manifestation determination at an IEP meeting no later than the tenth (10th) day of suspension. CONTRACTOR shall notify and invite LEA representatives to the IEP team meeting where the manifestation determination will be made.

32. IEP TEAM MEETINGS

An IEP team meeting shall be convened at least annually to evaluate: (1) the educational progress of each student placed with CONTRACTOR, including all state assessment results pursuant to the requirements of California Education Code section 52052; (2) whether or not the needs of the student continue to be best met at the nonpublic school and/or by the nonpublic agency; and (3) whether changes to the student's IEP are necessary, including whether the student may be transitioned to a public school setting. (Ed. Code §§ 56366(a)(2)(B)(i), (ii); 56345(b)(4).)

If an LEA student is to be transferred from a nonpublic school setting into a regular class setting in a public school for any part of the school day, the IEP team shall document, if appropriate, a description of activities provided to integrate the student into the regular education program, including the nature of each activity as

well as the time spent on the activity each day or week and a description of the activities provided to support the transition of the student from the special education program into the regular education program. Each student shall be allowed to provide confidential input to any representative of his or her IEP team. Except as otherwise provided in the Master Contract, CONTRACTOR and LEA shall participate in all IEP team meetings regarding LEA students for whom ISAs have been or may be executed. At any time during the term of this Master Contract, a parent, the CONTRACTOR or LEA may request a review of the student's IEP, subject to all procedural safeguards required by law, including reasonable notice given to, and participation of, the CONTRACTOR in the meeting. Every effort shall be made to schedule IEP team meetings at a time and place that is mutually convenient to the parent(s), the CONTRACTOR and LEA. CONTRACTOR shall provide to LEA, at no cost and prior to an annual or triennial IEP team meeting, documentation which shows progress on goals and any and all assessments and written assessment reports (including testing protocols) created by CONTRACTOR and any of its agents or subcontractors, upon request and/or pursuant to LEA policy and procedures. It is understood that attendance at an IEP meeting is part of CONTRACTOR'S professional responsibility and is not a billable service under this Master Contract.

It is understood that the CONTRACTOR shall utilize the Special Education Information System ("SEIS") or other comparable program/system as approved by LEA solely at LEA's discretion, for all IEP planning and progress reporting. LEA shall provide training for any nonpublic school and nonpublic agency to ensure access to SEIS or the comparable program/system designated and approved for use by LEA. The nonpublic school and/or nonpublic agency shall maintain confidentiality of all IEP data on SEIS or on the LEA-approved comparable program/system, and shall protect the password requirements of the system. When a student disenrolls from the nonpublic school or stops receiving services from the nonpublic agency, such CONTRACTOR shall discontinue use of SEIS and/or LEA-approved comparable program/system for that student.

Changes in any LEA student's educational program, including instruction, services, or instructional setting provided under this Master Contract may only be made on the basis of revisions to the student's IEP. In the event that the CONTRACTOR believes the student requires a change of placement, the CONTRACTOR may request a review of the student's IEP for the purpose of considering a change in the student's placement. Student is entitled to remain in the last agreed upon and implemented placement unless parent agrees otherwise or an interim alternative educational setting is deemed lawful and appropriate.

33. SURROGATE PARENTS AND FOSTER YOUTH

CONTRACTOR shall comply with all LEA surrogate parent assignments. A pupil in foster care shall be defined pursuant to California Education Code section 42238.01(b). The LEA shall annually notify the CONTRACTOR who the LEA has designated as the educational liaison for foster children. When a pupil in foster care is enrolled in a nonpublic school by the LEA any time after the completion of the pupil's second year of high school, the CONTRACTOR shall schedule the pupil in courses leading towards graduation based on the diploma requirements of the LEA unless provided notice otherwise in writing pursuant to Section 51225.1

34. DUE PROCESS PROCEEDINGS

CONTRACTOR shall fully participate in special education due process proceedings including mediations and hearings, as requested by LEA. CONTRACTOR shall also fully participate in the investigation and provision of documentation related to any complaint filed with the State of California, the Office for Civil Rights, or any other state and/or Federal governmental body or agency. Full participation shall include, but in no way be limited to, cooperating with LEA representatives to provide complete answers raised by any investigator and/or the immediate provision of any and all documentation that pertains to the operation of CONTRACTOR'S program and/or the implementation of a particular student's IEP/ISA.

35. COMPLAINT PROCEDURES

CONTRACTOR shall maintain and adhere to its own written procedures for responding to parent complaints. These procedures shall include annually notifying and providing parents of LEA students with appropriate information (including complaint forms) for the following: (1) Uniform Complaint Procedures pursuant to Title 5 of the California Code of Regulations section 4600 et seq.; (2) Nondiscrimination Policy pursuant to Title 5 of the California Code of Regulations section 4960(a); (3) Sexual Harassment Policy pursuant to California Education Code section 231.5; (4) Title IX Student Grievance Procedures pursuant to Title 34 of the Code of Federal Regulations sections 106.8 and 106.9; (5) Notice of Privacy Practices in compliance with Health Insurance Portability and Accountability Act (“HIPPA”), 45 C.F.R. § 164.520; and (6) Notification and Complaint Procedures for Disability Access, pursuant to 42 U.S.C. §§ 12101 *et seq.* CONTRACTOR shall include verification of these procedures to LEA.

36. LEA STUDENT PROGRESS REPORTS/REPORT CARDS AND ASSESSMENTS

Unless LEA requests in writing that progress reports be provided on a monthly basis, CONTRACTOR shall provide to parents, with a concurrent copy sent to LEA, at least four written progress reports/report cards. At a minimum, progress reports shall include progress over time towards IEP goals and objectives. A copy of the progress reports/report cards shall be maintained at the CONTRACTOR’S place of business.

CONTRACTOR shall also provide an LEA representative access to supporting documentation used to determine progress on any goal or objective, including but not limited to log sheets, chart notes, observation notes, data sheets, pre/post tests, rubrics and other similar data collection used to determine progress or lack of progress on approved goals, objectives, transition plans or behavior support and/or intervention plans. LEA may request copies of such data at any time within five years of the date of service. CONTRACTOR agrees to maintain the information for at least five years and also shall provide this data supporting progress within 5 business days of request. Additional time may be granted as needed by LEA.

CONTRACTOR shall complete academic or other assessment of a LEA student ten (10) days prior to LEA student’s annual or triennial review IEP team meeting for the purpose of reporting LEA student’s present levels of performance at the IEP team meeting as required by state and Federal laws and regulations and pursuant to LEA policies, procedures, and/or practices. Sufficient copies of reports, projected goals and/or any other relevant documents to be reviewed by the IEP team shall be provided to the District no later than five (5) business days prior to an annual or triennial IEP team meeting. CONTRACTOR shall maintain all supporting documentation including but not limited to test protocols and data collection, which shall be made available to LEA within 5 business days of request.

CONTRACTOR is responsible for all assessment costs regarding the updating of goals and objectives, progress reporting and the development of present levels of performance. All other assessments shall be provided by LEA unless LEA specifies in writing a request that CONTRACTOR perform such additional assessment. Such assessment costs may be added to the ISA and/or approved separately by LEA at LEA’s sole discretion.

It is understood that all billable hours must be in direct services to pupils as specified in the ISA. For nonpublic agency services, supervision provided by a qualified individual as specified in Title 5 of the California Code of Regulations section 3065, shall be determined as appropriate and included in the ISA. Supervision means the direct observation of services, data review, case conferencing and program design consistent with professional standards for each professional’s license, certification, or credential.

CONTRACTOR shall not charge LEA student’s parent(s) or LEA for the development or provision of progress reports, report cards, and/or any assessments, interviews, or attendance at any meetings, including but not limited to IEP meetings. It is understood that all billable hours have limits to those specified on the ISA consistent with the IEP. It is understood that copies of data collection notes, forms, charts and other such data are part of the pupil’s record and shall be made available to LEA upon written request.

37. TRANSCRIPTS

When CONTRACTOR is a nonpublic school, CONTRACTOR shall prepare transcripts at the close of each semester, or upon LEA student transfer, for LEA students in grades nine (9) through twelve (12) inclusive. CONTRACTOR shall submit all transcripts on LEA-approved forms to LEA student's school of residence for evaluation of progress toward completion of diploma requirements as specified in LEA Procedures. CONTRACTOR shall submit to LEA names of LEA students and their schools of residence for whom transcripts have been submitted as specified by LEA. All transcripts shall be maintained by CONTRACTOR and furnished to LEA upon request, consistent with the parameters of Sections 9 and 26 of this Master Contract.

38. LEA STUDENT CHANGE OF RESIDENCE

Upon enrollment, CONTRACTOR shall notify parents in writing of their obligation to notify CONTRACTOR of LEA student's change of residence. Within five (5) school days after CONTRACTOR becomes aware of a LEA student's change of residence, CONTRACTOR shall notify LEA, in writing, of LEA student's change of residence. CONTRACTOR shall maintain, and provide upon request by LEA, documentation of such notice to parents.

If CONTRACTOR had knowledge or should reasonably have had knowledge of LEA student's change of residence boundaries and CONTRACTOR fails to follow the procedures specified in this provision, LEA shall not be responsible for the costs of services delivered after LEA student's change of residence.

39. WITHDRAWAL OF LEA STUDENT FROM PROGRAM

CONTRACTOR shall immediately report, by telephone, with a follow-up written notification within five (5) business days to LEA Representative responsible for overseeing nonpublic schools and nonpublic agencies, and any other required representative from the California Department of Education, when a LEA student is withdrawn without prior notice from school and/or services. CONTRACTOR shall confirm such telephone call on LEA approved forms and submit to LEA and the Department of Education, if required, within five (5) business days of the withdrawal, including a student's change in residence to a residence outside of LEA service boundaries, and the student's discharge against professional advice from a Nonpublic School/Residential Treatment Center ("NPS/RTC"). CONTRACTOR shall assist LEA to verify potential dropouts three (3) times per year.

40. PARENT ACCESS

CONTRACTOR shall provide for reasonable parental access to LEA students and all facilities including, but not limited to, the instructional setting, recreational activity areas, meeting rooms and LEA student's living quarters. CONTRACTOR shall comply with any known court orders regarding parental visits and access to LEA students.

CONTRACTORS operating programs associated with a NPS/RTC shall cooperate with a parent's reasonable request for LEA student therapeutic visits in their home or at the NPS/RTC. CONTRACTOR shall require that parents obtain prior written authorization for therapeutic visits from the CONTRACTOR and the LEA at least thirty (30) days in advance. CONTRACTOR shall facilitate all parent travel and accommodations and provide travel information to the parent as appropriate. Payment by LEA for approved travel-related expenses shall be made directly through the LEA.

41. SERVICES AND SUPERVISION AND PROFESSIONAL CONDUCT

If CONTRACTOR provides services on a LEA public school campus, CONTRACTOR shall comply with California Penal Code section 627.1 *et seq.*, as well as all other LEA and campus-specific policies and procedures regarding visitors to/on school campuses. CONTRACTOR shall be responsible for the

purchase and provision of the supplies and assessment tools necessary to implement the provision of CONTRACTOR services on LEA public school campuses.

For services provided on a public school campus, sign in/out procedures shall be followed along with all procedures for being on campus consistent with school and LEA policy. It is understood that the public school credentialed classroom teacher is responsible for the educational program and all nonpublic agency service providers shall work collaboratively with the classroom teacher who shall remain in charge of the instructional program.

It is understood that all employees, subcontractors and volunteers of any certified nonpublic school or agency shall adhere to customary professional standards when providing services. All practices shall be within the scope of professional responsibility as defined in the professional code of conduct for each profession. Reports regarding student progress shall be consistent with the provision of the Master Contract.

CONTRACTOR providing services outside of the student's school as specified in the IEP shall ensure that at least one parent of the child or an adult caregiver with written and signed authority to make decisions in an emergency is present during provision of services. The names of any adult caregiver other than the parent shall be provided to LEA prior to the start of any home-based services, including written and signed authorization in emergency situations. The adult caregiver cannot also be an employee or volunteer associated with the NPS/NPA service provider. All problems and/or concerns reported by CONTRACTOR to parents or guardians, in either verbal or written form, shall be reported to LEA.

CONTRACTOR, if providing services in a student's home as specified in the IEP, shall assure that at least one parent of the child or an adult caregiver with written and signed authorization to make decisions in an emergency is present during the provision of services. The names of any adult caregiver other than the parent shall be provided to LEA prior to the start of any home based services, including written and signed authorization in emergency situations. The parent shall inform LEA of any changes of caregivers and provide written authorization for emergency situations. The adult caregiver cannot be an employee or volunteer associated with the nonpublic school or nonpublic agency service provider. Moreover, for services provided in a pupil's home as specified in the IEP, CONTRACTOR must assure that the parent or LEA-approved responsible adult is present during the provision of services. All problems and/or concerns reported to parents, both verbal and written, shall also be provided to the LEA.

42. LICENSED CHILDREN'S INSTITUTION ("LCI") CONTRACTORS AND RESIDENTIAL TREATMENT CENTER ("RTC") CONTRACTORS

If CONTRACTOR is a licensed children's institution ("LCI"), CONTRACTOR shall adhere to all legal requirements regarding educational placements for LCI students as stated in California Education Code sections 56366(a)(2)(C) and 56366.9, California Health and Safety Code section 1501.1(b), (AB1858, AB490 (Chapter 862, Statutes of 2003)) and the procedures set forth in LEA Procedures. A LCI shall not require that a pupil be placed in its nonpublic school as a condition of being placed in its residential facility.

If CONTRACTOR is a nonpublic, nonsectarian school that is owned, operated by, or associated with a LCI, CONTRACTOR shall provide to LEA, on a quarterly basis, a list of all LEA students, including those identified as eligible for special education. For those identified special education students, the list shall include: 1) special education eligibility at the time of enrollment and 2) the educational placement and services specified in each student's IEP at the time of enrollment.

If CONTRACTOR is a nonpublic, nonsectarian school that is owned, operated by, or associated with a residential treatment center (hereinafter referred to as "NPS/RTC"), CONTRACTOR shall adhere to all legal requirements under the Individuals with Disabilities Education Act ("IDEA"), 20 U.S.C. section 1411 *et seq.* and California Education Code section 56000, *et seq.*; amended and reorganized by the Individuals with Disabilities Education Improvement Act of 2004 ("IDEIA"), 20 U.S.C. section 1401(29); California Education Code section 56031; Title 5, California Code of Regulations section 3001 *et seq.*, Title 2,

California Code of Regulations section 60100 *et seq.* regarding the provision of counseling services, including residential care for students to receive a FAPE as set forth in LEA student's IEPs.

Unless placement is made pursuant to an Office of Administrative Hearings order or a lawfully executed agreement between LEA and parent, LEA is not responsible for the costs associated with nonpublic school placement until the date on which an IEP team meeting is convened, the IEP team determines that a nonpublic school placement is appropriate, and the IEP is signed by LEA student's parent or another adult with educational decision-making rights.

In addition to meeting the certification requirements of the State of California, a CONTRACTOR that operates a program outside of this state shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

43. STATE MEAL MANDATE

When CONTRACTOR is a nonpublic school, CONTRACTOR and LEA shall satisfy the State Meal Mandate under California Education Code sections 49530, 49530.5 and 49550.

44. MONITORING

CONTRACTOR shall allow LEA representatives access to its facilities for the purpose of periodic monitoring of each LEA student's instructional program, and shall be invited to participate in the formal review of each student's progress. LEA representatives shall have access to observe each LEA student at work, observe the instructional setting, interview CONTRACTOR, and review each LEA student's records and progress. Such access shall include unannounced monitoring visits. When making site visits, LEA shall initially report to CONTRACTOR'S site administrative office. CONTRACTOR shall be invited to participate in the review of each student's progress.

If CONTRACTOR is also a LCI and/or NPS/RTC, CDE shall annually evaluate whether CONTRACTOR is in compliance with California Education Code section 56366.9 and California Health and Safety Code section 1501.1(b). LEA may also conduct its own on-site review of a NPS using the LEA's Quality On-Site NPS Review Rubric.

The State Superintendent of Public Instruction ("Superintendent") shall monitor CONTRACTOR'S facilities, the educational environment, and the quality of the educational program, including the teaching staff, the credentials authorizing service, the standards-based core curriculum being employed, and the standards-focused instructional materials used on a three-year cycle, as follows: (1) CONTRACTOR shall complete a self-review in year one; (2) the Superintendent shall conduct an onsite review in year two; and (3) the Superintendent shall conduct a follow-up visit in year three.

CONTRACTOR shall fully participate in any LEA and CDE compliance review, if applicable, to be conducted as aligned with the CDE Onsite Review and monitoring cycle in accordance with California Education Code section 56366.1(j). This review will address programmatic aspects of the nonpublic school/agency, compliance with relevant state and Federal regulations, and Master Contract compliance. If requested by LEA, CONTRACTOR shall complete and submit a Nonpublic School/Agency Self-Review Assessment submitted as specified by LEA. CONTRACTOR shall conduct any follow-up or corrective action procedures related to review findings.

CONTRACTOR understands that LEA reserves the right to institute a program audit with or without cause. The program audit may include, but is not limited to, a review of core compliance areas of health and safety; curriculum/instruction; related services; and contractual, legal, and procedural compliance.

When CONTRACTOR is a nonpublic school, CONTRACTOR shall collect all applicable data and prepare the applicable portion of a School Accountability Report Card in accordance with California Education Code Section 33126.

PERSONNEL

45. CLEARANCE REQUIREMENTS

CONTRACTOR shall comply with the requirements of California Education Code sections 44237, 35021.1 and 35021.2 including, but not limited to: obtaining clearance from both the California Department of Justice (“CDOJ”) and clearance from the Federal Bureau of Investigation (hereinafter referred to as "FBI") for all of CONTRACTOR’S employees and volunteers who will have or likely may have any direct contact with LEA students. CONTRACTOR hereby agrees that CONTRACTOR’S employees and volunteers shall not come in contact with LEA students until both CDOJ and FBI clearance are ascertained. CONTRACTOR shall further certify in writing to LEA that none of its employees, volunteers, or subcontractors who will have, or likely may have any direct contact with LEA students, have been convicted of a violent or serious felony as those terms are defined in California Education Code section 44237(h), unless despite the employee’s conviction of a violent or serious felony, he or she has met the criteria to be eligible for employment pursuant to California Education Code section 44237(i) or (j). Clearance certification shall be submitted to LEA. In addition, CONTRACTOR shall make a request for subsequent arrest service from the CDOJ as required by California Penal Code section 11105.2.

The passage of AB 389 amends California Education Code sections 44237 and 56366.1 as to the verification that the CONTRACTOR has received a successful criminal background check clearance and has enrolled in subsequent arrest notification service, as specified, for each owner, operator, and employee of the nonpublic, nonsectarian school or agency. Further this bill deletes the exemption for applicants possessing a valid California state teaching credential or who are currently licensed by another state agency that requires a criminal record summary, from submitting 2 sets of fingerprints for the purpose of obtaining a criminal record summary from the California Department of Justice (“CDOJ”) and the Federal Bureau of Investigation (“FBI”). Notwithstanding the restrictions on sharing and destroying criminal background check information, CONTRACTOR, upon demand, shall make available to the LEA evidence of a successful criminal background check clearance and enrollment in subsequent arrest notification service, as provided, for each owner, operator, and employee of the nonpublic, nonsectarian school or agency. CONTRACTOR is required to retain the evidence on-site, as specified, for all staff, including those licensed or credentialed by another state agency. Background clearances and proof of subsequent arrest notification service as required by California Penal Code section 11105.2 for all staff shall be provided to LEA upon request.

46. STAFF QUALIFICATIONS

CONTRACTOR shall ensure that all individuals employed, contracted, and/or otherwise hired by CONTRACTOR to provide classroom and/or individualized instruction or related services are qualified as defined in Section 7(d) of this Mater Contract, including but not limited to holding a license, certificate, permit, or other document equivalent to that which staff in a public school are required to hold to render the service consistent with California Education Code section 56366.1(n)(1) and are qualified pursuant to Title 34 of the Code of Federal Regulations sections 200.56 and 200.58 and Title 5 of the California Code of Regulations, sections 3064 and 3065. Such qualified staff may only provide related services within the scope of their professional license, certification or credential and ethical standards set by each profession and not assume responsibility or authority for another related services provider or special education teacher’s scope of practice.

CONTRACTOR shall ensure that all staff are appropriately credentialed to provide instruction and/or services to students with the disabling conditions placed in their program/school through documentation provided to the CDE. (Cal. Code Regs., tit. 5, § 3064(a).)

When CONTRACTOR is a nonpublic school, an appropriately qualified person shall serve as curricular and instructional leader, and be able to provide leadership, oversight and professional development.

Only those nonpublic, nonsectarian schools or agencies located outside of California that employ staff who hold a current valid credential or license to render special education and related services as required by that state shall be eligible to be certified.

CONTRACTOR shall comply with personnel standards and qualifications regarding instructional aides and teacher assistants respectively pursuant to Federal requirements and California Education Code sections 45340 *et seq.* and 45350 *et seq.* All paraprofessionals, including, but not limited to instructional aides and teacher assistants, employed, contracted, and/or otherwise hired or subcontracted by CONTRACTOR to provide classroom and/or individualized instruction or related services, shall possess a high school diploma (or its recognized equivalent) and at least one of the following qualifications: (a) completed at least two (2) years of study at an institution of higher education; or (b) obtained an associate's (or higher) degree; or (c) met a rigorous standard of quality and can demonstrate, through a formal state or local assessment (i) knowledge of, and the ability to assist in instructing, reading, writing, and mathematics; or (ii) knowledge of, and the ability to assist in instructing, reading readiness, writing readiness, and mathematics readiness, as appropriate. CONTRACTOR shall comply with all laws and regulations governing the licensed professions, including but not limited to, the provisions with respect to supervision.

In addition to meeting the certification requirements of the State of California, a CONTRACTOR that operates a program outside of this State and serving a LEA student shall be certified or licensed by that state to provide special education and related services and designated instruction and related services to pupils under the Federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 *et seq.*).

47. VERIFICATION OF LICENSES, CREDENTIALS AND OTHER DOCUMENTS

CONTRACTOR shall submit to LEA a staff list, and copies of all current licenses, credentials, certifications, permits and/or other documents which entitle the holder to provide special education and/or related services by individuals employed, contracted, and/or otherwise hired or sub-contracted by CONTRACTOR. CONTRACTOR shall ensure that all licenses, credentials, permits or other documents are on file at the office of the County Superintendent of Schools. CONTRACTOR shall notify LEA in writing within thirty (30) days when personnel changes occur which may affect the provision of special education and/or related services to LEA students as specified in LEA Procedures. Within thirty (30) days, CONTRACTOR shall provide LEA with the verified dates of fingerprint clearance, Department of Justice clearance and Tuberculosis Test clearance for all employees, approved subcontractors and/or volunteers prior to such individuals starting to work with any student.

CONTRACTOR shall monitor the status of licenses, credentials, certifications, permits and/or other documents for all individuals employed, contracted, and/or otherwise hired by CONTRACTOR. CONTRACTOR shall notify LEA and CDE in writing within thirty (30) days when personnel changes occur which may affect the provision of special education and/or related services to LEA students. CONTRACTOR shall notify LEA within thirty (30) days if any such licenses, certifications or waivers are expired, suspended, revoked, rescinded, challenged pursuant to an administrative or legal complaint or lawsuit, or otherwise nullified during the effective period of this Master Contract. LEA shall not be obligated to pay for any services provided by a person whose such licenses, certifications or waivers are expired, suspended, revoked, rescinded, or otherwise nullified during the period during which such person is providing services under this Master Contract. Failure to notify LEA of changes in licenses, certifications or suspensions shall be good cause for termination of this Master Contract by LEA.

Failure to notify LEA and CDE of any changes in credentialing/licensed staff may result in suspension or revocation of CDE certification and shall also suffice as good cause for the suspension or termination of this Master Contract by LEA.

48. STAFF ABSENCE

When CONTRACTOR is a nonpublic school and CONTRACTOR'S classroom teacher is absent, CONTRACTOR shall provide an appropriately credentialed substitute teacher in the absent teacher's classroom in accordance with California Education Code section 56061. CONTRACTOR shall provide to LEA documentation of substitute coverage on LEA substitute teacher log. Substitute teachers shall remain with their assigned class during all instructional time. LEA shall not be responsible for any payment for instruction and/or services when an appropriately credentialed substitute teacher is not provided.

When CONTRACTOR is a nonpublic agency and/or related services provider, and CONTRACTOR'S service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section seven (7) of this Master Contract and as determined by LEA) substitute, unless LEA provides appropriate coverage in lieu of CONTRACTOR'S service providers. It is understood that the parent of a student shall not be deemed to be a qualified substitute for his/her student. LEA will not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided. CONTRACTOR shall not "bank" or "carry over" make up service hours under any circumstances, unless otherwise agreed to in writing by CONTRACTOR and an authorized LEA representative.

49. STAFF PROFESSIONAL BEHAVIOR WHEN PROVIDING SERVICES AT SCHOOL OR SCHOOL RELATED EVENTS OR AT SCHOOL FACILITY AND/OR IN THE HOME

It is understood that all employees, subcontractors, and volunteers of any certified nonpublic school or nonpublic agency shall adhere to the customary professional and ethical standards when providing services. All practices shall only be within the scope of professional responsibility as defined in the professional code of conduct for each profession as well as any LEA professional standards as specified in Board policies and/or regulations when made available to the CONTRACTOR.

For services provided on a public school campus, sign in/out procedures shall be followed by nonpublic agency providers working in a public school classroom along with all other procedures for being on campus consistent with school and LEA policy. Such policies and procedures shall be made available to CONTRACTOR upon CONTRACTOR'S request. It is understood that the public school credentialed classroom teacher is responsible for the instructional program, and all nonpublic agency service providers shall work collaboratively with the classroom teacher, who shall remain in charge of the instructional program. Failure to comply with this and all LEA requirements in this regard shall be sufficient cause to terminate this Master Contract.

For services provided in a pupil's home as specified in the IEP, CONTRACTOR must assure that the parent or an LEA-approved responsible adult is present during the provision of services. All problems and/or concerns reported to parents, both verbal and written shall also be provided to LEA. It is understood that unless otherwise agreed to by LEA, a public school credentialed teacher is responsible for the instructional program and all nonpublic agency related service providers shall work collaboratively with the teacher who shall remain in charge of supervising the instructional program.

HEALTH AND SAFETY MANDATES

50. HEALTH AND SAFETY

CONTRACTOR shall comply with all applicable Federal, state, local, and LEA laws, regulations, ordinances, policies, and procedures regarding student and employee health and safety. CONTRACTOR shall comply with the requirements of California Education Code sections 35021 *et seq.*, and 49406, and California Health and Safety Code section 121545 regarding the examination of CONTRACTOR'S employees and volunteers for tuberculosis. CONTRACTOR shall provide to LEA documentation for each

individual volunteering, employed, contracted, and/or otherwise hired by CONTRACTOR of such compliance before an individual comes in contact with an LEA student.

CONTRACTOR shall comply with OSHA Blood Borne Pathogens Standards, Title 29 of the Code of Federal Regulations section 1910.1030, when providing medical treatment or assistance to a student. CONTRACTOR further agrees to provide annual training regarding universal health care precautions and to post required notices in areas designated in the California Health and Safety Code.

51. FACILITIES AND FACILITIES MODIFICATIONS

CONTRACTOR shall provide special education and/or related services to LEA students in facilities that comply with all applicable Federal, state, and local laws, regulations, and ordinances related, but not limited to disability access, fire, health, sanitation, and building standards and safety, fire warning systems, zoning permits and occupancy capacity. When CONTRACTOR is a nonpublic school, CONTRACTOR shall conduct fire drills as required by Title 5 of the California Code of Regulations section 550. During the duration of this Agreement, if CONTRACTOR is subject to fines, penalties and findings of non-compliance, CONTRACTOR shall assume any and all responsibilities for payment of such financial obligations. CONTRACTOR shall also be fully responsible for any structural changes and/or modifications to CONTRACTOR'S facilities as required to comply with applicable Federal, state, and local laws, regulations, and ordinances. Failure to notify LEA or CDE of any changes in, major modification or relocation of facilities may result in the suspension or revocation of CDE certification and/or suspension or termination of this Master Contract by LEA.

In signing this Agreement, CONTRACTOR certifies that its facilities either comply with Federal and state and local laws regarding disability access, or possesses and has available upon demand, a self-evaluation and/or transition plan in accordance with said laws.

52. ADMINISTRATION OF MEDICATION

CONTRACTOR shall comply with the requirements of California Education Code section 49423 when CONTRACTOR serves a LEA student that is required to take prescription and/or over-the-counter medication during the school day. CONTRACTOR may designate personnel to assist a LEA student with the administration of such medication after LEA student's parent(s) provide(s) to CONTRACTOR: (a) a written statement from a physician detailing the type, administration method, amount, and time schedules by which such medication shall be taken; and (b) a written statement from LEA student's parent(s) granting CONTRACTOR permission to administer medication(s) as specified in the physician's statement. CONTRACTOR shall maintain, and provide to LEA upon request, copies of such written statements. CONTRACTOR shall maintain a written log for each LEA student to whom medication is administered. Such written log shall specify a LEA student's name, the type of medication, the date, time, and amount of each administration, and the name of CONTRACTOR'S employee who administered the medication. CONTRACTOR maintains full responsibility for assuring appropriate staff training in the administration of such medication consistent with student's physician's written orders. Any change in medication type, administration method, amount or schedule must be authorized by both a licensed physician and parent.

In the event there is a LEA student who is on a prescription medication regimen, the CONTRACTOR is to: (a) first obtain a copy of the appropriate medication authorization form available from LEA student's primary regional or site nurse; or (b) in the event the student does not take prescription medication during the school day, but would only take such medication while in the care, custody and control of the CONTRACTOR, prior to the commencement of services to LEA student, CONTRACTOR is to obtain a signed copy of the appropriate medication authorization form from the District. Both the District and CONTRACTOR shall retain a copy of the Authorization.

53. INCIDENT/ACCIDENT REPORTING

CONTRACTOR shall electronically submit, within 24 hours, any accident or incident report to LEA. CONTRACTOR shall properly submit accident or incident reports as required by the District.

54. CHILD ABUSE REPORTING

CONTRACTOR hereby agrees to annually train all staff members, including volunteers, so that they are familiar with and agree to adhere to its own child and dependent adult abuse reporting obligations and procedures as specified in California Penal Code section 11164 *et seq.* and California Education Code section 44691. To protect the privacy rights of all parties involved (i.e. reporter, child and alleged abuser), reports will remain confidential as required by law and professional ethical mandates. A written statement acknowledging the legal requirements of such reporting and verification of staff adherence to such reporting shall be submitted to LEA.

CONTRACTOR is to read and become familiar with the District's *Mandated Child Abuse and Neglect Reporting Manual*. In the event there is a suspicion of abuse conducted by anyone (students, staff, contractor or others) on or off campus, CONTRACTOR is to file the appropriate report to the Sacramento County Sheriff. CONTRACTOR is also to confidentially notify the Risk Management Department ("Risk Manager") of the report. CONTRACTOR is to cooperate with any investigation conducted by the District in connection with such report.

55. SEXUAL HARASSMENT

CONTRACTOR shall have a Sexual and Gender Identity Harassment Policy that clearly describes the kinds of conduct that constitute sexual harassment and that is prohibited by the CONTRACTOR'S policy, as well as Federal and state law. The policy should include procedures to make complaints without fear of retaliation and procedures for prompt and objective investigations of all sexual harassment complaints. CONTRACTOR further agrees to provide annual training to all employees regarding the laws concerning sexual harassment and related procedures.

56. REPORTING OF MISSING CHILDREN

CONTRACTOR assures LEA that all staff members, including volunteers and any independent contractor and/or subcontractor authorized pursuant to this Master Contract, are familiar with and agree to adhere to requirements for reporting missing children as specified in California Education Code section 49370 *et seq.* A written statement acknowledging the legal requirements of such reporting and verification of staff adherence to such reporting shall be properly submitted to LEA. The written statement shall be submitted as specified by LEA.

FINANCIAL

57. ENROLLMENT, CONTRACTING, SERVICE TRACKING, ATTENDANCE REPORTING, AND BILLING PROCEDURES

CONTRACTOR shall assure that the nonpublic school or nonpublic agency has the necessary financial resources to provide an appropriate education for the students enrolled and will distribute those resources in such a manner to implement the IEP and ISA for each and every student.

CONTRACTOR shall comply with all LEA procedures concerning enrollment, contracting, attendance reporting, service tracking and billing, including requirements of electronic billing, as specified by LEA Procedures. CONTRACTOR shall be paid for the provision of special education and/or related services specified in LEA student's IEP and ISA which are provided on billable days of attendance. All payments by LEA shall be made in accordance with the terms and conditions of this Master Contract and in compliance with LEA Procedures, and will be governed by all applicable Federal and state laws.

CONTRACTOR shall maintain separate registers for the basic education program, each related service, and services provided by instructional assistants, behavior intervention aides and bus aides. Original attendance forms (i.e., roll books for the basic education program service tracking documents and notes for instructional assistants, behavioral intervention aides, bus aides, and each related service) shall be completed by the actual service provider whose signature shall appear on such forms and shall be available for review, inspection, or audit by LEA during the effective period of this Master Contract and for a period of five (5) years thereafter. CONTRACTOR shall verify the accuracy of minutes of reported attendance that is the basis of services being billed for payment.

CONTRACTOR shall submit invoices and related documents to LEA for payment for each calendar month when education or related services were provided. Invoices and related documents shall be properly submitted electronically and, in addition, on a LEA form with signatures in the manner prescribed by LEA. Contractor will submit invoices using the format provided by LEA. At the request of LEA, invoices may require the following information: Name of LEA student for whom service was provided; the type of service provided; (if payment for assessment is approved by LEA pursuant to Section 36 of this Master Contract, the invoice must describe whether the assessment was prepared for an initial, annual, amended, or triennial IEP); month of service; specific dates (date, month, year and times) of services coordinated pursuant to LEA-approved calendar unless otherwise specified in the IEP or agreed to by LEA; name of staff who provided the service and that individual's licensing and credentials; approved cost of each invoice; total for each service and total for the monthly invoice; date invoice was mailed; signature of the nonpublic school/nonpublic agency administrator authorizing that the information is accurate and consistent with the ISA, CDE certificates and staff notification; verification that attendance report is attached as appropriate; indication of any made-up session consistent with this Master Contract; and verification that progress reports have been provided consistent with the ISA (consistent with IEP benchmark dates, unless otherwise specified on the ISA); and name or initials of each student for when the service was provided. In the event services were not provided, rationale for why the services were not provided shall be included.

Such an invoice is subject to all conditions of this Master Contract. At the discretion of LEA, an electronic invoice may be required provided such notice has been made in writing and training provided to the CONTRACTOR at no additional charge for such training.

Invoices shall be submitted no later than thirty (30) days after the end of the attendance accounting period in which the services were rendered. LEA shall make payment to CONTRACTOR based on the number of billable days of attendance and hours of service at rates specified in this Master Contract within forty-five (45) days of LEA's receipt of properly submitted hard copy of invoices prepared and submitted as specified in California Education Code Section 56366.5. CONTRACTOR shall correct deficiencies and submit re-billing invoices no later than thirty (30) calendar days after the invoice is returned by LEA. LEA shall pay properly submitted re-billing invoices no later than forty-five (45) days after the date a completely corrected re-billing invoice is received by LEA.

In no case shall initial payment claim submission for any Master Contract fiscal year (July through June) extend beyond December 31st after the close of the fiscal year. In no case shall any re-billing for the Master Contract fiscal year (July through June) extend beyond six (6) months after the close of the fiscal year unless approved by LEA to resolve billing issues including re-billing issues directly related to a delay in obtaining information from the Commission on Teacher Credentialing regarding teacher qualification, but no later than twelve (12) months from the close of the fiscal year. If the billing or re-billing error is the responsibility of LEA, then no limit is set provided that LEA and CONTRACTOR have communicated such concerns in writing during the twelve-month period following the close of the fiscal year. LEA will not pay mileage for NPA employee.

58. RIGHT TO WITHHOLD PAYMENT

LEA may withhold payment to CONTRACTOR when: (a) CONTRACTOR has failed to perform, in whole or in part, under the terms of this Contract; (b) CONTRACTOR has billed for services rendered on days other than billable days of attendance or for days when student was not in attendance and/or did not receive services; (c) CONTRACTOR was overpaid by LEA as determined by inspection, review, and/or audit of its program, work, and/or records; (d) CONTRACTOR has failed to provide supporting documentation with an invoice; (e) education and/or related services are provided to LEA students by personnel who are not appropriately credentialed, licensed, or otherwise qualified; (f) LEA has not received, prior to school closure or contract termination, all documents concerning one or more LEA students enrolled in CONTRACTOR'S educational program; (g) CONTRACTOR fails to confirm a student's change of residence to another district or confirms the change or residence to another district, but fails to notify LEA within five (5) days of such confirmation; (h) CONTRACTOR receives payment from Medi-Cal or from any other agency or funding source for a service provided to a LEA student; or (i) CONTRACTOR fails to provide the required liability/insurance documentation as outlined in Section 15 of this Master Contract. It is understood that no payments shall be made for any invoices that are not received by six (6) months following the close of the prior fiscal year, for services provided in that year.

Final payment to CONTRACTOR in connection with the cessation of operations and/or termination of a Master Contract will be subject to the same documentation standards described for all payment claims for regular ongoing operations. In addition, final payment may be withheld by LEA until completion of a review or audit, if deemed necessary by LEA. Such review or audit will be completed within ninety (90) days. The final payment may be adjusted to offset any previous payments to the CONTRACTOR determined to have been paid in error or in anticipation of correction of documentation deficiencies by the CONTRACTOR that remain uncorrected.

The amount which may be withheld by LEA with respect to each of the subparagraphs of the preceding paragraph are as follows: (a) the value of the service CONTRACTOR failed to perform; (b) the amount of overpayment; (c) the entire amount of the invoice for which satisfactory documentation has not been provided by CONTRACTOR; (d) the amount invoiced for services provided by the individual not appropriately credentialed, licensed, or otherwise qualified; (e) the proportionate amount of the invoice related to the applicable pupil for the time period from the date the violation occurred and until the violation is cured; or (f) the amount paid to CONTRACTOR by Medi-Cal or another agency or funding source for the service provided to LEA student.

If LEA determines that cause exists to withhold payment to CONTRACTOR, LEA shall, within ten (10) business days of this determination, provide to CONTRACTOR written notice that LEA is withholding payment. Such notice shall specify the basis or bases for LEA's withholding payment and the amount to be withheld. Within thirty (30) days from the date of receipt of such notice, CONTRACTOR shall take all necessary and appropriate action to correct the deficiencies that form the basis for LEA's withholding payment or submit a written request for extension of time to correct the deficiencies. Upon receipt of CONTRACTOR'S written request showing good cause, LEA shall extend CONTRACTOR'S time to correct deficiencies (usually an additional thirty (30) days), otherwise payment will be denied.

If after subsequent request for payment has been denied and CONTRACTOR believes that payment should not be withheld, CONTRACTOR shall send written notice to LEA specifying the reason it believes payment should not be withheld. LEA shall respond to CONTRACTOR'S notice within thirty (30) business days by indicating that a warrant for the amount of payment will be made or stating the reason LEA believes payment should not be made. If LEA fails to respond within thirty (30) business days or a dispute regarding the withholding of payment continues after LEA's response to CONTRACTOR'S notice, CONTRACTOR may invoke the following escalation policy.

After forty-five (45) business days: The CONTRACTOR may notify the Authorized LEA's Representative of the dispute in writing. LEA Authorized Representative shall respond to the CONTRACTOR in writing within fifteen (15) business days.

After sixty (60) business days: Disagreements between LEA and CONTRACTOR concerning the Master Contract may be appealed to the County Superintendent of Schools or the State Superintendent of Public Instruction pursuant to the provisions of California Education Code Section 56366(c)(2).

59. PAYMENT FROM OUTSIDE AGENCIES

CONTRACTOR shall notify LEA when Medi-Cal or any other agency is billed for the costs associated with the provision of special education and/or related services to LEA students. Upon request, CONTRACTOR shall provide to LEA any and all documentation regarding reports, billing, and/or payment by Medi-Cal or any other agency for the costs associated with the provision of special education and/or related services to LEA students.

60. PAYMENT FOR ABSENCES

NONPUBLIC SCHOOL STAFF ABSENCE

Whenever a classroom teacher employed by CONTRACTOR is absent, CONTRACTOR shall provide an appropriately credentialed substitute teacher in the absent teacher's classroom in accordance with California Education Code section 56061. CONTRACTOR shall provide to LEA documentation of substitute coverage pursuant to LEA Procedures. Substitute teachers shall remain with their assigned class during all instructional time. LEA will not pay for instruction and/or services unless said instruction or service is provided by an appropriately credentialed substitute teacher.

Whenever a related service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section Seven (7) of this Master Contract and as determined by LEA) substitute. LEA will not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided unless otherwise agreed in LEA student's IEP.

NONPUBLIC SCHOOL STUDENT ABSENCE

If CONTRACTOR is a nonpublic school, no later than the tenth (10th) cumulative day of LEA student's unexcused absence, CONTRACTOR shall notify LEA of such absence as specified in LEA Procedures.

Criteria for a billable day for payment purposes is one day of attendance as defined in California Education Code sections 46010, 46010.3 and 46307. LEA shall not pay for services provided on days that a student's attendance does not qualify for Average Daily Attendance ("ADA") reimbursement under state law. *Per Diem* rates for students whose IEPs authorize less than a full instructional day may be adjusted on a pro rata basis in accordance with the actual proportion of the school day the student was served. LEA shall not be responsible for payment of related services for days on which a student's attendance does not qualify for ADA reimbursement under state law, nor shall student be eligible for make-up services.

NONPUBLIC AGENCY STAFF ABSENCE

When CONTRACTOR is a nonpublic agency and CONTRACTOR'S service provider is absent, CONTRACTOR shall provide a qualified (as defined in Section Seven (7) of this Master Contract and as determined by LEA) substitute, unless LEA provides appropriate coverage in lieu of CONTRACTOR'S service providers. LEA shall not pay for services unless a qualified substitute is provided and/or CONTRACTOR provides documentation evidencing the provision of "make-up" services by a qualified service provider within thirty (30) calendar days from the date on which the services should have been provided. CONTRACTOR shall not "bank" or "carry over" make up service hours under any circumstances, unless otherwise agreed to in writing by CONTRACTOR and LEA. In the event services were not provided, reasons for why the services were not provided shall be included.

NONPUBLIC AGENCY STUDENT ABSENCE

If CONTRACTOR is a nonpublic agency, it shall notify LEA of the absence of a LEA student no later than the fifth (5th) consecutive service day of the student's absence. LEA shall not be responsible for the payment of services when a student is absent.

61. INSPECTION AND AUDIT

CONTRACTOR shall maintain and LEA shall have the right to examine and audit all of the books, records, documents, accounting procedures and practices and other evidence that reflect all costs claimed to have been incurred or fees claimed to have been earned under this Agreement.

CONTRACTOR shall also provide LEA access to all records contemplated by Section 9 of this Master Contract. CONTRACTOR shall make all records available at the office of LEA or CONTRACTOR'S offices (to be specified by LEA), at all reasonable times and without charge. All records shall be provided to LEA within five (5) working days of a written request from LEA. CONTRACTOR shall, at no cost to LEA, provide assistance for such examination or audit. LEA's rights under this section shall also include access to CONTRACTOR'S offices for purposes of interviewing CONTRACTOR'S employees. If any document or evidence is stored in an electronic form, a hard copy shall be made available to LEA, unless LEA agrees to the use of the electronic format.

CONTRACTOR shall obtain from its subcontractors and suppliers written agreements to the requirements of this section and shall provide a copy of such agreements to LEA upon request by LEA.

If an inspection, review, or audit by LEA, a state agency, a Federal agency, and/or an independent agency/firm determines that CONTRACTOR owes LEA monies as a result of CONTRACTOR'S over billing or failure to perform, in whole or in part, any of its obligations under this Master Contract, LEA shall provide to CONTRACTOR written notice demanding payment from CONTRACTOR and specifying the basis or bases for such demand. Unless CONTRACTOR and LEA otherwise agree in writing, CONTRACTOR shall pay to LEA the full amount owed as a result of CONTRACTOR'S over billing and/or failure to perform, in whole or in part, any of its obligations under this Master Contract, as determined by an inspection, review, or audit by LEA, a state agency, a Federal agency, and/or an independent agency/firm. CONTRACTOR shall make such payment to LEA within thirty (30) days of receipt of LEA's written notice demanding payment.

62. RATE SCHEDULE

The attached rate schedules (Exhibits A and B) limit the number of LEA students that may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students that can be provided specific services. Per Diem rates for LEA students whose IEPs authorize less than a full instructional day may be adjusted proportionally. In such cases only, the adjustments in basic education rate shall be based on the required minimum number of minutes per grade level as noted in California Education Code sections 46200-46208.

Special education and/or related services offered by CONTRACTOR shall be provided by qualified personnel as per State and Federal law, and the codes and charges for such educational and/or related services during the term of this Master Contract, shall be as stated in Exhibits A and B.

When CONTRACTOR is a nonpublic school associated with a Residential Treatment Center ("NPS/RTC"), Educationally Related Mental Health Services ("ERMHS") are provided in an integrated, intensive, educationally related therapeutic residential setting which includes social emotional/behavior support through individual counseling, group counseling, family consultation and support, as appropriate. It is a collaborative model which includes educational professionals and related service providers, where all supports and services are integrated in the NPS/RTC program. Costs for ERMHS are all inclusive and combined with the daily rate as ERMHS+RB ("ERMHS + Room and Board"). ERMHS plus Room and Board payments are based on positive attendance (payable for up to a maximum of 365 days) only, with up

to a maximum of 10 days payment per student, per contract year, when a bed is unoccupied, for home visits of a therapeutic nature.

Any Nonpublic School (“NPS”) or residential facility requesting a change in rate for any services provided during a subsequent Master Contract year must make a request in writing to the Sacramento County SELPA Directors, with a copy sent to LEA Director, Douglas Phillips, or designee, by January 15th of each calendar year. Increases will only be considered for approval for entities that have received a positive review on the Quality On-Site NPS Review Rubric.

63. DEBARMENT CERTIFICATION

By signing this agreement, CONTRACTOR certifies that:

- (a) CONTRACTOR and any of its shareholders, partners, or executive officers are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency, and
- (b) Has/have not, within a three-year period preceding this contract, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a Federal, state or local government contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property; and are not presently indicted for, or otherwise criminally or civilly charged by a Government entity with, commission of any of these offenses.

The Parties hereto have executed this Master Contract by and through their duly authorized agents or representatives. This Master Contract is effective on the 1st day of July 2018 and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided herein.

CONTRACTOR
**Maverick Education and Behavioral Solutions,
LLC.**

Nonpublic School/Agency

By:

Signature Date

Name and Title of Authorized
Representative

Notices to CONTRACTOR shall be addressed to:

Name and Title

Nonpublic School/Agency/Related Service Provider
7949 California Ave., #14

Address
Fair Oaks CA 95628

City State Zip

Phone Fax

Email*
(*Required)

LEA
Galt Joint Union Elementary School District

By:

Signature Date

By:

Lois Yount, Director of Business Services

Name and Title of Authorized
Representative

Notices to LEA shall be addressed to:

Donna Mayo-Whitlock

Galt Joint Union Elementary School District

LEA
1018 C Street, Suite 210

Address
Galt, CA 95632

City State Zip
209-744-4545, ext 303 209-744-4554

Phone Fax
dwhitlock@galt.k12.ca.us

Email

Additional LEA Notification
(Required if Completed)

Stephanie Gutierrez, Program Specialist

Name and Title
Galt Joint Union Elementary School District

LEA
1018 C Street, Suite 210

Address
Galt, CA 95632

City State Zip
209-744-4545, ext. 339 209-744-4554

Phone Fax
sgutierrez@galt.k12.ca.us

Email

EXHIBIT A: RATES - NON-PUBLIC SCHOOL ONLY – 2018-2019 CONTRACT YEAR

CONTRACTOR _____ **CONTRACTOR NUMBER** _____ **2018-2019**
(NONPUBLIC SCHOOL) (CONTRACT YEAR)

Per CDE Certification, total enrollment may not exceed _____ **If blank, the number shall be as determine by CDE Certification.**

Rate Schedule. This rate schedule limits the number of LEA students who may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students who can be provided specific services. Special education and/or related services offered by CONTRACTOR, and the charges for such educational and/or related services during the term of this contract shall be as follows:

Payment under this contract may not exceed _____
 Total LEA enrollment may not exceed _____
 (per Master Contract Section 62)

Rate	Period
_____	_____
_____	_____
_____	_____

A. Basic Education Program/Special Education Instruction
 Basic Education Program/Dual Enrollment

Per diem rates for LEA students whose IEPs authorize less than a full instructional day shall be adjusted proportionally.

B. Related Services

- | | | | |
|------|--|-------|-------|
| (1) | a. Transportation – Round Trip (NPS only, unless otherwise agreed to by LEA) | _____ | _____ |
| | b. Transportation – One Way (NPS only, unless otherwise agreed to by LEA) | _____ | _____ |
| | c. Transportation-Dual Enrollment | _____ | _____ |
| | d. Public Transportation | _____ | _____ |
| | e. Parent* | _____ | _____ |
| (2) | a. Educational Counseling – Individual | _____ | _____ |
| | b. Educational Counseling – Group of | _____ | _____ |
| | c. Counseling – Parent | _____ | _____ |
| (3) | a. Adapted Physical Education – Individual | _____ | _____ |
| | b. Adapted Physical Education – Group of _____ | _____ | _____ |
| | c. Adapted Physical Education – Group of _____ | _____ | _____ |
| (4) | a. Language and Speech Therapy – Individual | _____ | _____ |
| | b. Language and Speech Therapy – Group of 2 | _____ | _____ |
| | c. Language and Speech Therapy – Group of 3 | _____ | _____ |
| | d. Language and Speech Therapy – Per diem | _____ | _____ |
| | e. Language and Speech - Consultation Rate | _____ | _____ |
| (5) | a. Additional Instructional Assistant - Individual (must be authorized on IEP) | _____ | _____ |
| | b. Additional Instructional Assistant – Group of 2 | _____ | _____ |
| | c. Additional Instructional Assistant – Group of 3 | _____ | _____ |
| (6) | Intensive Special Education Instruction** | _____ | _____ |
| (7) | a. Occupational Therapy – Individual | _____ | _____ |
| | b. Occupational Therapy – Group of 2 | _____ | _____ |
| | c. Occupational Therapy – Group of 3 | _____ | _____ |
| | d. Occupational Therapy – Group of 4 - 7 | _____ | _____ |
| | e. Occupational Therapy - Consultation Rate | _____ | _____ |
| (9) | Physical Therapy | _____ | _____ |
| (10) | a. Behavior Intervention – BII | _____ | _____ |
| | b. Behavior Intervention – BID | _____ | _____ |
| | Provided by: _____ | _____ | _____ |
| (11) | Nursing Services | _____ | _____ |
| (12) | Other: | _____ | _____ |

*Parent transportation reimbursement rates are to be determined by LEA.

**By credentialed Special Education Teacher.

INDIVIDUAL SERVICES AGREEMENT FOR NONPUBLIC, NONSECTARIAN SCHOOL SERVICES
(Education Code Sections 56365 *et seq.*)

This agreement is effective on ___ or the date student begins attending a nonpublic school if after the date identified, and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided in the Master Contract and by applicable law.

Local Education Agency (LEA)				Nonpublic School			
Address				Address			
City, State Zip				City, State, Zip			
LEA Case Manager				Phone		Fax	
				e-Mail			
Student Last Name		Student First Name		Program Contact Name		Stephanie Gutierrez	
				Phone		Fax	
D.O.B.		I.D. #		e-Mail			
Grade	Level	Sex	(X) M () F	Education Schedule – Regular School Year			
Parent/Guardian Last Name		Parent/Guardian First Name		Number of Days		Number of Weeks	
				Education Schedule – Extended School Year			
				Number of Days		Number of Weeks	
Address				Contract Begins		Ends	
City, State, Zip				Master Contract Approved by the Governing Board on			
Home Phone		Business					

DESIGNATED INSTRUCTION AND SERVICES / RELATED SERVICES:

<u>SERVICES</u>	<u>PROVIDER</u>				Cost and Duration of Session	Number of Sessions per wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	<u>LEA</u>	NPS	<u>NPA</u>	OTHER Specify			Reg School Year	ESY	
A. BASIC EDUCATION									
B. RELATED SERVICES									
1. Transportation a. Paid to NPS/A b. Reimburse parent									
2. Counseling a. Group b. Individual c. Family									
3. Adapted P.E.									
4. Speech/Language a. Group b. Individual									
5. Occupational Therapy a. Therapy b. Consultation									

B. RELATED SERVICES (cont'd)	Provider				Cost and Duration of Session	Number of Sessions per wk/mo/yr	Maximum Number of Sessions		Estimated Maximum Total Cost for Contracted Period
	LEA	NPS	NPA	OTHER Specify			Reg School Year	ESY	
6. Physical Therapy a. Therapy b. Consultation									
7. ABA a. Consult b. Direct c. Supervision d. Assessment									
8. One-to-One Aide									
9. Other									
						TOTAL COST		\$	

ESTIMATED MAXIMUM RELATED SERVICES COST \$ _____

SPECIALIZED EQUIPMENT/SUPPLIES _____ \$ _____

TOTAL ESTIMATED MAXIMUM BASIC EDUCATION AND RELATED SERVICES COSTS/SPECIALIZED EQUIPMENT/SUPPLIES \$ _____

4. Other Provisions/Attachments: _____

5. Progress Reporting Requirements: _____ Quarterly _____ Monthly _____ Other (Specify _____)

MASTER CONTRACT APPROVED BY THE GOVERNING BOARD ON _____

The Parties hereto have executed this Individual Services Agreement by and through their duly authorized agents or representatives as set forth below.

-CONTRACTOR-

-LEA-

(Name of Nonpublic School)

(Name of LEA)

(Signature)

(Date)

(Signature)

(Date)

(Name and Title)

(Name of Superintendent or Authorized Designee)

EXHIBIT B: RATES – NON-PUBLIC AGENCY ONLY – 2018-2019 CONTRACT YEAR

CONTRACTOR Maverick Education and Behavioral Solutions, LLC CONTRACTOR NUMBER 8 CDE TOTAL ENROLLMENT ALLOWED _____

Rate Schedule. This rate schedule limits the number of LEA students who may be enrolled and the maximum dollar amount of the contract. It may also limit the maximum number of students who can be provided specific services. Special education and/or related services offered by CONTRACTOR, and the charges for such educational and/or related services during the term of this contract shall be as follows:

Payment under this contract may not exceed _____
 Total LEA enrollment may not exceed _____
 (per Master Contract Section 62)

SERVICE	DESCRIPTION	RATE
Language and Speech Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	\$ _____ Per Hour
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Occupational Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	\$ _____ Per Hour
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	
Physical Therapy	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
	DIRECT THERAPY 1:1 or small group	
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s)	\$ _____ Per Hour
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting on SEIS; sizing and adjustment of equipment; attendance at IEP meetings	Evals:
Behavior Intervention Services	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on the work day for this discipline. Rate will be pro-rated if NPA staff works less than the identified work day: <i>Check the applicable work day:</i> <input type="checkbox"/> Full Work Day <input type="checkbox"/> Half Work Day	\$ _____ Per Diem
	DIRECT STUDENT AIDE 1:1 or small group, implementing behavior plan, data collection.	\$ <u>42.23</u> Per Hour
	CONSULTATION: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s).	\$ <u>135.00</u> Per Hour
	SUPERVISING CONSULTANT: student observation as it relates to program development and/or data collection; IEP team member training; collaboration with IEP team member(s).	\$ <u>135.00</u> Per Hour
	OTHER SERVICES: (requires prior approval of LEA per Section 36 of the Master Contract) formal assessment and report writing; written annual progress report; benchmark reporting; attendance at IEP meetings.	\$ _____ Per Hour
Other:	PER DIEM – NPA provides all services at assigned school site for a flat per diem rate based on a full work day for this discipline. Rate will be pro-rated if NPA staff works less than a full work day.	\$ _____ Per Diem
		\$ _____ Per Hour

INDIVIDUAL SERVICES AGREEMENT FOR NONPUBLIC AGENCY SERVICES (Education Code Sections 56365 et seq.)

This Agreement is effective on _____ or the date student begins receiving services from a nonpublic agency, if after the date identified, and terminates at 5:00 P.M. on June 30, 2019, unless sooner terminated as provided in the Master Contract and by applicable law.

SELPA INFORMATION	
Student Services	Program Contact:
	Program Contact Phone:
	Program Contact Fax:
	Program Contact E-mail:

NPA INFORMATION	
Nonpublic Agency:	Program Contact:
Address:	Program Contact Phone:
City/State/Zip	Program Contact Fax:
	Program Contact E-mail:

STUDENT INFORMATION			
Student Last:		Student First:	
DOB:	Grade:	Sex: () F () M	Student ID#:
Student Track:		Progress Reporting Requirements: (At least 4 per Section 36)	
# of Days Reg School Yr:	# of Days Ext School Yr:	() IEP Benchmark Dates () Other: _____	
Parent/Guardian Last:		Parent/Guardian First:	
Parent/Guardian Phone #1: ()-		Parent/Guardian Phone #2: ()-	
School Site:		SpEd Case Manager:	
Address:		SpEd Case Manager Phone: ()-	
City/Zip:		SpEd Case Manager Fax: ()-	
School Site Phone: ()-		SpEd Case Manager E-mail:	

CONTRACT INFORMATION		
ISA Begins:	ISA Ends:	Master Contract Approved by Governing Board on:

SERVICE INFORMATION									
	Direct Therapy Sessions/Duration per IEP Year		Consultation Sessions/Duration per IEP Year		Other Services per IEP Year		TOTAL Duration	COST Per Hour	Estimated Max Total for ISA Period
	Reg School YR	ESY	Reg School YR	ESY	Reg School YR	ESY			
Language and Speech Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Occupational Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Physical Therapy	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
Behavior Intervention Services	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		

Other:	sessions minutes	sessions minutes	sessions minutes	sessions minutes			hours		
--------	---------------------	---------------------	---------------------	---------------------	--	--	-------	--	--

The Parties hereto have executed this Individual Services Agreement by and through their duly authorized agents or representatives as set forth below.

-CONTRACTOR-

-LEA-

(Name of Nonpublic Agency)

(Name of LEA)

(Signature) _____
(Date)

(Signature) _____
(Date)

(Name and Title)

(Name of Superintendent or Authorized Designee)



CONSENT CALENDAR Out of State Conference Attendance

Out of State Conference Attendance

As Lake Canyon administrators and teachers continue to implement a school environment, which is rich with engagement coupled with rigor, four Lake Canyon teachers, will travel to Phoenix in mid-January to attend the nationwide 'Get Your Teach On' conference. Through this conference, Lake Canyon teachers will receive the most current research based strategies that will light their classrooms on fire. Teachers will hear from expert presenters who will share their passion and enthusiasm for education and give them their tips, tricks, best practices, and teacher secrets to building a successful and engaging classroom. Teachers will leave feeling empowered, motivated, and prepared to create dynamic lessons that will challenge their students and leave them hungry for more.

Attendees: Linda Ekstrom, Michelle Woods, Katie Mooney and Destiny Westbrooks

Dates: January 21-22, 2019

Fiscal Impact: Title 1 Funds to cover 4 substitutes on January 22, 2019. Staff attending conference incur all other costs.



Galt Joint Union Elementary School District

Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632
209-744 4545 * 209-744-4553 fax

Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.967 Consent Calendar (continued)- Items Removed For Later Consideration
Presenter: Karen Schauer	Action Item: XX Information Item:
<p>The Board will have the opportunity to address any items that are moved from the consent calendar.</p>	



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.968 Board Consideration of Approval of GJUESD 2017-18 Audit Report by Christy White Associates
Presenter: Lois Yount	Action Item: XX Information Item:

Education Code 41020 requires an independent annual financial and compliance audit of a school's financial and internal controls. The 2017-18 Fiscal Year Audit has been completed by Christy White Associates and will be presented by Michael Ash, CPA & Partner with Christy White Associates. The District is pleased that no findings or recommendations were determined as a result of this audit.

Board approval is recommended.

Fiscal Impact: None

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2018

San Diego

Los Angeles

San Francisco
Bay Area

christywhite
A PROFESSIONAL
ACCOUNTANCY CORPORATION *associates*

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Galt Joint Union Elementary School District
Galt, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Galt Joint Union Elementary School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Galt Joint Union Elementary School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

SAN DIEGO
LOS ANGELES
SAN FRANCISCO/BAY AREA

Corporate Office:
348 Olive Street
San Diego, CA 92103

toll-free: 877.220.7229
tel: 619.270.8222
fax: 619.260.9085
www.christywhite.com

Licensed by the California
State Board of Accountancy

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Galt Joint Union Elementary School District, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 10 to the financial statements, in 2018 Galt Joint Union Elementary School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information schedule of changes in total OPEB liability and related ratios, schedules of proportionate share of net pension liability, and schedules of District contributions for pensions be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Galt Joint Union Elementary School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of Federal awards, which is required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018 on our consideration of Galt Joint Union Elementary School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Galt Joint Union Elementary School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Galt Joint Union Elementary School District's internal control over financial reporting and compliance.

Christy White Associates

San Diego, California
November 26, 2018

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

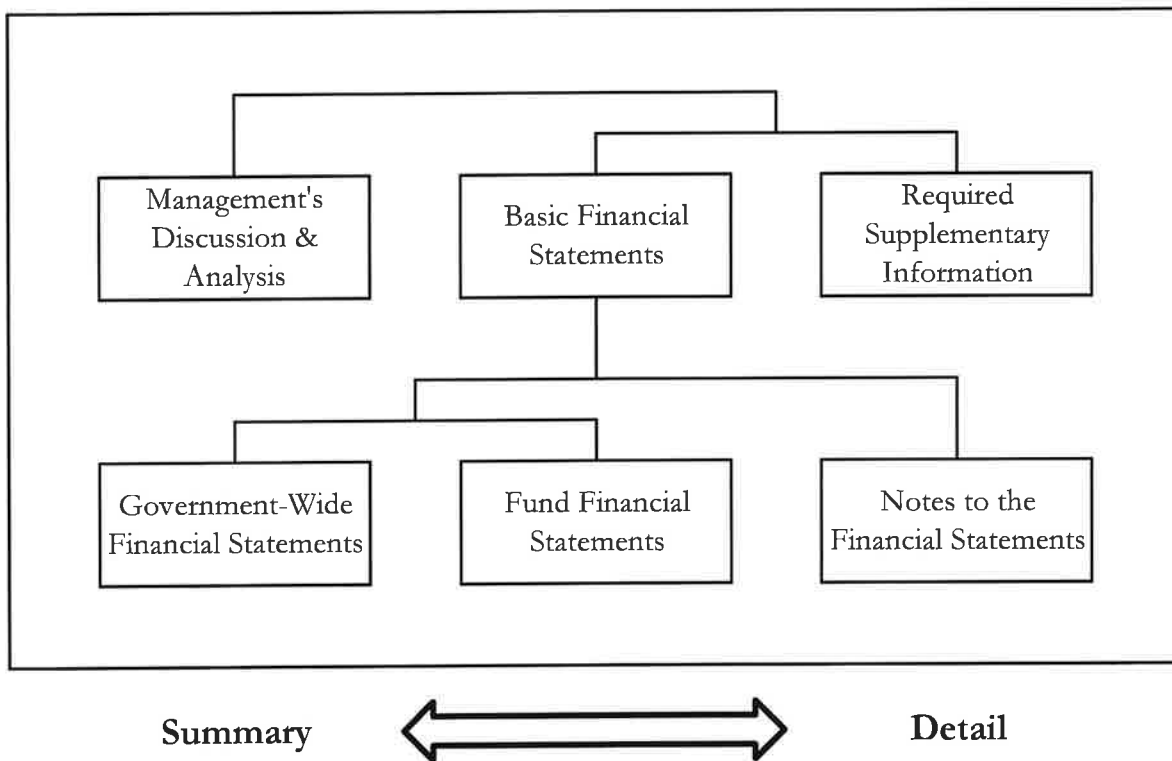
Our discussion and analysis of Galt Joint Union Elementary School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- ▶ The District's total net position was \$(18,811,231) at June 30, 2018. This was a decrease of \$5,325,780 from the prior year after restatement.
- ▶ Overall revenues were \$43,206,258 which were exceeded by expenses of \$48,532,038.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financials Section



**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

This annual report consists of three parts – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity's overall financial position.

- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

 - ▶ **Fiduciary Funds** report balances for which the District is a custodian or *trustee* of the funds, such as Associated Student Bodies and pension funds.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position is one way to measure the District's financial health. Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District's basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$(18,811,231) at June 30, 2018, as reflected in the table below. Of this amount, \$(38,924,167) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2018	2017	Net Change
ASSETS			
Current and other assets	\$ 18,083,603	\$ 21,992,729	\$ (3,909,126)
Capital assets	23,215,535	23,772,069	(556,534)
Total Assets	41,299,138	45,764,798	(4,465,660)
DEFERRED OUTFLOWS OF RESOURCES	12,772,720	7,560,814	5,211,906
LIABILITIES			
Current liabilities	4,323,514	3,776,452	547,062
Long-term liabilities	64,596,962	57,935,749	6,661,213
Total Liabilities	68,920,476	61,712,201	7,208,275
DEFERRED INFLOWS OF RESOURCES	3,962,613	3,112,866	849,747
NET POSITION			
Net investment in capital assets	14,998,814	17,178,074	(2,179,260)
Restricted	5,114,122	4,465,060	649,062
Unrestricted	(38,924,167)	(33,142,589)	(5,781,578)
Total Net Position	\$ (18,811,231)	\$ (11,499,455)	\$ (7,311,776)

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The table below takes the information from the Statement and rearranges slightly, so you can see our total revenues and expenses for the year.

	Governmental Activities		
	2018	2017	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 281,361	\$ 279,599	\$ 1,762
Operating grants and contributions	8,840,416	11,366,452	(2,526,036)
General revenues			
Property taxes	7,388,989	5,898,744	1,490,245
Unrestricted federal and state aid	25,389,391	26,236,769	(847,378)
Other	1,306,101	865,501	440,600
Total Revenues	43,206,258	44,647,065	(1,440,807)
EXPENSES			
Instruction	27,075,083	27,764,232	(689,149)
Instruction-related services	5,780,964	5,894,107	(113,143)
Pupil services	4,601,987	4,559,160	42,827
General administration	3,364,809	3,201,826	162,983
Plant services	5,003,988	3,742,080	1,261,908
Ancillary and community services	145,530	159,637	(14,107)
Debt service	609,873	355,966	253,907
Other outgo	87,375	321,934	(234,559)
Depreciation	1,855,729	2,016,501	(160,772)
Enterprise activities	6,700	8,949	(2,249)
Total Expenses	48,532,038	48,024,392	507,646
Change in net position	(5,325,780)	(3,377,327)	(1,948,453)
Net Position - Beginning, as Restated*	(13,485,451)	(8,122,128)	(5,363,323)
Net Position - Ending	\$ (18,811,231)	\$ (11,499,455)	\$ (7,311,776)

* Beginning Net Position was restated for the 2018 year only

The cost of all our governmental activities this year was \$48,532,038 (refer to the table above). The amount that our taxpayers ultimately financed for these activities through taxes was only \$7,388,989 because the cost was paid by other governments and organizations who subsidized certain programs with grants and contributions, charges for services, unrestricted federal and state aid, and other revenues.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District's functions. Net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2018	2017
Instruction	\$ 21,993,247	\$ 20,663,039
Instruction-related services	4,404,160	4,379,635
Pupil services	2,708,305	2,659,839
General administration	2,989,783	2,490,309
Plant services	4,646,399	3,371,287
Ancillary and community services	139,618	142,390
Debt service	609,873	355,966
Transfers to other agencies	63,173	299,736
Depreciation	1,855,729	2,016,501
Enterprise activities	(26)	(361)
Total Expenses	\$ 39,410,261	\$ 36,378,341

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$15,277,616, which is less than last year's ending fund balance of \$19,105,572. The District's General Fund had \$2,130,611 less in operating revenues than expenditures for the year ended June 30, 2018. The District's Building Fund had \$2,235,683 less in operating revenues than expenditures for the year ended June 30, 2018. The District's Capital Facilities Fund had \$20,459 less in operating revenues than expenditures for the year ended June 30, 2018.

CURRENT YEAR BUDGET 2017-18

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District's financial projections and current budget based on State and local financial information.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2017-2018 the District had invested \$23,215,535 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2018	2017	Net Change
CAPITAL ASSETS			
Land	\$ 3,885,138	\$ 3,885,138	\$ -
Construction in progress	1,797,413	550,481	1,246,932
Land improvements	29,808	29,808	-
Buildings & improvements	57,805,823	57,805,823	-
Furniture & equipment	3,214,453	3,203,042	11,411
Accumulated depreciation	(43,517,100)	(41,702,223)	(1,814,877)
Total Capital Assets	\$ 23,215,535	\$ 23,772,069	\$ (556,534)

Long-Term Debt

At year-end, the District had \$64,596,962 in long-term debt, an increase of 8% from last year – as shown in the table below. (More detailed information about the District's long-term liabilities is presented in footnotes to the financial statements.)

	Governmental Activities		
	2018	2017	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	\$ 16,281,420	\$ 16,747,662	\$ (466,242)
Capital leases	67,609	107,147	(39,538)
Early retirement incentive	317,911	423,881	(105,970)
Compensated absences	131,984	122,674	9,310
Total OPEB liability*	4,856,415	4,572,900	283,515
Net pension liability	44,258,870	38,789,082	5,469,788
Less: current portion of long-term debt	(1,317,247)	(841,601)	(475,646)
Total Long-term Liabilities	\$ 64,596,962	\$ 59,921,745	\$ 4,675,217

*The District's 2017 Net OPEB Obligation was restated and changed to Total OPEB Liability due to the issuance of GASB Statement No. 75, which superseded GASB Statement No. 45. More detailed information is presented in the footnotes to the financial statements.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2018**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of several circumstances that could affect its future financial health.

The State's economy continues to be strong but a new governor could change the fiscal policy for the funding of public education, within the boundaries of Proposition 98. Past fiscal allocations had included higher than expected funding but on-going funding may not be as strong. The UCLA Anderson Forecast (June 2018) noted that the "era of ultra-low interest rates has passed and the economy is at full employment," which creates difficulty sustaining continued growth at the rate recently experienced. And, according to the California Legislative Analyst's Office, there are concerns about a possible mild recession.

Landmark legislation passed in Year 2013 reformed California school district finance by creating the Local Control Funding Formula (LCFF). The LCFF is designed to provide a flexible funding mechanism that links student achievement to state funding levels. The LCFF provides a per pupil base grant amount, by grade span, that is augmented by supplemental funding for targeted student groups in low income brackets, those that are English language learners and foster youth. The 2018-19 adopted State Budget fully funded the LCFF funding gap two years ahead of schedule.

Factors related to LCFF that the District is monitoring include: (1) estimates of funding in the next budget year and beyond; (2) the Local Control and Accountability Plan (LCAP) that aims to link student accountability measurements to funding allocations; (3) ensuring the integrity of reporting student data through the California Longitudinal Pupil Achievement Data System (CALPADs); and, (4) meeting annual compliance and audit requirements.

The District participates in state employee pensions plans, PERS and STRS, and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2018. The amount of the liability is material to the financial position of the District. To address the underfunding issues, the pension plans continue to raise employer rates in future years and the increased costs are significant.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, inter-district transfers in or out, economic conditions and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to make adjustments in fixed operating costs.

All of these factors were considered in preparing the District's budget for the 2018-19 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Business Office at 1018 C Street #210, Galt, California 95632.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Cash and investments	\$ 15,243,200
Accounts receivable	2,689,849
Inventory	21,343
Prepaid expenses	129,211
Capital assets, not depreciated	5,682,551
Capital assets, net of accumulated depreciation	17,532,984
Total Assets	41,299,138
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	12,772,720
Total Deferred Outflows of Resources	12,772,720
LIABILITIES	
Deficit cash	362,544
Accrued liabilities	2,633,893
Unearned revenue	9,830
Long-term liabilities, current portion	1,317,247
Long-term liabilities, non-current portion	64,596,962
Total Liabilities	68,920,476
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	3,962,613
Total Deferred Inflows of Resources	3,962,613
NET POSITION	
Net investment in capital assets	14,998,814
Restricted:	
Capital projects	2,410,604
Debt service	1,132,925
Educational programs	1,474,299
All others	96,294
Unrestricted	(38,924,167)
Total Net Position	\$ (18,811,231)

The accompanying notes are an integral part of these financial statements.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Function/Programs	Expenses	Program Revenues		Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Position
				Governmental Activities
GOVERNMENTAL ACTIVITIES				
Instruction	\$ 27,075,083	\$ 79,724	\$ 5,002,112	\$ (21,993,247)
Instruction-related services				
Instructional supervision and administration	1,925,430	29,689	990,755	(904,986)
Instructional library, media, and technology	497,919	47	36,466	(461,406)
School site administration	3,357,615	31,115	288,732	(3,037,768)
Pupil services				
Home-to-school transportation	953,460	1,720	16,443	(935,297)
Food services	1,965,539	109,574	1,533,561	(322,404)
All other pupil services	1,682,988	2,484	229,900	(1,450,604)
General administration				
Centralized data processing	804,294	-	3,965	(800,329)
All other general administration	2,560,515	13,458	357,603	(2,189,454)
Plant services	5,003,988	12,493	345,096	(4,646,399)
Ancillary services	15,365	-	26	(15,339)
Community services	130,165	-	5,886	(124,279)
Enterprise activities	6,700	1,057	5,669	26
Interest on long-term debt	609,873	-	-	(609,873)
Other outgo	87,375	-	24,202	(63,173)
Depreciation (unallocated)	1,855,729	-	-	(1,855,729)
Total Governmental Activities	\$ 48,532,038	\$ 281,361	\$ 8,840,416	(39,410,261)
General revenues				
Taxes and subventions				
Property taxes, levied for general purposes				5,912,411
Property taxes, levied for debt service				1,432,304
Property taxes, levied for other specific purposes				44,274
Federal and state aid not restricted for specific purposes				25,389,391
Interest and investment earnings				219,828
Interagency revenues				639,881
Miscellaneous				446,392
Subtotal, General Revenue				34,084,481
CHANGE IN NET POSITION				(5,325,780)
Net Position - Beginning, as Restated				(13,485,451)
Net Position - Ending				\$ (18,811,231)

The accompanying notes are an integral part of these financial statements.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 4,672,556	\$ 7,231,356	\$ 1,875,460	\$ 1,463,828	\$ 15,243,200
Accounts receivable	1,789,387	62,379	22,275	815,808	2,689,849
Due from other funds	144,273	13,285	-	277,467	435,025
Stores inventory	-	-	-	21,343	21,343
Prepaid expenditures	129,211	-	-	-	129,211
Total Assets	\$ 6,735,427	\$ 7,307,020	\$ 1,897,735	\$ 2,578,446	\$ 18,518,628
LIABILITIES					
Deficit cash	\$ -	\$ -	\$ -	\$ 362,544	\$ 362,544
Accrued liabilities	2,365,640	45,182	3,722	19,069	2,433,613
Due to other funds	277,467	11,546	17,506	128,506	435,025
Unearned revenue	9,742	-	-	88	9,830
Total Liabilities	2,652,849	56,728	21,228	510,207	3,241,012
FUND BALANCES					
Nonspendable	149,211	-	-	31,343	180,554
Restricted	1,400,999	7,250,292	1,876,507	2,036,896	12,564,694
Assigned	1,272,406	-	-	-	1,272,406
Unassigned	1,259,962	-	-	-	1,259,962
Total Fund Balances	4,082,578	7,250,292	1,876,507	2,068,239	15,277,616
Total Liabilities and Fund Balances	\$ 6,735,427	\$ 7,307,020	\$ 1,897,735	\$ 2,578,446	\$ 18,518,628

The accompanying notes are an integral part of these financial statements.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT
OF NET POSITION
JUNE 30, 2018**

Total Fund Balance - Governmental Funds \$ 15,277,616

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 66,732,635	
Accumulated depreciation	(43,517,100)	23,215,535

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(200,280)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	\$ 16,281,420	
Capital leases	67,609	
Early retirement incentive	317,911	
Compensated absences	131,984	
Total OPEB liability*	4,856,415	
Net pension liability	44,258,870	(65,914,209)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	\$ 12,772,720	
Deferred inflows of resources related to pensions	(3,962,613)	8,810,107

Total Net Position - Governmental Activities \$ (18,811,231)

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
LCFF sources	\$ 30,133,824	\$ -	\$ -	\$ -	\$ 30,133,824
Federal sources	3,018,766	-	-	1,590,928	4,609,694
Other state sources	3,752,959	-	-	634,199	4,387,158
Other local sources	2,689,121	125,393	212,748	2,056,512	5,083,774
Total Revenues	39,594,670	125,393	212,748	4,281,639	44,214,450
EXPENDITURES					
Current					
Instruction	27,133,708	-	-	385,220	27,518,928
Instruction-related services					
Instructional supervision and administration	1,920,800	-	-	94	1,920,894
Instructional library, media, and technology	467,968	-	-	-	467,968
School site administration	3,230,722	-	-	65,216	3,295,938
Pupil services					
Home-to-school transportation	811,683	-	-	-	811,683
Food services	983	-	-	1,875,125	1,876,108
All other pupil services	1,591,395	-	-	3,655	1,595,050
General administration					
Centralized data processing	783,756	-	-	-	783,756
All other general administration	2,047,416	-	111,854	128,065	2,287,335
Plant services					
Facilities acquisition and maintenance	-	1,338,963	37,803	8,990	1,385,756
Ancillary services	15,589	-	-	-	15,589
Community services	134,473	-	-	-	134,473
Enterprise activities	6,700	-	-	-	6,700
Transfers to other agencies	87,375	-	-	-	87,375
Debt service					
Principal	39,538	-	-	565,000	604,538
Interest and other	3,329	-	-	355,200	358,529
Total Expenditures	41,725,281	2,361,076	233,207	3,722,842	48,042,406
Excess (Deficiency) of Revenues	(2,130,611)	(2,235,683)	(20,459)	558,797	(3,827,956)
Other Financing Sources (Uses)					
Transfers in	4,221	-	-	273,456	277,677
Transfers out	(273,456)	-	(4,221)	-	(277,677)
Net Financing Sources (Uses)	(269,235)	-	(4,221)	273,456	-
NET CHANGE IN FUND BALANCE	(2,399,846)	(2,235,683)	(24,680)	832,253	(3,827,956)
Fund Balance - Beginning	6,482,424	9,485,975	1,901,187	1,235,986	19,105,572
Fund Balance - Ending	\$ 4,082,578	\$ 7,250,292	\$ 1,876,507	\$ 2,068,239	\$ 15,277,616

The accompanying notes are an integral part of these financial statements.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

Net Change in Fund Balances - Governmental Funds \$ (3,827,956)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 1,443,819	
Depreciation expense:	<u>(2,000,353)</u>	(556,534)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

604,538

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

(152,586)

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(107,177)

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF
ACTIVITIES, continued
FOR THE YEAR ENDED JUNE 30, 2018**

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (9,310)

Other expenditures relating to prior periods:

Certain expenditures recognized in governmental funds relate to prior periods. Typical examples are payments on structured legal settlements or retirement incentives paid over time. These expenditures are recognized in the government-wide statement of activities in the period in which the obligations were first incurred, so they must not be recognized again in the current period. Expenditures relating to prior periods for early retirement incentives were: 105,970

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: (283,515)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made, in the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: (1,107,629)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 8,419

Change in Net Position of Governmental Activities

\$ (5,325,780)

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2018**

	<u>Agency Funds</u>
	<u>Student Body</u>
	<u>Fund</u>
ASSETS	
Cash and investments	\$ 134,469
Total Assets	<u>\$ 134,469</u>
LIABILITIES	
Due to student groups	\$ 134,469
Total Liabilities	<u>\$ 134,469</u>

The accompanying notes are an integral part of these financial statements.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Galt Joint Union Elementary School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-8 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization’s relationship with the District is such that exclusion would cause the District’s financial statements to be misleading or incomplete. The District has no such component units.

C. Basis of Presentation

Government-Wide Statements. The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Fund Financial Statements. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Fiduciary funds are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the District's own programs.

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section 8200 et seq.*) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section 8328*).

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Special Revenue Funds (continued)

Cafeteria Special Revenue Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Special Revenue Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

Capital Project Funds: Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section 42840*).

Capital Projects Fund for Blended Component Units: This fund is used to account for capital projects financed by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Debt Service Funds: Debt service funds are established to account for the accumulation of resources for and the payment of principal and interest on general long-term debt.

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Fiduciary Funds

Trust and Agency Funds: Trust and agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Student Body Fund: The Student Body Fund is an agency fund and, therefore, consists only of accounts such as cash and balancing liability accounts, such as due to student groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code Sections 48930–48938*).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

Governmental Funds

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, "available" means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over an estimated useful life of 5-50 years depending on the asset class.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide a financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 through June 30, 2018

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Premiums and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance, continued

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the statement of activities.

G. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard's primary objective is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. The Statement is effective for periods beginning after June 15, 2017. The District has implemented GASB Statement No. 75 for the year ended June 30, 2018.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This standard's primary objective is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement is effective for periods beginning after December 15, 2018. The District has not yet determined the impact on the financial statements.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. This standard's primary objective is to address practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The statement is effective for periods beginning after June 15, 2017. The District has implemented GASB Statement No. 85 for the year ended June 30, 2018.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. This standard's primary objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The statement is effective for periods beginning after December 15, 2019. The District has not determined the impact on the financial statements.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This standard's primary objective is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The statement is effective for periods beginning after June 15, 2018. The District has not determined the impact on the financial statements.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2018

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
Investment in county treasury*	\$ 14,849,656	\$ -
Cash on hand and in banks	1,000	134,469
Cash in revolving fund	30,000	-
Total cash and investments	\$ 14,880,656	\$ 134,469

*Presented net of deficit cash

B. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Sacramento County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker’s Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$14,813,831 and an amortized book value of \$14,849,656. The average weighted maturity for this pool is 308 days.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury are not required to be rated.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 2 – CASH AND INVESTMENTS (continued)

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, the District's bank balance was not exposed to custodial credit risk.

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Sacramento County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2018 were as follows:

	<u>Uncategorized</u>
Investment in county treasury	<u>\$ 14,813,831</u>
Total fair market value of investments	<u>\$ 14,813,831</u>

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal Government					
Categorical aid	\$ 755,172	\$ -	\$ -	\$ 226,653	\$ 981,825
State Government					
Categorical aid	66,678	-	-	33,073	99,751
Lottery	95,789	-	-	-	95,789
Local Government					
Other local sources	871,748	62,379	22,275	556,082	1,512,484
Total	\$ 1,789,387	\$ 62,379	\$ 22,275	\$ 815,808	\$ 2,689,849

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 01, 2017	Additions	Deletions	Balance June 30, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 3,885,138	\$ -	\$ -	\$ 3,885,138
Construction in progress	550,481	1,246,932	-	1,797,413
Total Capital Assets not Being Depreciated	4,435,619	1,246,932	-	5,682,551
Capital assets being depreciated				
Land improvements	29,808	-	-	29,808
Buildings & improvements	57,805,823	-	-	57,805,823
Furniture & equipment	3,203,042	196,887	185,476	3,214,453
Total Capital Assets Being Depreciated	61,038,673	196,887	185,476	61,050,084
Less Accumulated Depreciation				
Land improvements	6,877	1,490	-	8,367
Buildings & improvements	39,333,561	1,854,239	-	41,187,800
Furniture & equipment	2,361,785	144,624	185,476	2,320,933
Total Accumulated Depreciation	41,702,223	2,000,353	185,476	43,517,100
Governmental Activities				
Capital Assets, net	\$ 23,772,069	\$ (556,534)	\$ -	\$ 23,215,535

Depreciation expense for the year ended June 30, 2018 was allocated to governmental functions as follows:

Instruction	\$ 16,879
Home-to-school transportation	89,162
Food services	10,584
Centralized data processing	10,696
All other general administration	2,735
Plant services	14,568
Unallocated	1,855,729
	\$ 2,000,353

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 5 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due From/Due To)

Individual interfund receivable and payable balances at June 30, 2018 were as follows:

	Due From Other Funds			
	General Fund	Building Fund	Non-Major Governmental Funds	Total
Due To Other Funds				
General Fund	\$ -	\$ -	277,467	\$ 277,467
Building Fund	11,546	-	-	11,546
Capital Facilities Fund	4,221	13,285	-	17,506
Non-Major Governmental Funds	128,506	-	-	128,506
Total Due From Other Funds	\$ 144,273	\$ 13,285	\$ 277,467	\$ 435,025

Due from the General Fund to the Cafeteria Fund to cover negative balance.	\$ 273,456
Due from the General Fund to the Child Development Fund for 4 extra days per GEFA contract.	4,011
Due from the Child Development Fund to the General Fund for indirect costs and workers' compensation.	30,762
Due from the Cafeteria Fund to the General Fund for indirect costs.	97,744
Due from the Building Fund to the General Fund for portion of AT&T expenditure.	11,546
Due from the Capital Facilities Fund to the General Fund for admin fees on collected developer fees.	4,221
Due from the Capital Facilities Fund to the Building Fund for portion of expenditure attributable to fund.	13,285
Total	\$ 435,025

B. Operating Transfers

Interfund transfers for the year ended June 30, 2018 consisted of the following:

	Interfund Transfers In		
	General Fund	Non-Major Governmental Funds	Total
Interfund Transfers Out			
General Fund	\$ -	\$ 273,456	\$ 273,456
Capital Facilities Fund	4,221	-	4,221
Total Interfund Transfers	\$ 4,221	\$ 273,456	\$ 277,677

Transfer from the General Fund to the Cafeteria Fund to cover negative balance.	\$ 273,456
Transfer from the Capital Facilities Fund to the General Fund for admin fees on collected developer fees.	4,221
Total	\$ 277,677

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2018 consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	District-Wide	Total Governmental Activities
Payroll	\$ 1,403,387	\$ -	\$ -	\$ 4,116	\$ -	\$ 1,407,503
Construction	-	45,182	-	-	-	45,182
Vendors payable	491,021	-	3,722	14,953	-	509,696
Unmatured interest	-	-	-	-	200,280	200,280
Apportionment	471,232	-	-	-	-	471,232
Total	\$ 2,365,640	\$ 45,182	\$ 3,722	\$ 19,069	\$ 200,280	\$ 2,633,893

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2018 consisted of the following:

	General Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal sources	\$ 9,742	\$ -	\$ 9,742
Local sources	-	88	88
Total	\$ 9,742	\$ 88	\$ 9,830

NOTE 8 – LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2018 consisted of the following:

	Restated Balance July 01, 2017	Additions	Deductions	Balance June 30, 2018	Balance Due In One Year
Governmental Activities					
General obligation bonds	\$ 16,503,523	\$ 107,177	\$ 565,000	\$ 16,045,700	\$ 1,030,000
Unamortized premium	244,139	-	8,419	235,720	8,419
Total general obligation bonds	16,747,662	107,177	573,419	16,281,420	1,038,419
Capital leases	107,147	-	39,538	67,609	40,874
Early retirement incentive	423,881	-	105,970	317,911	105,970
Compensated absences	122,674	9,310	-	131,984	131,984
Total OPEB liability	4,572,900	283,515	-	4,856,415	-
Net pension liability	38,789,082	5,469,788	-	44,258,870	-
Total	\$ 60,763,346	\$ 5,869,790	\$ 718,927	\$ 65,914,209	\$ 1,317,247

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments for capital lease obligations are made in the General Fund.
- Payments for early retirement incentive are made in the General Fund.
- Payments for compensated absences are typically liquidated in the General Fund and the Non-Major Governmental Funds.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 8 – LONG-TERM DEBT (continued)

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2018 amounted to \$131,984. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. General Obligation Bonds

The outstanding general obligation bonded debt at June 30, 2018 consisted of the following:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2018
				Outstanding July 01, 2017	Additions	Deductions	
2002	August 1, 2026	5.00-9.28%	\$ 258,684	\$ 1,033,523	\$ 107,177	\$ -	\$ 1,140,700
2012	August 1, 2024	1.95%	7,880,000	5,870,000	-	565,000	5,305,000
2017	August 1, 2046	3.125-5.00%	9,600,000	9,600,000	-	-	9,600,000
				<u>\$ 16,503,523</u>	<u>\$ 107,177</u>	<u>\$ 565,000</u>	<u>\$ 16,045,700</u>

The annual payments to amortize the General Obligation Bonds payable are as follows:

Year Ended June 30,	Principal	Interest	Total
2019	\$ 1,030,000	\$ 464,225	\$ 1,494,225
2020	1,100,000	430,266	1,530,266
2021	705,000	405,881	1,110,881
2022	755,000	391,646	1,146,646
2023	800,000	376,485	1,176,485
2024 - 2028	2,038,684	3,696,486	5,735,170
2029 - 2033	935,000	1,589,969	2,524,969
2034 - 2038	1,865,000	1,321,006	3,186,006
2039 - 2043	2,770,000	915,794	3,685,794
2044 - 2047	3,165,000	269,700	3,434,700
Accretion	882,016	(882,016)	-
Total	\$ 16,045,700	\$ 8,979,442	\$ 25,025,142

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018**

NOTE 8 – LONG-TERM DEBT (continued)

C. Capital Leases

The District entered into various capital leases with options to purchase, primarily equipment and temporary facilities, with semi-annual payments in May and November of each year, with principal maturing through 2020. Future minimum lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Lease Payment</u>
2019	\$ 42,868
2020	27,403
Total minimum lease payments	70,271
Less amount representing interest	(2,662)
Present value of minimum lease payments	<u>\$ 67,609</u>

D. Early Retirement Incentive

During 2015-16, the District provided an early retirement incentive. The projected costs for these participants for future years are as follows:

<u>Year Ended June 30,</u>	<u>Payment</u>
2019	\$ 105,970
2020	105,970
2021	105,971
Total	<u>\$ 317,911</u>

E. Other Postemployment Benefits

The District's restated beginning total OPEB liability was \$4,572,900 and increased by \$283,515 during the year ended June 30, 2018. The ending total OPEB liability at June 30, 2018 was \$4,856,415. See Note 10 for additional information regarding the total OPEB liability.

F. Net Pension Liability

The District's beginning net pension liability was \$38,789,082 and increased by \$5,469,788 during the year ended June 30, 2018. The ending net pension liability at June 30, 2018 was \$44,258,870. See Note 11 for additional information regarding the net pension liability.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2018:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable					
Revolving cash	\$ 20,000	\$ -	\$ -	\$ 10,000	\$ 30,000
Stores inventory	-	-	-	21,343	21,343
Prepaid expenditures	129,211	-	-	-	129,211
Total non-spendable	149,211	-	-	31,343	180,554
Restricted					
Educational programs	1,400,999	-	-	73,300	1,474,299
Capital projects	-	7,250,292	1,876,507	534,097	9,660,896
Debt service	-	-	-	1,333,205	1,333,205
All others	-	-	-	96,294	96,294
Total restricted	1,400,999	7,250,292	1,876,507	2,036,896	12,564,694
Assigned					
Reserved for declining enrollment	930,934	-	-	-	930,934
Payment of retiree benefits	261,069	-	-	-	261,069
Reserved for sites	75,400	-	-	-	75,400
Reserved for technology	5,003	-	-	-	5,003
Total assigned	1,272,406	-	-	-	1,272,406
Unassigned					
Reserve for economic uncertainties	1,259,962	-	-	-	1,259,962
Total unassigned	1,259,962	-	-	-	1,259,962
Total	\$ 4,082,578	\$ 7,250,292	\$ 1,876,507	\$ 2,068,239	\$ 15,277,616

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District's Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2018**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The Galt Joint Union Elementary School District’s defined benefit OPEB plan, The Galt Joint Union Elementary School District Retiree Benefit Plan (the Plan) is described below. The Plan is a single employer defined benefit plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

B. Benefits Provided

The eligibility requirements and benefits provided by the Plan are described below.

	<u>Certificated Management</u>	<u>Certificated</u>	<u>Classified</u>	<u>Classified Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	5 years but not beyond age 65*	5 years but not beyond age 65	To age 65	5 years but not beyond age 65*
Required Service	20 years	20 years	20 years	20 years
Minimum Age	55	55	60	55
Dependent Coverage	Yes	Yes	No	Ye
District Contribution %	100%	100%	100%	100%
District Cap	\$7,620 per year	\$7,620 per year	\$8,400 per year	\$7,620 per year

*Hired before 6/15/92 entitled to lifetime benefits

C. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	24
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>372</u>
Total number of participants	<u><u>396</u></u>

*Information not provided

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

D. Total OPEB Liability

The Galt Joint Union Elementary School District's total OPEB liability of \$4,856,415 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

E. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Economic assumptions:

Inflation	2.75%
Salary increases	2.75%
Investment rate of return	3.80%
Healthcare cost trend rates	4.00%

Non-economic assumptions:

Mortality:

Certificated	2009 CalSTRS Mortality Table
Classified	2014 CalPERS Active Mortality for Miscellaneous Employees Table

Retirement rates:

Certificated	2009 CalSTRS Retirement Rates Table
Classified	Hired before 1/1/2013: 2009 CalPERS Retirement Rates for School Employees. Hired after 12/31/2012: 2009 CalPERS Retirement Rates for Miscellaneous Employees 2%@60 adjusted to minimum retirement age of 52.

The actuarial assumptions used in the June 30, 2018 valuation were based on a review of plan experience from 2009 to 2014.

The discount rate was based on an index of 20 year General Obligation municipal bonds. The actuary assumed contributions would be sufficient to fully fund the obligation over a period not to exceed thirty years.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

F. Changes in Total OPEB Liability

	<u>June 30, 2018</u>
Total OPEB Liability	
Service Cost	\$ 321,384
Interest on total OPEB liability	174,416
Benefits payments	<u>(212,285)</u>
Net change in total OPEB liability	283,515
Total OPEB liability - beginning	<u>4,572,900</u>
Total OPEB liability - ending	<u>\$ 4,856,415</u>
Covered payroll	\$ 23,769,563
District's total OPEB liability as a percentage of covered payroll	20.43%

The Galt Joint Union Elementary School District has invoked Paragraph 244 of GASB Statement 75 for the transition due to cost constraints. Consequently, in order to determine the beginning total OPEB liability, a “roll-back” technique has been used.

G. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Galt Joint Union Elementary School District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.80 percent) or one percentage point higher (4.80 percent) than the current discount rate:

	Valuation		
	1% Decrease	Discount Rate	1% Increase
	(2.8%)	(3.8%)	(4.8%)
Total OPEB liability	\$ 5,229,538	\$ 4,856,415	\$ 4,511,200

H. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the Galt Joint Union Elementary School District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower (3.00 percent) or one percentage point higher (5.00 percent) than the current healthcare cost trend rate:

	Valuation Trend		
	1% Decrease	Rate	1% Increase
	(3.0%)	(4.0%)	(5.0%)
Total OPEB liability	\$ 4,635,768	\$ 4,856,415	\$ 5,028,245

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

I. OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the Galt Joint Union Elementary School District recognized OPEB expense of \$283,515.

Prior periods of deferred outflows and deferred inflows of resources were not restated due to the fact that prior valuations were not rerun in accordance with Paragraph 244 of GASB Statement 75. It was determined the time and expense necessary to rerun prior valuations and to restate prior financial statements was not justified. In the future, gains and losses related to changes in total OPEB liability will be recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
STRS Pension	\$ 32,411,894	\$ 8,889,668	\$ 3,753,629	\$ 2,845,649
PERS Pension	11,846,976	3,883,052	208,984	1,934,980
Total	<u>\$ 44,258,870</u>	<u>\$ 12,772,720</u>	<u>\$ 3,962,613</u>	<u>\$ 4,780,629</u>

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2018**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 9.205% of their salary for fiscal year 2018, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2018 was 14.43% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$2,660,562 for the year ended June 30, 2018.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$1,559,300 to CalSTRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	32,411,894
State's proportionate share of the net pension liability associated with the District		19,174,759
Total	\$	51,586,653

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2016 and rolling forward the total pension liability to June 30, 2017. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2017, the District’s proportion was 0.035 percent, which was a decrease of 0.00101 percent from its proportion measured as of June 30, 2016.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the District recognized pension expense of \$2,845,649. In addition, the District recognized pension expense and revenue of \$551,108 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 863,219
Differences between expected and actual experience	119,862	565,315
Changes in assumptions	6,004,682	-
Changes in proportion and differences between District contributions and proportionate share of contributions	104,562	2,325,095
District contributions subsequent to the measurement date	2,660,562	-
	<u>\$ 8,889,668</u>	<u>\$ 3,753,629</u>

The \$2,660,562 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 1,046,897	\$ 1,286,884
2020	1,046,897	25,465
2021	1,046,897	491,088
2022	1,046,899	1,336,826
2023	1,020,757	502,626
2024	1,020,759	110,740
	<u>\$ 6,229,106</u>	<u>\$ 3,753,629</u>

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010–June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2017, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Global Equity	47%	6.30%
Fixed Income	12%	0.30%
Real Estate	13%	5.20%
Private Equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation Sensitive	4%	3.80%
Cash/Liquidity	2%	-1.00%
	100%	

*20-year geometric average

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 47,590,950	\$ 32,411,894	\$ 20,093,061

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 6.5% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2018 was 15.531% of annual payroll. Contributions to the plan from the District were \$1,012,438 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the District reported a liability of \$11,846,976 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2016 and rolling forward the total pension liability to June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2017, the District's proportion was 0.050 percent, which was an increase of 0.00089 percent from its proportion measured as of June 30, 2016.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2018, the District recognized pension expense of \$1,934,980. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 409,824	\$ -
Differences between expected and actual experience	424,428	-
Changes in assumptions	1,730,437	139,484
Changes in proportion and differences between District contributions and proportionate share of contributions	305,925	69,500
District contributions subsequent to the measurement date	1,012,438	-
	<u>\$ 3,883,052</u>	<u>\$ 208,984</u>

The \$1,012,438 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2019	\$ 917,836	\$ 186,925
2020	1,266,956	22,059
2021	910,241	-
2022	(224,419)	-
	<u>\$ 2,870,614</u>	<u>\$ 208,984</u>

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Discount Rate	7.15%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the period from 1997 to 2011.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*	Real Return Years 11+**
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
	100.0%		

*An expected inflation of 2.50% used for this period.

**An expected inflation of 3.00% used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability	\$ 17,430,698	\$ 11,846,976	\$ 7,214,811

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2018.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2018.

C. Construction Commitments

As of June 30, 2018, the District had commitments with respect to unfinished capital projects of \$6,138,101.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The District participates in three joint ventures under joint powers authorities (JPAs), the Schools Insurance Authority, the Galt Schools Joint Powers Authority, and the Galt Middle School Joint Powers Authority. The relationships between the District and the JPAs are such that the JPAs are not component units of the District for financial reporting purposes.

The JPAs have budgeting and financial reporting requirements independent of member units, and their financial statements are not presented in these financial statements. However, fund transactions between the JPAs and the District are included in these statements. The audited financial statements are generally available from the respective entities.

Schools Insurance Authority

The Schools Insurance Authority, a California Joint Powers Authority (SIA) arranges for and/or provides insurance coverage for its members. SIA is governed by a board consisting of a representative from each member district. The board controls the operations of SIA, including any influence by the member districts beyond their representation on the coverage requested and shares surpluses and deficits proportionately to their participation in the SIA.

Galt Schools Joint Powers Authority

The Galt Schools Joint Powers Authority Community Facilities District No. 1988-1 (CFD) was formed by a Joint Powers Agreement among the Galt Joint Union Elementary School District and the Galt Joint Union High School District pursuant to the Mello-Roos Community Facilities Act of 1982 to issue debt and levy the special tax on property owners within the Community Facilities District. The CFD is governed by a board of directors consisting of two representatives from each member district and one representative chosen from the community. The board controls the operations, has decision-making authority, the power to designate management and primary accountability for fiscal matters of the CFD. The Board of Directors authorized a bond election, which passed on June 24, 1991, to incur a bonded indebtedness in the maximum aggregate principal amount of \$60,000,000, the proceeds of which were used for school construction in each member District.

Galt Middle School Joint Powers Authority

The City of Galt and the Galt Joint Union Elementary District created the Galt Middle School Joint Power Authority (JPA) as a separate public entity. The purpose of this JPA was to facilitate the exchange of property owned by each entity. The JPA is administered by a separate governing board and is included as a component unit of the City of Galt.

GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2018

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2018, total deferred outflows related to pensions was \$12,772,720 and total deferred inflows related to pensions was \$3,962,613.

NOTE 15 – RESTATEMENT OF NET POSITION

The beginning net position of Governmental Activities has been restated in order to record the District's total OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effect on beginning net position is presented as follows:

	Governmental Activities
Net Position - Beginning, as Previously Reported	\$ (11,499,455)
Restatement	(1,985,996)
Net Position - Beginning, as Restated	<u>\$ (13,485,451)</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 29,942,693	\$ 29,915,844	\$ 30,133,824	\$ 217,980
Federal sources	2,285,716	3,328,453	3,018,766	(309,687)
Other state sources	3,263,629	3,670,359	3,752,959	82,600
Other local sources	2,602,717	2,761,776	2,685,415	(76,361)
Total Revenues	38,094,755	39,676,432	39,590,964	(85,468)
EXPENDITURES				
Certificated salaries	19,009,072	18,881,642	18,894,331	(12,689)
Classified salaries	7,087,863	7,359,724	7,175,144	184,580
Employee benefits	8,961,912	8,887,025	8,752,180	134,845
Books and supplies	1,758,697	3,504,633	2,764,546	740,087
Services and other operating expenditures	3,465,338	4,071,903	4,029,219	42,684
Capital outlay	48,400	75,862	107,684	(31,822)
Other outgo				
Excluding transfers of indirect costs	108,093	257,928	130,242	127,686
Transfers of indirect costs	(122,077)	(40,091)	(128,065)	87,974
Total Expenditures	40,317,298	42,998,626	41,725,281	1,273,345
Excess (Deficiency) of Revenues Over Expenditures	(2,222,543)	(3,322,194)	(2,134,317)	1,187,877
Other Financing Sources (Uses)				
Transfers in	31,905	31,905	4,221	(27,684)
Transfers out	-	(294,499)	(273,456)	21,043
Net Financing Sources (Uses)	31,905	(262,594)	(269,235)	(6,641)
NET CHANGE IN FUND BALANCE	(2,190,638)	(3,584,788)	(2,403,552)	1,181,236
Fund Balance - Beginning	6,225,061	6,225,061	6,225,061	-
Fund Balance - Ending	\$ 4,034,423	\$ 2,640,273	\$ 3,821,509	\$ 1,181,236

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reasons:

- Actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
 FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>
Total OPEB Liability	
Service Cost	\$ 321,384
Interest on total OPEB liability	174,416
Benefits payments	<u>(212,285)</u>
Net change in total OPEB liability	283,515
Total OPEB liability - beginning	<u>4,572,900</u>
Total OPEB liability - ending	<u>\$ 4,856,415</u>
Covered payroll	\$ 23,769,563
District's total OPEB liability as a percentage of covered payroll	20.43%

See accompanying note to required supplementary information.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
- CALSTRS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.035%	0.036%	0.039%	0.039%
District's proportionate share of the net pension liability	\$ 32,411,894	\$ 29,164,417	\$ 26,425,515	\$ 22,790,430
State's proportionate share of the net pension liability associated with the District	19,174,759	16,605,226	13,976,147	13,761,846
Total	<u>\$ 51,586,653</u>	<u>\$ 45,769,643</u>	<u>\$ 40,401,662</u>	<u>\$ 36,552,276</u>
District's covered payroll	\$ 18,428,449	\$ 17,970,503	\$ 18,108,164	\$ 17,050,352
District's proportionate share of the net pension liability as a percentage of its covered payroll	175.9%	162.3%	145.9%	133.7%
Plan fiduciary net position as a percentage of the total pension liability	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
- CALPERS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.050%	0.049%	0.049%	0.050%
District's proportionate share of the net pension liability	\$ 11,846,976	\$ 9,624,665	\$ 7,274,020	\$ 5,676,217
District's covered payroll	\$ 6,301,273	\$ 5,846,434	\$ 5,479,526	\$ 5,277,886
District's proportionate share of the net pension liability as a percentage of its covered payroll	188.0%	164.6%	132.7%	107.5%
Plan fiduciary net position as a percentage of the total pension liability	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,660,562	\$ 2,328,603	\$ 1,958,062	\$ 1,608,005
Contributions in relation to the contractually required contribution*	(2,660,562)	(2,328,603)	(1,958,062)	(1,608,005)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 18,545,539	\$ 18,428,449	\$ 17,970,503	\$ 18,108,164
Contributions as a percentage of covered payroll	14.35%	12.64%	10.90%	8.88%

*Amounts do not include on-behalf contributions

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 1,012,438	\$ 875,561	\$ 690,769	\$ 644,995
Contributions in relation to the contractually required contribution	(1,012,438)	(875,561)	(690,769)	(644,995)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,584,218	\$ 6,301,273	\$ 5,846,434	\$ 5,479,526
Contributions as a percentage of covered payroll	15.38%	13.89%	11.82%	11.77%

See accompanying note to required supplementary information.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Total OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the total OPEB liability, and the components of the total OPEB liability and related ratios, including the total OPEB liability as a percentage of covered-employee payroll.

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS and CalPERS.

Changes in Assumptions

The CalSTRS plan rate of investment return assumption was changed from 7.60 percent to 7.10 percent since the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.65 percent to 7.15 percent since the previous valuation.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District's covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District's covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2018, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 18,881,642	\$ 18,894,331	\$ 12,689
Capital outlay	\$ 75,862	\$ 107,684	\$ 31,822

**SUPPLEMENTARY
INFORMATION**

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 1,358,020
Title II, Part A, Teacher Quality	84.367	14341	119,863
Title III			
Title III, English Learner Student Program	84.365	14346	85,310
Title III, Immigrant Education Program	84.365	15146	1,009
Subtotal Title III			<u>86,319</u>
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	651,671
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	36,684
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	36,708
IDEA Preschool Local Entitlement, Part B, Section 611 (AGE3-4-5)	84.027A	13682	122,228
IDEA Local Assistance Entitlement, Private School ISPs	84.027	10115	808
Subtotal Special Education Cluster			<u>848,099</u>
Race to the Top - District Grants	84.416	B416A130097	459,837
Total U. S. Department of Education			<u>2,872,138</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Needy	10.553	13526	240,138
National School Lunch Program	10.555	13391	885,442
USDA Commodities	10.555	*	124,068
Summer Food Service Program for Children	10.559	13004	35,170
Subtotal Child Nutrition Cluster			<u>1,284,818</u>
CACFP Claims - Centers and Family Day Care	10.558	13393	306,110
Total U. S. Department of Agriculture			<u>1,590,928</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>Passed through California Department of Health Services:</i>			
Medicaid			
Medi-Cal Billing Option	93.778	10013	119,332
Medi-Cal Administrative Activities	93.778	10060	29,941
Subtotal Medicaid			<u>149,273</u>
Total U. S. Department of Health & Human Services			<u>149,273</u>
Total Federal Expenditures			<u>\$ 4,612,339</u>

* - Pass-Through Entity Identifying Number not available or not applicable

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2018**

	Second Period Report <B145AD08>	Annual Report <F3210F46>
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	1,455.46	1,457.19
Extended Year Special Education	0.82	0.82
Extended Year Special Education - Nonpublic Schools	1.21	2.01
Total TK/K through Third	1,457.49	1,460.02
Fourth through Sixth		
Regular ADA	1,120.28	1,121.30
Extended Year Special Education	2.08	2.08
Extended Year Special Education - Nonpublic Schools	0.70	0.93
Total Fourth through Sixth	1,123.06	1,124.31
Seventh through Eighth		
Regular ADA	886.96	885.94
Extended Year Special Education	0.49	0.49
Extended Year Special Education - Nonpublic Schools	0.18	0.17
Total Seventh through Eighth	887.63	886.60
TOTAL SCHOOL DISTRICT	3,468.18	3,470.93

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2018**

Grade Level	Minutes Requirement	2017-18 Actual Minutes	Number of Days	Status
Kindergarten	36,000	36,000	180	Complied
Grade 1	50,400	53,430	180	Complied
Grade 2	50,400	53,430	180	Complied
Grade 3	50,400	53,430	180	Complied
Grade 4	54,000	54,750	180	Complied
Grade 5	54,000	54,750	180	Complied
Grade 6	54,000	54,750	180	Complied
Grade 7	54,000	54,360	180	Complied
Grade 8	54,000	54,360	180	Complied

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

	2019 (Budget)	2018	2017	2016***
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 40,396,656	\$ 39,595,185	\$ 39,384,641	\$ 40,667,905
Expenditures And Other Financing Uses	42,022,228	41,998,737	40,592,452	37,631,284
Net change in Fund Balance	\$ (1,625,572)	\$ (2,403,552)	\$ (1,207,811)	\$ 3,036,621
Ending Fund Balance	\$ 2,195,937	\$ 3,821,509	\$ 6,389,119	\$ 7,851,954
Available Reserves*	\$ 1,260,667	\$ 1,259,962	\$ 1,217,773	\$ 3,281,767
Available Reserves As A Percentage Of Outgo	3.00%	3.00%	3.00%	8.72%
Long-term Debt	\$ 64,596,962	\$ 65,914,209	\$ 58,777,350	\$ 44,139,124
Average Daily Attendance At P-2	3,468	3,468	3,453	3,507

The General Fund balance has decreased by \$4,030,445 over the past two years. The fiscal year 2018-19 budget projects a decrease of \$1,625,572. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating deficits in two of the past three years and anticipates incurring an operating deficit during the 2018-19 fiscal year. Total long-term obligations have increased by \$21,775,085 over the past two years.

Average daily attendance has decreased by 39 ADA over the past two years. No change in ADA is anticipated during the 2018-19 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Special Reserve Fund for Other Postemployment Benefits, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

***The actual amounts reported in 2016 include the financial activity of the Special Reserve Fund for Other Postemployment Benefits.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED
 FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Special Reserve Fund for Other Postemployment Benefits
June 30, 2018, annual financial and budget report fund balance	\$ 3,821,509	\$ 261,069
Adjustments and reclassifications:		
Increase (decrease) in total fund balances:		
Fund balance transfer (GASB 54)	261,069	(261,069)
Net adjustments and reclassifications	261,069	(261,069)
June 30, 2018, audited financial statement fund balance	\$ 4,082,578	\$ -

See accompanying note to supplementary information.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2018**

For the year ended June 30, 2018, there were no charter schools in the District.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SCHEDULE OF FIRST FIVE PROGRAM EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget		Actual		Variance
Personnel services	\$ 197,138	\$	203,930	\$	6,792
Benefits	61,475		50,776		(10,699)
Materials and supplies	22,848		28,081		5,233
Contractual services	12,350		10,765		(1,585)
Indirect costs	18,526		18,568		42
Total	<u>\$ 312,337</u>	\$	<u>312,120</u>	\$	<u>(217)</u>

The District accounts for these expenditures in the General Fund using a locally restricted resource code.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 JUNE 30, 2018**

	Child Development Fund		Capital Projects Fund for Blended Component Units		Bond Interest & Redemption Fund		Non-Major Governmental Funds	
	Fund	Development	Cafeteria Fund	Component Units	Bond Interest & Redemption Fund	Fund	Governmental Funds	
ASSETS								
Cash and investments	\$ 86,682	\$ 10,000	\$ 39,325	\$ 1,327,821	\$ 1,463,828			
Accounts receivable	19,240	290,267	500,829	5,472	815,808			
Due from other funds	4,011	273,456	-	-	277,467			
Stores inventory	-	21,343	-	-	21,343			
Total Assets	\$ 109,933	\$ 595,066	\$ 540,154	\$ 1,333,293	\$ 2,578,446			
LIABILITIES								
Deficit cash	\$ -	\$ 362,544	\$ -	\$ -	\$ 362,544			
Accrued liabilities	5,871	7,141	6,057	-	19,069			
Due to other funds	30,762	97,744	-	-	128,506			
Unearned revenue	-	-	-	88	88			
Total Liabilities	\$ 36,633	\$ 467,429	\$ 6,057	\$ 88	\$ 510,207			
FUND BALANCES								
Non-spendable	-	31,343	-	-	31,343			
Restricted	73,300	96,294	534,097	1,333,205	2,036,896			
Total Fund Balances	\$ 73,300	\$ 127,637	\$ 534,097	\$ 1,333,205	\$ 2,068,239			
Total Liabilities and Fund Balance	\$ 109,933	\$ 595,066	\$ 540,154	\$ 1,333,293	\$ 2,578,446			

See accompanying note to supplementary information.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2018**

	Child Development Fund	Cafeteria Fund	Capital Projects Fund for Blended Component Units	Bond Interest & Redemption Fund	Non-Major Governmental Funds
REVENUES					
Federal sources	\$ -	\$ 1,590,928	\$ -	\$ -	\$ 1,590,928
Other state sources	524,576	92,347	-	17,276	634,199
Other local sources	9,774	120,573	501,809	1,424,356	2,056,512
Total Revenues	534,350	1,803,848	501,809	1,441,632	4,281,639
EXPENDITURES					
Current					
Instruction	385,220	-	-	-	385,220
Instruction-related services					
Instructional supervision and administration	94	-	-	-	94
School site administration	65,216	-	-	-	65,216
Pupil services					
Food services	-	1,875,125	-	-	1,875,125
All other pupil services	3,655	-	-	-	3,655
General administration					
All other general administration	30,706	97,359	-	-	128,065
Plant services	47,764	103,552	184,961	-	336,277
Facilities acquisition and maintenance	-	-	8,990	-	8,990
Debt service					
Principal	-	-	-	565,000	565,000
Interest and other	-	-	-	355,200	355,200
Total Expenditures	532,655	2,076,036	193,951	920,200	3,722,842
Excess (Deficiency) of Revenues Over Expenditures	1,695	(272,188)	307,858	521,432	558,797
Other Financing Sources (Uses)					
Transfers in	-	273,456	-	-	273,456
Net Financing Sources (Uses)	-	273,456	-	-	273,456
NET CHANGE IN FUND BALANCE	1,695	1,268	307,858	521,432	832,253
Fund Balance - Beginning	71,605	126,369	226,239	811,773	1,235,986
Fund Balance - Ending	\$ 73,300	\$ 127,637	\$ 534,097	\$ 1,333,205	\$ 2,068,239

See accompanying note to supplementary information.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2018**

The Galt Joint Union Elementary School District was established in 1869 and is comprised of an area of approximately 60 square miles located in Sacramento and San Joaquin counties. There were no changes in the boundaries of the District during the current year. The District is currently operating five elementary schools and one middle school.

GOVERNING BOARD*

Member	Office	Term Expires
John Gordon	President	November 2020
Grace Malson	Vice President	November 2020
Matthew Felix	Clerk	November 2020
Wesley Cagle	Member	November 2018

DISTRICT ADMINISTRATORS

Karen Schauer
Superintendent

Tom Barentson**
Chief Business Official

*Board Member Kevin Papineau resigned June 20, 2018, leaving the Board with a vacant position.

**Lois Yount was named Chief Business Official subsequent to June 30, 2018.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 JUNE 30, 2018**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2018 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2018.

	CFDA	
	Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 4,609,694
Medi-Cal Billing Option	93.778	<u>2,645</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 4,612,339</u>

The District has not elected to use the 10 percent de minimis indirect cost rate.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code Sections 46200 through 46208*. During the year ended June 30, 2018, the District participated in the Longer Day incentive funding program. As of June 30, 2018, the District had not yet met its target funding.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION, continued
JUNE 30, 2018**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District, and displays information for each Charter School on whether or not the Charter School is included in the District audit.

Schedule of First 5 Program Expenditures

This schedule summarizes the District's budget and actual expenditures for the Sacramento County First Five Program.

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

**OTHER INDEPENDENT
AUDITORS' REPORTS**

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS

Independent Auditors' Report

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

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Licensed by the California
State Board of Accountancy

Governing Board
Galt Joint Union Elementary School District
Galt, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Galt Joint Union Elementary School District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Galt Joint Union Elementary School District's basic financial statements, and have issued our report thereon dated November 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Galt Joint Union Elementary School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Galt Joint Union Elementary School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Galt Joint Union Elementary School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Galt Joint Union Elementary School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christy White Associates

San Diego, California
November 26 2018

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

Independent Auditors' Report

Christy White, CPA

Michael D. Ash, CPA

John Whitehouse, CPA

Heather Daud Rubio

Governing Board

Galt Joint Union Elementary School District

Galt, California

Report on Compliance for Each Major Federal Program

We have audited Galt Joint Union Elementary School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Galt Joint Union Elementary School District's major federal programs for the year ended June 30, 2018. Galt Joint Union Elementary School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Galt Joint Union Elementary School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Galt Joint Union Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Galt Joint Union Elementary School District's compliance.

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Opinion on Each Major Federal Program

In our opinion, Galt Joint Union Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Galt Joint Union Elementary School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Galt Joint Union Elementary School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Galt Joint Union Elementary School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Christy White Associates

San Diego, California
November 26, 2018

REPORT ON STATE COMPLIANCE

Independent Auditors' Report

Governing Board
Galt Joint Union Elementary School District
Galt, California

Report on State Compliance

We have audited Galt Joint Union Elementary School District's compliance with the types of compliance requirements described in the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810, that could have a direct and material effect on each of Galt Joint Union Elementary School District's state programs for the fiscal year ended June 30, 2018, as identified below.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Galt Joint Union Elementary School District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2017-18 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, prescribed by Title 5, *California Code of Regulations*, section 19810. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state programs noted below occurred. An audit includes examining, on a test basis, evidence about Galt Joint Union Elementary School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the requirements referred to above. However, our audit does not provide a legal determination of Galt Joint Union Elementary School District's compliance with those requirements.

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Opinion on State Compliance

In our opinion, Galt Joint Union Elementary School District complied, in all material respects, with the types of compliance requirements referred to above that are applicable to the state programs noted in the table below for the year ended June 30, 2018.

Procedures Performed

In connection with the audit referred to above, we selected and tested transactions and records to determine Galt Joint Union Elementary School District's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No
Continuation Education	Not Applicable
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes

PROGRAM NAME	PROCEDURES PERFORMED
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes – Classroom Based; for charter schools	Not Applicable
Charter School Facility Grant Program	Not Applicable

We did not perform testing for Independent Study because the reported P-2 ADA was below the level required for testing.

Christy White Associates

San Diego, California
November 26, 2018

**SCHEDULE OF FINDINGS
AND QUESTIONED COSTS**

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	
10.553, 10.555, 10.559	Child Nutrition Cluster	
Dollar threshold used to distinguish between Type A and Type B programs:	\$	<u>750,000</u>
Auditee qualified as low-risk auditee?		<u>Yes</u>

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

There were no financial statement findings for the year ended June 30, 2018.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

There were no federal award findings and questioned costs for the year ended June 30, 2018.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

FIVE DIGIT CODE

10000
40000
42000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

There were no State award findings and questioned costs for the year ended June 30, 2018.

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018**

There were no findings for the year ended June 30, 2017.




Board Meeting Agenda Item Information

<p>Meeting Date: January 23, 2019</p>	<p>Agenda Item: 171.969 Board Consideration of Approval of Memorandum Of Understanding Between GJUESD and Galt Elementary Faculty Association (GEFA) Regarding One-Time Early Retirement Incentive Program for 2018-19</p>
<p>Presenter: Lois Yount</p>	<p>Action Item: XX Information Item:</p>
<p>GEFA has ratified an agreement for a one-time early retirement incentive program.</p> <p>A minimum of eight full time equivalent (8 FTE) GEFA bargaining unit members must submit retirement resignation letters by March 29, 2019 for this agreement to take effect.</p> <p>The district has forty-three teachers eligible for this retirement incentive program. This agreement results in an on-going savings since eligible teachers are on the upper end of the salary schedule.</p> <p><u>Projected Fiscal Impact for Minimum of Eight FTE Teacher Retirements</u></p> <p>Savings in Year 1: \$107,241 Savings over 3 Years: \$261,100 Savings over 5 Years: \$338,517</p>	

MEMORANDUM OF UNDERSTANDING

The parties have met through the Interest Based Bargaining (IBB) process and agreed upon this MOU regarding a one-time retirement incentive. The parties have agreed upon the following:

1. The Parties have agreed upon the PARS Supplementary Retirement Plan, PARS SRP 70% level of final pay benefit, as outlined in the benefit illustration prepared December 13, 2018, as the one-time early retirement incentive program to be offered in the 2018-19 school year.
2. A minimum of eight full time equivalent (8 FTE) GEFA bargaining unit members eligible for full STRS retirement must file irrevocable letters of resignation for retirement purposes no later than March 29, 2019 for this MOU to take effect. Any previously filed letters of resignation for full STRS retirement purposes in 2019 shall be included in this total. There is no maximum limitation on the number of unit members who may participate in the retirement incentive.
3. All irrevocable letters of resignation received by March 29, 2019 shall take effect no earlier than June 30, 2019. However, if insufficient unit members resign and this MOU does not take effect pursuant to paragraph 2 above, then a unit member may rescind his/her resignation no later than April 30, 2019.
4. The letters of resignation are no reflection upon the performance of the individual unit members submitting the resignation for purposes of retirement. The District and GEFA sincerely appreciate the lengthy service of these experienced District professionals.
5. The District and GEFA agree to work cooperatively with potential participants to assist in any way possible for the unit member to reach an informed decision. All discussions regarding potential participants shall remain confidential.
6. This MOU is one-time only, non-precedential, and the District has no intent to re-offer this incentive program. Article XXII, Early Retirement Incentive, remains the only ongoing retirement contractual language in the collective bargaining agreement.
7. This MOU is subject to ratification by GEFA membership and the governing Board.
8. This MOU will expire no later than June 30, 2019.


District

1-8-2019
Date


GEFA

1-8-2019
Date



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.970 Board Consideration of Approval of Resolution #10 Authorizing GJUESD to Enter Into an Agreement with Public Agency Retirement Services to Design and Administer a Supplementary Retirement Plan for Eligible Certificated Non-management Employees
Presenter: Lois Yount	Action Item: XX Information Item:

The Galt Joint Union Elementary School District has worked with Public Agency Retirement Services (PARS) to design a Supplementary Retirement Plan (SRP), a retirement incentive that may encourage senior Certificated Non-Management employees to retire early. The goal of the program is to generate savings to the District by increasing the number of retirements in the 2018-19 school year. The program allows the District to offer the plan, conduct enrollments, analyze the participation, and elect to move forward or cancel the program depending on the participation and overall projected savings or cost of the program.

PARS administers the third largest multiple employer public retirement system in California. Currently, there are over 850 member agencies representing over 420,000 public employees and over 250 California school districts have utilized this program in recent years.

HOW THE PROGRAM WORKS

The Supplementary Retirement Plan (SRP) would provide participating Certificated Non-Management employees with a tax-qualified annuity that costs 70% of their final year salary. This annuity is paid over a five-year period. The program requires all employees to resign from District employment at the end of the school year (no later than June 30, 2019)

To be eligible for the program, the certificated non-management employee must be:

- 1) Employed by the District as of January 23, 2019 (Date of Board Adoption)
- 2) The certificated non-management employee must be 55 years of age with 5 years of District service or age 50 years of age with 30 years of STRS service as of June 30, 2019

FINANCIAL IMPACT

The ultimate savings or cost of the program will be determined based on the actual number of enrolled employees and the final assumptions used. A final analysis based on the actual enrolled employees will be presented to the District after the close of the enrollment window. A one-time fee of \$5,000 will apply, if the District cancels the plan due to insufficient participation.

ATTACHMENT

Resolution #10
Draft Services Agreement

BOARD RESOLUTION #10

**GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
SACRAMENTO COUNTY, CALIFORNIA**

WHEREAS it is determined to be in the best fiscal interest of the Galt Joint Union Elementary School District and its employees to provide a retirement incentive offer to eligible employees who wish to voluntarily exercise their option to separate from District Service;

WHEREAS there is no cash option available to employees in lieu of this retirement incentive offer;

WHEREAS Public Agency Retirement Services (PARS) has made available to the District a Supplementary Retirement Plan, a retirement incentive program supplementing STRS/PERS, and qualifying under the relevant sections of Section 403(b) of the Internal Revenue Code;

WHEREAS the District, pursuant to applicable policy and/or a collective bargaining agreement, desires to adopt the Supplementary Retirement Plan and to fund the incentive through nonelective employer, post-employment contributions to the PARS designated 403(b) provider.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Governing Board of Education of the District hereby adopts the PARS Supplementary Retirement Plan, as part of District Retirement Program, effective January 23, 2019; and
2. The retirement incentive must meet the District's fiscal and operational objectives in order for the plan to go into effect. If these goals are not been reached, the District may withdraw the retirement incentive. If the District withdraws the retirement incentive, resignations may be rescinded; and
3. The Governing Board of Education of the District hereby appoints the Director of Business Services or his/her successor or his/her designee as the District's Plan Administrator; and
4. The District's PARS Plan Administrator is hereby authorized to execute the contracts, custodial agreement facilitating the payment of contributions to the 403(b) arrangement, and other legal documents related to a trust or the plan on behalf of the District and to take whatever additional actions are necessary to maintain the District's participation in the plan and to maintain compliance of any relevant regulations issued.

AYES:

NOES:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

Matthew Felix, the Clerk of the Governing Board of Education of the Galt Joint Union Elementary School District of Sacramento County, California, hereby certifies that the above foregoing resolution was duly and regularly adopted by said District at a regular meeting thereof held on January 23, 2019, and passed by a _____ vote of said Board.

IN WITNESS WHEREOF I have hereunto set my hand and seal this January 23, 2019.

Clerk of the Governing Board

5. **Information Furnished to PARS.** PARS will provide the Services contingent upon the Agency's providing PARS the information specified in the exhibit attached hereto as "Exhibit 1C" ("Data"). It shall be the responsibility of the Agency to certify the accuracy, content and completeness of the Data so that PARS may rely on such information without further audit. It shall further be the responsibility of the Agency to deliver the Data to PARS in such a manner that allows for a reasonable amount of time for the Services to be performed. Unless specified in Exhibit 1A, PARS shall be under no duty to question Data received from the Agency, to compute contributions made to the Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In addition, PARS shall not be liable for non-performance of Services to the extent such non-performance is caused by or results from erroneous and/or late delivery of Data from the Agency. In the event that the Agency fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, PARS reserves the right, notwithstanding the further provisions of this Agreement, to terminate this Agreement upon no less than ninety (90) days written notice to the Agency.
6. **Suspension of Contributions.** In the event contributions are suspended, either temporarily or permanently, prior to the complete discharge of PARS' obligations under this Agreement, PARS reserves the right to bill the Agency for Services under this Agreement at the rates indicated in PARS' standard fee schedule in effect at the time the services are provided, subject to the terms established in Section 3 of this Agreement. Before any such services are performed, PARS will provide the Agency with written notice of the subject services, terms, and an estimate of the fees therefore.
7. **Records.** During the term of this Agreement, and for a period of five (5) years after termination of this Agreement, PARS shall provide duly authorized representatives of the Agency access to all records and material relating to calculation of PARS' fees under this Agreement. Such access shall include the right to inspect, audit and reproduce such records and material and to verify reports furnished in compliance with the provisions of this Agreement. All information so obtained shall be accorded confidential treatment as provided under applicable law.
8. **Confidentiality.** Without the Agency's consent, PARS shall not disclose any information relating to the Plan except to duly authorized officials of the Agency and to parties retained by PARS to perform specific services within this Agreement. The Agency shall not disclose any information relating to the Plan to individuals not employed by the Agency without the prior written consent of PARS, except as such disclosures may be required by applicable law.
9. **Independent Contractor.** PARS is and at all times hereunder shall be an independent contractor. As such, neither the Agency nor any of its officers, employees or agents shall have the power to control the conduct of PARS, its officers, employees or agents, except as specifically set forth and provided for herein. PARS shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.
10. **Indemnification.** PARS and Agency hereby indemnify each other and hold the other harmless, including their respective officers, directors, employees, agents and attorneys, from

any claim, loss, demand, liability, or expense, including reasonable attorneys' fees and costs, incurred by the other as a consequence of, to the extent, PARS' or Agency's, as the case may be, negligent acts, errors, or omissions with respect to the performance of their respective duties hereunder.

11. **Compliance with Applicable Law.** The Agency shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding the administration of the Plan. PARS shall observe and comply with federal, state and local laws in effect when this Agreement is executed, or which may come into effect during the term of this Agreement, regarding Plan administrative services provided under this Agreement.
12. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. In the event any party institutes legal proceedings to enforce or interpret this Agreement, venue and jurisdiction shall be in any state court of competent jurisdiction.
13. **Force Majeure.** When satisfactory evidence of a cause beyond a party's control is presented to the other party, and nonperformance was unforeseeable, beyond the control and not due to the fault of the party not performing, a party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by such cause, including but not limited to: any incidence of fire, flood, acts of God, acts of terrorism or war, commandeering of material, products, plants or facilities by the federal, state or local government, or a material act or omission by the other party.
14. **Ownership of Reports and Documents.** The originals of all letters, documents, reports, and data produced for the purposes of this Agreement shall be delivered to, and become the property of the Agency. Copies may be made for PARS but shall not be furnished to others without written authorization from Agency.
15. **Designees.** The Agency, or their designee, shall have the authority to act for and exercise any of the rights of the Agency as set forth in this Agreement, subsequent to and in accordance with the written authority granted by the Governing Board of the Agency through adoption of a Resolution, a copy of which writing shall be delivered to PARS. Any officer of PARS, or his or her designees, shall have the authority to act for and exercise any of the rights of PARS as set forth in this Agreement.
16. **Notices.** All notices hereunder and communications regarding the interpretation of the terms of this Agreement, or changes thereto, shall be effected by delivery of the notices in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:
 - (A) To PARS: PARS; 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660; Attention: President
 - (B) To Agency: Galt Joint Union Elementary School District; 1018 C Street, Suite 210, Galt, CA 95632; Attention: _____ [Plan Administrator]

Notices shall be deemed given on the date received by the addressee.

- 17. **Term of Agreement.** This Agreement shall remain in effect for the period beginning _____, 2019 and ending _____, 2024 (“Term”). This Agreement will continue unchanged for successive twelve-month periods following the Term unless either party gives written notice to the other party of the intent to terminate prior to ninety (90) days before the end of the Term. However, the Agreement will terminate following the benefit payment to the last surviving Participant and any residual interest earnings held in the Agency’s custody account, if any, will be returned to the Agency.
- 18. **Amendment.** This Agreement may not be amended orally, but only by a written instrument executed by the parties hereto.
- 19. **Entire Agreement.** This Agreement, including exhibits, contains the entire understanding of the parties with respect to the subject matter set forth in this Agreement. In the event a conflict arises between the parties with respect to any term, condition or provision of this Agreement, the remaining terms, conditions and provisions shall remain in full force and legal effect. No waiver of any term or condition of this Agreement by any party shall be construed by the other as a continuing waiver of such term or condition.
- 20. **Attorney’s Fees.** In the event any action is taken by a party hereto to enforce the terms of this Agreement, the prevailing party therein shall be entitled to receive its reasonable attorney’s fees.
- 21. **Counterparts.** This Agreement may be executed in any number of counterparts, and in that event, each counterpart shall be deemed a complete original and be enforceable without reference to any other counterpart.
- 22. **Headings.** Headings in this Agreement are for convenience only and shall not be used to interpret or construe its provisions.
- 23. **Effective Date.** This Agreement shall be effective on the date first above written, and also shall be the date the Agreement is executed.
- 24. **Further Acts.** The Parties shall execute all such further and additional documents as shall be reasonable, convenient, necessary, or desirable to carry out the provisions of this Agreement, including but not limited to any Custodial Agreement and/or Trust Agreement as shall be required by PARS and/or the Custodian/Trustee.

AGENCY:

BY: _____
Plan Administrator Name

TITLE: _____

DATE: _____

PARS:

BY: _____
Tod Hammeras

TITLE: _____
Chief Financial Officer

DATE: _____

EXHIBIT 1A
SERVICES

PARS will provide the following services for the Galt Union Elementary School District:

1. Plan Consultation Services:
 - (A) Meeting with Agency personnel to discuss the impact to the Agency of implementing a Plan;
 - (B) If appropriate, completing a fiscal analysis, based on data and assumptions provided by Agency, to determine the fiscal feasibility of a Plan;
 - (C) Meeting with Agency personnel to discuss the fiscal analysis and receive feedback on the analysis, data, and assumptions made;
 - (D) Making appropriate revisions to the fiscal analysis as directed by Agency.

2. Plan Installation Services:
 - (A) Meeting with Agency personnel to finalize Plan provisions, implementation timelines, benefit communication strategies, data reporting and contribution submission requirements;
 - (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
 - (C) Providing the documentation needed to establish the Plan to be reviewed and approved by Agency legal counsel. Resulting final Plan documentation must be approved by the Agency prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 3 below.

3. Plan Administration Services:
 - (A) Monitoring the receipt of Plan contributions made by the Agency to the Custodian, based upon information received from the Agency and the Custodian;
 - (B) Performing periodic accounting of custodial assets, including the allocation of employer contributions, payments to the Insurance Company, investment activity and expenses (if applicable), based upon information received from the Agency and/or Custodian;
 - (C) Acting as ongoing liaison between the Participant and the Agency in regard to the Plan, which shall include use by the Participants of toll-free telephone communication to PARS;
 - (D) Producing benefit illustrations and processing enrollments upon direction by Agency;
 - (E) Coordinating the processing of contribution payments to the Insurance Company pursuant to authorized written Agency certification of eligibility, authorized direction by the Agency, and the provisions of the Plan, and, to the extent possible, based upon Agency-provided Data;
 - (F) Coordinating actions with the Custodian as directed by the Plan Administrator within the scope of this Agreement.

DRAFT

4. PARS is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.
5. Any analysis provided by PARS is subject to the receipt of accurate information and assumptions as may be provided by Agency. The Agency is responsible for integrating the PARS analysis into any Agency budgetary analysis or decision-making processes. The fiscal projections in the PARS analysis are dependent upon future experience conforming to the assumptions used and the results will be altered to the extent that future experience deviates from these assumptions. It is certain that actual experience will not conform exactly to the assumptions used in the analysis.

EXHIBIT 1B
FEES FOR SERVICES

PARS will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

1. Upon implementation of the Plan associated with this Agreement, the Agency agrees to pay an administration fee equal to five and one-half percent (5.50%) of all premiums made by the Agency on behalf of Participants in the subject Plan, subject to a \$5,000.00 minimum per year for five years. Fees will be billed to the Custodian as contributions are made by the Agency, and it will be the responsibility of the Custodian to pay those fees from the custodial assets of the Plan.
2. In the event that the Plan associated with this Agreement is not implemented, the Agency agrees to pay a one-time fee equal to \$5,000.00. The fee will be billed to the Agency upon notice of cancellation of the Plan and it will be the responsibility of the Agency to pay this fee.

EXHIBIT 1C
DATA REQUIREMENTS

PARS will provide the Services under this Agreement contingent upon receiving the following information:

1. Fiscal Analysis Data (provided by Agency):
 - (A) Participant's Legal Name
 - (B) Participant's Position
 - (C) Participant's Birth Date
 - (D) Participant's Hire Date
 - (E) Participant's Contract Salary
 - (F) Years of Agency Service
 - (G) Completed Request for Information Form, including applicable Salary Schedules, Collective Bargaining Agreements, and Board Policies
2. Participant Data (provided by Agency):
 - (A) Participant's Legal Name
 - (B) Participant's Position
 - (C) Participant's Address
 - (D) Participant's Birth Date
 - (E) Participant's Hire Date
 - (F) Participant's Contract Salary
 - (G) Years of Agency Service
 - (H) Retirement Date
3. Executed Legal Documents (provided by Agency):
 - (A) Certified Board Resolution
 - (B) Addendum for Supplementary Retirement Plan/Execution Agreement
 - (C) Custodial Agreements/Disclosure Forms
 - (D) 403(b) Annuity Contracts & Disclosures
4. Completed Funding Documents (provided by Agency):
 - (A) Authorization to Pay Benefits Form
5. Completed Enrollment Forms (timely submitted by Participant):
 - (A) Correction Form
 - (B) Enrollment Form
 - (C) Beneficiary Designation Form
 - (D) Tax Withholding Form
 - (E) Proof of Age
 - (F) Letter of Resignation



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.971 Board Consideration of Approval of Resolution No. 11 Approving a Site Lease, a Sublease, and Construction Services Agreement Relating to Marengo Ranch Elementary School Modernization
Presenter: Lois Yount	Action Item: XX Information Item:
<p>S+B James Construction Management Co. will perform the Lease Leaseback agreement to provide construction services for the modernization of Marengo Ranch Elementary School.</p> <p>Construction services will include:</p> <ul style="list-style-type: none"> • Veneer Replacement • Replace Fire Alarm System • Replace Intrusion Alarm System • Restroom Modernization • Replace/repair Dry rot at Portable Classrooms • New Exterior Lighting and Controls • Exterior Paint • Replace and/or Repair Roofs • Replace Roof Drains and Downspouts • Structural Repairs • Roof Coating at Portable Classrooms • Replace 4 HVAC Systems <p>Attachments:</p> <ul style="list-style-type: none"> • Resolution No. 11 • Marengo Ranch Elementary School Building Modernization Sublease Agreement • Marengo Ranch Elementary School Building Modernization Site Lease Agreement • Construction Services Agreement For Marengo Ranch Elementary School Building Modernization <p>Board approval is recommended</p> <p>Fiscal impact: Measure K Funds \$7,417,416</p>	

RESOLUTION NO. 11

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT
APPROVING A SITE LEASE, A SUBLEASE, AND
A CONSTRUCTION SERVICES AGREEMENT
RELATING TO THE MARENGO RANCH ELEMENTARY SCHOOL
BUILDING MODERNIZATION PROJECT**

WHEREAS, the Galt Joint Union Elementary School District (the “District”) has previously identified significant facility needs throughout the District in its Facilities Master Plan, including the need to undertake construction and modernization (the “Project”) of the District’s Marengo Ranch Elementary School (the “Site”);

WHEREAS, Section 17406 of the Education Code provides for the construction and modernization of school buildings on property owned by a school district and the lease to a school district of the site and such improvements pursuant to an agreement calling for such construction;

WHEREAS, by way of previous Resolution No. 12, adopted February 28, 2018, the Board has authorized the use of the lease-leaseback construction delivery method on certain projects deemed appropriate for such process;

WHEREAS, the Board is authorized under Section 17406 of the Education Code to lease the Site for the development, construction and installation of the Project on the Site and to have the Site and the improvements leased back to the Board;

WHEREAS, consistent with the requirements of Education Code Sections 17400 *et seq.*, the Board seeks to enter into the necessary building agreements and lease agreements with an outside entity that will provide for the development, construction and installation of facilities improvements on the Site;

WHEREAS, consistent with the Board’s desire to provide for the development, construction, installation and lease of the Project in accordance with the provisions of Education Code Sections 17400 *et seq.*, District staff previously evaluated firms capable of providing services to the Board for the Project, using a competitive solicitation process, including procedures and guidelines previously adopted by the Board and utilizing a best-value method;

WHEREAS, after taking into consideration the demonstrated competence and professional qualifications, with the best-value to the District, it was determined that S+B James Construction Management Co. (“S+B”) was qualified to undertake the Project on the Site and to lease the completed Project to the Board consistent with the requirements of Education Code Sections 17400 *et seq.*;

WHEREAS, the Site is owned by the Board in accordance with the provisions of Education Code Sections 17400 *et seq.*;

WHEREAS, portions of the Project are awaiting plan approval from the Division of State Architect (“DSA”);

WHEREAS, it is the intent of the Board to direct the Superintendent or her designee, upon issuance of final plan approval by DSA, to execute the Documents, as defined below, making them applicable to the Project; and

WHEREAS, a proposed Site Lease, Sublease, and Construction Services Agreement between the Board and S+B (collectively referred to herein as the “Documents”) and attached hereto as Exhibit A and incorporated herein, have been prepared, and it is the intent of the Board to approve such documents in substantially final form and to authorize the execution of such documents by the Board’s Superintendent, or her designee, in the manner provided for herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Galt Joint Union Elementary School District as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Consistency of Process and Compliance with Law. The Board hereby finds that the process undertaken by the District to date to solicit proposals for the Project, and to draft the Documents have all been undertaken and performed in a manner consistent with the requirements of Education Code Sections 17400 *et seq.* and that the Board is now authorized to proceed with the commencement of the Project in the manner set forth in the Documents.

Section 3. Approval of the Documents. The Board hereby approves the Documents in substantially final form with such additional changes or revisions as may be necessary to be implemented by the Superintendent, or her designee, to complete such agreements consistent with the terms and conditions of this Resolution and the provisions of Education Code Sections 17400 *et seq.*

Section 4. Approval of Guaranteed Maximum Price. The Board hereby approves the Guaranteed Maximum Price of the Project consistent with the terms and conditions of the Documents.

Section 5. Authorization to Enter into Documents. The Superintendent or her designee (the “Designated Officer”), is hereby authorized, on behalf of the Board, upon final approval of plans by DSA to execute and deliver the Documents as they apply to the Project to S+B in substantially the form presented to the Board with such changes therein as the Superintendent or the Designated Officer, may require or approve, consistent with the terms and conditions of this Resolution. The Superintendent or the Registered Officer are further authorized to modify the Documents to comply with requirements of the DSA.

Section 6. Additional Authorization. The Superintendent or the Designated Officer is hereby further authorized and directed to prepare, on behalf of the Board, any other documentation necessary to carry out the terms for the Project, as set forth in the Documents, consistent with the terms and conditions of this Resolution. Any action heretofore taken by the Superintendent, the Designated Officer, or the Director of Business Services/CBO, on behalf of

the Board, that is in conformity with the purposes and intent of this Resolution and with the provisions of Education Code Sections 17400 et seq. with respect to the Project is hereby approved and confirmed.

Section 7. Effective Date . This Resolution shall take effect immediately upon its adoption.

APPROVED, PASSED, AND ADOPTED on January 23, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Grace Malson,
President of the Board of Trustees
Galt Joint Union Elementary School District

ATTEST:

Karen Schauer
Secretary of the Board of Trustees
Galt Joint Union Elementary School District

EXHIBIT A

Site Lease, Sublease, and Construction Services Agreement
between the Board and S+B James Construction Management Co.

**MARENGO RANCH ELEMENTARY SCHOOL
BUILDING MODERNIZATION**

SITE LEASE

Dated as of January 24, 2019

Between

Galt Joint Union Elementary School District

and

S+B James Construction Management Company

**MARENGO RANCH ELEMENTARY SCHOOL
MULTI-USE BUILDING MODERNIZATION**

SITE LEASE

This site lease (“Site Lease”) is dated as of January 24, 2019 by and between the Galt Joint Union Elementary School District, a school district duly organized and existing under the laws of the State of California (“District”) as lessor, and S+B James Construction Management Co., a [corporation] organized and operating under the laws of the State of California and holding in good standing California State Contractors Licensing Board License #993926 (“Lessee”).

RECITALS

WHEREAS, the District owns the Marengo Ranch Elementary School site, located at 1000 Elk Hills Drive, Galt, California, 95632 (the “School”);

WHEREAS, the District desires to construct certain improvements at the School consisting of brick veneer replacement and structural repairs, upgrades to fire and intrusion system, restroom upgrades, exterior painting, roof repairs, exterior lighting, and HVAC replacements (together, the “Project”);

WHEREAS, the plans and specifications for the construction portion of the Project were approved by the Division of the State Architect (“DSA”) on August 24, 2018 as DSA Application No. 02-116660 and have been approved by the District;

WHEREAS, the Board of Trustees of the District (the “Board”) has determined that it is in the best interest of the District and for the common benefit of the citizens it serves to construct the Project using the lease-leaseback project delivery method pursuant to California Education Code section 17406 (“Section 17406”), which permits the Board, after completion of a competitive solicitation process, to lease to the proposer providing the best value to the District, taking into consideration the proposer’s demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required, and in accordance with the guidelines adopted and published by the District, real property owned by the District if the instrument by which property is leased requires the lessee to construct on that property, or provide for the construction thereon of, a facility for the use of the District during the term of the lease, providing that title to that facility shall vest in the District at the expiration of that lease;

WHEREAS, pursuant to Section 17406, the District may enter into (i) a construction services agreement for the construction of a project by the selected proposer; (ii) a site lease under which the District leases to the selected proposer the construction site and contracts with the selected proposer to perform preconstruction services before written approval is obtained from the DSA; and (iii) a sublease agreement under which the District is required to make payments to the selected proposer for the use and occupancy of the Project Site;

WHEREAS, the District has provided for a competitive solicitation process with respect to the Project, in accordance with Section 17406 and District’s written procedures and guidelines;

WHEREAS, the District prepared a request for sealed proposals (“RFP”) seeking qualified proposers who have been determined by the District to be prequalified, consistent with Public Contract Code section 20111.6 and District’s written procedures and guidelines, to provide construction services for the Project;

WHEREAS, the District gave notice of the RFP in the manner required by Public Contract Code section 20112;

WHEREAS, after evaluating the submitted proposals, the District selected Lessee as the successful proposer, determining that it is in the best interest of the District to do so, and represents the best value to the District, taking into consideration Lessee’s demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required;

WHEREAS, the District and Lessee have entered into a preconstruction services agreement, attached hereto as Exhibit “A” (“Agreement for Preliminary Services for the Construction of Improvements”) and by this reference incorporated herein, for Lessee to provide certain consulting services in preparation for the development of the Project, including establishing a guaranteed maximum price (“GMP”) for the Project;

WHEREAS, the Project is scheduled for completion on or before April 2020, and the District has awarded Lessee the Project based upon the negotiated GMP consistent with Lessee’s estimated GMP;

WHEREAS, pursuant to Section 17406, the District desires to lease to Lessee the site at which the Project is to be constructed for the Project, as more specifically described in Exhibit “B,” (“Site”), and subleasing from Lessee the Site and the Project under a sublease agreement, attached hereto as Exhibit “C” (“Sublease”), and both incorporated herein by this reference;

WHEREAS, Lessee desires to lease the Site from the District pursuant to this Site Lease and to sublease the Site and the Project from the District pursuant to the Sublease;

WHEREAS, Lessee is registered with the Department of Industrial Relations, as required by Labor Code section 1725.5;

WHEREAS, the District and Lessee have entered into a construction services agreement, attached hereto as Exhibit “D” (“Construction Services Agreement”) and by this reference incorporated herein, to ensure that the Project will meet District’s expectations;

WHEREAS, the Board further determines that it has entered into this Site Lease, Sublease and Construction Services Agreement as the best available and most expeditious means for the

District to satisfy its substantial need for the facilities to be provided by the Project and to accommodate and educate the District students;

WHEREAS, the Board has duly authorized the execution of this Site Lease; and

WHEREAS, Lessee is authorized to lease the Site and to construct the Project on such Site, and has duly authorized the execution and delivery of this Site Lease.

WITNESSETH

NOW THEREFORE, in consideration of the covenants hereinafter set forth, the District and Lessee agree as follows:

SECTION 1. DEFINITIONS.

Unless the context otherwise requires, the terms defined in this section shall, for all purposes of this Site Lease, have the meanings as herein specified.

A. “Construction Budget” means the budget amount established by the District, representing the maximum authorized cost for construction of the Project. The Construction Budget does not include fees for professional architectural and engineering services, District inspection, or testing and inspection services.

B. “Construction Documents” means the approved final working drawings and specifications, and the conditions under the Construction Services Agreement for construction of improvements on the Site, including general, special (if any), and supplementary, that set forth in detail all of the requirements for construction of the Project.

C. “Construction Services Agreement” means the construction services agreement for construction of the Project by and between the District and Lessee dated as of January 24, 2019.

D. “Contract Documents” means the Construction Services Agreement, this Site Lease, and the Sublease.

E. “Deliverable” means any tangible item provided or to be provided under the Site Lease or the Construction Services Agreement. A Deliverable does not include services.

F. “District” means the Galt Joint Union Elementary School District, a school district duly organized and existing under the laws of the State of California.

G. “Effective Date” means the day on which the District issues a Notice to Proceed for the Project in accordance with Section 5 of the Construction Services Agreement.

H. “Lessee” shall mean S+B James Construction Management Co. and its successors and assigns.

I. “Project” means the construction of improvements and equipment to be constructed and installed by Lessee, as more particularly described in Exhibit “A” of the Sublease.

J. “Site” means that certain parcel of real property and improvements thereon comprising the Project as more particularly described in Exhibit “B” attached hereto.

K. “Site Lease” means this Site Lease together with any duly authorized and executed amendment hereto, under which the District leases the Site to Lessee for purposes of constructing the Project.

L. “Sublease” means the Sublease Agreement dated as of January 24, 2019 by and between the District and Lessee together with any duly authorized and executed amendment thereto.

M. “Sublease Payment” means any payment required to be made by the District pursuant to Section 7 and Exhibit “C” of the Sublease.

N. “Tenant Improvement Payments” means the payments required to be made by the District pursuant to the Construction Services Agreement and Exhibit “C” of the Sublease.

O. “Term of this Site Lease” or “Term” means the time during which this Site Lease is in effect, as provided for in Section 3 of this Site Lease.

SECTION 2. SITE LEASE.

District leases to Lessee, and Lessee leases from the District, on the terms and conditions set forth herein, the Site situated in the City of Galt, County of Sacramento, State of California, more specifically described in Exhibit “B” attached hereto, including any real property improvements now or hereafter affixed thereto.

SECTION 3. TERM.

The Term of this Site Lease commences on the Effective Date. The Term of this Site Lease shall terminate as of the last day of the Sublease, provided the District has paid to Lessee, or its assignee, all payments that may be due under the Construction Services Agreement and Sublease, and provided that this Site Lease has not been terminated pursuant to the termination provisions of the Sublease. Without limiting any other term or provision of the Construction Services Agreement or Sublease between the parties, at the termination of this Site Lease, natural or otherwise, title to the Site and any improvements constructed thereon by Lessee shall vest in the District, in accordance with Section 17406.

SECTION 4. REPRESENTATIONS, COVENANTS, AND WARRANTIES OF THE DISTRICT.

The District represents, covenants, and warrants to Lessee that:

A. The District has good and merchantable fee title to the Site and has authority to enter into and perform its obligations under this Site Lease.

B. There are no liens on the Site other than Permitted Encumbrances, as defined below.

C. All taxes, assessments, or impositions of any kind with respect to the Site, if applicable, except current taxes, have been paid in full.

D. The Site is properly zoned for the intended purposes and utilization of the Site or the District intends to render zoning inapplicable pursuant to Government Code section 53094.

E. The District is in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to the Site.

F. There is no litigation of any kind currently pending or, to the best knowledge of the District, threatened regarding the Site or the District's use of the Site for the purposes contemplated by this Site Lease.

G. To the best of the District's knowledge, after actual inquiry:

1. No dangerous, toxic, or hazardous pollutants, contaminants, chemicals, waste, materials, or substances, as defined in or governed by the provisions of any state or federal law relating thereto (hereinafter collectively called "Environmental Regulations"), and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos-containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant, or containment that would subject the owner of the Site, Lessee, or Lessee's subcontractors to any damages, penalties, or liabilities under any applicable Environmental Regulation (collectively called "Hazardous Substances"), are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, or disposed of in, upon, under, over, or from the Site.

2. No threat exists of a discharge, release, or emission of a Hazardous Substance upon or from the Site into the environment.

3. The Site has not been used as or for a mine, a landfill, a dump, or other disposal facility, industrial or manufacturing facility, or a gasoline service station.

4. No underground storage tank is now located in the Site or has previously been located therein.

5. No violation of any Environmental Regulations now exists relating to the Site, no notice of any violation or any alleged violation thereof has been issued or given by any

governmental entity or agency, and there is not now any investigation or report involving the Site by any governmental entity or agency that in any way relates to Hazardous Substances.

6. No person, party, or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost, or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment, or natural resources, resulting or allegedly resulting from any activity or event described in Subsection G.1., above.

7. There are not now any actions, suits, proceedings, or damage settlements relating in any way to Hazardous Substances in, upon, under, over, or from the Site.

8. The Site is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substances sites maintained by any federal, state, or local governmental agency or entity.

9. The Site is not subject to any lien, claim for lien, or threat of lien in favor of any governmental agency or entity as a result of any release or threatened release of any Hazardous Substances.

H. To the extent permitted by law, the District shall not abandon use of the Site for the use currently intended by the District and shall not seek to substitute or acquire property to be used as a substitute for the use intended pursuant to this Site Lease.

I. The term "Permitted Encumbrances," as used herein shall mean, as of any particular time:

1. Liens for general ad valorem taxes and assessments, if any, not then delinquent.

2. This Site Lease; the Sublease; any right or claim of any mechanic, laborer, materialman, supplier, or vendor, if applicable, not filed or perfected in the manner prescribed by law; easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions that exist of record as of the date of this Site Lease and that will not materially impair the use of the Site.

3. Easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions established following the date of this Site Lease and to which the District and Lessee consent in writing that will not impair or impede the operation of the Site.

SECTION 5. REPRESENTATIONS, COVENANTS, AND WARRANTIES OF LESSEE.

Lessee represents, covenants, and warrants to the District that:

A. Lessee is duly organized, validly existing, and in good standing under the laws of the State of California, with full corporate power and authority to lease and own real and personal property.

B. Lessee has full power, authority, and legal right to enter into and perform its obligations under this Site Lease, and the execution, delivery, and performance of this Site Lease has been duly authorized by all necessary corporate actions on the part of Lessee and does not require any further approvals or consents.

C. Execution, delivery, and performance of this Site Lease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which Lessee is a party or by which Lessee or its property is bound.

D. There is no pending or, to the best knowledge of Lessee, threatened action or proceeding before any court or administrative agency that could materially or adversely affect the ability of Lessee to perform its obligations under this Site Lease.

SECTION 6. SITE RENTAL.

In consideration for the lease of the Site by the District to Lessee and for other good and valuable consideration, Lessee shall pay to the District one dollar (\$1.00) per year, or any portion of a year that this Site Lease is in effect, within thirty (30) days of the end of the Term of this Site Lease. Lessee shall have no obligation to make rental payments hereunder in the event of the District's inability to issue the necessary Notice to Proceed for the Project pursuant to the provisions of Section 5 of the Construction Services Agreement.

SECTION 7. USE OF SITE.

Lessee shall use the Site solely for the purpose of constructing the Project thereon and for subleasing the Site and the Project to the District, provided that, upon the occurrence of an Event of Default by the District as defined under the Sublease, Lessee may exercise the remedies provided for in the Construction Services Agreement or the Sublease.

SECTION 8. TERMINATION.

A. Lessee agrees, upon termination of the Term of this Site Lease:

1. To quit and surrender the Site in the same good order and condition as it was at the time of commencement of the Term of this Site Lease, reasonable wear and tear expected;
2. To release any liens and encumbrances created or caused by Lessee; and
3. To relinquish any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease, which shall remain thereon, and title thereto shall vest in the District.

B. Notwithstanding the District's foregoing rights in the event of a dispute or termination, Lessee shall retain the right to full compensation for all undisputed services rendered prior to the termination of this Site Lease, including all rights Lessee has under the Construction Services Agreement and the Sublease, as well as all recourse provided by California law, including common law, for the value of the work performed on the Site and/or the Project.

C. In the event the Construction Services Agreement is terminated pursuant to the provisions therein, this Site Lease shall immediately terminate.

D. If the District exercises its option to purchase the Project pursuant to the Sublease, this Site Lease shall terminate concurrently with the District's buy out and termination of the Sublease.

SECTION 9. QUIET ENJOYMENT.

Subject to the terms of the Sublease, the District covenants and agrees that it will not take any action to prevent Lessee's quiet enjoyment of the Site during the Term of this Site Lease and that, in the event the District's fee title to the Site is ever challenged so as to interfere with Lessee's right to occupy, use, and enjoy the Site, the District will use all governmental powers at its disposal, including the power of eminent domain, to obtain unencumbered fee title to the Site and to defend Lessee's right to occupy, use, and enjoy the Site. The District, however, retains the right, throughout the Term of this Site Lease, to use the Site for District purposes, pursuant to the terms of the Sublease.

SECTION 10. NO LIENS.

The District shall not mortgage, sell, assign, transfer, or convey the Site or any part thereof to any person during the Term of this Site Lease without the written consent of Lessee. Nothing in this Site Lease shall preclude the District from granting utility easements across the Site to facilitate the use and operation of the Project.

SECTION 11. RIGHT OF ENTRY.

The District reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements, or changes necessary for the preservation thereof, but, in doing so, shall not interfere with Lessee's operations regarding the Project.

SECTION 12. ASSIGNMENT AND SUBLEASING.

Lessee will not assign or otherwise dispose of or encumber the Site or this Site Lease without the prior written consent of the District.

SECTION 13. NO WASTE OR ILLEGAL ACTIVITY.

Lessee agrees that at all times it is in possession of the Site, Lessee will not commit, suffer, or permit any waste on the Site, and Lessee will not willfully or knowingly use or permit the use of the Site for any illegal act or purpose.

SECTION 14. DEFAULT.

In the event Lessee shall be in default in the performance of any of its obligations under the terms of the Construction Services Agreement or this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to Lessee, the District may exercise any and all remedies granted by law or equity.

SECTION 15. TITLE.

During the Term of this Site Lease, the District shall hold title to the Site and obtain title to the that portion of the Project constructed as part of from the Lessee, including any and all additions that comprise improvements, fixtures, repairs, replacements, or modifications, as payments are made under the terms of the Construction Services Agreement and Sublease, provided, however, that full title shall not vest in the District until the end of the Term of the Sublease and Site Lease.

SECTION 16. EMINENT DOMAIN.

In the event the whole or any part of the Site or the improvements thereon, including, but not limited to, the Project, is taken by eminent domain, the financial interest of Lessee shall be recognized and is hereby determined to be the amount of all Sublease Payments and Tenant Improvement Payments less any unearned interest as of the date Lessee receives payment in full. The balance of the award in such eminent domain action, if any, shall be paid to the District.

SECTION 17. TAXES.

The terms of this Site Lease may result in the creation of a possessory interest. If such a possessory interest is vested in a private party to this document, the private party may be subjected to the payment of personal property taxes levied on such interest. In the event a possessory tax is levied against the Lessee, it shall be the District's responsibility to pay or otherwise satisfy such a tax assessment.

SECTION 18. INDEMNIFICATION.

A. By the District.

The District covenants and agrees to indemnify and defend Lessee, and to hold Lessee harmless, from and against any and all losses, claims, suits, damages, and expenses (including reasonable attorneys' fees) arising out of the condition of the Site, including, but not limited to, all costs required to be incurred by Lessee as a result of any condition described in Section 4.G. of this

Site Lease, unless the condition is caused or created by Lessee, whether or not known to the District on the date of execution of this Site Lease, or unless such cost is contemplated to be paid by Lessee pursuant to the provisions of the Construction Services Agreement.

B. By Lessee.

1. Lessee covenants and agrees to indemnify and defend the District, and to hold the District and its Board, administrators, employees, and agents (“Indemnitees”) harmless from any and all losses, claims, suits, damages, and expenses (including reasonable attorneys’ fees, and collectively referred to as “Claim”) arising from or in connection with any negligent or intentional acts or omissions of Lessee, its agents, employees, and consultants relating to Lessee’s performance of its obligations under this Site Lease, unless it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of any Indemnitee.

2. Lessee shall indemnify and defend the District, and hold the District harmless, from any claim for employment benefits, workers’ compensation, or other benefits by any agent or employee of Lessee, or any consultant or sub consultant.

3. The District may retain, to the extent it deems necessary, the money due to Lessee under and by virtue of the Contract Documents until disposition has been made of any Claim specified above.

C. All other indemnification issues related to this Site Lease, the Site, or the progress and prosecution of the Project shall be governed by the Construction Services Agreement and Sublease.

SECTION 19. NOTICES.

Any notices or filings required to be given or made under this Site Lease shall be given or made in writing, by personal delivery or registered mail, to the respective addresses given below or at such other address as such party may provide in accordance with the provisions of this Section. Any change in address shall not be binding upon the other party unless preceded by written notice of no less than thirty (30) days. Any such notice shall be deemed to have been received by the addressee if delivered to the person for whom it is intended or if sent by registered mail, return receipt requested, or fax followed by regular mail, addressed as follows:

If to Lessee: S+B James Construction Management Company
 1450 Halyard Drive, Suite #11A
 West Sacramento, CA 95691
 Attn: Silas Nigam

If to District: Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, CA 95632
Attn: Lois Yount, Director of Business Services/CBO

With a Copy to: Parker & Covert LLP
2520 Venture Oaks Way, Suite 190
Sacramento, CA 95833
Attn: Addison Covert

SECTION 20. NO THIRD PARTY RIGHTS.

Nothing contained in this Site Lease shall create a contractual relationship with, or cause of action in favor of, any third party against either the District or Lessee.

SECTION 21. BINDING EFFECT.

This Site Lease shall inure to the benefit of and shall be binding upon the District, Lessee, and their respective successors in interest and assigns.

SECTION 22. SEVERABILITY.

In the event any provision of this Site Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, unless elimination of such invalid provision materially alters the rights and obligations embodied in this Site Lease, the Sublease, or the Construction Services Agreement.

SECTION 23. AMENDMENTS AND MODIFICATIONS.

This Site Lease shall not be effectively amended, changed, modified, altered, or terminated without the written agreement of the District and Lessee.

SECTION 24. EXECUTION IN COUNTERPARTS.

This Site Lease may be executed in several counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument.

SECTION 25. LAWS, VENUE, AND ATTORNEYS' FEES.

The terms and provisions of this Site Lease shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Site Lease, such action shall be brought in a state court situated in the County of Sacramento, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county. If either party brings an action or proceeding involving the Site, to enforce the

terms of this Site Lease, or to declare rights hereunder, each party shall bear the cost of its own attorneys' fees.

SECTION 26. INTEGRATION.

This Site Lease represents the entire understanding of the District and Lessee as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promise, or representation with respect to those matters covered herein.

SECTION 27. HEADINGS AND RECITALS.

The captions or headings in this Site Lease are for convenience only and in no way define, limit, or describe the scope or intent of any provision or section of this Site Lease. The recitals set forth at the beginning of this Site Lease are hereby incorporated herein by this reference.

SECTION 28. TIME.

Time is of the essence with respect to this Site Lease and each and all of its provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Site Lease by their authorized officers as of the day and year first written above.

LESSEE:

S+B James Construction
Management Company

By: _____
Shailesh Nigam
Its: Vice President

DISTRICT:

Galt Joint Union
Elementary School District

By: _____
Its: _____

EXHIBIT "A"

Agreement for Preliminary Services for the Construction of Improvements

Board Approved 10/24/18

EXHIBIT "B"

Map of Site

BAY LANDING WAY



EXHIBIT "C"

Sublease

EXHIBIT "D"

Construction Services Agreement

**MARENGO RANCH ELEMENTARY SCHOOL
BUILDING MODERNIZATION**

SUBLEASE AGREEMENT

Dated as of January 24, 2019

Between

Galt Joint Union Elementary School District

And

S+B James Construction Management Company

**MARENGO RANCH ELEMENTARY SCHOOL
BUIDLING MODERNIZATION**

SUBLEASE AGREEMENT

This Sublease Agreement (“Sublease”) is dated as of January 24, 2019, and is by and between the Galt Joint Union Elementary School District, a school district duly organized and existing under the laws of the State of California (“District”), and S+B James Construction Management Company (“Lessor”).

RECITALS

WHEREAS, pursuant to Section 17400 et seq. of the Education Code, District may enter into leases and agreements relating to real property and buildings to be used by District;

WHEREAS, District deems it essential for its own governmental purpose, to finance the construction and installation of certain improvements at Marengo Ranch Elementary School, consisting of brick veneer replacement and structural repairs, upgrades to fire and intrusion system, restroom upgrades, exterior painting, roof repairs, exterior lighting, and HVAC replacements described in Exhibit “A” (together, the “Project”) attached hereto and incorporated herein by reference and situated at District’s Marengo Ranch School site, as shown on Exhibit “B” (“Site”), attached hereto and incorporated herein by reference;

WHEREAS, pursuant to Section 17406 of the Education Code, District is leasing the Site to Lessor under a lease agreement dated as of January 24, 2019 (“Site Lease”) attached hereto as Exhibit “C” and incorporated herein by reference, in consideration of Lessor leasing and subleasing the Project and the Site to District pursuant to the terms of this Sublease;

WHEREAS, District owns the Site and pursuant to that certain Construction Services Agreement entered into by and between District and Lessor dated as of January 24, 2019 (“Construction Services Agreement”), District has adopted plans and specifications approved by the Division of the State Architect (“DSA”) for the completion of the Project;

WHEREAS, the Board of Education of the District (the “Board”) has determined that it is in the best interests of the District and for the common benefit of the citizens in the District to construct the Project by leasing the Site to Lessor and by simultaneously entering into this Sublease under which the District will lease back the Site and the Project from Lessor and if necessary, make Sublease Payments as indicated in Section 7 and Exhibit “C”, attached hereto and incorporated herein by reference;

WHEREAS, the District further acknowledges and agrees that it has entered into the Site Lease and Sublease pursuant to Education Code Section 17406 as the best available and most expeditious means for the District to satisfy its substantial need for the facilities to be provided by the Project and to accommodate and educate District students; and

WHEREAS, District and Lessor agree to mutually cooperate now or hereafter, to the extent possible, in order to sustain the intent of this Sublease and the bargain of both parties hereto, and to provide Sublease Payments to be made on the dates and in the amount set forth herein.

WITNESSETH

NOW THEREFORE, in consideration of the mutual covenants hereinafter set forth, District and Lessor agree as follows:

SECTION 1. DEFINITIONS.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Sublease, have the meanings as herein specified.

A. **“Certificate of Acceptance and Notice of Completion”** mean those certificates signed by a District Representative to the effect that the Project has been substantially completed.

B. **“Construction Costs”** means any and all reasonable and necessary costs incurred by Lessor with respect to the construction and equipping, as the case may be, of the Project, including, without limitation, costs for the Site preparation, the construction of the Project and related facilities and improvements, and all other work in connection therewith; all costs of financing, including, without limitation, the cost of consultant, accounting and legal services, other expenses necessary or incident to determining the feasibility of the Project, contractors’ and developers’ overhead and supervisors’ fees, and costs directly allocable to the Project; and all costs and expenses including any taxes or insurance premiums paid by Lessor with respect to the Property, administrative and other expenses necessary or incident to the Project and the financing thereof (including reimbursement to any municipality, District, or other entity for expenditures made, with the prior approval of District, for the Project).

C. **“Construction Services Agreement”** means the Construction Services Agreement for construction of site work improvements involving ground improvements, construction of dense aggregate columns, excavation and re-compaction of soils and installation of Site utilities as part of the Project related to the construction of certain improvement at the Marengo Ranch Elementary School site, by and between District and Lessor, dated as of January 24, 2019.

D. **“Contract Documents”** means the Construction Services Agreement, this Sublease, and the Site Lease.

E. **“District”** means the Galt Joint Union Elementary School District, a school district duly organized and existing under the laws of the State of California.

F. **“Effective Date”** shall mean the day on which District issues a Notice to Proceed for the Project in accordance with Section 5 of the Construction Services Agreement.

G. **“Event of Default”** means one or more events of default as defined in Section 20 of this Sublease.

H. **“Guaranteed Maximum Price” or “GMP”** means the Guaranteed Maximum Price established pursuant to Section 4 of the Construction Services Agreement, consisting of the combined “Tenant Improvement Payments” and “Sublease Payments” as such terms are defined in Exhibit “C” of this Sublease.

I. **“Lessor”** shall mean S+B James Construction Management Company and its successors and assigns.

J. **“Site”** means that certain parcel of real property and improvements thereon (if any) more particularly described in Exhibit “B” attached hereto.

K. **“Project”** means the construction of improvements and equipment to be constructed and installed by Lessor at the Site, as more particularly described in Exhibit “A” attached hereto.

L. **“Site Lease”** means the Site Lease dated as of January 24, 2019, by and between District and Lessor, together with any duly authorized and executed amendment thereto under which District leases the Site to Lessor.

M. **“Sublease”** means this Sublease together with any duly authorized and executed amendment hereto.

N. **“Sublease Payment”** means any payment required to be made by District pursuant to Section 7 and Exhibit “C” of this Sublease.

O. **“Tenant Improvement Payments”** means any payment required to be made by District pursuant to the Construction Services Agreement and Exhibit “C” of this Sublease.

P. **“Term of this Sublease” or “Term”** means the time during which this Sublease is in effect, as provided for in Section 3 of this Sublease.

SECTION 2. SUBLEASE.

Lessor hereby leases and subleases to District, and District hereby leases and subleases from Lessor the Project and the Site, including any real property improvements now or hereafter affixed thereto in accordance with the provisions herein for the full term of this Sublease. The leasing by Lessor to District of the Site shall not effect or result in a merger of District’s leasehold estate pursuant to this Sublease and its fee estate as Lessor under the Site Lease, and Lessor shall continue to have and hold a leasehold estate in said Site pursuant to the Site Lease throughout the term thereof and the term of this Sublease.

SECTION 3. TERM OF THE SUBLEASE.

A. The terms and conditions of this Sublease shall become effective upon the Effective Date. The term of this Sublease for the purposes of District's obligation to make Sublease Payments shall commence on the earlier of the following two (2) events ("Commencement Date") and shall terminate **three (3) months** after the Commencement Date (the "Term"):

1. The date the District takes beneficial occupancy of the Project; or
2. The date of Project Completion, as defined in Section 12 of this Sublease.

B. On the Commencement Date, the parties shall execute the Memorandum of Commencement attached hereto as Exhibit "D" to memorialize the commencement and expiration dates of the Term. Notwithstanding this Term, the parties hereby acknowledge that each has obligations, duties, and rights under this Sublease that exist upon the Effective Date and prior to the beginning of the Term.

C. **Adjustment of Term.** The Term may be extended or shortened upon the occurrence of any of the following events:

1. An Event of Default, as specified below, and non-defaulting party's election to terminate this Sublease;
2. A third-party taking of the Project under Eminent Domain, only if the Term is ended as indicated in Section 15 of the Site Lease; or
3. The exercise of District's Purchase Option under Section 7, below.

SECTION 4. REPRESENTATIONS, COVENANTS, AND WARRANTIES OF DISTRICT.

District represents, covenants, and warrants to Lessor that:

A. District is a political subdivision duly organized and existing under the Constitution and laws of the State of California with authority to enter into this Sublease and to perform all of its obligations hereunder;

B. District's governing body has duly authorized the execution and delivery of this Sublease and further represents and warrants that all requirements have been met and procedures followed to ensure its enforceability;

C. The execution, delivery, and performance of this Sublease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which District is a party by which it or its property is bound;

D. There is no pending or, to the knowledge of District, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of District to perform its obligations under this Sublease;

E. The Project and the Site are essential to District in the performance of its governmental functions and their estimated useful life to District exceeds the term of this Sublease;

F. District shall take such action as may be necessary to include all Sublease Payments in its annual budget and annually to appropriate an amount necessary to make such Sublease Payments;

G. District shall not abandon the Site for the use for which it is currently required by District and, to the extent permitted by law, District shall not seek to substitute or acquire property to be used as a substitute for the uses for which the Site is maintained under the Sublease; and

H. District shall not allow any Hazardous Substances (as such term is defined in the Site Lease and limited by that which shall be disclosed by District prior to the commencement date for the Project in the Notice to Proceed) to be used or stored on, under, or about the Site.

SECTION 5. REPRESENTATIONS, COVENANTS, AND WARRANTIES OF LESSOR.

Lessor represents, covenants, and warrants to District that:

A. Lessor is duly organized, validly existing, and in good standing as a corporation under the laws of the State of California, with full power and authority to lease and own real and personal property in California;

B. Lessor has full power, authority, and legal right to enter into and perform its obligations under this Sublease, and the execution, delivery, and performance of this Sublease has been duly authorized by all necessary company actions on the part of Lessor and does not require any further approvals or consents;

C. The execution, delivery, and performance of this Sublease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement, or instrument to which Lessor is a party by which it or its property is bound;

D. There is no pending or, to the knowledge of Lessor, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of Lessor to perform its obligations under this Sublease;

E. Lessor will not mortgage or encumber the Site or sublease or assign this Sublease or its rights to receive Sublease Payments hereunder, except as permitted herein; and

F. Lessor shall not allow any Hazardous Substances (as such term is defined in the Site Lease) to be used or stored on, under, or about the Site.

SECTION 6. CONSTRUCTION/ACQUISITION.

A. District has entered into a Construction Services Agreement and a Site Lease with Lessor in order to acquire and construct the Project. The cost of the construction and installation of the Project is determined by the GMP as set forth in Section 4 of the Construction Services Agreement.

B. In order to ensure that moneys sufficient to pay all costs will be available for this purpose when required, District shall maintain funds on deposit in its general fund and shall annually appropriate funds sufficient to make all Sublease Payments which become due to Lessor under this Sublease Agreement.

SECTION 7. SUBLEASE PAYMENTS.

A. District shall pay Lessor sublease payments (“Sublease Payments”) in accordance with the provisions in Exhibit “C” of this Sublease. The District shall have no obligation to make Sublease Payments hereunder in the event the Effective Date of this Sublease does not occur as a result of District’s inability to issue a Notice to Proceed for the Project pursuant to the provisions of Section 5 of the Construction Services Agreement.

B. Should District fail to pay any part of the Sublease Payments not otherwise excused pursuant to this Section or Section 9, below, within fifteen (15) business days from the due date thereof, District shall, upon Lessor’s written request, pay interest on such delinquent payment from the date said payment was due until paid at the rate of twelve percent (12%) per annum or the maximum legal rate, whichever is less.

C. **Purchase Option.** If District is not in default hereunder, District shall be granted the option to purchase not less than the entire Project in its “as-is” condition and terminate the Sublease. Under no circumstances can the purchase option occur on or before one-half of the Sublease Payments, in accordance with the terms of Exhibit “C,” have been made by the District. If the District exercises this option, the District shall pay directly to Lessor all remaining Sublease Payments and Tenant Improvement Payments, not previously paid.

D. Each Payment Constitutes a Current Expense of District.

1. The District and Contractor understand and intent that the obligation of the District to pay Sublease Payments and other payments hereunder constitutes a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.

2. Sublease Payments due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise made legally available for this purpose. This Sublease shall not create an immediate indebtedness for any aggregate payments that may become due hereunder.

3. The District covenants to take all necessary actions to include the estimated Sublease Payments in each of its final approved annual budgets.

4. The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for the actual amount of Sublease Payments that come due and payable during the period covered by each such budget. Contractor acknowledges that the District has not pledged the full faith and credit of the District, State of California or any state agency or state department to the payment of Sublease Payments or any other payments due hereunder. The covenants on the part of District contained in this Sublease constitute duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Sublease agreed to be carried out and performed by the District.

5. The Contractor cannot, under any circumstances, accelerate the District's payments under the Sublease.

SECTION 8. FAIR RENTAL VALUE.

"Sublease Payments" as defined in Exhibit "C" of this Sublease shall be paid by District in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Project and the Site during the Term. Title to the tenant improvements shall vest progressively as Tenant Improvement Payments are made under the Construction Services Agreement and Sublease Payments are made under the Sublease, but title shall not fully vest until the end of the Term of this Sublease and payment of any amounts owed under this Sublease. The parties hereto have agreed and determined that such total rental is not in excess of the fair rental value for the Project and the Site. In making such determination, consideration has been given to the fair market value for the Project and the Site; other obligations of the parties under this Sublease (including, but not limited to, costs of maintenance, taxes, and insurance); the uses and purposes which may be served by the Project and the Site, and the benefits therefrom which will accrue to District and the general public; and the ability of District to make additions, modifications, and improvements to the Project and the Site which are not inconsistent with the Construction Services Agreement and which do not interfere with Lessor's work on the Project and the Site.

SECTION 9. SUBLEASE PAYMENT ABATEMENT.

In addition to delay of Sublease Payments provided in Section 7, above, Sublease Payments due hereunder with respect to the Project and the Site shall be subject to abatement prior to the commencement of the use of the Project and the Site by District or during any period in which, by

reason of material damage to or destruction of the Project or the Site, there is substantial interference with the use and right of possession by District of the Project and the Site or any substantial portion thereof. For each potential incident of substantial interference, decisions to be made on i) whether or not abatement shall apply; ii) the date upon which abatement shall commence; iii) the applicable portion of Sublease Payments to be abated; and iv) the concluding date of the particular abatement shall all be subject to determinations by District. The amount of Sublease abatement shall be such that the Sublease Payments paid by District during the period of the Project and Site restoration do not exceed the fair rental value of the usable portions of the Project and Site. In the event of any damage or destruction to the Project or the Site, this Sublease shall continue in full force and effect. If, after the parties have executed the Memorandum of Commencement Date attached as Exhibit "D", the Project is destroyed or damaged beyond repair, the District may determine to abate its use of the Project, and upon written notice to Lessor, the Term shall cease. Thereafter, the District shall have no obligation to make, nor shall Lessor have the right to demand, any future Sublease Payments as indicated in the GMP provisions of Exhibit "C" to this Sublease.

SECTION 10. USE OF SITE AND PROJECT.

Lessor acknowledges that portions of the School Site shall, at all times, be occupied by the District as an operating school. During the term of this Sublease, Lessor shall provide District with quiet use and enjoyment of such occupied portions of the Site without suit, or hindrance from Lessor or its assigns, provided District is in compliance with its duties under this Sublease. District will not use, operate, or maintain the Site or Project improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Sublease. District shall provide all permits and licenses, if any, necessary for the operation of the Project and Site. In addition, District agrees to comply in all respects (including, without limitation, with respect to the time, maintenance, and operation of the Project and Site) with laws of all jurisdictions in which its operations involving the Project and Site may extend and any legislative, executive, administrative, or judicial body exercising any power or jurisdiction over the Site or Project; provided, however, that District may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the estate of Lessor in and to the Site or Project or its interest or rights under this Sublease. Upon substantial completion of the Project or severable portions hereof, Lessor shall provide District with quiet use and enjoyment of the Site and Project without suit or hindrance from Lessor or its assigns, subject to reasonable interference from ongoing construction operations on any remaining portion of the Site under construction by Lessor.

SECTION 11. LESSOR'S INSPECTION/ACCESS TO THE SITE.

District agrees that, with prior written approval of District, Lessor and any of Lessor's representatives shall have the right at reasonable times to enter upon the Site or any portion thereof to construct and improve the Project, to examine and inspect the Site and Project, and to exercise its remedies pursuant to the section in this Sublease entitled "Remedies on Default."

SECTION 12. PROJECT COMPLETION AND ACCEPTANCE.

District shall acknowledge final inspection and completion of the Project by executing a Certificate of Acceptance approved by the governing board (“Project Completion”), and recording a Notice of Completion.

SECTION 13. CONSTRUCTION SERVICES AGREEMENT AND SITE LEASE.

All of the terms and conditions of the Site Lease and Construction Services Agreement apply to this Sublease as if they were contained in this Sublease.

SECTION 14. ALTERATIONS AND ATTACHMENTS.

All permanent additions and improvements that are made to the Project shall belong to and become the property of Lessor, subject to the provisions of the Site Lease. Separately identifiable attachments added to the Project by District shall remain the property of District.

SECTION 15. MAINTENANCE.

Once the Project is substantially complete and occupied by the District, the District shall have responsibility for maintenance and repair of the entire Project and the Site, except for warranty or other obligations of Lessor relating to the improvements as set forth in the Construction Services Agreement.

SECTION 16. UTILITIES.

Unless otherwise so specified in the Construction Services Agreement, District shall, in its own name, contract for and pay the expenses of all utility services required for the Project once constructed. Such utilities include but are not limited to, all air conditioning, heating, electrical, gas, refuse collection, water, and sewer units. District shall be liable for payment as well as maintenance of all utility services received.

SECTION 17. PHYSICAL DAMAGE; PUBLIC LIABILITY INSURANCE.

Lessor and District shall maintain such damage and public liability insurance policies with respect to the Project and Site as required by the Construction Services Agreement.

SECTION 18. TAXES.

District shall keep the Project and the Site free and clear of all levies, liens, and encumbrances and shall pay all license fees, registration fees, assessments, charges, and taxes (municipal, state, and federal) if applicable, which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession, or use of the Project and the Site, excluding, however, all taxes on or measured by Lessor’s income.

SECTION 19. INDEMNITY.

In addition to the indemnification set forth in Section 35 of the Construction Services Agreement and Section 18 of the Site Lease, to the extent permitted by law, the parties shall, with respect to the Project and the Site, indemnify each other against and hold each other harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorneys' fees, arising out of, connected with, or resulting from any acts of omission or commission by the indemnifying party's employees and Sublease aspects of the Project and third parties on the Site, including, without limitation, the construction, possession, use or operation of the Project including any and all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities brought by third parties under the supervision, direction, or control of the indemnifying party.

SECTION 20. EVENTS OF DEFAULT.

The term "Event of Default," as used in this Sublease means the occurrence of any one or more of the following events:

A. District fails to make any unexcused Sublease Payment (or any other payment) within fifteen (15) days after the due date thereof or District fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder and such failure to either make the payment or perform the covenant, condition, or agreement is not cured within ten (10) days after written notice thereof by Lessor.

B. Lessor discovers that any statement, representation, or warranty made by District in this Sublease, or in any document ever delivered by District pursuant hereto or in connection herewith is misleading or erroneous in any material respect.

C. District becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator, or liquidator of District or of all or a substantial part of its assets, or a petition for relief is filed by District under federal bankruptcy, insolvency, or similar laws.

D. Lessor fails to perform or observe any covenant, condition, or agreement to be performed or observed by it hereunder and such failure to perform the covenant, condition, or agreement is not cured within ten (10) days after written notice thereof by District.

E. District discovers that any statement, representation, or warranty made by Lessor in this Sublease, or in any document ever delivered by Lessor pursuant hereto or in connection herewith is misleading or erroneous in any material respect.

F. Lessor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator, or liquidator of Lessor or of all or a substantial part of its assets, or a petition for relief is filed by Lessor under federal bankruptcy, insolvency, or similar laws.

SECTION 21. REMEDIES ON DEFAULT.

Upon the happening of any Event of Default, the non-defaulting party may exercise remedies set forth below; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Sublease Payments or otherwise declare any Sublease Payments not then in default to be immediately due and payable.

A. In the event that the non-defaulting party does not elect to terminate this Sublease pursuant to subsection B., below, the parties shall remain responsible for the performance of all conditions herein.

B. In the event of termination of this Sublease by Lessor at its option and in the manner hereinafter provided on account of default by District, District shall pay Lessor undisputed Sublease Payments then owing for past Sublease Payments due and not paid and undisputed compensation on the basis of time and materials for all labor, materials, and services provided up to the date of Lessor's termination of the Sublease. In the event of termination of this Sublease by District at its option and in the manner hereinafter provided on account of default by Lessor, District shall not be responsible to pay Lessor future Sublease Payments or compensate Lessor for time and materials for labor, materials, and services provided after the date of District's termination of the Sublease.

No right or remedy herein conferred upon or reserved to the parties is exclusive of any other right or remedy herein, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time; provided, however, that notwithstanding any provisions to the contrary herein, Lessor shall not under any circumstances have the right to accelerate the Sublease Payments that fall due in future Sublease periods or otherwise declare any Sublease Payments not then in default to be immediately due and payable.

SECTION 22. NON-WAIVER.

No covenant or condition to be performed by District or Lessor under this Sublease can be waived except by the written consent of both parties. Forbearance or indulgence by District or Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition in question. Until complete performance by District or Lessor of said covenant or condition, the other party shall be entitled to invoke any remedy available to it under this Sublease or by law or in equity despite said forbearance or indulgence.

SECTION 23. ASSIGNMENT.

Without the prior written consent of the other party, which consent shall not be unreasonably withheld, neither District nor Lessor shall (a) assign, transfer, pledge, or hypothecate this Sublease, the Project and the Site, or any part thereof, or any interest therein, or (b) sublet or lend the use of the Site or any part thereof, except as authorized by the provisions of the California Civic Center Act, Education Code section 38130 et seq. Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by District or any other

person. Lessor shall not assign its obligations under this Sublease with the exception of its obligation to issue default notices and to convey or reconvey its interest in the Project and the Site to District upon full satisfaction of District's obligations hereunder. This Sublease inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors, and assigns of the parties hereto. Notwithstanding anything to the contrary contained in this Sublease, no consent from the District shall be required in connection with any assignment by Lessor to a lender for purposes of financing the Project as long as there are not additional costs to the District.

SECTION 24. OWNERSHIP.

The District will obtain title to the Project from Lessor, and any and all additions, repairs, replacements, or modifications thereof, as construction progresses and Sublease Payments and Tenant Improvement Payments are made to Lessor, provided that full title will not vest in the District until all Sublease Payments have been paid in accordance with the terms of this Sublease. Title shall be transferred to and vested in District hereunder without the necessity for any further instrument of transfer. At the termination of this Sublease, any improvements constructed thereon shall vest in District.

SECTION 25. RELEASE OF LIENS.

At the conclusion of the term of this Sublease, Lessor shall authorize, execute, and deliver to District all documents reasonably requested by District to evidence (i) the release of any and all liens created pursuant to the provisions of this Sublease and the Site Lease as they relate to the Project, the Sublease, and the Site Lease, and (ii) any other documents required to terminate the Site Lease and this Sublease.

SECTION 26. TERMINATION OF CONSTRUCTION SERVICES AGREEMENT.

In the event the Construction Services Agreement is terminated pursuant to the provisions contained therein, this Sublease shall immediately terminate.

SECTION 27. SEVERABILITY.

If any provision of this Sublease shall be held invalid or unenforceable by a court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Sublease, unless elimination of such provision materially alters the rights and obligations embodied in this Sublease.

SECTION 28. INTEGRATION/MODIFICATION.

This Sublease constitutes the entire agreement between Lessor and District as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein, and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

SECTION 29. NOTICES.

Service of all notices under this Sublease shall be sufficient if given personally or mailed to the party involved at its respective address hereinafter set forth or at such address as such party may provide in writing from time to time. Any change in the addresses noted shall not be binding upon the other party unless preceded by no less than thirty (30) days prior written notice. Any such notices shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or fax followed by regular mail, addressed as follows:

If to Lessor: S+B James Construction Management Company
1450 Halyard Drive, Suite #11A
West Sacramento, CA 95691
Attn: Silas Nigam

If to District: Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, CA 95632
Attn: Lois Yount, Director of Business Services/CBO

With a copy to: Parker & Covert LLP
2520 Venture Oaks Way, Suite 190
Sacramento, CA 95833
Attn: Addison Covert

SECTION 30. TITLES/RECITALS.

The titles to the sections of this Sublease are solely for the convenience of the parties and are not an aid in the interpretation thereof. The Recitals set forth at the beginning of this Sublease are hereby incorporated herein by this reference.

SECTION 31. TIME.

Time is of the essence in this Sublease and each and all of its provisions.

SECTION 32. LAWS AND VENUE.

The terms and provisions of this Sublease shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Sublease, the action shall be brought in a state court situated in the County of Sacramento, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county.

SECTION 33. EXECUTION IN COUNTERPARTS.

This Sublease may be simultaneously executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same instrument.

SECTION 34. TERMS NOT DEFINED.

Capitalized terms used in this Sublease that are not defined shall have the same meaning as in the Construction Services Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease by their authorized officers as of the day and year first written above.

LESSOR:

S+B James Construction
Management Company

By: _____

Its: _____

DISTRICT:

Galt Joint Union Elementary
School District

By: _____

Its: _____

EXHIBIT "A"

Description of Project

The Project shall constitute the work identified in the drawings and specification dated August 24, 2018, prepared by PBK Architects, Addendum and Clarification as noted on the drawings log dated 1-16-2019.

The scope of the work included renovation of restrooms in Building A and B, cosmetic repair to existing portables, new fire alarm system, 4 new HVAC units and upgrade to the existing building management system, demo of existing building skin and replace with Stucco or Nichiha panels, demo and replacement of existing canopies and new roof overlay on the existing built-up roof.

EXHIBIT "B"

Map of Site

BAY LANDING WAY



EXHIBIT "C"

GUARANTEED MAXIMUM PRICE AND OTHER PROJECT
COST, FUNDING, PAYMENT AND INSURANCE PROVISIONS

1. Site Lease Payments. As indicated in the Site Lease, Contractor shall pay One Dollar (\$1.00) to the District as consideration for the Sublease.

2. Guaranteed Maximum Price. Pursuant to the Sublease, Contractor will cause the Project to be constructed for \$7,417,416.00 ("Guaranteed Maximum Price" or "GMP"). Except as indicated herein for modifications to the Project set forth herein or in Section 4 of the Construction Services Agreement, Contractor will not seek additional compensation from District in excess of the GMP. District shall pay the GMP to Contractor in the form of Tenant Improvement Payments which comprise 95% of the GMP and Sublease Payments which comprise 5% of the GMP as indicated herein. The GMP includes the following components and as further detailed herein:

(a) **Cost to Perform Work.**

(1) **Subcontractor Costs.** Payments made by the Contractor to Subcontractors, which payments shall be made in accordance with the requirements of the Contract Documents.

(2) **Contractor-Performed Work.** Costs incurred by the Contractor for self-performed work.

2. General Conditions. The fixed amount to be paid for all costs of labor, equipment and materials for the items identified therein which are necessary for the proper management of the Project, and shall include all costs paid or incurred by the Contractor for insurance (except for general liability insurance), permits, taxes, and all contributions, assessments and benefits, holidays, vacations, retirement benefits, and incentives, whether required by law or collective bargaining agreements or otherwise paid or provided by Contractor to its employees. The District reserves the right to request changes to the personnel, equipment, or facilities provided as General Conditions as may be necessary or appropriate for the proper management of the Project, in which case, the cost of General Conditions shall be increased or reduced accordingly.

2.3 Fees. All fees, assessments and charges that are required to be paid to other agencies or entities to permit, authorize or entitle construction, reconstruction or completion of the Project.

2.4 Bonds and Insurance. [Reserved]

2.5 Overhead and Profit. [Reserved]

3.0 Payment of Guaranteed Maximum Price. District shall pay the GMP to Contractor in the form of Tenant Improvement Payments and Sublease Payments as indicated herein.

4.1 Tenant Improvement Payments. Prior to the District’s taking delivery or occupancy of the Project, the District shall pay to Contractor seven million, forty-six thousand, five hundred forty-five dollars and twenty Cents (\$7,046,545.20) (“Tenant Improvement Payment(s)”), pursuant to Section 21 of the Construction Services Agreement.

4.2 Sublease Payments. After the parties execute the Memorandum of Commencement (“MOC”) Date, attached as Exhibit “D” of this Sublease, the District shall pay to Contractor three hundred seventy thousand, eight hundred seventy-one Dollars and 0 Cents (\$370,871) (“Sublease Payment(s)”), as indicated below.

(a) The Sublease Payments shall be consideration for the District’s rental, use, and occupancy of the Project and Site and shall be made in equal monthly installments for the duration of the Term.

(b) The District represents that the total annual Sublease Payment obligation does not surpass the District’s annual budget and will not require the District to increase or impose additional taxes or obligations on the public that did not exist prior to the execution of the Sublease.

(c) **Fair Rental Value.** District and Contractor have agreed and determined that the total Sublease Payments constitute adequate consideration for the Construction Services Agreement and Sublease and are reasonably equivalent to the fair rental value of the Project. In making such determination, consideration has been given to the obligations of the Parties under the Construction Services Agreement, Site Lease and Sublease, the uses and purposes which may be served by the Project and the benefits therefrom which will accrue to the District and the general public.

(d) The Sublease Payment Amount shall be paid pursuant to the following structure and the annual interest rate shall be at **Two and One Half percent (2.5%)**:

Sublease Payment No.	Date	Amount	Notes
1	5/28/2020	123,625	
2	6/28/2020	123,623	
3	7/28/2020	123,623	
4			
5			
6			
7			
8			
9			
10			
11			

The owner has the option to pay the S+B James Construction Management Company the balance of the lease payments on May 28, 2020. If the District selects to proceed with this option, a discount of 4% of the remaining balance will be deducted from the remaining lease payments. The remaining lease payments would be in the amount of \$370,871 and the discount would be in the amount of \$14,835 for a total of \$356,036 to be paid on May 28, 2020.

*The Prepayment Price shall be the Beginning Balance as of the date the Purchase Option is exercised pursuant to Section 7 of the Sublease Agreement.

(e) **Financed Portion of Sublease Payments.** The District requires the Contractor to finance a portion of the Sublease Payments and that financing is reflected in the table above.

5. Insurance and Bond Reimbursement. At Project Completion of, Contractor shall require reimbursement from its insurance brokers and/or insurers and its bond brokers and/or sureties, all portions of Contractor's bond premiums, either paid or to be paid, that are not at-risk due to a reduction in the GMP. All amounts of premium reimbursement that Contractor receives from the Contractor's insurance brokers and/or insurers and its bond brokers and or sureties, shall be withheld by District from Contractor's Sublease Payment(s). The District shall estimate this amount until Contractor indicates the total amount of this reimbursement.

6. District Insurance. In addition to the Contractor's insurance requirements set forth in the Construction Services Agreement, the District shall carry and maintain in force the following insurance at all times from and after District's acceptance of the Project:

(a) **Rental Interruption Insurance.** District shall carry and maintain in force for the benefit of District and Contractor, as their interests may appear, rental interruption insurance to cover loss, total or partial, of the use of the Project due to damage or destruction, in an amount at least equal to the maximum estimated Sublease Payments payable under this Sublease and for the entire term of the Sublease. This insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and such insurance may be maintained in whole or in part in the form of participation by the District in a joint powers agency or other program providing pooled insurance. This insurance may not be maintained in the form of self-insurance. The proceeds of this insurance shall be paid to the Contractor in lieu of the Sublease Payments that would otherwise be due and owing during this period.

(b) **Property Insurance.** District shall carry and maintain a policy of property insurance for 100% of the insurable replacement value with no coinsurance penalty, on the Site and the Project, together with all improvements thereon, under a standard "all risk" contract insuring against loss or damage. Contractor shall be named as additional insureds or co-insureds thereon by way of endorsement. District shall not be relieved from the obligation of supplying any additional funds for replacement of the Project and the improvements thereon in the event of destruction or damage where insurance does not cover replacement costs. District shall have the right to procure the required insurance through a joint powers agency or to self-insure against

such losses or portion thereof as is deemed prudent by District. Notwithstanding any provision to the contrary in this Sublease or the Construction Services Agreement, the District shall, concurrent with any occupancy, use or possession of any portion of the Project, furnish property and loss liability insurance to cover any such portion of the Project or the Site it occupies, uses or possesses. At such time the District commences occupancy, use or possession, District's insurance shall be primary and any coverage by Lessor be non-contributing excess over any other applicable insurance. District shall provide certificates of insurance and additional insured endorsements naming Lessor, which shall include wording that the District's coverage is primary and coverage provided by Lessor, if any, is non-contributing.

(c) Commercial General Liability Insurance. District shall carry and maintain a policy of commercial general liability insurance policy of \$1,000,000. Contractor shall be named as an additional insured or co-insured thereof by way of endorsement. District shall have the right to procure the required insurance through a joint powers agency or to self-insure against such losses or portion thereof as is deemed prudent by District.

EXHIBIT "D"

SUBLEASE

MEMORANDUM OF COMMENCEMENT DATE
MARENGO RANCH ELEMENTARY SCHOOL
BUIDLING MODERNIZATION

[TO BE ENTERED INTO AFTER CONSTRUCTION IS SUBSTANTIALLY COMPLETE TO COMMENCE THE SUBLEASE TERM – DO THIS AFTER NOC]

This MEMORANDUM OF COMMENCEMENT DATE is dated January 24, 2019, and is made by and between S+B James Construction Management Company ("Contractor"), as Lessor, and the Galt Joint Union Elementary School District ("District"), as Lessee.

1. Contractor and District have previously entered into a Sublease dated as of January 24, 2019 (the "Sublease") for the leasing by Contractor to District of the Site and Project in Galt, California, referenced in the Sublease.

2. District hereby confirms the following:

A. That all construction of the Project required to be performed pursuant to the Construction Services Agreement has been completed by Contractor in all respects;

B. The District has accepted and entered into possession of the Project and now occupies same; and

C. That the term of the Sublease commenced on January 24, 2019, and will expire at 11:59 p.m. on July 28, 2020.

THIS MEMORANDUM OF COMMENCEMENT DATE IS ACCEPTED AND AGREED
on the date indicated below:

Dated: _____

Dated: _____

Galt Joint Union Elementary School District

S+B James Construction Management Co

By: _____

By: _____

Print Name: _____

Print Name: _____

Print Title: _____

Print Title: _____

CONSTRUCTION SERVICES AGREEMENT

FOR

**MARENGO RANCH ELEMENTARY SCHOOL
BUILDING MODERNIZATION**

Dated as of January 24, 2019

Between

Galt Joint Union Elementary School District

And

S+B James Construction Management Company

**MARENGO RANCH ELEMENTARY SCHOOL
BUILDING MODERNIZATION**

CONSTRUCTION SERVICES AGREEMENT

This Construction Services Agreement (“Construction Services Agreement”) is dated as of January 24, 2019, by and between the Galt Joint Union Elementary School District, a school district duly organized and existing under the laws of the State of California (“District”), and S+B James Construction Management Company (“Contractor”).

RECITALS

WHEREAS, District owns and operates the Marengo Ranch Elementary School site, located at 1000 Elk Hills Drive, Galt, California, 95632 (the “School”);

WHEREAS, District desires to construct certain improvements to the Marengo Ranch Elementary School on the School site including brick veneer replacement and structural repairs, upgrades to fire and intrusion system, restroom upgrades, exterior painting, roof repairs, exterior lighting, and HVAC replacements (the “Project”);

WHEREAS, District has determined that it is necessary to retain the services of a construction firm to construct the Project;

WHEREAS, District has entered into an agreement with PBK as its architect (“Architect”) to prepare the plans and specifications for the Project (“Plans and Specifications”), with the Plans and Specifications having been approved by the Division of the State Architect (“DSA”) on August 24, 2018, DSA No 02-116660;

WHEREAS, California Education Code section 17406 permits the governing board of a school district, following the completion of a competitive solicitation process, to lease to any person, firm, or corporation any real property owned by District if the instrument by which such property is leased requires the lessee to construct on the leased premises, or provide for the construction thereon, of a building for the use of the school district, during the term of the lease, and provides that title to that building shall vest in the school district at the expiration of the lease;

WHEREAS, having received the highest best value score, Contractor was awarded the Project, including the Construction Services Agreement for the Project;

WHEREAS, in connection with the approval of this Construction Services Agreement, District will enter into a site lease agreement with Contractor (“Site Lease”), under which it will lease to Contractor the Project site, and improvements thereon, as described in Exhibit “A” of the Site Lease (“Site”) in order for Contractor to construct improvements to the School Site;

WHEREAS, Contractor will lease the Site and the Project back to District pursuant to a sublease agreement (“Sublease”), under which District will be required to make sublease payments and tenant improvement payments to Contractor for the use and occupancy of the Site and the Project;

WHEREAS, at the expiration of the Site Lease and Sublease terms, title to the Project shall vest in District;

WHEREAS, District and Contractor desire to enter into this Construction Services Agreement to ensure that the Project will meet District's expectations;

WHEREAS, Contractor is experienced in construction of the type of improvements included in the Project that are desired by District, is duly licensed as a contractor in the State of California, and is willing to perform construction work for District, all as more fully set forth herein;

WHEREAS, Contractor has thoroughly investigated the Site conditions and reviewed the Construction Documents, as defined in Section 2.D., below, to establish that there are no known problems with respect to the Site conditions or the Construction Documents and that Contractor can and will construct the Project for the Guaranteed Maximum Price as set forth and defined in Section 4 of this Construction Services Agreement, and Contractor will not seek any additional compensation whatsoever, including, without limitation, any requests based upon known Site conditions or any requests; and

WHEREAS, the District acknowledges and agrees that it has entered into the Site Lease, Sublease and this Construction Services Agreement pursuant to Education Code Section 17406 as the best available and most expeditious means for the District to satisfy its substantial need for the facilities to be provided by the Project and to accommodate and educate District students and to utilize its facilities proceeds expeditiously.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants hereinafter set forth, District and Contractor agree as follows:

SECTION 1. CONTRACTOR'S DUTIES AND STATUS

Contractor accepts the contractual relationship established between it and District by this Construction Services Agreement, and Contractor covenants with District to furnish its best skill and judgment in constructing the Project as set forth in the Construction Documents. Contractor agrees to furnish at all times efficient business administration and superintendence, an adequate supply of professionals, workers, and materials and to perform the work appropriately, expeditiously, economically, and consistent with this Construction Services Agreement and Construction Documents.

SECTION 2. DEFINITIONS

"Construction Services Agreement" means this Construction Services Agreement, together with any duly authorized and executed amendments hereto.

“Construction” or “Construction Services” means all labor and services necessary for the construction of the Project, and all materials, equipment, tools, supplies, and incidentals incorporated or to be incorporated in such construction as fully described in the Construction Scope of Work set forth in Section 8, below, and Exhibit “A.” Unless otherwise expressly stipulated, Contractor shall perform all work and provide and pay for all materials, labor, tools, equipment, and utilities necessary for the proper execution and completion of the Project.

“Construction Costs” means any and all costs incurred by Contractor with respect to the construction and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date hereof, including, without limitation, costs for the: (i) Contractor’s and developers’ overhead, profit and supervisors’ fees and costs directly allocable to the Project; and (ii) all costs and expenses, including any taxes or insurance premiums paid by Contractor with respect to the property, and administrative and other expenses necessary or incident to the Project. The term “Construction Costs” includes all Contractor’s costs associated with preparing or generating additional copies of any Construction Documents related to or required for the Project, including preparation or generation of additional plans and specifications for Contractor’s subcontractors. In no event shall Construction Costs exceed the Guaranteed Maximum Price.

“Construction Documents” means the final drawings, profiles, cross sections, design development drawings, construction drawings, and supplemental drawings based on the plans and specifications developed for the Project, including any reference specifications or reproductions prepared by Architect and specifications approved by District, which show or describe the location, character, dimensions, or details of the Project and specifications for construction thereof.

“Contract Documents” means those documents which form the entire contract by and between District and Contractor. The Contract Documents consist of this Construction Services Agreement, including all exhibits and attachments thereto, the Construction Documents, the Site Lease, and the Sublease.

“Guaranteed Maximum Price” or “GMP” means the Guaranteed Maximum Price established pursuant to Section 4, below, to be paid to Contractor for Contractor’s construction of the Project hereunder, subject to any adjustments for Extra Work/Modifications as provided in Section 9, below.

“Project” means the construction of improvements and equipment to be constructed and installed by Contractor on the Site, as more particularly shown and/or referenced in Exhibit “A” attached hereto.

“Site” means that certain parcel of real property and improvements thereon (if any) more particularly described in Exhibit “B” of the Site Lease.

“Site Lease” means the Site Lease dated as of January 24, 2019, by and between District and Contractor together with any duly authorized and executed amendment thereto under which District leases the Site to Contractor.

“Skilled and Trained Workforce” means a workforce that meets all of the conditions specified in Public Contract Code section 2601(d), including, without limitation the requirements that: (i) all the workers on the Project in an apprenticeable occupation in the building and construction trades are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations (the “Chief”), and (ii) for work performed on or after _____, at least 30 percent of the skilled journeypersons employed to perform work on the Project by Contractor and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation, and that percentage shall increase by 10 percent every January 1, reaching 60 percent for work performed on or after January 1, 2020.

“Special Conditions” means, to the extent applicable to the Project, that work which is peculiar to the Project, and does not fall under the general conditions or supplemental conditions. Special conditions are used when the work contemplated is of such a character that the general conditions, which are consistent project to project, cannot adequately cover necessary and additional contractual matters. Special conditions shall be read in conjunction with the general conditions, supplemental conditions, specifications of work, drawings, and any other document forming part of the Contract Documents. Special conditions shall not weaken the character or intent of the general conditions, provided, however, that when the terms of the general conditions and the terms of the special conditions cannot be reconciled, the special conditions shall govern, unless a different intention appears.

“Subcontractor” means any person or entity, including trade contractors, who have a contract with Contractor to perform any work on the improvements to the Site.

“Sublease” means the Sublease dated as of January 24, 2019, by and between District and Contractor together with any duly authorized and executed amendment hereto under which District subleases the Site and the Project from Contractor.

“Sublease Payment” means any payment required to be made by District pursuant to Section 7 of the Sublease.

“Tenant Improvement Payments” means the payments required to be made by the District pursuant to Section 21 of the Construction Services Agreement and Exhibit “C” of the Sublease.

SECTION 3. ADDITIONAL SERVICES; DISTRICT CONTINGENCY

If District requests Contractor to perform additional services (“Additional Services”) not described in this Construction Services Agreement, Contractor shall provide a cost estimate and a written description of the Additional Services required to perform such work. The District shall set aside a contingency amount of five percent (5%) of the GMP for the Project (“District Contingency”), which District Contingency shall be used for such Additional Services. Compensation for such Additional Services shall be negotiated and agreed upon in writing, in advance of Contractor’s performing or contracting for such Additional Services and paid to Contractor in addition to the GMP established pursuant to Section 4, below. In the absence of such written agreement, District will not compensate Contractor for such work, and Contractor will not be required to perform it. Nothing

in this Construction Services Agreement shall be construed as limiting the valuation and amount to be paid to Contractor for such Additional Services or its implementation should a written agreement for such services be executed. Contractor shall not be entitled to compensation for Additional Services required as a result of Contractor's acts, errors, or omissions.

The District is in no way limited by the manner in which it decides to utilize the District Contingency. Any funds remaining in the District Contingency at the completion of the Project shall remain unspent and remain allocated to District.

SECTION 4. ESTABLISHMENT OF GUARANTEED MAXIMUM PRICE ("GMP")

The GMP for the Project shall be seven million, four hundred seventeen thousand, four hundred sixteen (\$7,417,416), as further described in Exhibit "C" of the Sublease. The GMP is based upon the approved plans and specifications existing and reviewed by Contractor at the time this Construction Services Agreement is entered into as more fully described and referenced in the Scope of Work set forth in Exhibit "A." Contractor's detailed line item costing of the Project, or Master Budget, totaling the GMP is attached hereto as Exhibit "B." Furthermore, District represents and warrants that the GMP consists of the Tenant Improvement Payments comprising ninety percent (95%) of the GMP, plus the Sublease Payments comprising ten percent (5%) of the GMP to be paid as a portion of the rental of the Project and Site under the terms of the Sublease. District represents and warrants that (1) the total amount of Sublease Payments includes the total rental for the Project, which total does not exceed the fair market value for the Project; (2) said rental amount has been incorporated into the GMP in consideration and inducement of this Construction Services Agreement, the Site Lease, the Sublease, the uses and purposes which may be served by the Project, and the benefits therefrom which will accrue to District and the general public; and (3) said rental amount shall be paid by District as a part of the GMP, with District non-local match contribution local funds. The GMP and Tenant Improvement Payments are subject to adjustments for Extra Work/Modifications in accordance with the provisions of Section 9, below, and adjustments for reductions in the Scope of Work pursuant to the provisions of Section 4, below. The GMP includes the cost of all labor, materials, equipment, general conditions, overhead, profit, and Contractor Contingency (as defined directly below), but shall specifically exclude the amount of the District Contingency.

1. Contractor Contingency. Within the GMP shall be a line item amount representing two and one-half percent (2.50%) of the GMP to cover the Contractor Contingency ("Contractor Contingency"). The Contractor Contingency is for the exclusive use of Contractor, as approved by District, to pay for miscellaneous work items, which are required to complete the Project. Contractor shall not use the Contractor Contingency to pay for costs related to the following: (a) errors or omissions in the construction documents; (b) discrepancies with the plans and specifications as they pertain to applicable building code requirements; (c) and/or enhancements or additions to the Scope of Work desired by the District; or (d) unforeseen conditions. Costs related to (a) through (d) above will be paid for pursuant to the provisions of Section 9, below, the allowance set forth in this Section, or the District Contingency.
2. Errors and Omissions Allowance. Within the GMP shall be a line item amount representing two and one-half percent (2.50%) of the GMP to cover errors and omissions in the Plans and

Specifications (“Errors and Omissions Allowance”). In the event errors or omissions are discovered in the plans and specifications which make strict compliance with the specifications impractical, Contractor shall notify District of the need for such work by placing the matter on the agenda of regularly scheduled construction meetings with District for discussion as soon as practicable after the need for such work is determined. Additionally, Contractor shall submit to District for its consideration and approval or disapproval, a written request for the work before such work is performed. If District approves such request in writing, the costs of the work, shall be added to or deducted from the Errors and Omissions Allowance within the GMP. Any funds remaining in this Errors and Omissions Allowance at the completion of the Project shall remain unspent and allocated to District, except for any portion of savings added to the Errors and Omissions Allowance, which savings shall be returned to District at completion of the Project as provided in Section 6 below.

District, at all times, shall have the right to reduce the scope of the Project. If District reduces the scope of the Project, the GMP shall be reduced to contemplate the reduced Scope of Work pursuant to the provisions of Section 9, below. To the extent possible, it is the mutual goal of District and Contractor to maximize the Scope of Work as allowed by the GMP.

SECTION 5. NOTICE TO PROCEED

After execution of this Construction Services Agreement and the Site Lease and Sublease between the parties, the District shall issue a notice to Contractor to proceed with the Project (“Notice to Proceed”) conditioned upon the following:

The District’s adopted Plans and Specifications for the Project comply with the Field Act and have been approved by DSA, thereby allowing the District to issue a Notice to Proceed for construction.

No challenge has been made to the validity of the Site Lease, Sublease, Construction Services or other agreement related to this transaction. In the event that a third party files a challenge or proceeding to the validity of the documents or transaction the District will not to issue a Notice to Proceed and, in the event a Notice to Proceed has already been issued, either party may rescind the notice to proceed and may opt to terminate this Construction Services Agreement and in which event the District will pay the Contractor pursuant to the provisions of Section 11 herein.

The Notice to Proceed shall include the date upon which the Project shall commence.

SECTION 6. SAVINGS

The purpose of savings is to minimize the expenditure of funds for the construction of the Project on items that exceed the minimum criteria required without a corresponding benefit to District. District and Contractor shall work cooperatively with each other, in good faith, to identify appropriate opportunities to reduce the Project costs and promote savings.

If Contractor realizes a savings on any aspect of the Project, such savings shall be added to the District Contingency, and shall be expended in a manner consistent with the District Contingency. Contractor shall document all savings on an ongoing Project budget tracking summary and present it

to District at regularly scheduled construction meetings with District. Any savings, including unspent Contractor Contingency, realized on the Project will be returned to District at completion of the Project.

SECTION 7. SELECTION OF SUBCONTRACTORS

Subcontractors. In the interest of minimizing the expenditure of funds for the construction of the Project, Contractor agrees to select appropriately State of California licensed subcontractors for each trade component of the Project consistent with Education Code Section 17406(a)(4) in a manner that fosters competition and complies with the requirements of paragraph B. of this Section 7. Contractor agrees that it will provide public notice of availability of work to be subcontracted in accordance with the publication requirements of Public Contract Code Section 20112, establish reasonable qualification criteria and standards, and award subcontracts either on a best value basis or to the lowest responsible bidder. To be qualified to bid, all such subcontractors must currently be registered and qualified to perform public work pursuant to Section 1725.5 of the Labor Code. Regardless of the method Contractor employs, Contractor shall make a good faith effort to contact and utilize Disabled Veteran Business Enterprise (“DVBE”) contractors and suppliers in securing bids for performance of the Project in accordance with the provisions set forth below. District reserves the right to oversee the bidding process. Contractor shall inform all bidders that District will not be a party to any contract for construction services executed by Contractor and selected bidders. Contractor shall submit a listing of proposed subcontractors to District for District’s review. In no case will Contractor award any subcontract until District has concurred to the scope and price of the subcontracted services. In addition, Contractor shall provide District with full documentation regarding the bids or competitive quotes received by Contractor. In no event shall such documentation be redacted or obliterated. In the event Contractor does not comply with this provision, District may terminate this Construction Services Agreement in accordance with the provisions of Section 11, below.

Skilled and Trained Workforce. Contractor covenants and agrees that a “Skilled and Trained Workforce” will be used to perform the Project which is either skilled journeypersons or apprentices registered in an apprenticeship program. On a monthly basis while the Project is being performed, Contractor shall provide a report to the District using the form attached as Exhibit “I” (“Monthly Skilled and Trained Workforce Report”) demonstrating that Contractor and its subcontractors at every tier are complying with the requirements of Public Contract Code section 2600 et seq. and Education Code section 17407.5. If Contractor fails to provide District the monthly report, or provides a report that is incomplete, District shall withhold further payments to Contractor until a complete report is provided. If a monthly report does not demonstrate compliance with Public Contract Code section 2600 et seq. and Education Code section 17407.5, District shall withhold further payments until Contractor provides a plan to achieve substantial compliance with respect to the relevant apprentice able occupation, prior to completion of the Project. The monthly report provided to the District pursuant to this paragraph B. shall be a public record under the California Public Records Act (Chapter 3.5 (commencing with section 6250) of Division 7 of Title 1 of the Government Code), and shall be open to public inspection.

Prequalification Requirements.

Contractor and the electrical, mechanical, and plumbing subcontractors, if any, shall be subject to the same prequalification requirements for prospective bidders described in Public Contract Code section 20111.6 including the requirement for the completion and submission of a standardized prequalification questionnaire and financial statement which is certified under oath and not a public record.

D. **DVBE Requirements.**

Compliance with DVBE contracting goals is required under this Construction Services Agreement. In accordance with Education Code section 17076.11 District has a DVBE participation goal of 3% per year of the overall dollar amount of state funds allocated to District pursuant to the Leroy F. Greene School Facilities Act of 1998 and Kindergarten – University Public Education Facilities Bond Acts of 2002, 2004, and 2006 and the Kindergarten Through Community College Public Education Facilities Bond Act of 2016 for construction and modernization projects, and expended each year by District. District is seeking DVBE participation under this Construction Services Agreement.

Contractor must make a good faith effort to contact and utilize DVBE contractors and suppliers in securing bids for performance of the Project. Information regarding certified DVBE firms can be obtained from the Office of Small Business and DVBE Services (“OSBDVBES”) at (800) 559-5529 or (916) 375-4940 as well as its website at www.pd.dgs.ca.gov/smbus/default.htm. Verification of DVBE status must be obtained from the OSBDVBES by receiving an approved certification letter and reference number from that office. Contractor is required, as a material condition of this Construction Services Agreement, to submit documentation of its good faith efforts to the District prior to commencement of the construction of the Project. Good faith efforts are demonstrated by evidence of the following: (a) Contact was made with District regarding the identification of DVBEs; (b) Contact was made with other state agencies and with local DVBE organizations to identify DVBEs; (c) Advertising was published in trade papers and papers focusing on DVBEs; (d) Invitations to bid were submitted to potential DVBE contractors; and (e) Available DVBEs were considered.

Contractor shall provide to District no later than two (2) calendar days prior to the scheduled award of the Project, the appropriate documentation using DVBE Compliance Forms, including, but not limited to, proof of publication if satisfying the good faith effort requirement (unless goal is met), and identifying the amount to be paid to DVBE’s in conjunction with this Construction Services Agreement, so that District can assess its success in meeting the three percent (3%) goal.

If the DVBE compliance forms specify that Contractor will meet the DVBE participation goal for the Project, prior to, and as a condition precedent for final payment under the agreement for the Project, Contractor shall certify to District, using the certification form included with the DVBE compliance forms, (1) the total amount Contractor received under the contract, (2) the name and address of the DVBE that participated in the performance of the contract, (3) the amount each DVBE received from Contractor, and (4) that all payments under the contract have been made to the DVBE.

SECTION 8. DSA OVERSIGHT PROCESS

The Contractor must comply with the applicable requirements of the Division of State Architect (“DSA”) Construction Oversight Process (“DSA Oversight Process”), including but not limited to (a) notifying the Inspector of Record (“IOR”) upon commencement and completion of each aspect of the Work as required under DSA Form 156; (b) coordinating the work with the IOR’s inspection duties and requirements; (c) submitting verified reports under DSA Form 6-C; and (d) coordinating with the Owner’s Architect, any Construction Manager, any Laboratories, and the IOR to meet the DSA Oversight Process requirements without delay or added costs to the Project.

Contractor shall be responsible for any additional DSA fees related to review of proposed changes to the DSA-approved construction documents, to the extent the proposed changes were caused by Contractor’s wrongful actions or omissions. If inspected Work is found to be in non-compliance with the DSA-approved construction documents or the DSA-approved testing and inspection program, then it must be removed and corrected. Any construction that covers unapproved or uninspected Work is subjects to removal and correction, at Contractor’s expense, in order to permit inspection and approval of the covered Work in accordance with the DSA oversight Process.

SECTION 9. CONSTRUCTION SCOPE OF WORK

Critical Path Method Master Schedule. Prior to commencing Construction, Contractor shall submit to District a reasonably detailed Critical Path Method (“CPM”) Master Schedule for the Construction, as set forth in Section 11, below.

Pre-Construction Orientation/Construction Meetings. Contractor, in conjunction with Architect, shall conduct pre-construction orientation conferences for the benefit of Subcontractors to orient Subcontractors to the various reporting procedures and Site rules prior to the commencement of actual Construction. Contractor shall also conduct Construction and progress meetings with District Representatives and other interested parties, as requested by District, to discuss such matters as procedures, progress problems, and scheduling. Contractor shall prepare and promptly distribute official minutes of such meetings to all parties in attendance including Architect, District, and District Inspector (“Inspector”).

Budget/Cash Flow Reports. Contractor shall incorporate approved changes as they occur and develop cash flow reports and forecasts for submittal to District on a monthly basis. Contractor shall provide regular monitoring of the approved estimates of Construction Costs, showing actual costs for activities in progress, and estimates for uncompleted tasks. Contractor shall identify variances between actual and budgeted or estimated costs, and advise District and Architect whenever the Project costs exceed budgets or estimates. Contractor shall maintain cost accounting records on authorized additional services or work performed under unit costs, additional work performed on the basis of actual costs of labor and materials, or other work requiring accounting records.

Progress Reports. Contractor shall record the progress of the Project and shall submit monthly written progress reports to District and Architect including information on the entire Project,

showing percentages of completion and the number and amounts of proposed Extra Work/Modifications, as defined below, and their effect on the Construction Costs as of the date of the report. Contractor shall also keep a daily log containing a record of weather, contractors, work on the Site, number of workers, work accomplished, problems encountered, and other similar relevant data as District may require. Contractor shall make the log available to District and Architect. District shall be promptly informed of all anticipated delays. In the event that Contractor determines that a schedule modification is necessary, Contractor shall promptly submit a revised schedule for approval by District.

Shop Drawings. Contractor shall check and verify all field measurements and shall submit with such promptness as to cause no delay in the work or in that of any other contractor, subcontractor, Architect, other independent contractor, or worker on the Project, three (3) copies of all shop or setting drawings, schedules, and materials list, and all other submittals in accordance with other provisions of the Contract Documents required for the work of various trades. Contractor shall sign all submittals affirming that the submittals have been reviewed and approved by Contractor prior to submission to Architect. Each signed submittal shall affirm that the submittal meets all the requirements of the Contract Documents except as specifically and clearly noted and listed on the cover sheet of the submittal.

Contractor shall advise District immediately, if Architect has not checked and approved with reasonable promptness, such schedules and drawings for conformance with the design concept of the Project and in compliance with all information included in the Contract Documents. Contractor shall make any corrections required by Architect, file with Architect three (3) corrected copies, and furnish such other copies as may be needed for Construction. Architect's approval of such drawings or schedules shall not relieve Contractor from responsibility for deviations in the drawings and/or specifications unless Contractor has called Architect's attention to such deviations in writing at the time of submission and has secured Architect's written approval. Architect's approval of such drawings and schedules shall not relieve Contractor from responsibility for errors in the shop drawings or schedules. For purposes of this Section "reasonable promptness" shall mean such reasonable promptness as to cause no delay in the work or in the activities of District, Contractor, or other contractors, while allowing sufficient time in Architect's professional judgment to permit adequate review.

Submittals. Contractor shall promptly furnish for approval, within fourteen (14) days following the Project commencement date stated in the Notice to Proceed, or within any other time frame agreed to by the parties, a log of all samples, material lists and certifications, mix designs, schedules, and other submittals, as required in the specifications for the Project. Such log shall indicate whether samples will be provided as specified and in accordance with other provisions of this Construction Services Agreement. Contractor shall provide samples and submittals, together with catalogs and supporting data required by Architect with reasonable promptness so as not to cause delays on the Project. This provision shall not authorize any extension of time for performance of this Construction Services Agreement. Architect will check and approve such samples, only for conformance with the design concept of the work and for compliance with the information provided in the Contract Documents. Work shall be in accordance with approved samples. Architect's action will be taken within fourteen (14) calendar days after receiving such samples and submittals. If in Architect's professional judgment fourteen (14) days is an insufficient amount of time to permit

adequate review, Architect shall, within the initial fourteen (14) day period, notify Contractor, with a copy to Inspector and District, of the amount of time that will be required to respond. If Architect's response results in a change in the Project, then such change shall be affected by a written change order.

Scheduling. Contractor shall complete the Construction pursuant to the CPM Construction Documents, reduction in scope, shall perform all work set forth in the Scope of Work in Exhibit "A", and shall make reasonable efforts in scheduling to prevent disruption to classes.

District Permit and Other Obligations. District shall pay for the Inspector, soils testing, special testing, etc. If additional review or permits become necessary for reasons not due to Contractor's fault after the date the GMP is established and not reasonably anticipated at the time the GMP is established, Contractor may seek additional compensation for the cost of that review as an additional cost.

Contractor Permit and Other Obligations. District shall pay for all general building permits and ancillary permits and licenses not paid by District prior to the commencement of this Construction Services Agreement. District shall also be responsible for arranging and overseeing, all necessary inspections and tests, including, permits, and occupancy permits. All inspection fees and other municipal charges for permanent utilities including, but not limited to, sewer, electrical, phone, gas, water, and irrigation shall be paid by District. Contractor shall be responsible for arranging the payment of such fees, but the inspection fees and other municipal fees relating to permanent utilities shall be paid by District. Contractor may either request reimbursement from District for such fees, or obtain the funds from District prior to paying such fees. Contractor shall be responsible for arranging and overseeing safety procedures and requirements and Construction employee training programs which cover, among other items, hazardous chemicals and materials.

Protection. Contractor shall establish procedures for the protection of all existing structures, equipment, utilities, and other existing improvements, both on-site and off-site.

Nuisance Abatement. Contractor shall develop a mutually-agreed-upon program with District to abate and minimize noise, dust, and disruption to normal activities at the existing facilities on the Site, including procedures to control on-site noise, dust, and pollution during Construction.

Site Mitigation and Remediation. Except as provided below, District shall perform any required Site mitigation or remediation at its sole cost, unless such Site mitigation or remediation is necessitated by any of the conditions described in Section 33, below, in which event the provisions of that section shall govern.

Utilities. District will provide for utilities located at Portable 28, to be used by the Contractor for a field office.

Sanitary Facilities. Contractor shall provide a sanitary temporary toilet building as directed by Inspector for the use of all workers. The building shall be maintained in a sanitary condition at all times and shall be left at the Site until Inspector directs removal. Use of toilet facilities in the work under Construction shall not be permitted except by approval of Inspector.

Layout and Field Engineering. All field engineering required for laying out this work and establishing grades for earthwork operations shall be furnished by Contractor at its expense. Such work shall be accomplished by a qualified civil engineer or land surveyor licensed in California and approved by Architect. Any required “as built” drawings of Site development shall be prepared by a qualified civil engineer or land surveyor licensed in California and approved by Architect.

Cutting and Patching. Contractor shall do all cutting, fitting, or patching of work as required to make its several parts come together properly and fit it to receive or be received by work of other contractors showing upon, or reasonably implied by, the drawings and specifications for the completed structure. Contractor shall make good any such work as Architect may direct. All cost caused by defective or ill-timed work shall be borne by the party responsible therefore. Contractor shall not endanger any work by cutting, excavating, or otherwise altering work and shall not cut or alter work of any other contractor save with the consent or at the direction of Architect.

Close Out. Contractor shall be responsible for the timely delivery of the technical manuals, warranties, and guarantees as required in the technical specifications at the completion of the Project. Contractor shall coordinate the closeout procedures for the Project with the Inspector, as may be required, and promptly provide any requested documents that may be required for closeout of the Project.

SECTION 10. EXTRA WORK/MODIFICATIONS

District may prescribe extra work or modification or reduction of requirements or of methods of performing the Construction which differ from the work or requirements set forth in the Construction Documents (“Extra Work/Modifications”); and for such purposes, District may, at any time during the life of this Construction Services Agreement, by written order, make such changes as it shall find necessary in the design, line, grade, form, location, dimensions, plan, or material of any part of the work or equipment specified herein or in the Construction Documents, or in the quantity or character of the work or equipment to be furnished. In the event conditions develop which make strict compliance with the specifications impractical, Contractor shall notify District of the need for such Extra Work/Modification by placing the matter on the agenda of regularly scheduled Construction meetings with District for discussion as soon as practicable after the need for such Extra Work/Modification is determined. Additionally, Contractor shall submit to District for its consideration and approval or disapproval, a written request for Extra Work/Modifications before such work is performed. If District approves such request in writing, the costs of the Extra Work/Modifications, as established pursuant to this Section 10, shall be added to or deducted from the GMP and paid as Tenant Improvement Payments, as applicable.

Value of any such Extra Work/Modification, change, or deduction shall be determined at the discretion of District, in consultation with Architect, in one or more of the following ways:

By acceptable lump sum proposal from Contractor with itemization as required by District and/or Architect.

By unit prices contained in Contractor's cost estimates and incorporated in the Contract Documents or fixed by subsequent agreement between District and Contractor.

By the cost of material and labor. The following form shall be followed as applicable for additions and deductions to the Construction Services Agreement:

	EXTRA/(CREDIT)
Material (attach itemized quantity and unit cost plus sales tax)	_____
Subcontractor's labor and profit/ overhead (profit/overhead not to exceed 10%) (attach itemized hours and base rates from identified prevailing wage rate schedules)	_____
Commercial General Liability and Property Damage Insurance, Workers' Compensation Insurance, Social Security and Unemployment taxes at actual and verified cost.	_____
Subtotal _____	
Contractor's profit/overhead not to exceed 7% of Item (d) if applicable.	_____
Subtotal _____	
Bond Premium, not to exceed 1% of Item (f)	_____
Total _____	

Regardless of whether the cost of the Extra Work/Modification is determined pursuant to the above, in addition to the cost of the material and labor for deleted items, Contractor shall credit back an appropriate and reasonable amount for the bonding mark-up for deleted items at the time of the request for the Extra Work/Modification.

Should Contractor claim that any instruction, request, drawing, specification, action, condition, omission, default, or other situation (i) obligates District to pay additional compensation to Contractor; or (ii) obligates District to grant an extension of time for the completion of the Construction Services Agreement; or (iii) constitutes a waiver of any provision in this Construction Services Agreement, CONTRACTOR SHALL NOTIFY DISTRICT, IN WRITING, OF SUCH CLAIM AS SOON AS POSSIBLE, BUT IN NO EVENT WITHIN MORE THAN TEN (10) BUSINESS DAYS FROM THE DATE CONTRACTOR HAS ACTUAL OR CONSTRUCTIVE NOTICE OF THE CLAIM. CONTRACTOR SHALL ALSO PROVIDE DISTRICT WITH SUFFICIENT WRITTEN DOCUMENTATION SUPPORTING THE FACTUAL BASIS OF THE CLAIM including the documentation for items described in this Section. Contractor shall be required to certify under penalty of perjury the validity and accuracy of any claim submitted.

Contractor's failure to notify District within such ten (10) business day period shall be deemed a waiver and relinquishment of the claim against District. If such notice is given within the specified time, the procedure for its consideration shall be as stated above in this Section.

In the event a mutual agreement cannot be reached on the cost of an Extra Work/Modification item, Contractor and District agree that an industry estimating guide, such as an estimating guide published by Means, shall be used to determine the cost of a disputed Extra Work/Modification item.

All costs associated with the Extra Work/Modification may be in terms of time, money, or both.

Expenses of reconstruction and/or costs to replace and/or repair damaged materials and supplies, provided that Contractor is not fully compensated for such expenses and/or costs by insurance or otherwise, may be added to the GMP, if said expenses are the result of the sole established negligent acts or omissions, or willful misconduct of District, or its subcontractors, principals, agents, or employees.

The term "profit/overhead" for any Subcontractor shall be considered to include insurance other than mentioned in Section 10, above, field and office supervisors and assistants, watchmen, use of small tools, consumables, and general field and home office expenses, and no separate allowance will be made therefor.

SECTION 11. TIME OF COMPLETION

ONCE DISTRICT HAS ISSUED A NOTICE TO PROCEED, CONTRACTOR SHALL PROCEED WITH THE CONSTRUCTION OF THE PROJECT WITH REASONABLE DILIGENCE. CONTRACTOR AGREES THAT THE PROJECT WILL BE SUBSTANTIALLY COMPLETED BY APRIL 28, 2020 AS SAID DATE MAY BE EXTENDED FOR SUCH PERIODS OF TIME AS CONTRACTOR IS PREVENTED FROM PROCEEDING WITH OR COMPLETING THE PROJECT FOR ANY CAUSE DESCRIBED IN THIS SECTION 11, OR AS OTHERWISE AGREED TO IN WRITING BY DISTRICT AND CONTRACTOR. IF THE WORK IS NOT COMPLETED IN ACCORDANCE WITH THE FOREGOING, IT IS UNDERSTOOD THAT DISTRICT WILL SUFFER DAMAGE. IT BEING IMPRACTICAL AND INFEASIBLE TO DETERMINE THE AMOUNT OF ACTUAL DAMAGE, IT IS AGREED THAT CONTRACTOR SHALL PAY TO DISTRICT AS FIXED AND LIQUIDATED DAMAGES, AND NOT AS A PENALTY, THE SUM OF ONE THOUSAND DOLLARS (\$1,000) PER DAY FOR EACH CALENDAR DAY OF DELAY UNTIL WORK IS SUBSTANTIALLY COMPLETED AND ACCEPTED. CONTRACTOR AND ITS SURETY SHALL BE LIABLE FOR THE AMOUNT THEREOF. ANY MONEY DUE OR TO BECOME DUE CONTRACTOR MAY BE RETAINED BY DISTRICT TO COVER SAID LIQUIDATED DAMAGES. SHOULD SUCH MONEY NOT BE SUFFICIENT TO COVER SAID LIQUIDATED DAMAGES, DISTRICT SHALL HAVE THE RIGHT TO RECOVER THE BALANCE FROM CONTRACTOR OR ITS SURETIES, WHO WILL PAY SAID BALANCE FORTHWITH.

This Section 11 and the liquidated damages referred to directly above are expressly understood and agreed to by the parties hereto:

_____ Contractor's Initials

_____ District's Initials

In the event that the performance and/or completion of the Project is delayed at any time by any act or omission of District or of any employee, agent, or tenant of District, by any separate contractor employed by District, by changes or alterations in the Project not caused by any fault or omission by Contractor, by strikes, lockouts, fire, embargoes, windstorm, flood, earthquake, acts of war or God, by changes in public laws, regulations or ordinances enacted after the date of execution of this Construction Services Agreement, by acts of public officials not caused by any fault or omission of Contractor, by an inability to obtain materials or equipment not caused by any act or omission of Contractor, or by any other cause beyond the reasonable control of Contractor, the aforesaid date for substantial completion of the Project shall be extended for a period commensurate with the delay. Contractor shall not be charged liquidated damages because of such delays in completion of work or delays otherwise due to unforeseeable causes beyond the control and without the fault or negligence of Contractor.

The term "substantially completed" or "substantial completion" as used herein shall mean completed in such fashion as to enable District, upon performance of any separate work to be done by District under separate contract or by day labor, beneficially to occupy the Project and to commence operation therein, provided such occupancy and use does not substantially interfere with Contractor's performance of the remainder of the work, as agreed upon between Contractor and District, which may be accomplished prior to the completion of the work.

The term "Fully Completed and Accepted," as used herein, shall mean that all remaining work has been completed in accordance with the Construction Documents and that successful testing, startup, and satisfactory operation of the Project as a total unit has been accomplished in substantial conformance with the Construction Documents.

Within five (5) business days after District's delivery of a Notice to Proceed for the Project, Contractor shall furnish District with a reasonably detailed CPM Master Schedule, setting forth the expected dates for commencement and completion of each of the various stages of Construction to be performed by Contractor pursuant to this Construction Services Agreement ("Time Schedule"). Contractor shall submit the Time Schedule to District for acceptance and update the Time Schedule as appropriate on at least a monthly basis. Contractor shall incorporate the activities of contractors on the Project and delivery of products requiring long lead time procurement. Contractor shall also include District's occupancy requirements showing portions of the Project having occupancy priority. Contractor shall be responsible for providing District with a Schedule of Values within ten (10) working days of District's issuance of a Notice to Proceed, which will be updated as needed. It is specifically understood that District will utilize said Time Schedule as it is revised from time to time to determine completion dates of various aspects of the Project. Tenant Improvement Payments shall be conditioned upon completion of various aspects of the Project as determined by the Inspector pursuant to the Time Schedule and the Schedule of Values.

Contractor shall not be assessed liquidated damages for this Construction Services Agreement and shall not be subject to any damages for delay in completion of the Project, when such delay was caused by the failure of District or the owner of the utility to provide for removal or relocation of the existing main or trunk line utility facilities; however, when Contractor is aware that removal or relocation of an existing utility has not been provided for, Contractor shall promptly notify District and the utility in writing, so that provision for such removal or relocation may be made to avoid and minimize any delay which might be caused by the failure to remove or relocate the main or trunk line utility facilities, or to provide for its removal or relocation. In accordance with Section 4215 of the Government Code, if Contractor, while performing the work on of the Project, discovers any existing main or trunk line utility facilities not identified by the District in the contract plans or specifications, Contractor shall immediately notify the public agency and utility in writing. The public utility, where it is the owner, shall have the sole discretion to perform repairs or relocation work or permit Contractor to do such repairs or relocation work at a reasonable price. Contractor shall be compensated for the costs of locating, repairing damage not due to the failure of Contractor to exercise reasonable care, and removing or relocating such utility facilities not indicated in the plans and specifications with reasonable accuracy, and for equipment on the Project necessarily idled during such work. Such compensation shall be in accordance with the extra work provisions set out in Section 9, above.

SECTION 12. TERMINATION OF AGREEMENT

Termination for Breach.

Except as otherwise expressly provided in this Construction Services Agreement, this Construction Services Agreement shall not terminate, nor shall District have any right to terminate this Construction Services Agreement or be entitled to the abatement of any or all necessary payments pursuant to the GMP provisions indicated in Exhibit "C" of the Sublease or any reduction thereof. The obligations hereunder of District shall not be otherwise affected by reason of any damage to or destruction of all or any part of the Project; the taking of the Project or any portion thereof by condemnation or otherwise; the prohibition, limitation or restriction of District's use of the Project; the interference with such use by any private person or Contractor; the District's acquisition of the ownership of the Project (other than pursuant to an express provision of the Construction Services Agreement or Sublease); any present or future law to the contrary notwithstanding. It is the intention of the parties that all necessary payments pursuant to the GMP indicated in Exhibit "C" of the Sublease shall continue to be payable in all events, and the obligations of the District hereunder shall continue unaffected unless the requirement to pay or perform the same shall be terminated or modified pursuant to an express provision of this Construction Services Agreement.

Nothing contained herein shall be deemed a waiver by the District of any rights that it may have to bring a separate action with respect to any Event of Default by Contractor hereunder or under any other agreement to recover the costs and expenses associated with that action. The District covenants and agrees that it will remain obligated under the Construction Services Agreement and Sublease in accordance with their terms.

Following the Project Completion, that the District will not take any action to terminate, rescind or avoid this Construction Services Agreement or Sublease, notwithstanding the bankruptcy,

insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding, and notwithstanding any action with respect to this Construction Services Agreement or Sublease which may be taken by any trustee or receiver of Contractor or of any assignee of Contractor in any such proceeding or by any court in any such proceeding. Following the Project Completion, except as otherwise expressly provided in this Construction Services Agreement or Sublease, District waives all rights now or hereafter conferred by law to quit, terminate or surrender this Construction Services Agreement or Sublease or the Project or any part thereof.

District acknowledges that Contractor may assign an interest in some or all of the necessary payments pursuant to the GMP provisions indicated in Exhibit "C" of the Sublease to a lender in order to obtain financing for the cost of constructing the Project and that the lender may rely on the foregoing covenants and provisions in connection with such financing.

If Contractor refuses or fails to prosecute the construction of the Project or any separable part thereof with such diligence as will insure its completion within the time specified by this Construction Services Agreement or any extension thereof, or fails to complete the Project within such time, or if Contractor should be adjudged bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or Contractor or any of its Subcontractors should violate any of the provisions of this Construction Services Agreement, District may serve written notice upon Contractor and its Surety of District's intention to terminate this Construction Services Agreement. This notice of intent to terminate shall contain the reasons for such intention to terminate this Construction Services Agreement and a statement to the effect that Contractor's right to perform work on the Project shall cease and terminate upon the expiration of ten (10) days from receipt of the notice unless such violations have ceased and arrangements satisfactory to District have been made for correction of said violations.

In the event that District serves such written notice of termination upon Contractor and the Surety, the Surety shall have the right to take over and perform this Construction Services Agreement. If the Surety does not: (1) give District written notice of Surety's intention to take over and commence performance of this Construction Services Agreement within fifteen (15) days of District's service of said notice of intent to terminate upon Surety; and (2) actually commence performance of this Construction Services Agreement within thirty (30) days of District's service of said notice upon Surety; then District may take over the Project and prosecute the same to completion by separate contract or by any other method it may deem advisable for the account and at the expense of Contractor.

In the event that District elects to obtain an alternative performance of the Construction Services Agreement as specified above: (1) District may, without liability for so doing, take possession of and utilize in completion of the Project such materials, appliances, plants, and other property belonging to Contractor that are on the Site and reasonably necessary for such completion; and (2) Surety shall be liable to District for any cost or other damage to District necessitated by District securing an alternate performance pursuant to this Section 11.

Termination for Convenience.

District may terminate performance of the Project called for by the Contract Documents, in whole or in part, if District determines that a termination is in District's interest.

Contractor shall terminate all or any part of the Project upon delivery to Contractor of a "Notice of Termination" specifying that the termination is for the convenience of District, the extent of termination, and the effective date of such termination.

After receipt of Notice of Termination, and except as directed by District's Representative, Contractor shall, regardless of any delay in determining or adjusting any amount due under this Termination for Convenience clause, immediately proceed with the following obligations:

Stop work as specified in the Notice of Termination.

Complete any work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents.

Leave the Property upon which Contractor was working and upon which the facility (or facilities) forming the basis of the Contract Documents is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.

Terminate all subcontracts to the extent that they relate to the portions of the work terminated.

Place no further subcontracts or orders, except as necessary to complete the continued portion of the Construction Services Agreement.

Submit to District's Representative, within thirty (30) days from the effective date of the Notice of Termination, all of the usual documentation called for by the Contract Documents to substantiate all costs incurred by Contractor for labor, materials, and equipment through the effective date of the Notice of Termination. Any documentation substantiating costs incurred by Contractor solely as a result of District's exercise of its right to terminate this Construction Services Agreement pursuant to this clause, which costs Contractor is authorized under the Construction Services Agreement to incur, shall: (i) be submitted to and received by District no later than thirty (30) days after the effective date of the Notice of Termination; (ii) describe the costs incurred with particularity; and (iii) be conspicuously identified as "Termination Costs Occasioned by District's Termination for Convenience."

Termination of the Construction Services Agreement shall not relieve the Surety of its obligation for any just claim arising out of or relating to the work performed on the Project.

In the event that District exercises its right to terminate this Construction Services Agreement pursuant to this clause, District shall pay Contractor, upon Contractor's submission of the documentation required by this provision, and other applicable provisions of the Construction Services Agreement, the following amounts:

All actual costs incurred according to the provisions of this Construction Services Agreement, including, but not limited to, insurance costs incurred in connection with the Project.

A reasonable allowance for profit on the cost of the work on the Project performed, provided Contractor establishes to the satisfaction of District, that it is reasonably probable that Contractor would have made a profit had the Construction Services Agreement been completed, and provided further, that the overhead and profit allowed shall in no event exceed 10%. In no event shall the total amount exceed the GMP, exclusive of Sublease Payment finance charges.

A reasonable allowance for Contractor's administrative costs in determining the amount payable due to termination of the Construction Services Agreement under this Section 11.

Termination of Agreement by Contractor.

Contractor may terminate the Construction Services Agreement upon ten (10) days written notice to District, whenever: (1) the entire Project has been suspended for ninety (90) consecutive days through no fault or negligence of Contractor and notice to resume the Construction Services Agreement or to terminate the Construction Services Agreement has not been received from District within this time period; or (2) District should fail to pay Contractor any substantial sum due it in accordance with the terms of the Construction Services Agreement and within the time limits prescribed; or (3) District shall elect not to appropriate funds and/or elect not to make two (2) successive Tenant Improvement Payments following the receipt by District of a request from Contractor. In the event of such termination, Contractor shall have no claims against District except for work performed on the Project as of the date of termination. Further, in the event that District fails to make any undisputed Tenant Improvement Payment within seven (7) days of its due date, Contractor shall be entitled to stop work upon seven (7) days written notice to the District, until such amounts are paid. Upon payment, Contractor shall resume work and the Contract Time shall be extended for the period of Contractor's cessation of work.

SECTION 13. PERSONNEL ASSIGNMENT

Contractor shall assign _____ as the Project Manager, and _____ as the Project Superintendent for the Project. So long as the Project Manager/Superintendent remain in the employ of Contractor, such persons shall not be changed or substituted from the Project, or cease to be fully committed to the Project except as provided in this Section. In the event Contractor deems it necessary, Contractor shall replace the Project Manager/Superintendent for the Project with a replacement with like qualifications and experience, subject to the prior written consent of District, which consent shall not be unreasonably withheld. Any violation of the terms and provisions of this Section 13 shall entitle District to terminate this Construction Services Agreement for breach, pursuant to the provisions of Section 12, above.

Notwithstanding the foregoing provisions of Section 13, above, if the Project Manager/Superintendent proves not to be satisfactory to District, upon written notice from District to Contractor such person shall be promptly replaced by a person who is acceptable to District in accordance with the following procedures:

Within five (5) business days after receipt of a notice from District requesting the replacement of the Project Manager/Superintendent or promptly following the discovery by Contractor that the Project Manager/Superintendent is leaving the employ of Contractor, as the case maybe, Contractor shall provide District with the name of an acceptable replacement/substitution (together with such person's resume and other information regarding such person's experience and qualifications). The replacement/substitution shall commence work on the Project no later than five (5) business days following District's approval of such replacement, which approval shall not be unreasonably withheld. In the event that District and Contractor cannot agree as to the substitution or replacement of the Project Manager/Superintendent, as applicable, District shall be entitled to terminate this Construction Services Agreement for breach, pursuant to the provisions of Section 12, above.

SECTION 14. MAINTENANCE OF RECORDS; AUDIT

Contractor, and Subcontractors, shall keep or cause to be kept true and complete books, records, and accounts of all financial transactions in the course of its activities and operations related to the Project. These documents may include sales slips, invoices, payrolls, personnel records, requests for Subcontractor payment, and other data relating to all matters covered by the Contract Documents. At all times during the Construction of the Project, and for four (4) years following the termination of the term of the last document, Contractor and Subcontractors shall retain such data and records. During Construction of the Project, Contractor shall make available all requested data and records at reasonable locations within the County of Sacramento at any time during normal business hours, and as often as District deems necessary. If records are not made available within the County of Sacramento during the Construction of the Project, Contractor shall pay District's travel costs to the location where the records are maintained. Failure to make requested records available for audit by the date requested will result in immediate termination of this Construction Services Agreement.

At its own cost, District shall have the right to review and audit, upon reasonable notice, the books and records of Contractor concerning any monies associated with the Project. Any such audit shall be performed by an independent auditor, having no direct or indirect relationship with the functions or activities being audited or with the business conducted by Contractor or District. In the event the independent auditor determines that savings realized during the prosecution and progress of the Project were not added to the Contractor Contingency portion of the GMP, as provided for in Section 6 of this Construction Services Agreement, District shall be entitled to deduct the amount of such savings from the next requested Tenant Improvement Payment. If Contractor disputes the findings of the independent auditor, such dispute shall be handled in accordance with the provisions of Section 35 of this Construction Services Agreement.

Ownership of Drawings. Notwithstanding any provision of this Construction Services Agreement, all drawings, specifications, and copies thereof furnished by District are its property. Such drawings and specifications are not to be used on other work and, with exception of signed contract sets, are to be returned to District on request at completion of work.

SECTION 15. LABOR COMPLIANCE PROGRAM

Contractor acknowledges that the Project shall be subject to compliance monitoring and enforcement by DIR in accordance with the provisions of Sections 1725.5, 1771.1, 1771.3.

1771.4, 1771.5, and 1771.7 of the Labor Code. Contractor agrees to comply with any such laws and regulations at no additional cost to District. No contractor or subcontractor shall be qualified to bid, listed on a bid proposal or awarded a contract for public work on a public works contract unless currently registered with the Department of Industrial Relations ("DIR") pursuant to Labor Code section 1725.5.

The labor compliance requirements include, but are not limited to, provisions requiring compliance with the prevailing rates of wages as set forth in Section 16 of this Construction Services Agreement, employment of apprentices as set forth in Section 18 of this Construction Services Agreement, compliance with legal hours of work as set forth in Section 19 of this Construction Services Agreement, and maintenance and inspection of payroll records as set forth in Section 19 of this Construction Services Agreement. In addition, the labor compliance requirements require on-site interviews of workers to ensure that prevailing wages are being paid. Failure to comply with these provisions shall result in the withholding of contract payments by District. Contractor expressly acknowledges these provisions and agrees to comply with these provisions and any provisions implemented by District, and any subsequent legislation related thereto.

Contractor shall include provisions of this Section in all subcontracts and require Subcontractors to comply with these provisions at no additional cost to District.

SECTION 16. PREVAILING RATES OF WAGES

Contractor is aware of the requirements of California Labor Code sections 1720 et seq. and 1770 et seq., as well as California Code of Regulations, Title 8, section 16000 et seq. ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Construction Services Agreement involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. Contractor shall obtain a copy of the prevailing rates of per diem wages applicable to the work to be performed by Subcontractors from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at www.dir.ca.gov/dlsr/. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification, or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at Contractor's principal place of business and at the Site. Contractor shall defend, indemnify, and hold District, its elected officials, officers, employees, and agents free and harmless from any claims, liabilities, costs, penalties, or interest arising out of any failure, or alleged failure, to comply with the Prevailing Wage Laws and regulations. When determining the GMP, Contractor shall include, to the extent possible, anticipated general prevailing wage rates for the time when work on the Project will actually be performed.

Contractor and each Subcontractor shall forfeit as a penalty to District not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rate for any work done by him, or by any subcontract under him, in violation of the provisions of the California Labor Code. The difference between such stipulated prevailing wage rate

and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by Contractor.

As a further material part of this Construction Services Agreement, Contractor agrees to hold harmless and indemnify District, its Board, and each member of the Board, its officers, employees, and agents from any and all claims, liability, loss, costs, damages, expenses, fines, and penalties, of whatever kind or nature, including all costs of defense and attorneys' fees, arising from any alleged failure of Contractor or its Subcontractors to comply with the Prevailing Wage Laws of the State of California. If District or any of the indemnified parties are named as a party in any dispute arising from the failure of Contractor or its Subcontractors to pay prevailing wages, Contractor agrees that District and the other indemnified parties may appoint their own independent counsel, and Contractor agrees to pay all attorneys' fees and defense costs of District and the other indemnified parties as billed, in addition to all other damages, fines, penalties, and losses incurred by District and the other indemnified parties as a result of the action.

SECTION 17. DEBARMENT OF CONTRACTOR AND SUBCONTRACTORS

Contractor, or any Subcontractor working under Contractor, may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Section 1777.1 or Section 1777.7 of the California Labor Code. Any contract on a public works project entered into between Contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid, or may have been paid to a debarred subcontractor by Contractor on the project shall be returned to District. Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the project.

SECTION 18. EMPLOYMENT OF APPRENTICES

In addition to the requirement that Contractor provide a Skilled and Trained Workforce as provided for in Section 7.B. above, Contractor's attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code concerning employment of apprentices by Contractor or any Subcontractor under him. In addition, Contractor shall obtain a certificate of apprenticeship before employing any apprentice pursuant to Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code.

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, or from the Division of Apprenticeship Standards and its branch offices.

Knowing violations of Section 1777.5 will result in forfeiture not to exceed \$100 for each calendar day of non-compliance pursuant to Section 1777.7.

SECTION 19. HOURS OF WORK

Eight (8) hours of work shall constitute a legal day's work. Contractor and each Subcontractor shall forfeit, as penalty to District, twenty-five dollars (\$25) for each worker employed in the execution of work on the Project by Contractor or any Subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any calendar week in violation of the provisions of the Labor Code, and in particular, Section 1810 to Section 1815, thereof, inclusive, except that work performed by employees of Contractor and his Subcontractors in excess of eight hours per day at not less than one and one-half times the basic rate of pay, as provided in Labor Code section 1815.

Generally, Construction work on the Project shall be accomplished on a regularly scheduled eight (8) hour per day work shift basis, Monday through Friday, between the hours of 7:00 a.m. and 5:00 p.m., however nothing herein shall prevent Contractor from working weekends and after school hours in order to complete the Project so long as not otherwise prohibited by law or local ordinances or regulations.

Any work necessary to be performed after regular working hours, or on Sundays or other holidays shall be performed and included within the GMP, unless otherwise agreed to in writing before the work in question is commenced pursuant to Section 10, above, Extra Work/Modifications.

SECTION 20. PAYROLL RECORDS

Pursuant to Labor Code section 1776, as amended from time to time, Contractor and each Subcontractor shall keep records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by it in connection with the work.

The payroll records enumerated herein, shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor on the following basis:

A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.

A certified copy of all payroll records enumerated herein, shall be made available for inspection or furnished upon request, or as required, by District or the Division of Labor Standards Enforcement.

A certified copy of all payroll records enumerated herein, shall be made available upon request to the public for inspection or for copies thereof; provided, however, that requests by the public shall be made through either District, or the Division of Labor Standards Enforcement, and provided further that if the requested payroll records have not been provided pursuant to paragraph 2., above, the requesting party shall, prior to being provided the records, reimburse the cost of preparation by Contractor, Subcontractors, and the entity through which the request was made. The public shall not be given access to such records at the principal office of Contractor.

Unless required to be furnished to the Labor Commissioner in accordance with Labor Code section 1771.4(a)(3), the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division.

Each Contractor shall file a certified copy of the records enumerated herein, with the entity that requested such records within ten (10) days after receipt of a written request.

Except as provided in Labor Code section 1776(f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by District, or the Division of Labor Standards Enforcement, shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of Contractor or any Subcontractor performing work on the Project shall not be marked or obliterated.

Contractor shall inform District of the location of the records enumerated herein, including the street address, city and county, and shall, within five (5) business days, provide a notice of a change of location and address.

Contractor shall have ten (10) days in which to comply subsequent to receipt of a written notice requesting the records specified in Labor Code section 1776(a). Should Contractor fail to comply within the ten (10) day period, Contractor shall, as a penalty to District, forfeit One Hundred Dollars (\$100.00) for each calendar day, or portion thereof, for each worker until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, such penalties shall be withheld from any Tenant Improvement Payment then due.

SECTION 21. BONDING REQUIREMENTS

Contractor shall provide the following bonds:

A "Payment Bond" (material and labor bond) from a California admitted surety and in the form attached hereto as Exhibit "C," shall be provided by Contractor for the Project prior to execution of this Construction Services Agreement. The Payment Bond shall be for One Hundred Percent (100%) of the GMP of the Project, to satisfy claims of materials suppliers and of mechanics and laborers employed on the Project. The Payment Bond shall be maintained by Contractor in full force and effect for the Project until the Project is fully completed and accepted and until all claims for materials and labor are paid, and shall otherwise comply with California law. The Payment Bond, once obtained, shall be attached to this Construction Services Agreement as Exhibit "C." In the event the GMP is increased in accordance with the provisions set forth in Section 10, above, Contractor must increase the Payment Bond to equal the revised GMP. The Payment Bond must be executed by an admitted Surety approved to conduct business in the State of California, pursuant to California Code of Civil Procedure section 995.120. In addition, to the extent required by law, the Payment Bond must be accompanied by a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California, a certificate from the Clerk of the County of Sacramento that the certificate of authority of the insurer has not been surrendered, revoked, cancelled, annulled, or suspended, or if it has, that it has been renewed, and four copies of

the insurer's most recent annual statement and quarterly statement filed with the Department of Insurance of the State of California.

A "Faithful Performance Bond" from a California admitted surety and in the form attached hereto as Exhibit "D" shall be provided by Contractor for the Project prior to execution of this Construction Services Agreement. The Faithful Performance Bond shall be for One Hundred Percent (100%) of the GMP for the Project to guarantee faithful performance of all work, within the time prescribed, in a manner satisfactory to District, and that all materials and workmanship shall be free from original or developed defects. The Faithful Performance Bond shall be maintained by Contractor in full force and effect until the Project is fully completed and accepted and until all claims for materials and labor are paid, and shall otherwise comply with California law. The Faithful Performance Bond shall name District as the entity to which the Principal and Surety, as defined in the Faithful Performance Bond, are bound. The Faithful Performance Bond, once obtained, shall be attached to this Construction Services Agreement as Exhibit "D." In the event the GMP is increased in accordance with the provisions set forth in Section 10, above, Contractor must increase the Faithful Performance Bonds to equal the revised GMP. The Faithful Performance Bond must be executed by an admitted Surety approved to conduct business in the State of California, pursuant to California Code of Civil Procedure section 995.120. In addition, to the extent required by law, the Faithful Performance Bond must be accompanied by a certified copy of the certificate of authority of the insurer issued by the Insurance Commissioner of the State of California, a certificate from the Clerk of the County of Sacramento that the certificate of authority of the insurer has not been surrendered, revoked, cancelled, annulled, or suspended, or if it has, that it has been renewed, and four copies of the insurer's most recent annual statement and quarterly statement have been filed with the Department of Insurance of the State of California.

The bonds required by this Section shall meet the following criteria:

Each bond shall be signed by both Contractor and a notary and the signature of the authorized agent of the surety shall be notarized.

Should any bond become insufficient, Contractor shall renew or amend the bond within ten (10) days after receiving notice from District.

Should any surety at any time not be a California admitted surety, notice shall be given to District to that effect. No further payments shall be deemed due or shall be made under this Construction Services Agreement until a new surety shall qualify and be accepted by District.

Changes in the work, or extensions of time, made pursuant to the Construction Services Agreement shall in no way release Contractor or the surety from its obligations. Notice of such changes or extensions shall be waived by the surety.

Contractor is hereby authorized to obtain a Performance and Payment Bond from Subcontractors selected by Contractor at its discretion. Any bond required by this subsection shall comply with the requirements set forth above in Section 20.A. - C.

SECTION 22. TENANT IMPROVEMENT PAYMENTS

The District shall pay the Contractor monthly Tenant Improvement Payments in a sum equal to ninety percent (90 %) on the scheduled value of the Tenant Improvements performed up to the last day of the previous month. If all the necessary information is submitted and accurate (including the schedule of values), District shall approve the Tenant Improvement Payments within fifteen (15) days after District's receipt of the periodic estimate for partial payment and District shall pay such payments within thirty (30) days after District's approval of the periodic estimate for the partial payment. Sublease Payments pursuant to the Sublease, including finance charges, are an independent payment obligation of the District from Tenant Improvement Payments. Tenant Improvement Payments shall be made on the basis of monthly estimates which shall be prepared by Contractor on a form approved by District and certified by Architect and Project Inspector, or any other approved representative of District, and filed before the fifth day of the month during which payment is to be made. Work completed as estimated shall be an estimate only and no inaccuracy or error in said estimate shall release Contractor or any bondsman from such work or from enforcing each and every provision of this Construction Services Agreement and District shall have the right subsequently to correct any error made in any estimate for payment. Contractor shall not be entitled to have any payment estimates processed or be entitled to have any payment made for work performed so long as any lawful or proper direction concerning non-complying work or any portion thereof given by District lacks correction by Contractor. District shall withhold from the Tenant Improvement Payments one hundred fifty percent (150%) of the estimated value of non-complying work unless satisfactorily corrected or remedied.

In no event shall the cumulative total of the Sublease Payments (excluding finance charges), and Tenant Improvement Payments (including the balance of any anticipated retention), ever exceed the GMP as defined herein, unless modified pursuant to Section 10 of this Construction Services Agreement.

Title to new materials and/or equipment shall vest in District on a continuous basis as payment for the work is made; provided, however, full title shall not vest in the District until full payment under the terms of the Sublease. Responsibility for such new materials and/or equipment shall remain with Contractor until incorporated into the Project and accepted by District. No part of said materials and/or equipment shall be removed from its place of storage except for immediate installation in the work of this Construction Services Agreement. Contractor shall keep an accurate inventory of all said materials and/or equipment in a manner satisfactory to District or its authorized representatives.

District will pay Contractor Tenant Improvement Payments pursuant to the terms and conditions of this Section 21, which terms and conditions include five percent (5%) retention of each Tenant Improvement Payment ("Retention"). District shall retain and release such Retention pursuant to Public Contract Code sections 7107 and 9203, as those sections may be amended from time to time.

SECTION 23. CORRECTION OF WORK: WARRANTY

Neither final payment nor any provision in the Contract Documents shall relieve Contractor of responsibility for faulty materials or workmanship incorporated in the Project. Contractor warrants that all work under this Construction Services Agreement will be free of faulty materials or

workmanship and hereby agrees, within ten (10) days of receiving notification from District, to remedy, repair, or replace, without cost to District, all defects which may appear as a result of faulty materials or workmanship in the Project, at any time, or from time to time, during a period beginning with commencement of the Project and ending one (1) year after the date of substantial completion of the Project, as defined in Section 11, above. The foregoing warranty of Contractor also applies to the remedy, repair, or replacement of defects which may appear as a result of faulty designs prepared by Contractor and/or any party retained by, through or under Contractor in connection with the Project, but the foregoing warranty of Contractor does not guarantee against damage to the Project sustained by use, wear, intentional acts, accidents, or lack of normal maintenance or as a result of changes or additions to the Project made or done by parties not directly responsible to Contractor, except where such changes or additions to the Project are made in accordance with Contractor's directions. No guarantee furnished by a party other than Contractor with respect to equipment manufactured or supplied by such party shall relieve Contractor from the foregoing warranty obligation of Contractor. The warranty period set forth herein above shall not apply to latent defects appearing in the Project, and with respect to such defects, the applicable statute of limitations shall apply. Contractor agrees to provide District with all equipment and materials warranties provided by manufacturers to District, but have no obligation to assist in processing such warranty claims after said one (1) year warranty period.

SECTION 24. ASSIGNMENT OF ANTI TRUST CLAIMS

Contractor offers and agrees to assign to District all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchase of goods, services, or materials pursuant to the Construction Services Agreement. This assignment shall become effective at the time District tenders the final Sublease Payment to Contractor, without further acknowledgment by the parties.

SECTION 25. PROTECTION OF PERSONS AND PROPERTY

By execution of this Construction Services Agreement, Contractor acknowledges that Contractor, its employees and Subcontractors are required to comply with the fingerprinting requirements set forth in Education Code section 45125.1.

In the event District determines, based on the totality of the circumstances, that Contractor, Contractor's employees, and Subcontractors will have only limited contact with pupils, Contractor shall, at its own expense be subject to the following preventative measures: (1) Contractor, Contractor's employees, and Subcontractors shall check in with the school office each day immediately upon arriving at the Site; (2) Contractor, Contractor's employees, and Subcontractors shall inform school office staff of their proposed activities and location at the Site; (3) Once at such location, Contractor and/or Contractor's employees, and Subcontractors shall not change locations without contacting the school office; (4) Contractor, Contractor's employees, and Subcontractors shall not use student restroom facilities; and (5) If Contractor, Contractor's employees, and Subcontractors find themselves alone with a student, Contractor, Contractor's employees, and Subcontractors shall immediately contact the school office and request that a member of the school staff be assigned to the work location.

Prior to, and as a condition to commencement of Contractor's performance under this Construction Services Agreement, Contractor shall complete the Fingerprint Certification attached hereto as Exhibit "E," and by this reference incorporated herein, and the Drug-Free Workplace Certification attached hereto as Exhibit "F," and by this reference incorporated herein.

Contractor shall, at all times, enforce orderly and disciplined conduct among those performing work on the Project and shall not employ on the work any unfit person not skilled in the task assigned to him, except as provided in Section 18, above.

Contractor, in performing the work, shall comply with all applicable laws, ordinances, rules, regulations, and lawful orders of any public authority having jurisdiction for the safety of persons or property or for their protection from damage, injury, or loss. Contractor shall erect and maintain, as required by existing conditions and progress of the Project, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, and shall promulgate safety regulations and notify owners and users of adjacent utilities. Contractor shall designate a responsible member of Contractor's organization employed at the Site of the Project whose duty shall be the prevention of accidents. Such person shall be Contractor's Senior Project Manager/Project Manager/Superintendent unless otherwise designated in writing by Contractor to District.

In any emergency affecting the safety of persons or property, Contractor shall act at its discretion to prevent threatened damage, injury, or loss. Any additional compensation or extension of time claimed by Contractor on account of such emergency shall be determined by mutual agreement between District and Contractor.

SECTION 26. INSPECTION OF WORK

Inspection of Work/Inspector. District shall hire its own Inspector as required by law. District, District's Representatives, and the Inspector shall at all times have access to the work, whether it is in preparation or progress, and Contractor shall provide proper facilities for such access and for inspection.

If the specifications, District's timely instructions, any public authority shall require the Site or the Project to be specially tested or approved, Contractor shall give District forty-eight (48) hour notice of its readiness for inspection and, if the inspection is to be performed by a party other than District, of the date fixed for such inspection. Inspections by District shall be promptly made, and, where practicable, shall be at the source of supply. If any work required to be inspected by the specifications, District's timely instruction, or by a public authority should be covered up without the approval or consent of District, it must be uncovered for examination at Contractor's expense.

Re-examination of questioned work may be ordered by District and if so ordered, such work shall be uncovered by Contractor. If such work is found to be in accordance with the Contract Documents, District shall pay the cost of re-examination and replacement. If such work is not in accordance with the Contract Documents, Contractor shall pay such costs, unless Contractor can

demonstrate to the reasonable satisfaction of District that the defects in such work were caused by persons or entities other than Contractor or any of its Subcontractors or employees.

Inspector's Field Office. Contractor shall provide for the use of Inspector a separate trailer or temporary private office of not less than seventy-five (75) square feet of floor area to be located as directed by Inspector and to be maintained until removal is authorized by District.

Architect.

Architect's Status. In general and where appropriate and applicable, Architect shall observe the progress and quality of the work on behalf of District. Architect shall have the authority to act on behalf of District only to the extent expressly provided in this Construction Services Agreement. After consultation with Inspector and after using his/her best efforts to consult with District, Architect shall have authority to stop work whenever such stoppage may be necessary in his/her reasonable opinion to insure the proper execution of the Construction Services Agreement. Contractor further acknowledges that Architect shall be, in the first instance, the judge of the performance of this Construction Services Agreement.

Architect's Decisions. Contractor shall promptly notify District in writing if Architect fails within a reasonable time, to make decisions on all claims of District or Contractor and on all other matters relating to the execution and progress of the Project.

SECTION 27. SUPERVISION

Contractor shall maintain on-site a competent Senior Project Manager/Superintendent and necessary assistants during the performance of the work. The Senior Project Manager/Superintendent shall represent Contractor and all directions given to the Senior Project Manager/Superintendent shall be deemed to have been given to Contractor. Important directions shall be confirmed in writing to Contractor, and other direction shall be so confirmed to Contractor upon the written request of Contractor, below and the address listed therein. Replacement of the Senior Project Manager/Superintendent shall be subject to the provisions of Section 13, above.

Contractor shall give efficient supervision to the work, using its best skill and attention and shall cause working drawings and specifications to be prepared and submitted to District. Following agreement by Contractor and District with respect to said working drawings and specifications, it shall be Contractor's responsibility to perform the work described in said working drawings and specifications in substantial compliance with the Construction Documents. Notwithstanding the foregoing, Contractor may from time to time make minor and insignificant changes in said working drawings and specifications and perform the Construction in accordance with such changed drawings and specifications without the consent of District, provided that any such work performed by Contractor in accordance with such changed drawings and specifications shall be consistent with that specifically required to be performed by Contractor under the Construction Documents. For purposes of this Section, the term "minor and insignificant" shall mean changes which result in no change in quality, aesthetics, or integrity of the original specifications of the

Project. All changes, including minor and insignificant changes should be placed on the agenda for regularly scheduled construction meetings between Contractor and District to ensure that District is aware of such changes. District agrees to promptly respond to Contractor's requests for information and approvals; and if it fails to do so, the completion dates in this Construction Services Agreement may be extended.

SECTION 28. SEPARATE CONTRACTS

District reserves the right to let other contracts in connection with the construction of portions of the Project which are not being performed by Contractor hereunder. Any such contracts entered into by District, and the work they provide, shall in no event interfere with the activities of Contractor on the Project, but if they do, District shall be liable to Contractor for its damages in connection with such interference. Contractor shall afford other contractors reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate the Project with the work of such contractors. Such contractors shall comply with all applicable State safety laws and regulations.

If the proper execution of any part of Contractor's work on the Project depends upon the work of any such contractors, Contractor shall inspect and promptly report to District any patent defects or other problems it identifies in such work that render it unsuitable for such proper execution and results. Contractor is only required to inspect the work of such other contractors prior to commencing its own further work in connection with or in relation to that other work. Further, Contractor is only expected to identify patent defects or other problems, and is not required to do any destructive testing or to monitor the progress of such work by other contractors prior to its completion.

SECTION 29. USE OF PREMISES

Contractor shall confine operations at the Site to areas permitted by law, ordinances, permits, and the Construction Documents and shall not unreasonably encumber the Site or existing facilities on the Site with any material or equipment. Contractor shall not load or permit any part of the work to be loaded with a weight so as to endanger the safety of persons or property at the Site. Contractor shall maintain emergency first aid treatment for its employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 USC, section 651 et seq.).

SECTION 30. CLEANING UP

Contractor shall, at all times, keep the Site of the Construction free from accumulations of waste material or rubbish caused by the performance of the Construction by Contractor, and at the completion of the Construction, Contractor shall remove from the Site of the Construction all such waste material and rubbish and all tools, scaffolding, and surplus materials belonging to Contractor and/or Contractor's Subcontractors, laborers, or materialmen, it being specifically understood that at the close of Construction and prior to turning over the premises to District for beneficial use and occupancy, Contractor shall leave the Site "broom clean," or its equivalent, unless more exactly specified.

SECTION 31. SITE REPRESENTATIONS

District warrants and represents that District has, and will continue to retain at all times during the course of Construction, legal title to the Site and that said land is properly subdivided and zoned so as to permit the Construction and use of said Site. District further warrants and represents that title to said land is free of any easements, conditions, limitation, special permits, variances, agreements, or restrictions which would prevent, limit, or otherwise restrict the Construction or use of said facility. Reference is made to the fact that District has provided information on the Site to Contractor. Such information shall not relieve Contractor of its responsibility; and the interpretation of such data regarding the Site, as disclosed by any borings or other preliminary investigations, is not warranted or guaranteed, either expressly or impliedly, by District. Contractor shall be responsible for having ascertained pertinent local conditions such as location, accessibility, and general character of the Site and for having satisfied itself as to the conditions under which the work is to be performed. No claim for any allowance because of Contractor's error or negligence in acquainting himself with the conditions at the Site will be recognized.

SECTION 32. TRENCH SHORING

Contractor shall submit to District, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of any trench or trenches five (5) feet or more in depth. Contractor shall also submit a copy of its annual trench/excavation permit approved by CAL-OSHA. The plan shall be prepared by a registered civil or structural engineer. As part of the plan, a note shall be included stating that the registered civil or structural engineer certifies that the plan complies with CAL-OSHA Construction Safety Orders, or stating that the registered civil or structural engineer certifies that the plan is not less effective than the shoring, bracing, sloping, or other provisions of the CAL-OSHA Construction Safety Orders.

All shoring submittal shall include surcharge loads from adjacent embankments, construction loads, and spoil bank. Submittal shall indicate minimum horizontal distance from top of trench to edge of all surcharge loads for all cases of shoring and side slopes.

Nothing in this Section shall relieve Contractor of the full responsibility for providing shoring, bracing sloping, or other provisions adequate for worker protection. If such plan varies from the shoring system standards established by the CAL-OSHA Construction Safety Orders, the plan shall be prepared by a registered civil or structural engineer and shall be approved by CAL-OSHA. No excavation of such trench or trenches shall be commenced until said plan has been accepted by District or the person to whom authority to accept has been delegated by District.

SECTION 33. HAZARDOUS WASTE AND UNKNOWN PHYSICAL CONDITIONS

Except as provided in Section 9 of this Construction Services Agreement, Contractor shall promptly, and before the following conditions are disturbed, notify District, in writing, of any:

Material that Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

Subsurface or latent physical conditions at the Site differing from those indicated, including geological, soils, and/or water table issues which impede Construction or increase Construction Costs.

Unknown physical conditions at the Site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Construction Services Agreement.

District shall promptly investigate the conditions, and if it finds that the conditions materially so differ, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work may approve use of funds from District's Contingency pursuant to the procedures described in this Construction Services Agreement. If asbestos-related work or hazardous substance removal is discovered which is not disclosed in the Construction Documents, such work shall be performed pursuant to a contract separate from any other work to be performed as required by Section 25914.2 of the Health and Safety Code, as may from time to time be amended.

In the event that a dispute arises between District and Contractor whether the conditions set forth above materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by this Construction Services Agreement, but shall proceed with all work to be performed under this Construction Services Agreement. Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

The Provisions of Section 32, above, shall also apply to this Construction Services Agreement if this Construction Services Agreement involves digging trenches or other excavations that extend deeper than four feet below the surface.

SECTION 34. INSURANCE

Contractor's Insurance Requirements

Contractor shall purchase and maintain, during the performance of all work under this Construction Services Agreement, insurance in amounts as specified below.

Commercial General Liability

Coverage for Commercial General Liability Insurance shall be at least as broad as the following:

Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 0001)

Commercial General Liability Insurance must include coverage for the following:

- | | |
|-------------------|--|
| (1) | Bodily Injury and Property Damage |
| (2) | Personal Injury/Advertising Injury |
| (3) | Premises/Operations Liability |
| (4) | Products/Completed Operations Liability |
| (5) | Aggregate Limits that Apply per Project |
| (6) | Explosion, Collapse, and Underground (UCX) |
| exclusion deleted | |
| (7) | Contractual Liability with respect to this Construction Services Agreement |
| (8) | Broad Form Property Damage |
| (9) | Independent Contractor's Coverage |

All such policies shall name District, the Board, and each member of the Board, its officers, employees, agents, and authorized volunteers as Additional Insureds under the policies.

The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by District.

Automobile Liability

At all times during the performance of the work under this Construction Services Agreement, Contractor shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned, and hired vehicles, in a form and with insurance companies acceptable to District, in the amount specified below.

Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 0001 (ed. 6/92) covering automobile liability, Code 1 (any auto).

The automobile liability program may utilize deductibles, but not a self-insured retention, subject to written approval by District.

All such policies shall name District, the Board, and each member of the Board, its officers, employees, agents, and volunteers as Additional Insureds under the policies.

Workers' Compensation/Employer's Liability

At all times during the performance of the work under this Construction Services Agreement, Contractor shall maintain Workers' Compensation Insurance in compliance with applicable statutory requirements and Employer's Liability Coverage in amounts not less than the limits specified below for all its employees engaged in work under this Construction Services Agreement, on or at the Site of the Project, and, in case the work is sublet, Contractor shall require the Subcontractor similarly to provide Workers' Compensation Insurance for all the latter's employees. Any class of employee or employees not covered by a Subcontractor's insurance shall

be covered by Contractor's insurance. In case any class of employees engaged in work under this Construction Services Agreement, on or at the Site of the Project, is not protected under the Workers' Compensation Statutes, Contractor shall provide or shall cause a Subcontractor to provide, adequate insurance coverage for the protection of such employees not otherwise protected. Contractor shall file with District certificates of its insurance protecting workers.

Company or companies providing insurance coverage shall be acceptable to District, and in the following form and coverage: Statutory Workers' Compensation and Employer's Liability Coverage: Contractor shall maintain insurance to afford protection for all claims under California Workers' Compensation Act and other employee benefit acts, and, in addition, shall maintain Employer's Liability Insurance for a minimum limit of \$1,000,000. The Workers' Compensation Policy shall include the following endorsements, copies of which shall be provided to District:

The Voluntary Compensation Endorsement; and
Broad Form All States Endorsement; and
The Longshoremen's and Harbor Workers endorsement, where applicable to the work under this Construction Services Agreement; and
Waiver of Subrogation Endorsement.

If insurance is maintained, the workers' compensation and employer's liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by District.

Before beginning work, Contractor shall furnish to District satisfactory proof that it has taken out, for the period covered by the work under this Construction Services Agreement, full compensation insurance for all persons employed directly by it or through Subcontractors in carrying out the work contemplated under this Construction Services Agreement all in accordance with the "Workers' Compensation and Insurance Act," Division 4 of the Labor Code of the State of California and any acts amendatory thereof.

Contractor shall sign a Certificate Regarding Workers' Compensation Insurance which is attached to this Construction Services Agreement as Exhibit "G" incorporated herein by this reference.

Builder's Risk "All Risk" Insurance

In addition to the requirement that the District carry property insurance for any portion of the Project occupied by the District as set forth in the Sublease, at all times during the performance of the work, Contractor shall maintain builder's risk insurance on an "all risk" completed value basis (including flood) upon the entire project which is the subject of this Construction Services Agreement. Coverage shall include completed work as well as work in progress. Such insurance shall include District as Loss Payee.

Such insurance may have a deductible clause but not to exceed the smaller of: five percent (5%) of the total amount of the contract; or \$10,000.00 for all risks, except flood. The deductible for flood shall not exceed five percent (5%) of the total amount of this Construction Services Agreement.

Such policies shall name District as Additional Insured.

The making of Sublease Payments or Tenant Improvement Payments to Contractor shall not be construed as creating an insurable risk interest by or for District or be construed as relieving Contractor or his Subcontractors of responsibility for loss from any direct physical loss, damage, or destruction occurring prior to final acceptance of the work by District.

The insurer shall waive all rights of subrogation against District and shall provide District with a Certificate of Insurance for Builder's Risk insurance coverage and evidence of waiver of rights of subrogation against District.

Minimum Policy Limits Required

The following insurance limits are required for the Construction Services Agreement:

Combined Single Limit

Commercial General Liability \$1,000,000 per occurrence/\$3,000,000 aggregate for bodily injury, personal injury and property damage

Automobile Liability \$1,000,000 per occurrence for bodily injury and property damage

Employer's Liability \$1,000,000 per occurrence

Builder's Risk Completed value or replacement cost

Evidence Required Prior to execution of this Construction Services Agreement, Contractor shall file with District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 2010 (ed. 11/85) (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (ACORD Form 25 S or equivalent). All evidence of insurance shall be certified by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional primary insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

Policy Provisions Required

All policies of Contractor shall contain a provision for 30 days' advance written notice by the insurer(s) to District of any cancellation. Statements that the carrier "will endeavor" and "that failure to mail such notice shall impose no obligation and liability upon the company, its agents, or representatives," will not be acceptable on certificates.

All policies shall contain a provision stating that Contractor's policies are primary insurance and that the insurance of District or any named insureds shall not be called upon to contribute to any loss.

Qualifying Insurers

All policies required shall be issued by acceptable insurance companies, as determined by District, which satisfy the following minimum requirements:

Insurance carriers shall be qualified to do business in California and maintain an agent for service of process within the state. Such insurance carrier shall have not less than an “A” policyholder’s rating and a financial rating of not less than “Class X” according to the latest Best Key Rating Guide.

Additional Insurance Provisions

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor and any approval of said insurance by District is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to this Construction Services Agreement, including but not limited to, the provisions concerning indemnification.

If at any time during the life of the Construction Services Agreement Contractor fails to maintain in full force any insurance required by the Construction Services Agreement, including required limits, District may acquire the necessary insurance for Contractor and deduct the cost thereof from the Tenant Improvement Payments made by District.

Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. Contractor shall make certain that any and all Subcontractors hired by Contractor are insured in accordance with this Construction Services Agreement. If any Subcontractor’s coverage does not comply with the foregoing provisions, Contractor shall indemnify and hold District harmless from any damage, loss, cost, or expense, including attorneys’ fees, incurred by District as a result thereof.

If coverage is written on a “claims made” basis, the Certificate of Insurance shall clearly so state. In addition to the coverage requirements specified above, such policy shall provide that:

a. The policy retroactive date coincides with or precedes Contractor’s commencement of work under this Construction Services Agreement (including subsequent policies purchased as renewals or replacements).

Contractor will make every effort to maintain similar insurance during the required extended period of coverage following expiration of this Construction Services Agreement, including the requirement of adding all additional insureds.

If insurance is terminated for any reason, Contractor shall purchase an extended reporting provision of at least two years to report claims arising in connection with the Construction Services Agreement.

The policy allows for reporting of circumstances or incidents that might give rise to future claims.

District may require Contractor to provide complete copies of all insurance policies in effect for the duration of the Project.

Neither District nor the Board, nor any member of the Board, nor any of the directors, officers, employees, agents, or volunteers shall be personally responsible for any liability arising under or by virtue of the Construction Services Agreement.

SECTION 35. HOLD HARMLESS

District, its Board, and each member of the Board, its officers, employees, and agents shall not be liable for, and Contractor shall defend, indemnify, and hold harmless District, its Board, and each member of the Board, its officers, employees, and agents from and against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, injuries to property or persons (including death), expenses, charges or costs of any kind or character, including attorneys' fees and court costs (herein collectively referred to as "Claims"), which arise out of or are in any way connected to the work covered by this Construction Services Agreement arising either directly or indirectly from any act, error, omission, or negligence of Contractor or its contractors, consultants, architects, engineers, licensees, agents, servants, or employees, including, without limitation, Claims caused by the concurrent act, error, omission, or negligence of District or its agents or employees. However, Contractor shall have no obligation to defend or indemnify District from a Claim to the extent that such Claim was caused by the active or sole negligence or willful misconduct of District or its agents or employees.

SECTION 36. RESOLUTION OF AGREEMENT CLAIMS

All public works claims, as defined below, that arise out of or relate to this Construction Services Agreement, or a breach thereof, shall include a statement as to whether Contractor elects to proceed pursuant to Claim Resolution Process 1 or Claim Resolution Process 2, as identified below. Contractor must follow the requirements of its selected Claim Resolution Process throughout its entire claim.

Claim Resolution Process 1

Claim Resolution Process 1 is set forth in Public Contract Code Section 9204, as that section may be amended from time to time, and applies to any claim between Contractor and District, without regard to the claim's dollar amount.

For purposes of Claim Resolution Process 1, the term "claim" has the meaning set forth in Public Contract Code Section 9204(c)(1), as that section may be amended from time to time. Section 9204(c)(1) currently defines "claim" to mean a separate demand by Contractor sent by registered mail or certified mail with return receipt requested for one or more of the following: (a) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by District under this Construction Services Agreement; (b) Payment by District of money or damages arising from work done by, or on behalf of, Contractor pursuant to this Construction Services Agreement and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled; and/or (c) Payment of an amount that is disputed by District.

C. **Claim Resolution Process 2**

1. Claim Resolution Process 2 is set forth in Public Contract Code Section 20104 et seq., as those sections may be amended from time to time, and applies only to claims between Contractor and District valued at Three Hundred Seventy-Five Thousand Dollars (\$375,000) or less.
2. For purposes of Claim Resolution Process 2, the term “claim” has the meaning set forth in Public Contract Code Section 20104(b)(2), as that section may be amended from time to time. Section 20104(b)(2) currently defines “claim” to mean a separate demand by Contractor for (a) a time extension, (b) payment of money or damages arising from work done by, or on behalf of, Contractor pursuant to the Construction Services Agreement and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to, or (c) an amount the payment of which is disputed by District.

SECTION 37. SUBSTITUTION OF SECURITY

In accordance with Public Contract Code Section 22300, District will permit the substitution of securities for any moneys withheld by District to ensure performance under the Construction Services Agreement. At the request and expense of Contractor, securities equivalent to the amount withheld shall be deposited with District, or with a state or federally chartered bank as the escrow agent. Upon satisfactory completion of the Construction Services Agreement the securities shall be returned to Contractor.

SECTION 38. TITLE TO WORK

Title to all work completed and in the course of Construction paid for by District and title to all materials on account of which payment has been made by District to Contractor shall vest in District pursuant to the applicable provisions of the Site Lease and Sublease.

SECTION 39. CONTRACT DOCUMENTS AND INTERPRETATIONS

The Contract Documents shall be executed, and/or initialed as appropriate, in duplicate by District and Contractor. The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all. The intention of the Contract Documents is to include all labor, services, and materials reasonably necessary for the proper execution of the work.

It is not intended that work and/or services not covered under any heading, section, branch, class, or trade of the specifications shall be supplied, unless it is required elsewhere in the Contract Documents or is reasonably inferable therefrom as being necessary to produce the intended results, in which case such work and/or services shall be supplied by Contractor. Words which have well-known technical or trade meanings are used herein in accordance with such recognized meanings. Mutual agreement shall be reached with respect to words which do not have a well-known technical or trade meaning and the definition of which come into question.

Drawings and specifications are intended to be fully cooperative and to agree. All drawing and specification changes shall be dated and sequentially recorded. All modifications to drawings and specifications shall be interpreted in conformity with the Contract Documents, which shall govern, unless otherwise specified.

Documents on the Project Site. Contractor shall keep one copy of all Contract Documents, including addenda, change orders, Division 1, Title 21 of the California Code of Regulations, Parts 1-5 and 12 of Title 24, and Title 22 of the California Code of Regulations, and the prevailing wage documents shall be kept in good order and shall be available to District's Representative, Architect and its representatives. Contractor shall be acquainted with and comply with the provisions of said Titles 21, 22 and 24 as they relate to this Project. (See particularly Duties of Contractor, Title 24 California Code of Regulations, section 4-343.) Contractor shall also be acquainted with and comply with all California Code of Regulations provisions relating to this Project, particularly Titles 17, 19, 21, 22 and 24.) Contractor shall also make available all books, records, accounts, contracts, bids, etc. upon request by District.

Record "As Built" Drawings. Contractor shall maintain a clean, undamaged set of contract drawings and shop drawings. In addition to maintaining one complete set of record drawings (herein referred to as "as-builts"), Contractor shall require each trade contractor/subcontractor to do its own as-builts. The trade contractor/subcontractor as-builts shall contain information showing clean and clear drawings with horizontal and vertical controls suitable for conversion to electronic media. Graphic quality must be equal to clean and clear original drawings; adequacy of the drawings shall be determined by District or Architect. Contractor shall mark the set to show the actual installation where the installation varies from the work as originally shown. Contractor shall mark whichever drawings are most capable of showing conditions fully and accurately where shop drawings are used, and shall record a cross-reference at the corresponding location on the contract drawings. Contractor shall give particular attention to concealed elements that would be difficult to measure and record at a later date. Contractor shall use colors to distinguish variations in separate categories of the work. Contractor shall organize record drawings sheets into manageable sets, bound with durable paper cover sheets and shall print suitable title, dates, and other identification on the cover of each set. At the end of the Project, Contractor shall provide District with a complete set of as-built drawings. The complete set shall contain information showing clean and clear drawings with horizontal and vertical controls suitable for conversion to electronic media. Graphic quality must be equal to clean and clear original drawings; adequacy of the drawings shall be determined by District or Architect. The as-builts must show the entire site for each major trade, including but not limited to water, sewer, electrical, data, telephone, cable, fire, alarm, gas, and plumbing.

SECTION 40. REQUEST FOR SUBSTITUTIONS

For purposes of this provision, the term "substitution" shall mean the substitution of any material, process, or article that is substantially equal or better in every respect to that indicated or specified in the Construction Documents.

Pursuant to Public Contract Code section 3400(b), District may make a finding designating certain products, things, or services by specific brand or trade name for the statutorily enumerated purposes.

These findings if made, as well as the products and their specific brand or trade names that must be used for the Project may be found in Exhibit "A" of this Construction Services Agreements.

Unless specifically designated in Exhibit "A" of this Construction Services Agreement, whenever in specifications any material, process, or article is indicated or specified by grade, patent, or proprietary name or by name of manufacturer, such specifications shall be deemed to be used for the purpose of facilitating the description of the material, process, or article desired and shall be deemed to be followed by the words "or equal." Contractor may, unless otherwise stated, offer for substitution any material, process or article which shall be substantially equal or better in every respect to that so indicated or specified. However, District has adopted certain uniform standards for certain materials, processes and articles. Except as otherwise provided in paragraph D. below, if any material, process or article offered for substitution by Contractor is not, in the opinion of District and Architect, substantially equal or better in every respect to that specified, Contractor shall furnish the material, process, or article specified. The burden of proof as to the equality of any material, process or article shall rest with Contractor.

Contractor shall submit requests together with substantiating data for substitution of any "or equal" material, process or article no later than 35 days after the Project commencement date in the Notice to Proceed for the Project. Provisions authorizing submission of "or equal" substitution justification data shall not in any way authorize an extension of time for performance of this Construction Services Agreement. Furthermore, if a proposed "or equal" substitution request is rejected, Contractor shall be responsible for including the specified material, process or article for the Project. District shall not be responsible for any costs of Contractor associated with "or equal" substitution requests. District has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process, or article that may be substituted.

For purposes of the above, data required to substantiate requests for substitution of an "or equal" material, process, or article shall include a signed affidavit from Contractor stating that the substituted "or equal" material, process, or article is equivalent to that specified in the specification in every way except as listed on the affidavit. Substantiating data shall also include any and all illustrations, specifications, and other relevant data including catalogue information which describes the requested substituted "or equal" material, process, or article and substantiates that it is an "or equal" to the material, process, or article specified. In addition, the submittal documentation must also include a statement of the cost implications of the substitution being requested stating whether and why the substitution of the "or equal" material, process, or article will reduce or increase the GMP. The substantiating data must also include information regarding the durability and lifecycle cost of the requested substituted "or equal" material, process or article. Failure to submit all the needed substantiating data, including the signed affidavit, to Architect in a timely fashion so that the substitution can be adequately reviewed may result in the rejection of the proposed substitution. District is not obligated to review multiple substitution submittals for the same product or item due to Contractor's failure to submit a complete package initially.

Time limitations in this Section must be complied with strictly and in no case will an extension of time for completion be granted because of Contractor's failure to request the substitution of an alternative item at the times and manner set forth in the above paragraph. Further, Contractor shall

bear the costs of all engineering work associated with the review of submittals for substitution of equals.

In the event Contractor furnishes a material, process, or article which is more expensive than that specified, the difference in cost of such material, process, or article so furnished shall be borne by Contractor.

Contractor agrees to include the provisions of this Section in all subcontractor bid documents.

SECTION 41. COMPLIANCE WITH STATE STORM WATER PERMIT FOR CONSTRUCTION

The Project is subject to the State Water Resources Control Board (State Water Board) National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity ("Permit"). Such requirements include the preparation and implementation of a Storm Water Pollution Prevention Plan ("SWPPP") and/or implementation of local storm water requirements, which prohibit the discharge of pollutants from the construction site into the receiving waters of the United States (collectively herein, the "Storm Water Requirements"). The District shall be responsible for the (1) preparation of the SWPPP, (2) filing of the Notice of Intent, (3) obtaining the Permit, and (4) periodic oversight of the SWPPP.

Contractor shall be responsible for implementing and complying with the provisions of the Permit and the SWPPP, removing SWPPP controls that are not needed, and complying with the standard provisions, monitoring and reporting requirements as required by the Permit. Contractor shall provide copies of all reports and monitoring information to the District, Architect and the District's third party SWPPP consultant.

Contractor shall comply with the lawful requirements of any applicable municipality, the County, drainage district, and other local agencies regarding discharges of storm water to separate storm drain system or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

Failure to comply with the Permit is in violation of federal and state law. Contractor hereby agrees to indemnify and hold harmless the District, its Board members, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which the District, its Board members, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the sole negligence, willful misconduct or active negligence of the District, its Board members, officers, agents, employees or authorized volunteers. The District may seek damages from Contractor for delay in completing the Project caused by Contractor's failure to comply with the Permit.

SECTION 42. EQUAL OPPORTUNITY CLAUSE

Contractor herein agrees not to discriminate in its recruiting, hiring, promotion, demotion, or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, physical handicap, or other protected class in the performance of this Construction Services Agreement and to comply with the provisions of the following laws:

California Fair Employment and Housing Act (Government Code section 12900 et seq.), and any amendments thereto, prohibiting discrimination or harassment of an employee or applicant because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, age, sex, gender, gender identity, gender expression, sexual orientation, or military or veteran status;

Federal Civil Rights Act of 1964 (42 USC 2000e et seq.), and any amendments thereto, prohibiting discrimination in employment on the basis of race, color, national origin, religion, or sex; Title I of the Americans With Disabilities Act of 1990 (42 USC 12101 et seq.) prohibiting discrimination against qualified individuals with a disability in hiring and employment practices;

The Age Discrimination in Employment Act (29 USC 621 et seq.), and any amendments thereto, prohibiting age discrimination in employment against individuals who are at least forty years of age;

California Labor Code prohibiting discrimination in any aspect of employment or opportunity for employment based on actual or perceived sexual orientation; and

Any other laws or regulations prohibiting discrimination as may be applicable to Contractor.

SECTION 43. COMPLIANCE WITH DTSC GUIDELINES – IMPORTED SOIL/SOILS INSPECTION

If the Project requires the use of imported soils, Contractor shall be responsible to use and shall certify that the imported material it uses is free of any hazardous and/or toxic substance or material of any nature or type as defined in California Law and the California Health and Safety Code. District reserves the right to reject any imported material that has come from agricultural or commercial land uses. Contractor must notify District of the source of material and comply with all applicable Regional Water Quality Control Board rules, regulations, and resolutions and when applicable, with the guidelines of the Department of Toxic Substances Control (“DTSC”).

Unless otherwise provided, when a soils investigation report obtained from test holes at the site is available, such report shall not be a part of this Construction Services Agreement. Nevertheless, with respect to any such soils investigation and/or geotechnical report regarding the Site, it shall be the responsibility of Contractor to review and be familiar with such report. Any information obtained from such report or any information given on drawings as to subsurface soil condition or to elevations of existing grades or elevations of underlying rock is approximate only, is not guaranteed, and does not form a part of this Construction Services Agreement, unless otherwise specifically provided. Contractor is required to make a visual examination of the Site and must

make whatever tests it deems appropriate to determine the underground condition of the soil. Limited soil tests and subsurface investigations, if any, are available for review and consideration by Contractor and were conducted for the purpose solely as a matter of convenience and general information for Contractor and Contractor is expected to review and be familiar with such information. No representation is made by District or Architect that the information provided is completely representative of all conditions and materials which may be encountered. If such a report is referenced in the Contract Documents for performance of the Project, such reference shall be to establish minimum requirements only. Further, no representation is made by District or Architect that information provided is solely adequate for the purposes of construction. District disclaims responsibility for interpretations by Contractor of soil and subsurface investigation, such as in protecting soil-bearing values, rock profiles, presence and scope of boulders and cobbles, soil stability and the presence, level, and extent of underground water. Contractor shall determine means, methods, techniques, and sequences necessary to achieve the required characteristics of completed work. Conditions found after execution of the Construction Services Agreement to be materially different from those reported and which are not customarily encountered in the geographic area of the Project shall be governed by the provisions of this Construction Services Agreement for unforeseen conditions.

SECTION 44. PATENTS; ROYALTIES, AND INDEMNITIES

Contractor shall hold and save District and its officers, agents, and employees harmless from liability of any nature or kind, including cost and expense, for or on account of any patented or unpatented invention, process, article, or appliance manufactured or used in the performance of this Construction Services Agreement, including its use by District, unless otherwise specifically stipulated in this Construction Services Agreement.

SECTION 45. EXCISE TAX

If under federal excise tax law any transaction hereunder constitutes a sale on which a federal excise tax is imposed and the sale is exempt from such excise tax because it is a sale to a state or local government for its exclusive use, District, upon request, will execute a certificate of exemption which will certify (a) that District is a political subdivision of the state for the purposes of such exemption and (b) that the sale is for the exclusive use of District. No excise tax for such materials shall be included in the GMP.

SECTION 46. PROHIBITED INTERESTS

No official of District and no District representative who is authorized in such capacity and on behalf of District to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting, or approving any architectural, engineering, inspection, construction, or material supply contract or any subcontract in connection with the construction of the Project, shall be or become directly or indirectly interested financially in this Construction Services Agreement or any part thereof. No officer, employee, architect, attorney, engineer, or inspector of or for District who is authorized in such capacity and on behalf of District to exercise any executive, supervisory, or other similar functions in connection with construction of the Project, shall become directly or indirectly interested financially in this Construction Services Agreement or in any part thereof.

SECTION 47. DRUG-FREE WORK PLACE, NO ASBESTOS AND HAZARDOUS MATERIALS CERTIFICATION

Drug-Free Workplace Certification

Contractor shall, for all contracts involving state funds, submit a “Drug-Free Workplace Certification.” This form is attached hereto as Exhibit “F” and must be signed under penalty of perjury and dated prior to commencing work on the Project.

Asbestos and Other Hazardous Materials Certification

Contractor shall execute and submit an “Asbestos and Other Hazardous Materials Certification.” This form is attached hereto as Exhibit “H” and must be signed under penalty of perjury and dated prior to commencing work on the Project.

Contractor, further, is aware that should asbestos-containing materials be installed by Contractor in violation of this certification, or if removal of asbestos-containing-materials is part of the Project, decontamination and removal will be performed in accordance with the requirements of all applicable laws and will meet the following criteria:

Decontamination and removal of work found to contain asbestos or work installed with asbestos-containing equipment shall be done only under the supervision of a qualified consultant, knowledgeable in the field of asbestos abatement and accredited by the Environmental Protection Agency (“EPA”).

The asbestos removal contractor shall be an EPA accredited contractor qualified in the removal of asbestos and shall be chosen and approved by the asbestos consultant who shall have sole discretion and final determination in this matter.

The asbestos consultant shall be chosen and approved by District which shall have sole discretion and final determination in this matter.

The work will not be accepted until asbestos contamination is reduced to levels deemed acceptable by the asbestos consultant.

If removal of asbestos-containing materials is part of the Project, the cost of all asbestos removal, including, but not necessarily limited to, the cost of the asbestos removal contractor, the cost of the asbestos consultant, analytical and laboratory fees, time delays, and additional costs that may be incurred by District shall be borne entirely by Contractor.

Hold Harmless: Interface of work for the Project with work containing asbestos shall be executed by Contractor at its risk and at its discretion with full knowledge of the currently accepted standards, hazards, risks, and liabilities associated with asbestos work and asbestos-containing products. By execution of the Construction Services Agreement, Contractor acknowledges the above and agrees to the fullest extent permitted by law to hold harmless District, its Board, and each member of the

Board, its officers, employees, agents, representatives, including its Architect and assigns, for all asbestos liability which may be associated with this work. Contractor further agrees to instruct its employees with respect to the above-mentioned standards, hazards, risk, and liabilities.

SECTION 48. LAWS AND REGULATIONS

Contractor shall give all notices and comply with all laws, ordinances, rules, and regulations bearing on the conduct of work as indicated and specified. If Contractor observes that drawings and specifications are at variance therewith, it shall promptly notify Architect in writing and any necessary changes shall be adjusted as provided in this Construction Services Agreement for changes in work. If Contractor performs any work knowing it to be contrary to such laws, ordinances, rules, and regulations, and without such notice to District's Architect, it shall bear all costs arising therefrom.

Contractor shall be responsible for familiarity with the Americans with Disabilities Act ("ADA") (42 USC Section 12101 et seq.). Installations of equipment and other devices shall be in compliance with ADA regulations.

SECTION 49. EXECUTION OF OTHER DOCUMENTS

The Parties to this Agreement shall cooperate fully in the execution of any and all other documents in the completion of any additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of the Contract.

SECTION 50. EXECUTION IN COUNTERPARTS

This Agreement must be executed in counterparts such that the signatures may appear on separate signature pages. A copy, or an original, with all signatures appended together, shall be deemed a fully executed Agreement.

SECTION 51. AGREEMENT MODIFICATIONS

No waiver, alteration, or modification of any of the provisions of this Construction Services Agreement shall be binding upon either District or Contractor unless the same shall be in writing and signed by both District and Contractor.

SECTION 52. NOTICES

All communications in writing between District and Contractor, including, without limitation, applications for payment, shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or by fax followed by regular mail, addressed as follows:

If to Contractor:

S+B James Construction Management Company
1450 Halyard Drive, Suite
West Sacramento, CA 95691
Attn: Silas Nigam

If to District:

Galt Joint Union Elementary School District
1018 C Street, Suite 210
Galt, CA 95632
Attn: Lois Yount, Director of Business Services/CBO

With a Copy to:

Parker & Covert LLP
2520 Venture Oaks Way, Suite 190
Sacramento, CA 95833
Attn: Addison Covert

For the purpose of directions, the representative from Contractor shall be _____, Project Manager, or _____, Superintendent, and District's representative shall be Lois Yount, unless otherwise specified in writing.

SECTION 53. THIRD-PARTY CLAIMS

Pursuant to Public Contract Code Section 9201, District shall provide Contractor with timely notification of the receipt of any third-party claim, relating to the Construction Services Agreement. District is entitled to recover its reasonable costs incurred in providing such notification.

SECTION 54. ASSIGNMENT

Neither party to this Construction Services Agreement shall assign this Construction Services Agreement or sublet it as a whole without the written consent of the other, nor shall Contractor assign any monies due or to become due to it hereunder without the prior written consent of District.

SECTION 55. HEADINGS/RECITALS

The headings herein contained are inserted only as a matter of convenience and reference and are not meant to define, limit, or describe the scope or intent of the Contract Documents or in any way to affect the terms and provisions set forth herein. The Recitals set forth at the beginning of this Construction Services Agreement are hereby incorporated herein by this reference.

SECTION 56. INTEGRATION/MODIFICATION

This Construction Services Agreement represents the entire understanding of District and Contractor as to those matters contained herein; it supersedes and cancels any prior oral or written understanding, promises, or representations with respect to those matters covered herein; and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto. The Contract is intended as the complete and exclusive statement of the Parties' agreement pursuant to California Code of Civil Procedure section 1856.

SECTION 57. APPLICABLE LAW/PROVISIONS REQUIRED BY LAW DEEMED INSERTED; SEVERABILITY

The terms and provisions of this Construction Services Agreement shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Construction Services Agreement, the action shall be brought in a state court situated in the County of Sacramento, State of California, unless a court finds jurisdiction or venue is only proper in a federal court or a court outside this county.

Each and every provision of law and clause required by law to be inserted in this Construction Services Agreement shall be deemed to be inserted herein and the Construction Services Agreement shall be read and enforced as though it were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party, the Construction Services Agreement shall forthwith be physically amended to make such insertion or correction.

If a court of competent jurisdiction shall hold any provision of the Contract invalid or unenforceable, then such holding is not invalidate or render unenforceable any other provision hereof.

SECTION 58. SUCCESSION OF RIGHTS AND OBLIGATIONS

Contractor, by execution of this Agreement, acknowledges that Contractor has read this Agreement and the other Contract Documents, understands them, and agrees to be bound by their terms and conditions. All rights and obligations under this Construction Services Agreement shall inure to and be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have, by their duly authorized representatives, executed this Construction Services Agreement, in duplicate, as of the day and year first above written.

CONTRACTOR:

DISTRICT:

S+B James Construction Management Co.

Galt Joint Union Elementary School District

By: _____

By: _____

Its: _____

Its: _____

EXHIBIT "A"

Description of Project

The Project shall constitute the work identified in the drawings and specification dated August 24, 2018, prepared by PBK Architects, Addendum and Clarification as noted on the drawings log dated 1-16-2019.

The scope of the work included renovation of restrooms in Building A and B, cosmetic repair to existing portables, new fire alarm system, 4 new HVAC units and upgrade to the existing building management system, demo of existing building skin and replace with Stucco or Nichiha panels, demo and replacement of existing canopies and new roof overlay on the existing built-up roof.

EXHIBIT "B"

Map of Site

BAY LANDING WAY

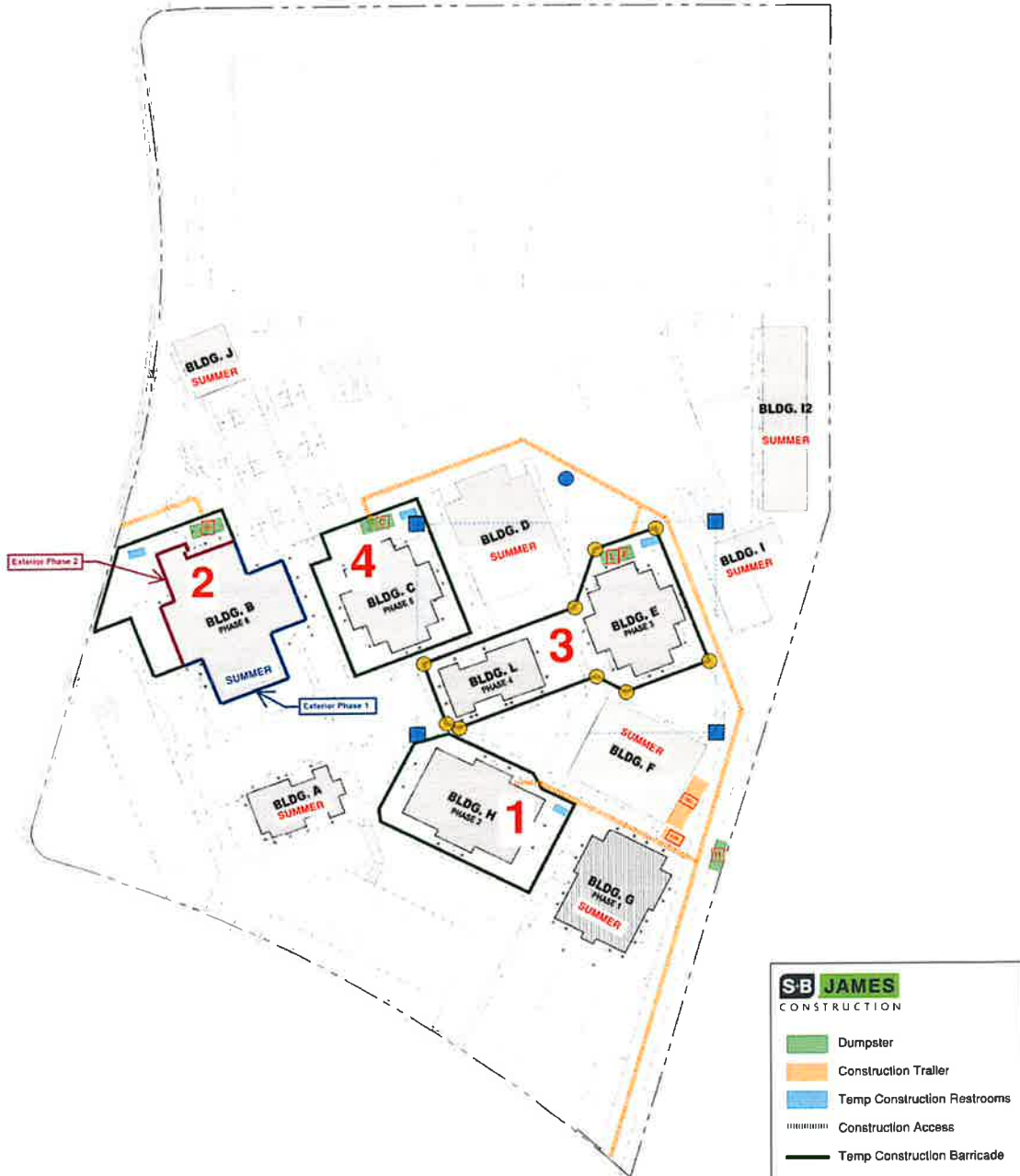


EXHIBIT "B"

Master Budget

EXHIBIT B - BASIS OF ESTIMATE

The Basis of Estimate is a written explanation clarifying the assumptions and exclusions used in establishing the Estimate for the Galt Joint Union Elementary School District, Marengo Ranch Elementary School Building Modernization. The estimate is based on the following documents, DSA approved drawings 8/24/18, Addendum#1 & 2, Bid Clarifications and Clarification log. See attached drawings log dated 1-16-2019 for more detail.

ALLOWANCES

“Allowance” are considered to be an allotted sum of money included for a particular system or scope of work for which sufficient detail is not available to determine a definitive cost. These allowances are included to project a final cost to include labor, material, equipment and any subcontractor costs. A reasonable estimate for an assumed scopes and quality is included as a placeholder.

1. Additional T111 Dry Rot Repair at Portables not indicated on documents	\$18,000
2. New Nailer at Parapet Caps and Gutters if dry rot is found during demolition	\$57,000
3. Nichiha Mechanical Screen Wall Returns at Building H	\$40,000
4. Modification of Metal Roof gable ends at Building C, E, G, L and A	\$67,000
5. Modification of Metal Roofs at Building C, E, and G to tuck overlay under roof	\$200,000
6. Eve/Fascia Painted Metal Cap over existing Plaster	\$21,000
7. New Sill Flashing at Standard Windows	\$51,000
8. New Window Flashings at (e) Circular Windows	\$8,000
9. New Sill Flashing at (e) Kalwall Windows	\$36,000
10. Replacement of damaged Thermal Insulation at Exterior Walls	\$14,000
11. Interior Finish due to sill plate dry rot at Building H	\$9,000

CONTINGENCIES

SB James recommends that team members understand and establish a definition for contingencies. We have included the following contingencies and present our definitions for these funds.

1. Construction Contingency is included as a percentage of overall cost of work. The Construction Contingency can be committed by SB James without authorization from the Owner in order to cover cost anticipated but not committed on the current construction documents. These costs may include “scope busts” (i.e. coordination issues between trades), missed scope during the subcontractor bidding process and inefficiencies created by such items as weather, mishaps, etc. Construction Contingency does not account for design revisions or design development. We have included a Construction Contingency of **2.5%**.

CLARIFICATIONS

Please note the following clarifications:

1. GUESD IT will remove existing speakers for PA system and security cameras prior to start of demolition. Upon completion of Façade GUESD IT will re-install fixtures and make final connections. We have not included any re-programming of headend equipment for this scope if required to get system up and running again.
2. AC-A2, AC-G3, AC-C2, and AC-E2 are the only HVAC units to be replaced.

3. Balancing is not included on the existing systems. Post balance is included for new AC units only
4. Per direction from PBK Trash enclosure at Building B will receive Plaster finish.
5. All buildings to receive roof overlay in lieu of demo and new roofing.
6. Existing roof hatches to remain.
7. Patching and painting of ornamental fence included for our scope of work only.
8. At Building A where wall paper is disturbed due to scope of work at Fire Alarm Panel and Circular window repair will consist of drywall skimming and painting in lieu of trying to match existing wall paper. This will be done only on that wall from corner to corner.
9. **Hazardous Material report will be required by demolition subcontractors prior to start of work.**
10. Per direction from PBK we should not have remove existing windows, doors, translucent panels in order to provide flashing around openings. PBK to provide detail on how to flash around existing windows, doors, and translucent panels. See Allowance #7, #8, and #9 carried by S+B James for this scope.
11. Rodent abatement to be completed by GUESD directly.
12. Per meeting with PBK, MEOR, and Kevin we are not installing a new BMS system. The existing will be modified to tie-in to existing management system for the district. We have included replacement of malfunctioning units E1, E6, and kitchen unit only.
13. Its difficult to visually see if a joggle cleat is currently installed at standing seam roof. If joggle cleat is installed than standing seam roofs will need to be completely removed with a new joggle cleat and mastic installed in order to run the new overlay roofing per the manufacture. See Allowance #5 carried by S+B James.
14. Specification sections 07 14 00 "Cold Fluid Applied Waterproofing", 07 16 00 "Below Grade Waterproofing", and 07 19 00 "Water Repellents" are excluded and PBK will remove this specification as Moxie Concrete Additive will be used to address waterproofing at trench pour back at interior locations.
15. We have assumed that the metal cap at eaves and gable ends will be field painted.
16. Acid etching at galvanized metal roofs will not be required prior to application of paint per specification.
17. At areas where dry rot repair has been identified in the documents S+B James will replace wood trim and T111. No epoxy sealer will be used or needed at these location.

EXCLUSIONS

Please note the following exclusions:

1. Hazardous Materials survey, abatement, monitoring and clearance testing
2. Replacement of existing windows and doors unless noted on documents.
3. Construction power, gas and water usage costs.
4. Utility connection fees (i.e. Domestic Water, Sanitary Sewers, Storm Drain, Fire Water, etc.)
5. Inspection costs or fees, permits, and plan check costs & fees.
6. Moving, storage, or relocation of owner equipment or materials.
7. **Prior to commencement of demolition owner to provide in writing items to be salvaged.**
8. Any special testing and inspections including, but not limited to, structural.
9. Site improvements or structural upgrades to existing nonconforming structures including seismic upgrades, unless noted on plans.
10. Un-foreseeable subsurface concealed conditions or any other conditions not shown on the plans.
11. Estimate does not include fire watch during construction non-working times or days.
12. Flooring leveling in restrooms if required, standard floor prep is included.
13. Replacing metal stud framing, insulation, and drywall if dry rot, rusting, or moisture intrusion is detected at time of demolition.
14. Third party roofing consultant to be provided by Owner if required.
15. Testing of plumbing leaks on existing system.
16. Pull testing of existing fasteners and sheathing on existing roofing.
17. Any asphalt scope of work including, but not limited to, repair of existing asphalt at GUESD Connex Box adjacent to Building F.
18. All landscaping, replanting, irrigation repairs, reconfiguration, etc. to be completed by GUESD.
19. Tie-in of mechanical controls to security, life safety, lighting, receptacle control, fire alar, or power monitoring.

- END OF BASIS OF ESTIMATE -



Exhibit B - GMP

CONSTRUCTION

Project: Marengo Ranch Elementary School - Building Improvements

January 16, 2019

Architect: PBK Architects Inc.

Estimator: Heman Chand

AREA SUMMARY:

Total SF of Buildings

48,000 SF

CSI DIVISION	DESCRIPTION	Subtotal	\$/sf
0	GENERAL CONDITIONS REQUIREMENTS	\$ 587,630	12.24
1	GENERAL REQUIREMENTS	\$ 264,404	5.51
2	EXISTING CONDITIONS	\$ 497,248	10.36
3	CONCRETE	\$ 189,880	3.96
5	METALS	\$ 370,746	7.72
6	WOOD, PLASTICS & COMPOSITES	\$ 339,185	7.07
7	THERMAL & MOISTURE PROTECTION	\$ 1,999,258	41.65
8	OPENINGS	\$ 590,401	12.30
9	FINISHES	\$ 966,454	20.13
10	SPECIALTIES	\$ 40,419	0.84
22	PLUMBING	\$ 77,882	1.62
23	MECHANICAL	\$ 288,645	6.01
26	ELECTRICAL	\$ 403,396	8.40
32	EXTERIOR IMPROVEMENTS	\$ -	-
	Subtotal	\$ 6,615,548	137.82
1.25%	General Liability Insurance	\$ 82,694	1.72
0.30%	Builders Risk	\$ 20,095	0.42
3.85%	Fee	\$ 258,656	5.39
	Subtotal	\$ 6,976,993	145.35
2.50%	Construction Contingency	\$ 174,425	3.63
2.50%	Design Contingency (Errors and Omissions)	\$ 174,425	3.63
1.25%	Payment and Performance Bond	\$ 91,573	1.91
	Subtotal	\$ 440,423	9.18
TOTAL CONSTRUCTION BUDGET		\$ 7,417,416	154.53

**Exhibit B - Estimate Detail Report
Marengo Ranch Elementary School - Building Improvements**

1/16/2019

Location	CSI	CSI Codes	Description	Takeoff Quantity	Total Cost/Unit	Total Amount	Notes
00	007200	General Conditions	Monthly Cost Per RFP	68.00 wks	8,148 wks	554,030	
			Additional SBJ Field Supervision	12.00 wks	2,800 wks	33,600	
			<i>General Conditions</i>	<i>48,000 sf</i>	<i>12.24 sf</i>	587,630	
			GENERAL CONDITIONS REQUIREMENTS	48,000.00 sf	12.24 sf	587,630	
			GENERAL REQUIREMENTS				
01	01 00 00	General Requirements	General Requirements	66.00 wks	3,854.61 wks	254,404	
			Final Clean at Building A and B Restrooms	1.00 ls	5,000.00 ls	5,000	
			<i>General Requirements</i>	<i>48,000 sf</i>	<i>5.40 sf</i>	259,404	
01 35 33		Infection Control Procedures	Infection Control / Duct barrier - Interior Work	wks	wks	-	
			<i>Infection Control Procedures</i>	<i>48,000 sf</i>	<i>0.00 sf</i>	-	
01 56 16		Temporary Dust Barriers	Exterior Protection	ls	ls	-	
			Interior Protection	1.00 ls	5,000.00 ls	5,000	
			<i>Temporary Dust Barriers</i>	<i>48,000 sf</i>	<i>0.10 sf</i>	5,000	
01 57 15		Integrated Pest Management	Rodent Abatement at Building H	0.00 ls	5,000.00 ls	-	By Owner
			<i>Integrated Pest Management</i>	<i>48,000 sf</i>	<i>0.00 sf</i>	-	
			GENERAL REQUIREMENTS	48,000.00 sf	5.51 sf	264,404	
			EXISTING CONDITIONS				
02	02 41 19	Demolition	Demolition	1.00 ls	456,548.00 ls	456,548	Restec
			Gate and Fence Modifications for Construction Activities	5.00 ea	3,500.00 ea	17,500	
			Site SWPPP	1.00 ls	10,000.00 ls	10,000	
			Dewatering of Footings During Winter Months	48.00 ea	115.00 ea	5,520	
			Footling Fall Protection	96.00 ea	80.00 ea	7,680	
			<i>Demolition</i>	<i>48,000 sf</i>	<i>10.36 sf</i>	497,248	
			EXISTING CONDITIONS	48,000.00 sf	10.36 sf	497,248	
			CONCRETE				
03	03 30 00	Cast-In-Place Concrete	Concrete	1.00 ls	189,880.00 ls	189,880	Urata
			<i>Cast-In-Place Concrete</i>	<i>48,000 sf</i>	<i>3.96 sf</i>	189,880	
			CONCRETE	48,000.00 sf	3.96 sf	189,880	
			METALS			0	
05	05 12 00	Structural Steel					



Exhibit B - Estimate Detail Report
Marengo Ranch Elementary School - Building Improvements

1/16/2019

Location	CSI	CSI Codes	Description	Takeoff Quantity	Total Cost/Unit	Total Amount	Notes
			Steel	1.00 ls	370,746.00 ls	370,746	San Joaquin Steel
			<i>Structural Steel</i>	<i>48,000 sf</i>	<i>7.72 sf</i>	370,746	
05 40 00			Cold-Formed Metal Framing				
			See 09 21 16 - Gypsum Wall Board Assemblies	If	If	-	Included in Delta City Drywall Number
			<i>Cold-Formed Metal Framing</i>	<i>48,000 sf</i>	<i>0.00 sf</i>		
			METALS	48,000.00 sf	7.72 sf	370,746	
			WOOD, PLASTICS & COMPOSITES				
06		06 16 00	Sheathing				
			Exterior Sheathing at A, B, C, D, E, G	1.00 ls	204,615.00 ls	204,615	Delta City Drywall
			<i>Sheathing</i>	<i>48,000 sf</i>	<i>4.26 sf</i>	204,615	
06 10 53			Miscellaneous Rough Carpentry				
			MEP Blocking	4.00 ea	2,500.00 ea	10,000	
			Wood Trim at Portables	845.00 lf	16.00 lf	13,520	
			T111 Dry rot Repair	106.00 sf	45.00 sf	4,770	
			Additional T111 Dry rot Repair	500.00 sf	36.00 sf	18,000	Allowance
			Repairs at (e) Canopy to Building Conditions	657.00 lf	40.00 lf	26,280	
			New Nailer at Parapet Cap and Gutter	1.00 ls	57,000.00 ls	57,000	Allowance - 2530 LF
			Hardie Soffits at Building G Canopy	84.00 sf	59.52 sf	5,000	
			<i>Miscellaneous Rough Carpentry</i>	<i>48,000 sf</i>	<i>2.80 sf</i>	134,570	
			WOOD, PLASTICS & COMPOSITES	48,000.00 sf	7.07 sf	339,185	
			THERMAL & MOISTURE PROTECTION				
07		07 13 26	Self Adhering Sheet Waterproofing				
			Self Adhering Sheet Waterproofing	1.00 ls	141,392.00 ls	141,392	Boeger Plaster
			<i>Self Adhering Sheet Waterproofing</i>	<i>48,000 sf</i>	<i>2.95 sf</i>	141,392	
07 21 00			Thermal Insulation				
			Batt Insulation	0.00 ls	0.00 ls	-	Included Below in 09 21 16
			<i>Thermal Insulation</i>	<i>48,000 sf</i>	<i>0.00 sf</i>		
07 46 27			Exterior Fiber-Cement Siding and Trim Nichiha				
			Nichiha Rain Screen Panels	1.00 ls	717,096.00 ls	717,096	Construction Ahead
			Nichiha Expansion Joint Building H	45.00 lf	175.00 lf	7,875	
			Nichiha Mechanical Well Returns at Building H	4.00 ea	10,000.00 ea	40,000	Allowance
			<i>Exterior Fiber-Cement Siding and Trim Nichiha</i>	<i>48,000 sf</i>	<i>15.94 sf</i>	764,971	
07 54 19			PVC Thermoplastic Membrane Roofing				
			Roofing Scope	1.00 ls	804,895.00 ls	804,895	Kings Roofing
			Modify Metal Roofing at Gable Ends of Building C, E, G, L, and A	1.00 ls	67,000.00 ls	67,000	Allowance
			Building C, E, G lifting Standing Seam Roof to run 12" overlay up roof	1.00 ls	200,000.00 ls	200,000	Allowance
			Eave Cap at Building A and G	221.00 lf	95.02 lf	21,000	Allowance
			<i>PVC Thermoplastic Membrane Roofing</i>	<i>48,000 sf</i>	<i>22.77 sf</i>	1,092,895	
07 84 00			Joint Firestopping				



**Exhibit B - Estimate Detail Report
Marengo Ranch Elementary School - Building Improvements**

1/16/2019

Location	CSI	CSI Codes	Description	Takeoff Quantity	Total Cost/Unit	Total Amount	Notes
		07 92 00	Joint Sealants	LS 48,000 sf	0.00 sf	-	
			Firestop System	LS		-	
			Joint Firestopping	LS		-	
			Caulking	LS		-	
			Joint Sealants	48,000 sf	0.00 sf	-	
			THERMAL & MOISTURE PROTECTION	48,000.00 sf	41.65 sf	1,999,258	
			OPENINGS				
08		08 11 13	Hollow Metal Doors and Frames	6.00 ea	900.00 ea	5,400	
			Furnish HM Frame	6.00 ea	1,500.00 ea	9,000	
			Furnish and Install Door and Hardware	48,000 sf	0.30 sf	14,400	
			Hollow Metal Doors and Frames				
			Kalwall Canopies	5,634.00 sf	84.58 sf	476,501	
			Insulated Translucent Wall and Roof Assemblies	5,634 sf	84.58 sf	476,501	
			Sec 08 80 00	ea		-	
			Aluminum Windows	48,000 sf	0.00 sf	-	
			08 80 00 Glazing				
			Includes Window #100 above	1.00 ls	4,500.00 ls	4,500	
			New Sill Flashing at Standard Windows	68.00 ea	750.00 ea	51,000 Allowance	
			New Flashing at Circular Windows	4.00 ea	2,000.00 ea	8,000 Allowance	
			New Sill Flashing at (e) Kalwall Windows	119.00 lf	302.52 lf	36,000 Allowance	
			Glazing	17 sf	5,820.23 sf	99,500	
			OPENINGS	48,000.00 sf	12.30 sf	590,401	
			FINISHES				
09		09 21 16	Gypsum Board Assemblies	1.00 ls	68,263.00 ls	68,263	Delta City Drywall
			Framing and Drywall	4,500.00 sf	3.11 sf	14,000 Allowance	
			Replacement of damaged Thermal Insulation at Exterior Walls	20.00 lf	450.00 lf	9,000 Allowance	
			Interior Finish due to sill plate dry rot at Building H	48,000 sf	1.90 sf	91,263	
			Gypsum Board Assemblies				
			Plester at Building B, C, E, F	1.00 ls	592,985.00 ls	592,985	Boeger Plaster
			Cement Plastering	48,000 sf	12.35 sf	592,985	
			Wall and Floor Tile	1.00 sf	48,606.00 sf	48,606	Nor Cal Tile and Stone
			Tiling	48,000 sf	1.01 sf	48,606	
			Vinyl to match Existing	45.00 sf	24.00 sf	1,080	



**Exhibit B - Estimate Detail Report
Marengo Ranch Elementary School - Building Improvements**

1/16/2019

Location	CSI	CSI Codes	Description	Takeoff Quantity	Total Cost/Unit	Total Amount	Notes
			Vinyl Floor Patching at Drinking Fountain Building B	30.00 sf	24.00 sf	720	
			Carpet Floor Patching at Building A	96.00 sf	24.00 sf	2,304	
			<i>Resilient Tile Flooring</i>	<i>587,630 sf</i>	<i>0.01 sf</i>	<i>4,104</i>	
09 84 13			<i>Fixed Sound Absorptive Panels</i>				
			Damaged ACT	2,400.00 sf	6.25 sf	15,000	Allowance
			ACT Grid and Tile Patchwork at Restrooms	1.00 ls	5,000.00 ls	5,000	
			<i>Fixed Sound Absorptive Panels</i>	<i>2,400 sf</i>	<i>8.33 sf</i>	<i>20,000</i>	
09 90 00			<i>Paint and Coatings</i>				
			Painting	1.00 ls	184,296.00 ls	184,296	VPI
			Misc. Caulking	7.00 ea	2,857.14 ea	20,000	
			Wall Paper Patch and Repair at Building A	1.00 ls	5,200.00 ls	5,200	
			<i>Paint and Coatings</i>	<i>48,000 sf</i>	<i>4.36 sf</i>	<i>209,496</i>	
			FINISHES	48,000.00 sf	20.13 sf	966,454	
			SPECIALTIES				
10		10 14 00	Graphics (Signage)				
			Misc. Interior Signage	15.00 ea	251.87 ea	3,778	Specialized Graphics
			Entrance Signage (Building A Only)	1.00 ls	10,000.00 ls	10,000	Allowance
			New Signage at doors	52.00 ea	211.54 ea	11,000	Allowance
			Removal and replacement of all site signage, plaques, markers, etc.	10.00 ea	200.00 ea	2,000	Allowance
			<i>Graphics (Signage)</i>	<i>48,000 sf</i>	<i>0.56 sf</i>	<i>26,778</i>	
10 21 13			Toilet Partitions				
			Toilet Partitions	6.00 ea	1,208.33 ea	7,250	JD Specialties
			<i>Toilet Partitions</i>	<i>48,000 sf</i>	<i>0.15 sf</i>	<i>7,250</i>	
10 28 13			Toilet Accessories				
			Toilet Accessories	6.00 ea	1,065.17 ea	6,391	JD Specialties
			<i>Toilet Accessories</i>	<i>48,000 sf</i>	<i>0.13 sf</i>	<i>6,391</i>	
			SPECIALTIES	48,000.00 sf	0.84 sf	40,419	
			PLUMBING				
22		22 00 00	Plumbing				
			Plumbing	1.00 ls	63,482.00 ls	63,482	Mark III
			Replacement of (e) roof drain strainers if damaged	32.00 ea	450.00 ea	14,400	Does not include drain body
			<i>Plumbing</i>	<i>48,000 sf</i>	<i>1.62 sf</i>	<i>77,882</i>	
			PLUMBING	48,000.00 sf	1.62 sf	77,882	
			MECHANICAL				
23		23 00 00	Mechanical				
			Mechanical	1.00 ls	288,645.00 ls	288,645	Mark III
			<i>Mechanical</i>	<i>48,000.00 sf</i>	<i>6.01 sf</i>	<i>288,645</i>	
			MECHANICAL	48,000.00 sf	6.01 sf	288,645	
			ELECTRICAL				
26		26 00 00					



**Exhibit B - Estimate Detail Report
Marengo Ranch Elementary School - Building Improvements**

1/16/2019

Location	CSI	CSI Codes	Description	Takeoff Quantity	Total Cost/Unit	Total Amount	Notes
			Electrical				
			Remove and Replace exterior conduit and panels at Building H	1.00 ls	373,396.00 ls	373,396	Mark III
			Investigate (e) pathways	5.00 ea	3,000.00 ea	15,000	
				1.00 ls	15,000.00 ls	15,000	
			<i>Electrical</i>	48,000.00 sf	8.40 sf	403,396	
			ELECTRICAL	48,000.00 sf	8.40 sf	403,396	
			EXTERIOR IMPROVEMENTS				
			<i>Exterior Improvements</i>				
32	32	00 00	Remove Landscape for Construction Activities	48,000.00 sf	0.00 sf		- Provided by Owner per Cost Impact Log Item #3
			Safe off Sprinkler System	1.00 ls	0.00 ls		- Provided by Owner per Cost Impact Log Item #3

EXHIBIT "C"

Payment Bond

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the Galt Joint Union Elementary School District ("District"), by Board action on January 24, 2019, has awarded to S+B James, designated as the "Principal," a contract for the work described as follows:

Construction Services for the Marengo Ranch Elementary School building modernization;

WHEREAS, said Principal is required by Division 4, Part 6, Title 3, Chapter 5 (commencing at section 9550) of the California Civil Code to furnish a bond in connection with said contract;

NOW THEREFORE, we the Principal and _____ as Surety, an admitted Surety insurer pursuant to Code of Civil Procedure, section 995.120, are held and firmly bound unto the Galt Joint Union Elementary School District in the penal sum of _____ Dollars (\$ _____) (this amount being not less than one hundred percent (100%) of the total bid price of the contract awarded by the District to the Principal), lawful money of the United States of America for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal or its heirs, executors, administrators, successors, assigns, or subcontractors shall fail to pay any person or persons named in Civil Code section 9100 or fail to pay for any materials, provisions, or other supplies, used in, upon, for, or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code, with respect to work or labor thereon of any kind, or shall fail to deduct, withhold, and pay over to the Employment Development Department, any amounts required to be deducted, withheld, and paid over by section 13020 of the Unemployment Insurance Code with respect to work and labor thereon of any kind, or for amounts due as withholding tax pursuant to Section 18663 of the Revenue and Taxation Code, then said Surety will pay for the same, in or to an amount not exceeding the amount hereinabove set forth, and also will pay in case suit is brought upon this bond, such reasonable attorney's fees as shall be fixed by the court, awarded and taxed as provided in Division 4, Part 6, Title 3, Chapter 5 (commencing at section 9550) of the California Civil Code.

This bond shall inure to the benefit of any of the persons, companies, and corporations named in section 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety of this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement pertaining or relating to any scheme or work of improvement hereinabove described or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement hereinabove described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the District and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in sections 8400 and 8402 of the California Civil Code, and has not been paid the full amount of his or its claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

Surety companies executing bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in California Insurance Code section 105, and if the work or project is financed, in whole or in part, with federal, grant or loan funds, Surety's name must also appear on the Treasury Department's most current list (Circular 570 as amended).

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of agent or representative for service of process in California, if different from above)

(Telephone Number of Surety and agent or representative for service of process in California)

IN WITNESS WHEREOF the parties have executed this instrument under their several seals this ____ day of _____, 2019, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal of
Principal, if Corporation)

Principal (Proper Name of Corporation)

By: _____

Signature

Title

By: _____

Signature

Title

(Corporate Seal of Surety)

Surety

By: _____

Attorney-in-Fact

(Attach Attorney-in-Fact
Certificate and Required
Acknowledgments

EXHIBIT "D"

Performance Bond

KNOW ALL MEN BY THESE PRESENTS: That

WHEREAS, the Galt Joint Union Elementary School District (hereinafter referred to as "District"), by Board action on January 24, 2019 has awarded to S+B James Construction Management as Principal, hereinafter designated as "Principal," a contract for the work described as follows:

Construction Services for the Marengo Ranch Elementary School Building Modernization.

AND WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance and guaranty of said contract.

NOW, THEREFORE, we the Principal and the undersigned Surety, an admitted Surety insurer pursuant to Code of Civil Procedure section 995.120 are held and firmly bound to the District, in the sum of _____ Dollars (\$_____) (this amount being not less than one hundred percent (100%) of the total bid price of the contract awarded by the District to the Principal), lawful money of the United States of America, for payment of which sum well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if the hereby bounded Principal, its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by and will and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the said contract and any alteration thereof made as therein provided, including, but not limited to the provisions regarding contract duration and liquidated damages, all within the time and in the manner therein designated in all respects according to their true intent and meaning; and shall faithfully fulfill guarantees of all materials and workmanship; and indemnify, defend and save harmless the District, its officers and agents, as stipulated in said contract, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the contract, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by District, during which time if Principal shall fail to make full, complete, and satisfactory repair and replacements and totally protect the District from loss or damage made evident during the period of one (1) year from the date of acceptance of the work, and resulting from or caused by defective materials or faulty workmanship, the above obligation in penal sum thereof shall remain in full force and effect. However, anything in this paragraph to the contrary notwithstanding, the obligation of Surety hereunder shall continue so long as any obligation of Principal remains.

Whenever Principal shall be, and is declared by the District to be, in default under the contract, the District having performed the District's obligations thereunder unless excused by Principal's breach or default, the Surety shall promptly either remedy the default, or shall promptly:

1. Complete the contract in accordance with its terms and conditions; or
2. Obtain a bid or bids for completing the contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, arrange for a contract between such bidder and the District, and make available as work progresses (even though there should be a default or succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price, but not exceeding, including other costs and damages for which Surety may be liable hereunder, the amount set forth in the first executory paragraph hereof. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Principal by the District under the contract and any modifications thereto, less the amount previously properly paid by the District to the Principal.

Surety expressly agrees that the District may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Principal.

Surety shall not utilize Principal in completing the contract nor shall Surety accept a bid from Principal for completion of the work if the District, when declaring the Principal in default, notifies Surety of the District's objection to Principal's further participation in the completion of the work.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the District named herein or the successors or assigns of the District. Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the contract falls due or is made, whichever occurs later.

FURTHER, the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or modification of the contract documents as defined in the Construction Services Agreement ("Contract Documents"), or of the work to be performed thereunder, or the specifications accompanying the same shall in any way affect its obligations on this bond; and it does hereby waive notice of any change, extension of time, alteration or modification of the Contract Documents, or of work to be performed thereunder, or of the specifications.

Principal and Surety agree that if the District is required to engage the services of an attorney in connection with enforcement of the bond, Principal and Surety shall pay District's reasonable attorney's fees incurred, with or without suit, in addition to the above sum.

FURTHER, the said Surety hereby agrees that in the event suit is brought upon this bond by the District and judgment is recovered, the Surety shall pay all costs incurred by the District in such suit, including a reasonable attorney's fees to be fixed by the court.

Surety companies executing bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in California Insurance Code section 105, and if the work or project is financed, in whole or in part, with federal, grant or loan funds, Surety's name must also appear on the Treasury Department's most current list (Circular 570 as amended).

Any claims under this bond may be addressed to:

(Name and Address of Surety)

(Name and Address of agent or representative for service of process in California, if different from above)

(Telephone Number of Surety and agent or representative for service of process in California)

[Signatures follow on next page]

IN WITNESS WHEREOF the parties have executed this instrument under their several seals this ____ day of _____, 2019, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal of
Principal, if Corporation)

Principal (Proper Name of Corporation)

By: _____

Signature

Title

By: _____

Signature

Title

(Corporate Seal of Surety)

Surety

By: _____

Attorney-in-Fact

(Attach Attorney-in-Fact
Certificate and Required
Acknowledgments)

EXHIBIT "E"

Fingerprint Certification

CONTRACTOR CERTIFICATION

With respect to the Construction Services Agreement dated _____, 2019 by and between Galt Joint Union Elementary School District ("District") and S+B James Construction Management Company. ("Contractor") for the provision of construction services, Contractor hereby certifies to the District's governing board that it has completed the criminal background check requirements of Education Code section 45125.1 and that none of its employees that may come in contact with District pupils have been convicted of a violent felony listed in Penal Code section 667.5(c) or a serious felony listed in Penal Code section 1192.7(c).

Contractor's Representative

Date

CONTRACTOR EXEMPTION

Pursuant to Education Code section 45125.1, the Galt Joint Union Elementary School District ("District") has determined that S+B James Construction Management Company ("Contractor") is exempt from the criminal background check certification requirements for the Construction Services Agreement dated _____, 2019 by and between the District and Contractor ("Contract") because:

The Contractor's employees will have limited contact with District students during the course of the Contract; or

Emergency or exceptional circumstances exist.

District Official

Date

SUBCONTRACTOR'S CERTIFICATION

The Galt Joint Union Elementary School District ("District") entered into a contract for construction services with S+B James Construction Management Company ("Contractor") on or about _____, 2019 ("Contract"). This certification is submitted by _____, a subcontractor or consultant to the Contractor for purposes of that Contract ("Subcontractor"). Subcontractor hereby certifies to the District's governing board that it has completed the criminal background check requirements of Education Code section 45125.1 and that none of its employees that may come in contact with District pupils have been convicted of a violent felony listed in Penal Code section 667.5(c) or a serious felony listed in Penal Code section 1192.7(c).

Subcontractor's Representative

Date

SUBCONTRACTOR'S EXEMPTION

The Galt Joint Union Elementary School District ("District") entered into a contract for construction services with S+B James Construction Management Company ("Contractor") on or about _____, 2019 ("Contract"). Pursuant to Education Code section 45125.1, the District has determined that _____, a subcontractor or consultant to the Contractor for purposes of that Contract ("Subcontractor"), is exempt from the criminal background check certification requirements for the Contract because:

- The Subcontractor's employees will have limited contact with District students during the course of the Contract; or
- Emergency or exceptional circumstances exist.

District Official

Date

EXHIBIT "F"

Drug-Free Workplace Certification

This Drug-Free Workplace Certification form is part of the Construction Services Agreement made by and between the Galt Joint Union Elementary School District ("District") and S+B James Construction Management Company ("Contractor") for the Marengo Ranch Elementary School Building Modernization ("Project") pursuant to the requirements mandated by Government Code section 8350 et seq., the Drug-Free Workplace Act of 1990. The Drug-Free Workplace Act of 1990 requires that every person or organization awarded a contract or grant for the procurement of any property or service from any State agency must certify that it will provide a drug-free workplace by doing certain specified acts. In addition, the Act provides that each contract or grant awarded by a State agency may be subject to suspension of payments or termination of the contract or grant, and the contractor or grantee may be subject to debarment from future contracting, if the contracting agency determines that specified acts have occurred.

Pursuant to Government Code section 8355, every person or organization awarded a contract or grant from a State agency shall certify that it will provide a drug-free workplace by doing all of the following:

- a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the person's or organization's workplace and specifying actions which will be taken against employees for violations of the prohibition;
- b) Establishing a drug-free awareness program to inform employees about all of the following:
 - 1) The dangers of drug abuse in the workplace;
 - 2) The person's or organization's policy of maintaining a drug-free workplace;
 - 3) The availability of drug counseling, rehabilitation and employee-assistance programs;
 - 4) The penalties that may be imposed upon employees for drug abuse violations;
- c) Requiring that each employee engaged in the performance of the contract or grant be given a copy of the statement required by subdivision (a) and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

I, the undersigned, agree to fulfill the terms and requirements of Government Code section 8355 listed above and will (a) publish a statement notifying employees concerning the prohibition of controlled substance at the workplace, (b) establish a drug-free awareness program, and

(c) require that each employee engaged in the performance of the Contract be given a copy of the statement required by section 8355(a) and requiring that the employee agree to abide by the terms of that statement.

I also understand that if the District determines that I have either (a) made a false certification herein, or (b) violated this certification by failing to carry out the requirements of section 8355, that the contract awarded herein is subject to termination, suspension of payments, or both. I further understand that, should I violate the terms of the Drug-Free Workplace Act of 1990, I may be subject to debarment in accordance with the requirements of section 8350 et seq.

I acknowledge that I am aware of the provisions of Government Code section 8350 et seq. and hereby certify that I will adhere to the requirements of the Drug-Free Workplace Act of 1990.

CONTRACTOR
S+B James Construction Management Company

Date: _____

By: _____

Its: _____

Date: _____

By: _____

Its: _____

EXHIBIT "G"

Contractor's Certificate Regarding Workers' Compensation

Labor Code section 3700 states that

"Every employer except the state shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this state.

(b) By securing from the Director of Industrial Relations a certificate of consent to self-insure either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

(c) For any county, city, city and county, municipal corporation, public district, public agency, or any political subdivision of the state, including each member of a pooling arrangement under a joint exercise of powers agreement (but not the state itself), by securing from the Director of Industrial Relations a certificate of consent to self-insure against workers' compensation claims, which certificate may be given upon furnishing proof satisfactory to the director of ability to administer workers' compensation claims properly, and to pay workers' compensation claims that may become due to its employees. On or before March 31, 1979, a political subdivision of the state which, on December 31, 1978, was uninsured for its liability to pay compensation, shall file a properly completed and executed application for a certificate of consent to self-insure against workers' compensation claims. The certificate shall be issued and be subject to the provisions of section 3702."

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the code, and I will comply with such provisions before commencing the performance of the work of this contract.

If contractor is a corporation, this Certification shall be executed by either the chairman of the board, president, or vice president, and if a different individual, also by the secretary, chief financial officer, or assistant treasurer.

[Signatures follow on next page]

(Proper Name of Contractor)

By: _____

(Signature of Authorized Signor)

(Title of Signor)

By: _____

(Signature of Authorized Signor)

(Title of Signor)

(In accordance with Article 5 (commencing at section 1860), Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this contract.)

EXHIBIT "H"

ASBESTOS AND OTHER HAZARDOUS MATERIALS CERTIFICATION

This Asbestos and Other Hazardous Materials Certification form is part of the Construction Services Agreement made by and between the Galt Joint Union Elementary School District (hereinafter referred to as the "District") and S+B James Construction Management Company (the "Contractor") for the Marengo Ranch Elementary School Building Modernization (hereinafter referred to as the "Project").

To the best of my knowledge, information, and belief, in completing the Contractor's work for the Project, no material furnished, installed, or incorporated into the Project will contain, or in itself be composed of, any asbestos, polychlorinated biphenyl (PCB), any material listed by the federal or state EPA or federal or state health agencies as a hazardous material, or any other material defined as being hazardous under federal or state laws, rules, or regulations.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this ____ day of _____, 2019 at _____

Name of Contractor (Print or Type)

By: _____
Signature

By: _____
Signature

Print Name

Print Name

Title

Title

Subscribed and sworn before me
this ____ day of _____, 201__

Notary Public in and for
the State of California

My Commission Expires: _____

EXHIBIT "I"

Monthly Skilled and Trained Workforce Report
Public Contract Code section 2600 et seq. and Education Code § 17407.5

Unless the Lease-Leaseback Entity is exempt, the following report must be provided to the District on a monthly basis while the Project is being performed. Receipt of this complete report is a condition of Tenant Improvement Payments under the Construction Services Agreement, and, as mandated by Public Contract Code section 2602(b) and (c), the District must withhold further payments until a complete report is provided. Further, if a monthly report does not demonstrate compliance with Public Contract Code section 2601(d), District shall withhold further payments until Contractor provides a plan to achieve substantial compliance with respect to the relevant apprenticeable occupation prior to completion of the Project.

Through Month: _____, 201_

LEASE-LEASEBACK ENTITY AND ALL TRADE/SUBCONTRACTORS (all tiers)	LICENSE NUMBER	PERCENTAGE OF GRADUATED JOURNEYPerson WORKERS¹
Lease-Leaseback Entity		

I certify that only a skilled and trained workforce has been present on the project and that the information shown above is accurate and complete to the best of my knowledge and belief. Further, I am duly authorized to certify the report on behalf of the company identified below, and acknowledge that submission of this report is an express condition of payment.

Dated: _____, 2019

 Signature _____
 Title _____

This report is a public record under the California Public Records Act, Government Code sections 6250 et seq., and is open to public inspection.

¹ Minimum of 30% in 2017, 40% in 2018, 50% in 2019 and 60% in 2020.

EXHIBIT "J"

NON-COLLUSION DECLARATION
(Public Contract Code § 7106)

Owner: GALT JOINT UNION ELEMENTARY SCHOOL DISTRICT

Project: Building Modernization
Marengo Ranch Elementary School
Galt, Sacramento County, CA

The undersigned declares:

I am the _____ [TITLE] of S+B James Construction, the party making a bid proposal ("bid") on the above referenced Project. The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 2019, at _____ [CITY], California.

[Name]

Exhibit "K"

IRAN CONTRACTING ACT OF 2010 CERTIFICATION

(Public Contract Code sections 2202-2208)

As required by California Public Contract Code ("PCC") section 2204 for contracts of \$1,000,000 or more, please insert your bidder or proposer name and Federal ID Number and complete **one** of the options below. Please note that California law establishes penalties for providing false certifications, including civil penalties equal to the greater of \$250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (PCC §2205.)

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the bidder or proposer identified below, and the bidder or proposer identified below is **not** on the current list of persons engaged in investment activities in Iran created by California Department of General Services ("DGS") and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS. (PCC §2204(a).)

<i>Bidder or Proposer Name (Printed):</i> _____		<i>Federal ID Number :</i> _____
<i>By (Authorized Signature)</i> _____		
<i>Printed Name and Title of Person Signing</i> _____		
<i>Date Executed:</i> _____, 2019	<i>Executed in</i> _____	

OPTION #2 – EXEMPTION

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a bidder or proposer engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enter into or renew, a contract for goods and services. If you have obtained an exemption from the District from the certification requirement under the Iran Contracting Act of 2010, please fill out the information below, and attach documentation demonstrating the exemption approval.

<i>Bidder or Proposer Name (Printed):</i> _____	<i>Federal ID Number:</i> _____
_____ <i>By (Authorized Signature)</i>	_____ <i>Executed in</i>
_____ <i>Printed Name and Title of Person Signing</i>	<i>Date Executed: _____, 2019</i>

EXHIBIT "L"

SUFFICIENT FUNDS DECLARATION
(Labor Code Section 2810)

To: Galt Joint Union Elementary School District

Project: Building Modernization
Marengo Ranch Elementary School
Galt, Sacramento County, CA

I, _____ [NAME], declare that I am the [TITLE] of S+B James Construction Management Co., the entity making a Guaranteed Maximum Price ("GMP") cost proposal for the above-referenced Project, and that the GMP cost proposal submitted by S+B James Construction Management Co. includes sufficient funds to permit S+B James Construction Management Co. and all approved subcontractors to comply with all local, state or federal labor laws or regulations during the Project, including payment of prevailing wages.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: _____, 2019 _____
Signature

Print Name: _____

Print Title: _____

EXHIBIT "M"

WITHHOLD LOG

Instructions

When grounds for withholding from a sublease payment arise, enter the date on the next blank line and fill in the third through fifth columns.

When some or all of a previously withheld amount may be released due to the reason for the withholding being fully or partially resolved, enter the date on the next blank line and fill in the sixth through eighth columns. In the seventh column, be sure to refer to the line that describes the initial withholding.

	Date	Amount Withheld	Reason for Withholding	Number of the Sublease Payment from which Funds Were Withheld	Portion of Withhold Amount that Has Been Released	Reason for Release	Number of the Sublease Payment to which Funds Were Added
1		\$			\$		
2		\$			\$		
3		\$			\$		
4		\$			\$		
5		\$			\$		
6		\$			\$		
7		\$			\$		
8		\$			\$		
9		\$			\$		
10		\$			\$		
11		\$			\$		
12		\$			\$		
13		\$			\$		
14		\$			\$		
15		\$			\$		
16		\$			\$		
17		\$			\$		
18		\$			\$		
19		\$			\$		
20		\$			\$		

EXHIBIT "N"

PRIME BIDDER GOOD FAITH EFFORT WORKSHEET

This worksheet is to be used to assist the Prime Bidder in meeting the 3% DVBE participation goal

BIDDER'S NAME	BUSINESS ADDRESS	CONTACT PERSON
TELEPHONE NUMBER	OWNER	COUNTY

GENERAL INSTRUCTIONS:

This worksheet is to be used to assist you in meeting the 3 percent DVBE participation goal. If specific information is not provided for Parts I through III, you do not meet the test of the "Good Faith Effort" and cannot so certify. If you are qualifying based on a "Good Faith Effort" you must include this form with your bid/proposal to the Owner.

PART I – CONTACTS

To identify DVBE subcontractors/suppliers for participation in your bid/proposal, contact must be made with each of the following categories. It is recommended that you contact several DVBE organizations.

CATEGORY	TELEPHONE NUMBER	DATE CONTACTED	PERSON CONTACTED
1. Owner			
2. Office of Small Business and DVBE Services (OSDS). OSDS publishes a searchable list of Disabled Veteran Business Enterprises Internet address – http://www.bidsync.com/DPXBisCASB	(916) 375-4940		
3. DVBE Organizations (<i>List</i>):			

4. Write "recorded message" in this column, if applicable.			

PRIME BIDDER GOOD FAITH EFFORT WORKSHEET

PART II – ADVERTISEMENTS *You must make at least two (2) advertisements, one (1) in a paper that focuses on DVBE and one (1) in a trade paper. Advertisements should be published at least 14 days prior to bid/proposal opening; if you cannot advertise 14 days prior, advertise as soon as possible and provide an explanation. (Advertisements must be published in time to allow for a reasonable response). Advertisements must include that your firm is seeking DVBE participation, the project name and location, your firm's name, your firm's contact person, and phone number.*

Attach copies of advertisements to this form.

FOCUS/TRADE PAPER NAME	CHECK ONE		DATE OF ADVERTISEMENT
	TRADE	FOCUS	

PART III – DVBE SOLICITATIONS *List DVBE subcontractors/suppliers that were invited to bid. Use the following instructions to complete the remainder of this section (read the three columns as a sentence from left to right). If you need additional space to list DVBE solicitations, please use a separate page and attach to this form.*

IF THE DVBE.....	THEN.....	AND.....												
Was selected to participate	Check "yes" in the "SELECTED" column, include applicable dollar amount in Part III of the Prime Bidder Certification	Include a copy of their DVBE letter from OSBCR.												
Was not selected to participate	Check "no" in the "SELECTED" column	State why in the "REASON NOT SELECTED" column.												
Did not respond to your solicitation	Check the "NO RESPONSE" column													
	<table border="1"> <tr> <td>SELECTED</td> <td></td> </tr> <tr> <td>NO</td> <td></td> </tr> <tr> <td>YES</td> <td></td> </tr> </table>	SELECTED		NO		YES		<table border="1"> <tr> <td>REASON NOT SELECTED</td> <td></td> </tr> <tr> <td><i>This section must be completed</i></td> <td></td> </tr> <tr> <td>NO RESPONSE</td> <td></td> </tr> </table>	REASON NOT SELECTED		<i>This section must be completed</i>		NO RESPONSE	
SELECTED														
NO														
YES														
REASON NOT SELECTED														
<i>This section must be completed</i>														
NO RESPONSE														
DISABLED VETERANS BUSINESS ENTERPRISES CONTACTED														

IMPORTANT NOTE:

Please be aware that certification of the "Good Faith Effort" may only be made if you fully complete Parts I, II, and III on both sides of this form. A copy of this form must be retained by you and may be subject to a future audit.

CERTIFICATION

I, _____ certify that I am the bidder's Chief Executive Officer and that I have made a diligent effort to ascertain the facts with regard to the representations made herein. In making this certification, I am aware of Section 12650 et seq. of the Government Code providing for the imposition of treble damages for making false claims.

SIGNATURE OF CHIEF EXECUTIVE OFFICER	DATE
--------------------------------------	------

PRIME BIDDER CERTIFICATION OF DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION

To be completed by the Prime Bidder

PART I – IDENTIFICATION INFORMATION		
BIDDER'S NAME	BUSINESS ADDRESS	TELEPHONE NUMBER
SCHOOL DISTRICT	COUNTY	APPLICATION NO.
<p>PART II – METHOD OF COMPLIANCE WITH DVBE PARTICIPATION GOALS – Include this form and any other applicable documents listed in this table with your bid/proposal. Read the three columns in the table below as sentences from left to right. Check the appropriate box to indicate your method of committing the contract dollar amount.</p> <p>NOTE: <i>Architectural, engineering, environmental, land surveying or construction management firms must indicate their method of compliance by marking the appropriate box A, B, C, or D after selection by the District and before the contract is signed.</i></p>		
YOUR BUSINESS ENTERPRISE	AND YOU	AND YOU
A. <input type="checkbox"/> <i>is Disabled Veteran owned and your forces, will perform at least 3 percent of this contract</i>	<i>will include a copy of your DVBE letter from the Office of Small Business and DVBE Services (OSDS).</i>	
B. <input type="checkbox"/> <i>is Disabled Veteran owned but is unable to perform the 3 percent of this contract with your forces</i>	<i>will use DVBE subcontractors/ suppliers to bring the contract participation to at least 3 percent</i>	<i>will include a copy of each DVBE's letter from OSDS (including yours, if applicable).</i>
C. <input type="checkbox"/> <i>is not Disabled Veteran owned</i>	<i>will use DVBE subcontractors/ suppliers for at least 3 percent of this contract</i>	

<p>D. <input type="checkbox"/> <i>is unable to meet the required participation goals</i></p>	<p><i>will complete a Good Faith Effort to obtain DVBE participation</i></p>	<p><i>will include the Prime Bidder's Good Faith Effort Worksheet.</i></p>
---	--	--

Note: An Office of Small Business and DVBE Services (OSDS) letter must be attached for each DVBE participating in the contract. The DVBE letter is obtained by application through the OSDS and must be provided at the time of bid opening. If the letter is not provided, the bid may be deemed nonresponsive and may be ineligible for award of the contract.

**PRIME BIDDER CERTIFICATION OF DISABLED VETERAN
BUSINESS ENTERPRISE PARTICIPATION**

PART III – DVBE DOLLAR PARTICIPATION OF BID/PROPOSAL – *Architectural, engineering, land surveying or construction management firms complete this part after selection by the district and before the contract is signed.*

Show deductive alternate(s) in parenthesis. For more alternates/base bids, use a separate page to show items.

- A. If your business enterprise is a DVBE, list in the appropriate column the total dollar amount of your bid to be performed by your own participation.
- B. List all your DVBE subcontractors/suppliers. Enter in the appropriate column the dollar amount for each of your subcontractor/suppliers.
- C. Enter the total of Lines A and B for each column.
- D. Enter the dollar amount of the bid/proposal to be performed by **non-DVBE** firms. Note: The line is the sum of the prime and subcontractor(s) **non-DVBE** dollar participation.
- E. Enter the sum of the column totals from Line C and Line D. Note: Please be aware that the final determination of DVBE compliance is made based on the contract amount resulting from the district’s acceptance or rejection of alternates.

	BASE BID/PROPOSAL	ALTERNATE # 1	ALTERNATE # 2	ALTERNATE # 3 OR BASE BID B	ALTERNATE # 4 OR BASE BID C	ALTERNATE # 5 (Modernization or Reconstruction Only)
A. Prime Bidder, <i>if DVBE (own participation)</i>	\$	\$	\$	\$	\$	\$
B. DVBE Subcontractor or Supplier						
1.						
2.						
3.						
4.						
C. Subtotal (A & B)						
D. Non-DVBE						
E. Total Bid						



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.972 Board Consideration of Approval of California Department of Education (CDE) Request For Allowance Of Attendance Due to Emergency Conditions, Form J-13A
Presenter: Lois Yount	Action Item: XX Information Item:
<p>On November 16, 2018, school was closed due to poor air quality as a result of the Butte County Campfire. Under Education Code Section 41422, this school closure meets the criteria for allowance of attendance due to emergency conditions. The attached Form J-13A is used to obtain approval of attendance and instructional time credit for the District's elementary and middle schools.</p> <p>Board approval is recommended.</p>	

**REQUEST FOR ALLOWANCE OF ATTENDANCE
DUE TO EMERGENCY CONDITIONS**

Form J-13A

(Revised December 2017)

California Department of Education

School Fiscal Services Division

Website: <https://www.cde.ca.gov/fg/>

Telephone: 916-324-4541

Email: attendanceaccounting@cde.ca.gov

Form J-13A Instructions

Why file:

The Request for Allowance of Attendance Due to Emergency Conditions, Form J-13A is used to obtain approval of attendance and instructional time credit under one or more of the following conditions:

- When one or more schools were closed because of conditions described in *Education Code (EC) Section 41422*.
- When one or more schools were kept open but experienced a material decrease in attendance pursuant to *EC Section 46392* and *California Code of Regulations (CCR)*, Title 5, Section 428.
- When attendance records have been lost or destroyed as described in *EC Section 46391*.

The California Department of Education's (CDE) approval of the J-13A, combined with other attendance records, serve to document the local educational agency's (LEA) compliance with instructional time laws and provide authority to maintain school for less than the required instructional days and minutes without incurring a fiscal penalty to the LEA's Local Control Funding Formula (LCFF) funding.

How to file:

The Form J-13A is available at <https://www.cde.ca.gov/fg/aa/pa/j13a.asp>. Also available on the J-13A Web page are FAQs and supplemental pages for sections B and C in Excel format. All affidavits must have original signatures.

Charter schools must file separately from the authorizing school district or county office of education (COE).

The LEA governing board must approve each request by completing Section E, Affidavit of School District, County Office of Education, or Charter School Governing Board Members. Once the majority of the governing board members have approved the request, the LEA should keep a copy of the request and then submit the original to the county superintendent who must approve the request before it can be submitted to the State Superintendent of Public Instruction, CDE. Charter schools must submit the request to their authorizing LEA for approval, who will then forward to the county superintendent for approval.

The following summarizes the J-13A submittal and CDE review process:

- The county superintendent executes the Affidavit of County Superintendent of Schools, certifying the approval.
- The COE should keep a copy of the request and mail the original request to the listed CDE address.
- Once CDE has received the Form J-13A, the request will go through a review process. If the request is approved, CDE will e-mail the approval letter and a copy of the request to all contacts listed on the form. CDE will also mail a hardcopy of the approval letter. If the request is denied, CDE will e-mail the denial letter and a copy of the request to all contacts listed on the form. CDE will also mail a hardcopy of the denial letter.

Where to file:

Mail the entire original Form J-13A to:
School Fiscal Services Division
California Department of Education
1430 N Street, Suite 3800
Sacramento, CA 95814

General Instructions:

- Multiple emergency events and schools may be included on one Form J-13A. Be sure to include specific detailed information and supporting documents for each event and school.
- If the emergency event resulted in a closure and material decrease, complete sections B and C.
- Supplemental pages for sections B and C are available in Excel format for a request that requires more lines than allocated on Form J-13A.
- Attach supporting documentation. Redact any personally identifiable information. Examples of required supporting documentation:
 - Declaration of a State of Emergency
 - News articles
 - E-mails
 - Invoices

Form J-13A Instructions

- A local safety officer letter for any incident involving police activity, threats, cyber threats, etc.
- A county public health officer letter for any incident involving epidemic-type illness. The letter is to specify that the illness was an epidemic or that there was an increase in the number of cases of a disease above what is normally expected of the population in that area.

SECTION A: REQUEST INFORMATION

Refer to the California School Directory at <https://www.cde.ca.gov/schooldirectory/> for information needed to complete this section.

PART I: LOCAL EDUCATIONAL AGENCY (LEA)

- LEA Name – Enter the name of the school district, COE, or charter school submitting the Form J-13A.
- County Code – Enter the two-digit county code associated with this entity.
- District Code – Enter the five-digit district code associated with this entity.
- Charter Number – If this request is for a charter school, enter the charter number associated with this entity.
- LEA Superintendent or Administrator Name – Enter the name of the superintendent or administrator associated with this entity.
- Fiscal Year – Enter the fiscal year of the requested emergency closure, material decrease and/or lost or destroyed attendance records.
- Address – Enter the LEA's full address including:
 - Number and street
 - County name
 - City
 - State
 - Zip code
- Contact Information – Enter a contact person for this request. Include the following:
 - Name
 - Title
 - Phone number
 - E-mail address

PART II: LEA TYPE AND SCHOOL SITE INFORMATION APPLICABLE TO THIS REQUEST

Select the LEA type associated with the request and, for a school district or COE request, if all or select school sites are included in the request. Only one LEA type may be selected.

PART III: CONDITION(S) APPLICABLE TO THIS REQUEST

Read each condition carefully and select one or more that apply to this request. In addition, indicate if the request is associated with a Declaration of a State of Emergency by the Governor of California.

SECTION B: SCHOOL CLOSURE

This section is used for closures pursuant to *EC* Section 41422. If the request does not include any school closures, select the "Not Applicable" box on the top right corner and proceed to Section C.

PART I: NATURE OF EMERGENCY

Use this field to describe in detail the nature of the emergency(s) that caused the school closure.

PART II: SCHOOL INFORMATION

The fields below correspond to the columns on Form J-13A.

- A. School Name – Enter the school name of each school closed on a separate line. Use the supplemental Excel form at <https://www.cde.ca.gov/fg/aa/pa/j13a.asp> if more than 10 lines are needed for this request and select the "Supplemental Page(s) Attached" box on the top right corner.
- B. School Code – Enter the seven-digit school code associated with the school listed in Column A. Use the California School Directory at <https://www.cde.ca.gov/schooldirectory/> to locate the school code.
- C. Site Type – Enter the site type associated with the school listed in Column A. This site information is need for CDE to determine the specific instructional time requirements for the listed school. Choose one of the following site type options:
 - Charter School
 - Community Day
 - Continuation School
 - County Community
 - Juvenile Court School

Form J-13A Instructions

- Opportunity School
- Special Education
- Traditional

- D. Days in School Calendar – Provide the number of days in the school calendar. Attach a copy of the school calendar to the request. If the request includes multiple schools, attach a copy of each different school calendar and clearly identify which schools follow each calendar. If all schools have the same school calendar, note “all schools” at the top of the calendar.
- E. Emergency Days Built In – Provide the number of additional days the school has built in to the school calendar to use as make-up days for emergency closures.
- F. Built In Emergency Days Used – Provide the number of built in emergency days the school has used so far in the school year.
- G. Date(s) of Emergency Closure – Enter the date(s) closed for the emergency in the current request.
- H. Closure Dates Requested – Of the dates provided in Column G, enter the dates the school will not be able to make-up, and is requesting as part of the Form J-13A.
- I. Total Number of Days Requested – Enter the total number of days for the dates requested in Column H.

Applicable” box on the top right corner and proceed to Section D.

If the attendance of an LEA or a school is less than or equal to 90 percent of "normal" attendance for a reasonable time during or after an emergency event, the LEA may assume that a case exists for claiming emergency attendance credit for the "material decrease" of attendance. According to CCR, Title 5, Section 428, “normal” attendance is the average daily attendance (ADA) for the month of either October or May of the same school year. If the emergency occurred between July and September of the current year, the LEA must wait to submit the request until after October ADA of the current year can be calculated. The October or May ADA is used as a proxy for a normal day of attendance for the emergency day. However, if an emergency occurs in October or May, the LEA may request to use a different month as a proxy for a normal day of attendance for the emergency day.

Pursuant to EC Section 46392, the 90 percent threshold may be waived when the Governor has declared a “State of Emergency.” A copy of the Governor’s declaration should be included in the submittal. Any reduction of attendance in a necessary small school (NSS), even if less than 10 percent, may be considered material.

Attendance must be provided at the school site level. Approval of a districtwide material decrease is contingent upon the inclusion of all district sites, and a districtwide percentage of 90 percent or less on each emergency day. For non-districtwide emergencies, each school must meet the 90 percent threshold on each emergency day for approval of attendance credit.

PART III: CLOSURE HISTORY

In this section, provide the closure history for the current and five prior fiscal years for all schools included in the request, regardless if a J-13A request was submitted. For example, if a school had multiple closures in one year, group the closures by fiscal year and nature.

School Name	School Code	Fiscal Year	Closure Dates	Nature	Weather Related Yes/No
School #1	0123456	2016-17	12/5, 2/10	Flooding	Yes
School #1	0123456	2016-17	4/17-4/18	Power Outage	No
School #1	0123456	2015-16	12/15-12/6	Road Closures	Yes

PART I: NATURE OF EMERGENCY

Use this field to describe in detail the nature of the emergency(s) that caused the material decrease in attendance. Provide a detailed explanation for any gap in between emergencies. Request should be accompanied by supporting documents, if applicable.

PART II: MATERIAL DECREASE CALCULATION

The information provided in Parts II and III will be used to determine if the loss of attendance meets the 90 percent threshold for attendance credit approval (except when the governor declares a state of emergency or in the case of a NSS site), and to calculate the estimated attendance credit

SECTION C: MATERIAL DECREASE

This section is used to claim attendance for material decreases pursuant to EC Section 46392. If the request does not include any credits for a material decrease in attendance, select the “Not

Form J-13A Instructions

amount. The fields below correspond to the columns on Form J-13A.

- A. School Name – Enter the school name of each school requesting attendance credit on a separate line. Use the supplemental Excel form at <https://www.cde.ca.gov/fg/aa/pa/j13a.asp> if more than 10 lines are needed for this request and select the “Supplemental Page(s) Attached” box on the top right corner.
- B. School Code – Enter the seven-digit school code associated with the school listed in Column A. Use the California School Directory at <https://www.cde.ca.gov/schooldirectory/> to locate the school code
- C. “Normal” Attendance – Provide the ADA for the school month of October or May of the same school year.

A school month is 20 days, or four weeks of five days each, including legal holidays but excluding weekend makeup classes (*EC* Section 37201). The school calendar begins on the first Monday of the week that includes July 1 or the Monday of the first week of school. As a result, school months can be split between September and October; October and November; April and May; May and June. Therefore, the CDE advises LEAs to use the school month that has the most school days in either October or May.

- D. Dates Used for Determining “Normal” Attendance – Enter the date range of the school month used to provide the ADA in Column C.
- E. Date of Emergency – Enter the date of the emergency. **If the emergency lasted for more than one day, use a separate line for each date.**
- F. Actual Attendance – Provide the actual attendance for the school site on the date of emergency listed in Column E.
- G. Qualifier: 90 Percent or Less (F/C) – Calculated field. If the nature of emergency is consistent with *EC* Section 46392, the school may qualify for an attendance

adjustment when the Actual Attendance (Column F) divided by the “Normal” Attendance (Column C) yields a percentage of 90 percent or less. Exclude any emergency day that yields a percentage of more than 90 percent except when the governor declares a state of emergency or in a case of a NSS site.

- H. Net Increase of Apportionment Days (C-F) – Calculated field. The Actual Attendance (Column F) is subtracted from the “Normal” Attendance (Column C) to determine the Net Increase of Apportionment Days (Column H). When attendance on the date of emergency is greater than the “normal” attendance, this field will yield zero and should be removed from the material decrease calculation table.

If the request is approved, CDE’s approval letter will include the total net increase of apportionment days, which may differ from the amount shown. The LEA will then divide this number by the days in the applicable P-1, P-2, or Annual reporting period to determine the ADA increase.

PART III: MATERIAL DECREASE CALCULATION FOR CONTINUATION HIGH SCHOOLS

Continuation education is an hourly program, therefore the attendance must be provided in hours for continuation schools. Three hours equals one apportionment day. The fields below correspond to the columns on Form J-13A.

- A. School Name – Enter the school name of each continuation school requesting attendance credit on a separate line. Use the supplemental Excel file at <https://www.cde.ca.gov/fg/aa/pa/j13a.asp> if more than five lines are needed for this request and select the “Supplemental Page(s) Attached” box on the top right corner.
- B. School Code – Enter the seven-digit school code associated with the school listed in Column A. Use the California School Directory at <https://www.cde.ca.gov/schooldirectory/> to locate the school code.

Form J-13A Instructions

- C. "Normal" Attendance Hours – Provide the attendance hours for the continuation school on the same day of the week prior to, or the week following the emergency.

Example: If the emergency day is on a Tuesday, provide the attendance hours on the Tuesday of the week prior to or following the emergency.

- D. Date Used for Determining "Normal" Attendance – Enter the date of the school day used to provide the attendance hours in Column C.
- E. Date of Emergency – Enter the date of the emergency. **If the emergency lasted for more than one day, use a separate line for each date.**
- F. Actual Attendance Hours – Provide the actual attendance hours for the continuation school on the date of emergency.
- G. Qualifier: 90 Percent or Less (F/C) – Calculated field. If the nature of emergency is consistent with *EC* Section 46392, the school may qualify for an attendance adjustment when the Actual Attendance Hours (Column F) divided by the "Normal" Attendance Hours (Column C) yields a percentage of 90 percent or less. Exclude any emergency day that yields a percentage of more than 90 percent except when the governor declares a state of emergency or in a case of a NSS site.
- H. Net Increase of Hours (C-F) – Calculated field. The Actual Attendance Hours (Column F) is subtracted from the "Normal" Attendance Hours (Column C) to determine the Net Increase of Hours (Column H). When attendance on the date of emergency is greater than the "normal" attendance, this field will yield zero and should be removed from the material decrease calculation table.

If the request is approved, the approval letter will include the total net increase of hours for all continuation schools on the form, which may differ from the amount shown. The LEA will then convert the hours to apportionment days and divide this number by the days in the applicable P-1,

P-2, or Annual reporting period to determine the ADA increase.

SECTION D: LOST OR DESTROYED ATTENDANCE RECORDS

If this request does not include any lost or destroyed attendance records, select the "Not Applicable" box on the top right corner and proceed to Section E.

PART I: PERIOD OF REQUEST

Enter the dates of the records that were lost or destroyed.

PART II: CIRCUMSTANCES

Provide a detailed explanation on the emergency condition(s) and the extent of the lost or destroyed records.

PART III: PROPOSAL

Provide a detailed proposal or estimation in the allotted space.

SECTION E: AFFIDAVIT

A completed affidavit is required before submitting the entire Form J-13A request to CDE.

PART I: AFFIDAVIT OF SCHOOL DISTRICT, COUNTY OFFICE OF EDUCATION, OR CHARTER SCHOOL GOVERNING BOARD MEMBERS

- Enter the name of the school district, COE, or charter school.
- Enter the names of the all the board members.
- At least a majority of the board members must sign this affidavit.
- The governing board signatures must be witnessed. The witness person must complete the following fields:
 - Witnessed date
 - Name
 - Signature
 - Title
 - County name

PART II: APPROVAL BY SUPERINTENDENT OF CHARTER SCHOOL AUTHORIZER

Only complete for a charter school request. Once the governing board members and witness fields have been completed, this request will be submitted to the charter school's authorizer for approval. An authorizer for a charter school may be

Form J-13A Instructions

a school district, COE or State Board of Education.

If approved, the superintendent of the charter school's authorizer will complete the following fields:

- Name
- Signature
- Authorizing LEA Name

PART III: AFFIDAVIT OF COUNTY SUPERINTENDENT OF SCHOOLS

All requests must go to the COE for approval. If approved, the COE will complete Part III of the affidavit. The county superintendent's signature must be witnessed.

- Name of the County Superintendent of Schools (or designee)
- Signature of the County Superintendent of Schools (or designee)
- Witnessed date
- Witness name
- Witness signature
- Witness title
- County name
- Contact person/individual responsible for completing the county affidavit. Include the contact person's name, title, phone number and e-mail address.

CALIFORNIA DEPARTMENT OF EDUCATION
REQUEST FOR ALLOWANCE OF ATTENDANCE DUE TO EMERGENCY CONDITIONS
 FORM J-13A, REVISED DECEMBER 2017

SECTION A: REQUEST INFORMATION

- This form is used to obtain approval of attendance and instructional time credit pursuant to *Education Code (EC)* sections 41422, 46200, 46391, 46392 and *California Code of Regulations (CCR)*, Title 5, Section 428.
- Only schools that report Principal Apportionment average daily attendance (ADA) for the purpose of calculating a K–12 Local Control Funding Formula (LCFF) entitlement should submit this form.
- Refer to the instructions and frequently asked questions at <https://www.cde.ca.gov/fq/aa/pa/j13a.asp> for information regarding the completion of this form.

PART I: LOCAL EDUCATIONAL AGENCY (LEA)

LEA NAME:		COUNTY CODE:	DISTRICT CODE:	CHARTER NUMBER (IF APPLICABLE):
LEA SUPERINTENDENT OR ADMINISTRATOR NAME:				FISCAL YEAR:
ADDRESS:			COUNTY NAME:	
CITY:		STATE:	ZIP CODE:	
CONTACT NAME:	TITLE:	PHONE:	E-MAIL:	

PART II: LEA TYPE AND SCHOOL SITE INFORMATION APPLICABLE TO THIS REQUEST (Choose only one LEA type):

<input type="checkbox"/> SCHOOL DISTRICT Choose one of the following: <input type="checkbox"/> All district school sites <input type="checkbox"/> Select district school sites	<input type="checkbox"/> COUNTY OFFICE OF EDUCATION (COE) Choose one of the following: <input type="checkbox"/> All COE school sites <input type="checkbox"/> Select COE school sites	<input type="checkbox"/> CHARTER SCHOOL
--	---	--

PART III: CONDITION(S) APPLICABLE TO THIS REQUEST:

SCHOOL CLOSURE: When one or more schools were closed because of conditions described in *EC* Section 41422. LCFF apportionments should be maintained and instructional time credited in Section B for the school(s) without regard to the fact that the school(s) were closed on the dates listed, due to the nature of the emergency. Approval of this request authorizes the LEA to disregard these days in the computation of ADA (per *EC* Section 41422) without applicable penalty and obtain credit for instructional time for the days and the instructional minutes that would have been regularly offered on those days pursuant to *EC* Section 46200, et seq.

There was a Declaration of a State of Emergency by the Governor of California during the dates associated with this request.

MATERIAL DECREASE: When one or more schools were kept open but experienced a material decrease in attendance pursuant to *EC* Section 46392 and *CCR*, Title 5, Section 428. Material decrease requests that include all school sites within the school district must demonstrate that the school district as a whole experienced a material decrease in attendance. Material decrease requests for one or more but not all sites within the school district must show that each site included in the request experienced a material decrease in attendance pursuant to *EC* Section 46392 and *CCR*, Title 5, Section 428. The request for substitution of estimated days of attendance for actual days of attendance is in accordance with the provisions of *EC* Section 46392. Approval of this request will authorize use of the estimated days of attendance in the computation of LCFF apportionments for the described school(s) and dates in Section C during which school attendance was materially decreased due to the nature of the emergency.

There was a Declaration of a State of Emergency by the Governor of California during the dates associated with this request.

LOST OR DESTROYED ATTENDANCE RECORDS: When attendance records have been lost or destroyed as described in *EC* Section 46391. Requesting the use of estimated attendance in lieu of attendance that cannot be verified due to the loss or destruction of attendance records. This request is made pursuant to *EC* Section 46391:

"Whenever any attendance records of any district have been lost or destroyed, making it impossible for an accurate report on average daily attendance for the district for any fiscal year to be rendered, which fact shall be shown to the satisfaction of the Superintendent of Public Instruction by the affidavits of the members of the governing board of the district and the county superintendent of schools, the Superintendent of Public Instruction shall estimate the average daily attendance of such district. The estimated average daily attendance shall be deemed to be the actual average daily attendance for that fiscal year for the making of apportionments to the school district from the State School Fund."

SECTION C: MATERIAL DECREASE

- Not Applicable (Proceed to Section D)
 Supplemental Page(s) Attached

PART I: NATURE OF EMERGENCY (Describe in detail.)

PART II: MATERIAL DECREASE CALCULATION (Use the supplemental Excel file at <https://www.cde.ca.gov/fq/aa/pa/j13a.asp> if more than 10 lines are needed for this request. Refer to the instructions for information on completing the form including the definition of "normal" attendance.)

A	B	C	D	E	F	G*	H
School Name	School Code	"Normal" Attendance (October/May)	Dates Used for Determining "Normal" Attendance	Date of Emergency	Actual Attendance	Qualifier: 90% or Less (F/C)	Net Increase of Apportionment Days (C-F)
			-				
			-				
			-				
			-				
			-				
			-				
			-				
			-				
			-				
			-				
		Total:					

PART III: MATERIAL DECREASE CALCULATION FOR CONTINUATION HIGH SCHOOLS (Provide the attendance in hours. Use the supplemental Excel file at <https://www.cde.ca.gov/fq/aa/pa/j13a.asp> if more than 5 lines are needed for this request. Refer to the instructions for information on completing the form including the definition of "normal" attendance.)

A	B	C	D	E	F	G*	H
School Name	School Code	"Normal" Attendance Hours	Date Used for Determining "Normal" Attendance	Date of Emergency	Actual Attendance Hours	Qualifier: 90% or Less (F/C)	Net Increase of Hours (C-F)
		Total:					

*Qualifier should be 90% or less except when the governor declares a state of emergency or in the case of a Necessary Small School (NSS) site.

SECTION D: LOST OR DESTROYED ATTENDANCE RECORDS

Not Applicable (Proceed to Section E)

PART I: PERIOD OF REQUEST The entire period covered by the lost or destroyed records commences with _____ up to and including _____.

PART II: CIRCUMSTANCES (Describe below circumstances and extent of records lost or destroyed.)

PART III: PROPOSAL (Describe below the proposal to reconstruct attendance records or estimate attendance in the absence of records.)

SECTION E: AFFIDAVIT

PART I: AFFIDAVIT OF SCHOOL DISTRICT, COUNTY OFFICE OF EDUCATION, OR CHARTER SCHOOL GOVERNING BOARD MEMBERS – All applicable sections below must be completed to process this J-13A request.

We, members constituting a majority of the governing board of _____, hereby swear (or affirm) that the foregoing statements are true and are based on official records.

Board Members Names

Board Members Signatures

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

At least a majority of the members of the governing board shall execute this affidavit.

Subscribed and sworn (or affirmed) before me, this _____ day of _____, _____.

Witness: _____ Title: _____ of _____ County, California
(Name) (Signature)

PART II: APPROVAL BY SUPERINTENDENT OF CHARTER SCHOOL AUTHORIZER (Only applicable to charter school requests)

Superintendent (or designee): _____ Authorizing LEA Name: _____
(Name) (Signature)

PART III: AFFIDAVIT OF COUNTY SUPERINTENDENT OF SCHOOLS

The information and statements contained in the foregoing request are true and correct to the best of my knowledge and belief.

County Superintendent of Schools (or designee): _____
(Name) (Signature)

Subscribed and sworn (or affirmed) before me, this _____ day of _____, _____.

Witness: _____ Title: _____ of _____ County, California
(Name) (Signature)

COE contact/individual responsible for completing this section:

Name: _____ Title: _____ Phone: _____ E-mail: _____



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.973 Board Consideration of Approval of Resolution #9 Acknowledging the Existence of an Emergency on November 16, 2018 Due to Hazardous Air Quality and Closing the GJUESD State Preschool
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Presenter: Lois Yount	Action Item: XX Information Item:
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On November 16, 2018, school was closed due to poor air quality as a result of the Butte County Campfire. Resolution #9 acknowledges the GJUESD State Preschool was closed due to an emergency. This resolution is needed for allowance of attendance under State Preschool guidelines.

Board approval is recommended

Galt Joint Union School District
Board of Education
Resolution #9

Be it resolved that the Governing Board of the Galt Joint Union School District acknowledges the existence of an emergency on November 16, 2018 due to hazardous air quality and closed the Galt Joint Union Elementary School District State Preschool located at 902 Caroline Avenue, Galt, CA.

Passed and adopted this 23rd day of January 2019 by the Governing Board of the Galt Joint Union School District, Sacramento County, California.

I, Grace Malson, of the Governing Board of the Galt Joint Union School District, Sacramento County, California, certify that the foregoing is a full, true and correct copy of a Resolution adopted by the said Board at a regular meeting of the Board of Education thereof held at the Galt, City Hall Chamber, and the Resolution is on file in the office of said Board.

Vote:

Ayes:

Noes:

Abstain:

Absent:

Grace Malson, President



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.974 Board Consideration of Approval of 2017-2018 School Accountability Report Card (SARC) for Robert L. McCaffrey Middle School and Greer, Lake Canyon, Marengo Ranch, River Oaks and Valley Oaks Elementary Schools
Presenter: Donna Mayo-Whitlock	Action Item: XX Information Item:
<p>School Accountability Report Cards (SARCs) were enacted under Proposition 98. Further, Education Code 35256 establishes that each school’s SARC be updated annually.</p> <p>The SARCs in the board packet for each school are fully compliant in that all mandated elements required under law are reported. Upon Board approval, The SARC reports will be submitted to the California Department of Education</p> <p><u>The Facility Inspection Tool (FIT)</u> report ratings for each site are included in the SARCs. These inspections were completed in Feb. 2018.</p> <p>Board Policy 0510 states that, “The Board shall publicize the issuance of school accountability report cards and notify parents/guardians that a paper copy will be provided upon request.” The SARCs are also being translated into Spanish.</p> <p>Board Policy also states that, “The Superintendent or designee shall ensure that the information contained in the school accountability report card is accessible on the Internet and that the information is updated annually.”</p> <p>While we are in the 2018-19 school year, the SARC dates reflect the required accountability reporting for 2017-18.</p>	

Vernon E. Greer Elementary School

School Accountability Report Card

Reported Using Data from the 2017-18 School Year

Published During 2018-19

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

About This School

Contact Information (School Year 2018-19)

School Contact Information	
School Name	Vernon E. Greer Elementary School
Street	248 W. A Street
City, State, Zip	Galt, CA 95632
Phone Number	(209) 745-2641
Principal	Stephanie Simonich
E-mail Address	ssimonich@galt.k12.ca.us
Web Site	http://gr-gjuesd-ca.schoolloop.com/
CDS Code	34 67348 0119420

District Contact Information	
District Name	Galt Joint Union ESD
Phone Number	209.744.4545
Superintendent	Karen Schauer, Ed.D.
E-mail Address	kschauer@galt.k12.ca.us
Web Site	http://gjuesd-ca.schoolloop.com/

School Description and Mission Statement (School Year 2018-19)

Vernon E. Greer Elementary School is committed to achieving academic excellence by capitalizing on learner talents, strengths, and setting goals in order to personalize learning. We strive to create a safe and welcoming environment which fosters the development of caring, responsible, and engaged learners that are prepared to meet the challenges of being a citizen in a culturally diverse, technologically advanced, and scientifically progressive society. Our dedicated staff, supportive families, and generous community work collaboratively building a bright future for all learners.

At Vernon E. Greer Elementary, we strive

to create well rounded, engaging, and academically challenging learning experiences which capitalize on talents, strengths, and interests.

to use goal setting practices to achieve personal growth towards meeting or exceeding grade level standards in preparation for college and career.

to develop crucial life skills through social and emotional lessons.

to deepen mathematical knowledge in order to develop financial literacy.

to balance informational and literary texts while fostering reading, writing, listening, and speaking skills.

to participate in professional development as models of lifelong learning.

to acknowledge talents, strengths, and interests when collaborating as a professional learning community.

to communicate and collaborate with families so learners reach their greatest potential.

We are very proud of the many hours parents and community members provide to us each month. Parents are encouraged and welcomed to participate in the education of their children by serving on school committees or as classroom volunteers. We are thankful for a very active and supportive Greer "Partners" in Education, English Language Advisory Committee, and School Site Council.

All learners have a Personalized Learning Plan. This plan is developed collaboratively with administration, teachers, parents, and the learner to ensure academic performance and progress. The PLP profile includes learner strengths, interests, and goals.

Individual strengths and talents are recognized. Teachers are committed to becoming strengths-based educators. Through strengths spotting activities, our primary learners identify talents that can be productively applied. Our intermediate learners complete the GALLUP Strength Survey to identify their top three talents. At Vernon E. Greer Elementary, educators are discovering their own talents and developing and applying strengths as they help learners do the same in learning and completing academic tasks to optimal levels of personal excellence.

The teachers and support staff at Vernon E. Greer Elementary are dedicated to student achievement towards meeting Common Core State Standards. Teachers, specialists, and administration collaborate on a regular basis to provide a personalized, standards-based education for all learners. Careful and precise data analysis of local and state assessments drive instruction.

Student Enrollment by Grade Level (School Year 2017-18)

Grade Level	Number of Students
Kindergarten	81
Grade 1	52
Grade 2	63
Grade 3	60
Grade 4	56
Grade 5	66
Grade 6	82
Total Enrollment	460

Student Enrollment by Group (School Year 2017-18)

Student Group	Percent of Total Enrollment
Black or African American	1.1
American Indian or Alaska Native	0.2
Asian	1.1
Filipino	2.0
Hispanic or Latino	58.3
Native Hawaiian or Pacific Islander	0.4
White	33.7
Socioeconomically Disadvantaged	58.3
English Learners	26.1
Students with Disabilities	11.5
Foster Youth	0.0

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials

Teachers	School			District
	2016-17	2017-18	2018-19	2018-19
With Full Credential	25	26	22	26
Without Full Credential	1	0	0	0
Teaching Outside Subject Area of Competence (with full credential)	0	0	0	0

Teacher Misassignments and Vacant Teacher Positions

Indicator	2016-17	2017-18	2018-19
Misassignments of Teachers of English Learners	0	0	0
Total Teacher Misassignments *	0	0	0
Vacant Teacher Positions	0	0	0

Note: "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc.

* Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2018-19)

Year and month in which data were collected: October 2018

Galt Joint Union Elementary held a Public Hearing in October 2018 and determined that each school within the district has sufficient and good quality textbooks, instructional materials, or science lab equipment pursuant to the settlement of Williams vs. the State of California. All learners, including English learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects for use in the classroom and to take home.

Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making the textbooks used in the school the most current available. Materials approved for use by the state are reviewed by all teachers and a recommendation is made to the School Board by a selection committee composed of teachers and administrators. All recommended materials are available for parent examination at the district office prior to adoption. The table displays information about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school.

Subject	Textbooks and Instructional Materials/ Year of Adoption	From Most Recent Adoption?	Percent of Students Lacking Own Assigned Copy
Reading/Language Arts	K-6 Benchmark Advance, adopted in 2017-2018	Yes	0
Mathematics	K-6 Eureka Math, adopted as bridge program in 2016	Yes	0
Science	6th Glencoe/McGraw Hill- Science Focus, adopted in 2007 K-5 Pearson Scott Foresman- California Science, adopted in 2007	Yes	0
History-Social Science	6th Glencoe/McGraw Hill-Discovering our Past, adopted in 2006 K-5 MacMillian/McGraw Hill- California Vistas, adopted in 2006	Yes	0

School Facility Conditions and Planned Improvements (Most Recent Year)

Vernon E. Greer School facilities were originally constructed in 1992. Vernon E. Greer Middle school closed after the 2007-2008 school year. After renovations, Vernon E. Greer Elementary opened in 2008. The school is composed of 5 permanent classrooms, 26 portable classrooms, a multi-purpose room, a library, three playgrounds, a staff room, and an extended day classroom.

Cleaning Process

Administration works daily with the three full-time custodial staff to ensure that the school is maintained in order to provide for a clean and safe learning environment. The district governing board has adopted cleaning standards for all schools in the district. A summary of these standards is available at the district office for review.

Maintenance and Repair

District maintenance staff ensures that the repairs necessary to keep the school in good repair are completed in a timely manner. A work order process is used to ensure efficient service. Highest priority is given to emergency repairs. While reviewing this report, please note that even minor discrepancies are reported in the inspection process. The items noted in the table have been corrected or are in the process of remediation.

School Facility Good Repair Status (Most Recent Year)

Using the **most recently collected** FIT data (or equivalent), provide the following:

- Determination of repair status for systems listed
- Description of any needed maintenance to ensure good repair
- The year and month in which the data were collected
- The overall rating

School Facility Good Repair Status (Most Recent Year) Year and month of the most recent FIT report: 1/17/2018	
System Inspected	Repair Status
Systems: Gas Leaks, Mechanical/HVAC, Sewer	Good
Interior: Interior Surfaces	Poor
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	Fair
Electrical: Electrical	Poor
Restrooms/Fountains: Restrooms, Sinks/ Fountains	Fair
Safety: Fire Safety, Hazardous Materials	Fair
Structural: Structural Damage, Roofs	Good
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	Good

Overall Facility Rating (Most Recent Year)

Year and month of the most recent FIT report: 1/17/2018	
Overall Rating	Fair

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- **Statewide assessments** (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

CAASPP Test Results in English Language Arts/Literacy (ELA) and Mathematics for All Students Grades Three through Eight and Grade Eleven

Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
English Language Arts/Literacy (grades 3-8 and 11)	39.0	55.0	43.0	49.0	48.0	50.0
Mathematics (grades 3-8 and 11)	36.0	47.0	36.0	38.0	37.0	38.0

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

CAASPP Test Results in ELA by Student Group Grades Three through Eight and Grade Eleven (School Year 2017-18)

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	260	260	100.00	54.62
Male	140	140	100.00	47.86
Female	120	120	100.00	62.50
Black or African American	--	--	--	--
Asian	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	155	155	100.00	55.48
Native Hawaiian or Pacific Islander	--	--	--	--
White	88	88	100.00	52.27
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	160	160	100.00	47.50
English Learners	81	81	100.00	50.62
Students with Disabilities	29	29	100.00	31.03
Students Receiving Migrant Education Services	11	11	100.00	63.64

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Mathematics by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	262	260	99.24	46.54
Male	141	140	99.29	46.43
Female	121	120	99.17	46.67
Black or African American	--	--	--	--
Asian	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	156	155	99.36	47.1
Native Hawaiian or Pacific Islander	--	--	--	--
White	88	88	100	43.18
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	161	160	99.38	39.38
English Learners	82	81	98.78	44.44
Students with Disabilities	30	28	93.33	28.57
Students Receiving Migrant Education Services	11	11	100	36.36

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Science for All Students
Grades Five, Eight, and Ten**

Subject	Percentage of Students Meeting or Exceeding the State Standard					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Science (grades 5, 8, and 10)	N/A	N/A	N/A	N/A	N/A	N/A

Note: Cells with N/A values do not require data.

Note: The 2016–17 and 2017–18 data are not available. The CDE is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The CAST was pilot-tested in spring 2017 and field-tested in spring 2018. The CAST will be administered operationally during the 2018–19 school year. The CAA for Science was pilot-tested for two years (i.e., 2016–17 and 2017–18) and the CAA for Science will be field-tested in 2018–19.

Note: Science test results include the CAST and the CAA for Science. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA for Science divided by the total number of students who participated on both assessments.

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8):

- Pupil outcomes in the subject areas of physical education.

California Physical Fitness Test Results (School Year 2017-18)

Grade Level	Percent of Students Meeting Fitness Standards		
	Four of Six Standards	Five of Six Standards	Six of Six Standards
5	21.0	17.7	

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each school site.

Opportunities for Parental Involvement (School Year 2018-19)

Vernon E. Greer Elementary School parents play an important role in their child's education through participation in the following programs:

The School Site Council helps develop the School Plan for Student Achievement. The members monitor and evaluate the plan as well as other projects/plans that benefit the school. The SSC also facilitates communication between the school and community.

The English Language Advisory Committee advises parents on the services available for learners who have limited English proficiency.

Greer "Partners" in Education is a wonderful parent organization that helps provide family activities with a focus on the educational success and academic achievement for all learners.

Parent volunteers support the classroom by assisting with classroom projects, planning activities, and helping with the overall success of the classroom.

Community volunteers support the classroom. District policy requires volunteers over the age of 18 to submit birth dates and Social Security numbers for a security check through the police department.

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

Suspensions and Expulsions

Rate	School			District			State		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Suspensions	2.0	1.4	2.1	3.0	2.2	2.7	3.7	3.7	3.5
Expulsions	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.1	0.1

School Safety Plan (School Year 2018-19)

The Vernon E. Greer Elementary School Safety Plan was last updated in February 2018.

Student safety is a priority at Vernon E. Greer Elementary School. All gates remain locked throughout most of the school day with admittance to the campus only through the main office. Any visitor is required to check in at the school office. Visitors sign in and wear a visitor's badge during their visit. The district provides yard supervisors to our school to ensure that students are safe on campus before, during, and after school. Eight yard supervisors work before school and throughout the school day to monitor student safety in crosswalks, on campus, on the playground, and in the cafeteria. Staff meetings are held for yard supervisors which provide on-going training and address safety issues. All district employees wear a picture identification badge so that they can be clearly identified. School safety rules are well established and are enforced by all staff members.

The district has developed a comprehensive emergency plan in conjunction with the Galt Police and Fire Departments, which describes specific procedures for all types of emergencies. The plan is updated every fall and spring. Our school-wide "Emergency Handbook" outlines the plan of action for emergencies such as earthquakes, fires, floods and chemical spills. School sites have an evacuation plan and a shelter-in-place plan. These emergency drills are conducted regularly.

The district takes great effort to ensure that Vernon E. Greer Elementary School is clean, safe, and functional. To assist with this, the district provides three full time custodial staff to clean and maintain the school on a regular basis. In addition, school safety inspections are periodically conducted by the Schools Insurance Authority of Sacramento County.

D. Other SARC Information

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

Average Class Size and Class Size Distribution (Elementary)

Grade Level	2015-16				2016-17				2017-18			
	Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes		
		1-20	21-32	33+		1-20	21-32	33+		1-20	21-32	33+
K	17	5	1		16	6			13	6		
1	38		3	2	35	3		2	29	3		2
2	32	3		2	38		3	2	37	2	1	2
3	44		3	2	35	3		2	36	3		2
4	48		3	2	41		3	2	42		2	2
5	38		4	1	50		3	2	43		1	2
6	34	2	3	2	36	1	3	2	32	1	4	2
Other					32		1		9	1		

Number of classes indicates how many classes fall into each size category (a range of total students per class).

** "Other" category is for multi-grade level classes.

Academic Counselors and Other Support Staff (School Year 2017-18)

Title	Number of FTE Assigned to School	Average Number of Students per Academic Counselor
Academic Counselor	0	0
Counselor (Social/Behavioral or Career Development)	0	N/A
Library Media Teacher (Librarian)	0	N/A
Library Media Services Staff (Paraprofessional)	1.5	N/A
Psychologist	.5	N/A
Social Worker	1	N/A
Nurse	1	N/A
Speech/Language/Hearing Specialist	1	N/A
Resource Specialist (non-teaching)	.5	N/A
Other	1	N/A

Note: Cells with N/A values do not require data.

*One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Expenditures per Pupil and School Site Teacher Salaries (Fiscal Year 2016-17)

Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Supplemental/ Restricted	Basic/ Unrestricted	
School Site	11391	3035	8356	72945
District	N/A	N/A	8148	\$74,649
Percent Difference: School Site and District	N/A	N/A	2.5	-2.3
State	N/A	N/A	\$7,125	\$76,046
Percent Difference: School Site and State	N/A	N/A	15.9	-4.2

Note: Cells with N/A values do not require data.

The California Department of Education issued guidance to LEAs on August 1, 2018, regarding how to calculate school-level per-pupil expenditures that will be reported on 2018-19 report cards.

Types of Services Funded (Fiscal Year 2017-18)

Supplemental programs and services at Vernon E. Greer Elementary School that support and assist our learners include:

Vernon E. Greer is honored to be the recipient of State funds which provide for an after-school program. The After School Education and Safety Program (ASES) is held Monday through Friday from 2:30 pm - 6:00 pm and provides homework help, strategic academic acceleration, and enrichment.

We have a cadre of eight instructional assistants that provide additional instruction in foundational reading. The instructional assistants focus supports and interventions in our TK-3rd grade classrooms. However, depending upon the need, our instructional assistants provide intervention in the upper grades, as well. Our paraprofessionals are provided training throughout the year based on the needs of our learners. This training is completed by our district curriculum coaches.

The district provides funding for supplemental educational services (SES) related to our federal Program Improvement status.

The Bright Future Learning Center (BFLC) is utilized as an enrichment hub which offers and supports blended learning opportunities beyond the classroom. The BFLC provides after school “clubs” based on student interests. The BFLC is open Monday - Friday from 8:00 a.m. - 6:00 p.m.

Our school social worker program helps keep all learners supported through their school years. Though school dropouts are rare in the elementary grades, enough knowledge exists to be able to identify the children who are at-risk of dropping out of school at a later age. Our social worker is responsible for various programs aimed at reducing or eliminating the high risk factors that interfere with learning. Our social worker provides support to our students and staff, support to our families, works with attendance intervention, and provides ongoing workshops.

Health services are under the supervision of a qualified school nurse. Vision screening, hearing tests, first aid and health counseling are among the services. Our district nurse, along with our school health clerk, are available to address health problems that interfere with the learning process.

Teacher and Administrative Salaries (Fiscal Year 2016-17)

Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$42,803	\$48,064
Mid-Range Teacher Salary	\$68,529	\$75,417
Highest Teacher Salary	\$88,521	\$94,006
Average Principal Salary (Elementary)	\$112,955	\$119,037
Average Principal Salary (Middle)	\$115,644	\$123,140
Average Principal Salary (High)	\$0	\$135,974
Superintendent Salary	\$160,491	\$183,692
Percent of Budget for Teacher Salaries	38.0	36.0
Percent of Budget for Administrative Salaries	6.0	6.0

For detailed information on salaries, see the CDE Certificated Salaries & Benefits Web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Professional Development (Most Recent Three Years)

Professional learning is an important part of the planned school program at Vernon E. Greer Elementary School and the Galt Joint Union Elementary School District. Our teachers and support staff are committed to using research-based instructional strategies. The district provided three professional learning days for certificated staff in 2015-2016, 2016-2017, 2017-2018, and in the current 2018-19 school year. Additionally, the district provided collaboration time following the professional learning days which allowed teachers were able to strategically make plans and reflect on their new learning.

Professional development has supported the successful implementation of the California Common Core Standards with a focus on personalization. Teachers and support staff are encouraged to attend learning events that cater to their personal learning needs. Our site leadership team plays an important part in the implementation of the personalization model and for increasing professional capacity. Staff learning events, strategic release days, and collaborative Wednesdays have been used for professional development opportunities.

New teachers and teachers seeking additional assistance are supported by BTSA providers. They meet regularly with an experienced mentor to discuss their successes and challenges and new ideas for their classrooms.

Lake Canyon Elementary School

School Accountability Report Card

Reported Using Data from the 2017-18 School Year

Published During 2018-19

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

About This School

Contact Information (School Year 2018-19)

School Contact Information	
School Name	Lake Canyon Elementary School
Street	800 Lake Canyon Avenue
City, State, Zip	Galt, CA 95632
Phone Number	209.744.5200
Principal	Judith P Hayes
E-mail Address	jhayes@galt.k12.ca.us
Web Site	http://lc-gjuesd-ca.schoolloop.com/
CDS Code	34673480107946

District Contact Information	
District Name	Galt Joint Union Elementary School District
Phone Number	209.744.4545
Superintendent	Karen Schauer
E-mail Address	kschauer@galt.k12.ca.us
Web Site	http://gjuesd-ca.schoolloop.com/

School Description and Mission Statement (School Year 2018-19)

Lake Canyon Elementary School's mission is to personalize the learning of each and every one of our students through the provision of a quality and meaningful educational experience. As educators we know at the heart of creating sustainable academic achievement and ensuring the college and career readiness of our students, is the provision of a school culture where engagement is valued and maximized. Lake Canyon Elementary School's administration, staff, and parents have joined together to make increased student engagement a reality. We provide varied opportunities, both indoors and outdoors, for our students to discover and explore their areas of interest and talent. Our vision is that through the ongoing implementation of this mission the students of Lake Canyon will be 100% prepared for next steps in their educational pursuits and will achieve civic, college, and career readiness.

Student Enrollment by Grade Level (School Year 2017-18)

Grade Level	Number of Students
Kindergarten	99
Grade 1	79
Grade 2	90
Grade 3	70
Grade 4	76
Grade 5	89
Grade 6	69
Total Enrollment	572

Student Enrollment by Group (School Year 2017-18)

Student Group	Percent of Total Enrollment
Black or African American	1.7
American Indian or Alaska Native	0.2
Asian	3.7
Filipino	1.4
Hispanic or Latino	52.1
Native Hawaiian or Pacific Islander	1.2
White	37.1
Socioeconomically Disadvantaged	50.9
English Learners	23.6
Students with Disabilities	12.8
Foster Youth	0.0

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials

Teachers	School			District
	2016-17	2017-18	2018-19	2018-19
With Full Credential	28	27	27	25
Without Full Credential	0	2	2	3
Teaching Outside Subject Area of Competence (with full credential)	0	0	0	0

Teacher Misassignments and Vacant Teacher Positions

Indicator	2016-17	2017-18	2018-19
Misassignments of Teachers of English Learners	0	0	0
Total Teacher Misassignments *	0	0	0
Vacant Teacher Positions	0	0	0

Note: "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc.

* Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2018-19)

Year and month in which data were collected: October 2018

Galt Joint Union Elementary held a Public Hearing on September 27, 2017, and determined that each school within the district has sufficient and good quality textbooks, instructional materials, or science lab equipment pursuant to the settlement of Williams vs. the State of California. All students, including English learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects for use in the classroom and to take home.

Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making the textbooks used in the school the most current available. Materials approved for use by the state are reviewed by all teachers and a recommendation is made to the School Board by a selection committee composed of teachers and administrators. All recommended materials are available for parent examination at the district office prior to adoption. The table displays information about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school.

Subject	Textbooks and Instructional Materials/ Year of Adoption	From Most Recent Adoption?	Percent of Students Lacking Own Assigned Copy
Reading/Language Arts	Grades TK-6: Benchmark Advance/Adelante, adopted in 2017	Yes	0
Mathematics	K-6 Eureka Math, adopted as bridge program in 2016	Yes	0
Science	K-5 Pearson Scott Foresman- California Science, adopted in 2007 6th Glencoe/McGraw Hill- Science Focus, adopted in 2007	Yes	0

Subject	Textbooks and Instructional Materials/ Year of Adoption	From Most Recent Adoption?	Percent of Students Lacking Own Assigned Copy
History-Social Science	K-5 MacMillian/McGraw Hill- California Vistas, adopted in 2006 6th Glencoe/McGraw Hill- Discovering our Past, adopted in 2006	Yes	0

School Facility Conditions and Planned Improvements (Most Recent Year)

School Facilities

Lake Canyon Elementary was originally constructed in 2005 and is comprised of 27 classrooms, one multipurpose room, one library, one staff lounge, and a playground. The table shows the results of the most recent school facilities inspection. While reviewing this report, please note that even minor discrepancies are reported in the inspection process. The items noted in the table have been corrected or are in the process of remediation.

Cleaning Process

The principal works daily with one full-time and two part-time custodians to ensure that the cleaning of the school is maintained to provide for a clean and safe school. The district governing board has adopted cleaning standards for all schools in the district. A summary of these standards is available at the district office for review.

Maintenance and Repair

District maintenance staff ensures that the repairs necessary to keep the school in good repair and work orders are completed in a timely manner. A work order process is used to ensure efficient service and highest priority are given to emergency repairs.

School Facility Good Repair Status (Most Recent Year)

Using the **most recently collected** FIT data (or equivalent), provide the following:

- Determination of repair status for systems listed
- Description of any needed maintenance to ensure good repair
- The year and month in which the data were collected
- The overall rating

School Facility Good Repair Status (Most Recent Year) Year and month of the most recent FIT report: 1/17/2018	
System Inspected	Repair Status
Systems: Gas Leaks, Mechanical/HVAC, Sewer	Good
Interior: Interior Surfaces	Poor
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	Good
Electrical: Electrical	Poor
Restrooms/Fountains: Restrooms, Sinks/ Fountains	Fair
Safety: Fire Safety, Hazardous Materials	Fair
Structural: Structural Damage, Roofs	Good
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	Good

Overall Facility Rating (Most Recent Year)

Year and month of the most recent FIT report: 1/17/2018	
Overall Rating	Fair

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- **Statewide assessments** (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

**CAASPP Test Results in English Language Arts/Literacy (ELA) and Mathematics for All Students
Grades Three through Eight and Grade Eleven**

Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
English Language Arts/Literacy (grades 3-8 and 11)	39.0	52.0	43.0	49.0	48.0	50.0
Mathematics (grades 3-8 and 11)	38.0	41.0	36.0	38.0	37.0	38.0

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

**CAASPP Test Results in ELA by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	300	299	99.67	51.84
Male	152	152	100.00	51.32
Female	148	147	99.32	52.38
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	11	11	100.00	45.45
Filipino	--	--	--	--
Hispanic or Latino	162	162	100.00	42.59
Native Hawaiian or Pacific Islander	--	--	--	--
White	106	105	99.06	63.81
Two or More Races	--	--	--	--

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
Socioeconomically Disadvantaged	165	165	100.00	43.03
English Learners	99	99	100.00	36.36
Students with Disabilities	39	39	100.00	15.38
Students Receiving Migrant Education Services	--	--	--	--
Foster Youth	--	--	--	--

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Mathematics by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	300	297	99	40.74
Male	152	151	99.34	42.38
Female	148	146	98.65	39.04
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	11	11	100	36.36
Filipino	--	--	--	--
Hispanic or Latino	162	162	100	31.48
Native Hawaiian or Pacific Islander	--	--	--	--
White	106	105	99.06	55.24
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	165	164	99.39	28.66
English Learners	99	99	100	20.2
Students with Disabilities	39	38	97.44	15.79
Students Receiving Migrant Education Services	--	--	--	--
Foster Youth	--	--	--	--

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Science for All Students
Grades Five, Eight, and Ten**

Subject	Percentage of Students Meeting or Exceeding the State Standard					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Science (grades 5, 8, and 10)	N/A	N/A	N/A	N/A	N/A	N/A

Note: Cells with N/A values do not require data.

Note: The 2016–17 and 2017–18 data are not available. The CDE is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The CAST was pilot-tested in spring 2017 and field-tested in spring 2018. The CAST will be administered operationally during the 2018–19 school year. The CAA for Science was pilot-tested for two years (i.e., 2016–17 and 2017–18) and the CAA for Science will be field-tested in 2018–19.

Note: Science test results include the CAST and the CAA for Science. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA for Science divided by the total number of students who participated on both assessments.

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8):

- Pupil outcomes in the subject areas of physical education.

California Physical Fitness Test Results (School Year 2017-18)

Grade Level	Percent of Students Meeting Fitness Standards		
	Four of Six Standards	Five of Six Standards	Six of Six Standards
5	20.5	20.5	26.1

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each school site.

Opportunities for Parental Involvement (School Year 2018-19)

Parents are encouraged to participate in their child’s education by monitoring homework through student planners and teacher communication through newsletters, email and phone calls. Intermediate grade parents are encouraged to check assignments for the day on the Illuminate Parent Portal. The parent portal allows parents to monitor their students’ attendance, growth towards personalized goals, and grades online.

The school also seeks parental participation in PTA (Parent Teacher Association), ELAC (English Language Advisory Committee), and School Site Council meetings. Parents are enthusiastic about doing their part to create a great school. Parent Academies and workshops are offered every Trimester. In addition, parents are invited annually to participate in feedback sessions using a listening circle format.

The school also has local community partnerships with South County Services, Cosumnes Preserve Learning Program, Lions Club, Rotary, Visions Counseling, the Youth Development Network, First 5 Preschool, Kiwanis and many other national, regional, and local partners.

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

Suspensions and Expulsions

Rate	School			District			State		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Suspensions	1.6	0.3	0.2	3.0	2.2	2.7	3.7	3.7	3.5
Expulsions	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1

School Safety Plan (School Year 2018-19)

The district has developed a comprehensive emergency plan in conjunction with the Galt Police and Fire Departments which describes specific procedures for all types of emergencies. The plan is updated every fall and spring. An “Emergency Handbook”, kept in the office, outlines the plan of action for emergencies such as earthquakes, fires, floods and chemical spills. School sites have an evacuation plan and emergency drills are conducted regularly. Periodic, random school safety inspections are conducted by the Schools Insurance Authority of Sacramento County. All gates remain locked though out the school day with admittance to the campus only through the main office. Visitors to the campus are required to check in and out at the office to receive a badge. Parents are encouraged to volunteer on campus. School-wide digital and web-based surveillance cameras are in use school-wide to monitor outdoor areas and campus boundaries.

The current Lake Canyon School-wide Safety Plan was reviewed and approved by the Lake Canyon School Site Council and the GJUESD School Board in February of 2018. This extensive plan was highlighted at a spring 2018 Lake Canyon staff meeting to ensure all staff are fully aware and trained in all stated safety procedures.

D. Other SARC Information

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

Average Class Size and Class Size Distribution (Elementary)

Grade Level	2015-16				2016-17				2017-18			
	Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes		
		1-20	21-32	33+		1-20	21-32	33+		1-20	21-32	33+
K	19	1	4		35		4	1	14	6	2	
1	40		3	2	42	1	3	2	38	4		2
2	39		3	2	41		3	2	47		3	2
3	41	3	1	2	35	1	3	2	39		3	2
4	45		2	2	51		3	2	37	1	2	2
5	35	1	4	1	41		2	1	37	1	3	1
6	34	3	3	2	32	2	4	2	25	3	2	1
Other	11	1			18	1			21	1	1	

Number of classes indicates how many classes fall into each size category (a range of total students per class).

** “Other” category is for multi-grade level classes.

Academic Counselors and Other Support Staff (School Year 2017-18)

Title	Number of FTE Assigned to School	Average Number of Students per Academic Counselor
Academic Counselor	0	0
Counselor (Social/Behavioral or Career Development)	0	N/A
Library Media Teacher (Librarian)	0	N/A
Library Media Services Staff (Paraprofessional)	1.5	N/A
Psychologist	0.5	N/A
Social Worker	1	N/A
Nurse	0.15	N/A
Speech/Language/Hearing Specialist	1	N/A
Resource Specialist (non-teaching)	0	N/A
Other	7	N/A

Note: Cells with N/A values do not require data.

*One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Expenditures per Pupil and School Site Teacher Salaries (Fiscal Year 2016-17)

Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Supplemental/ Restricted	Basic/ Unrestricted	
School Site	10902	2978	7924	76097
District	N/A	N/A	8148	\$74,649
Percent Difference: School Site and District	N/A	N/A	-2.8	1.9
State	N/A	N/A	\$7,125	\$76,046
Percent Difference: School Site and State	N/A	N/A	10.6	0.1

Note: Cells with N/A values do not require data.

The California Department of Education issued guidance to LEAs on August 1, 2018, regarding how to calculate school-level per-pupil expenditures that will be reported on 2018-19 report cards.

Types of Services Funded (Fiscal Year 2017-18)

Personalized learning plans developed collaboratively by administration, teachers, parents, and the student will inform the instructional plan developed for each student to meet their academic growth needs. These personalized learning and strengths-based growth plans for every student will articulate and transition to high school learning pathways experience while closing the achievement gap.

Programs and services at Lake Canyon which support and assist our learners include:

- Through our many local, regional, and national partnerships, our students have access to opportunities in visual and performing arts, technology and engineering, and civic and service learning facilitated by experts in those fields.
- Through the implementation of Lake Canyon’s House System there is constant encouragement for students to do their best. This system supports positive attitudes of students toward one another and toward the school. The House System connects every student with a team of caring staff and peers which supports a sense of belonging and opportunities for student leadership.
- The Lake Canyon behavior support system is built upon restorative justice ideals and positive behavior intervention supports.

- Our school currently has a team of instructional assistants who provide additional reading and math skills practice in small groups. We focus these supports and interventions primarily in our TK-3rd grades. However, depending upon the need, our instructional assistants provide intervention in the upper grades, as well. Instructional assistants are provided training throughout the year based on the needs of our learners. This training is completed by our district curriculum coaches and site administration.
- Extended day academic services are offered two days a week after school. Teachers and instructional assistants support students with reading, science, and math.
- Wellness is prioritized through the implementation of a nationally recognized school-wide wellness plan which includes school-wide access to at least 100 minutes per week of physical education, fitness and sports-based interest clubs both during the school day and after school, and robust health and nutrition education.
- Free after school meals are offered to all students.
- More than fifty families have been chosen to check out a Chromebook with Wi-Fi services for home use.
- The Bright Future Learning Center (BFLC) is utilized as an enrichment hub which offers and supports blended learning opportunities beyond the classroom. The BFLC facilitates our large after school club offerings based on access to student interests. Many of these opportunities utilize technology and innovations in education such as computer programming, coding, engineering and robotics. The BFLC is open Monday - Friday from 8:00 a.m. - 6:00 p.m.
- Our school social worker program helps to keep children supported through their school years. Though school dropouts are rare in the elementary grades, enough knowledge exists to be able to identify the children who are at-risk of dropping out of school at a later age. Our social worker is responsible for various programs aimed at reducing or eliminating the high risk factors that interfere with student learning. Our social worker provides support to our students and staff, support to our families, works with attendance intervention, and provides on-going workshops for parents and staff.
- Health services are under the supervision of a qualified school nurse. Vision screening, hearing tests, first aid and health counseling are among the services. Our district nurse, along with our school health clerk, is available to address health problems that interfere with the learning process.
- 100% of all students are taught with current adopted ELA materials adapted for and supplemented with bridge materials through units jointly developed by grade level Professional Learning Communities (PLCs) and aligned with the CCSS. 100% of all students are taught with CCSS math units developed by the New York State Education Department. These Engage New York units were developed through the state's Race To The Top (RTTT) grant. 100% of students are exposed to units developed through the NGSS lens.
- 100% of all students utilize technological resources as needed in order to support academic growth. All students will have access to extended day opportunities utilizing technology and innovations in education such as computer programming, coding, engineering and robotics.
- 100% of students engage in service learning. Service learning will be highlighted and included in instructional minutes during the school day and as an intentional aspect of the extended day programming.
- English learners will receive targeted instruction through designated and integrated models embedded within the school instructional minutes. English learners will be placed into appropriate flexible groups targeted in meeting their language needs by their assessed level.

Teacher and Administrative Salaries (Fiscal Year 2016-17)

Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$42,803	\$48,064
Mid-Range Teacher Salary	\$68,529	\$75,417
Highest Teacher Salary	\$88,521	\$94,006
Average Principal Salary (Elementary)	\$112,955	\$119,037
Average Principal Salary (Middle)	\$115,644	\$123,140
Average Principal Salary (High)	\$0	\$135,974
Superintendent Salary	\$160,491	\$183,692
Percent of Budget for Teacher Salaries	38.0	36.0
Percent of Budget for Administrative Salaries	6.0	6.0

For detailed information on salaries, see the CDE Certificated Salaries & Benefits Web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Professional Development (Most Recent Three Years)

Processes and measures for continuous improvement and accountability are applied throughout Lake Canyon, including personalized evaluation processes. School site will use data, meaningful evaluation and self-reflection to continuously improve classroom instruction. Professional growth opportunities for all staff will be provided and valued as part of the school mission. Educators set annual professional growth goals in collaboration with school administrators. Staff development is an important part of the planned school program at Galt Joint Union Elementary School District. The school's teachers and support staff are committed to keeping up to date on the latest educational developments.

New teachers and teachers seeking additional assistance are supported by BTSA providers. They meet regularly with an experienced mentor to discuss their successes and challenges and new ideas for their classrooms.

Marengo Ranch Elementary School

School Accountability Report Card

Reported Using Data from the 2017-18 School Year

Published During 2018-19

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

About This School

Contact Information (School Year 2018-19)

School Contact Information	
School Name	Marengo Ranch Elementary School
Street	1000 Elk Hills Drive
City, State, Zip	Galt, CA 95632
Phone Number	(209) 745-547
Principal	Jennifer Porter
E-mail Address	jporter@galt.k12.ca.us
Web Site	http://mg-gjuesd-ca.schoolloop.com/
CDS Code	34 67348 6114185

District Contact Information	
District Name	Galt Joint Union ESD
Phone Number	209.744.4545
Superintendent	Karen Schauer
E-mail Address	kschauer@galt.k12.ca.us
Web Site	http://gjuesd-ca.schoolloop.com/

School Description and Mission Statement (School Year 2018-19)

At Marengo Ranch, we embrace a personal approach to learning.

We believe that every student has unique needs, strengths, talents, and interests.

It is our mission to ensure that all learners have opportunities to meet their personal goals, and to have the skills, tools, and confidence needed to achieve their dreams and aspirations for college, career, and beyond.

At Marengo Ranch, we are making it personal.

Principal's Message

Marengo Ranch Elementary School offers a safe, supportive environment for all students. We believe in personalized, focused learning for each and every student, and it is our goal to provide instruction and support that fits the needs, interests, strengths, and talents of all learners. Our libraries are Bright Future Learning Centers where students and families can learn, study, and utilize new, state of the art technology. Extended hours, support staff, access to online services and programs provide rich opportunities for our students and families to learn beyond the walls of our classrooms. Technology tools in the classroom are embedded in our instructional delivery system and allow our teachers to personalize the learning for their students. Web-based assessments provide immediate feedback on student growth so that staff members may make informed decisions about providing intervention or enrichment as needed. Marengo Ranch continues to be a school that believes in providing a positive, nurturing environment for our students. The emotional well-being of our students goes hand in hand with our academic focus. Character and strength development as well as student leadership are critical components to teach our "Monarchs" to be true leaders. Student leaders support activities for school spirit, volunteerism, service learning, and fundraising campaigns. Safety Patrol, and Conflict Management are also areas where students can provide service to the students at Marengo Ranch.

The staff at Marengo Ranch work together in professional learning communities and are continually seeking new, innovative ways to support academic success.

Student Enrollment by Grade Level (School Year 2017-18)

Grade Level	Number of Students
Kindergarten	98
Grade 1	65
Grade 2	79
Grade 3	67
Grade 4	71
Grade 5	65
Grade 6	96
Total Enrollment	541

Student Enrollment by Group (School Year 2017-18)

Student Group	Percent of Total Enrollment
Black or African American	0.7
American Indian or Alaska Native	0.4
Asian	3.3
Filipino	0.7
Hispanic or Latino	44.0
Native Hawaiian or Pacific Islander	0.9
White	46.8
Socioeconomically Disadvantaged	42.9
English Learners	10.4
Students with Disabilities	12.0
Foster Youth	0.0

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials

Teachers	School			District
	2016-17	2017-18	2018-19	2018-19
With Full Credential	29	28	28	27
Without Full Credential	1	1		0
Teaching Outside Subject Area of Competence (with full credential)	0	0		0

Teacher Misassignments and Vacant Teacher Positions

Indicator	2016-17	2017-18	2018-19
Misassignments of Teachers of English Learners	0	0	0
Total Teacher Misassignments *	0	0	0
Vacant Teacher Positions	0	0	0

Note: "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc.

* Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2018-19)

Year and month in which data were collected: 2017 - October

Galt Joint Union Elementary held a Public Hearing on Oct 25, 2017, and determined that each school within the district has sufficient and good quality textbooks, instructional materials, or science lab equipment pursuant to the settlement of Williams vs. the State of California. All students, including English learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects for use in the classroom and to take home. Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making the textbooks used in the school the most current available. Materials approved for use by the state are reviewed by all teachers and a recommendation is made to the School Board by a selection committee composed of teachers and administrators. All recommended materials are available for parent examination at the district office prior to adoption. The table displays information about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school.

Subject	Textbooks and Instructional Materials/ Year of Adoption	From Most Recent Adoption?	Percent of Students Lacking Own Assigned Copy
Reading/Language Arts	Benchmark, adopted in 2017	Yes	0
Mathematics	K-6 Eureka Math, adopted as bridge program in 2016	Yes	0
Science	K-5 Pearson Scott Foresman- California Science, adopted in 2007 6th Glencoe/McGraw Hill- Science Focus, adopted in 2007	Yes	0
History-Social Science	K-5 MacMillian/McGraw Hill- California Vistas, adopted in 2006 6th Glencoe/McGraw Hill- Discovering our Past	Yes	0

School Facility Conditions and Planned Improvements (Most Recent Year)

Built in 1997, Marengo Ranch Elementary is comprised of 18 permanent classrooms, 21 portable classrooms, one multipurpose room, one BFLC, one staff workroom, and three playgrounds. School pride shows through the care of our facilities by staff, students and parents. The facility is used by many community organizations on a year-round basis.

Cleaning Process

The principal works daily with two full-time and two part-time custodial staff members to ensure that the cleaning of the school is maintained to provide for a clean and safe school. The district governing board has adopted cleaning standards for all schools in the district. A summary of these standards is available at the district office for review.

Maintenance and Repair

District maintenance staff ensures that the repairs necessary to keep the school in good repair and work orders are completed in a timely manner. A work order process is used to ensure efficient service and highest priority are given to emergency repairs.

School Bond and Renovation

During the 2019 school year, construction will begin to address much needed renovation to the school's brick exterior issues.

School Facility Good Repair Status (Most Recent Year)Using the **most recently collected** FIT data (or equivalent), provide the following:

- Determination of repair status for systems listed
- Description of any needed maintenance to ensure good repair
- The year and month in which the data were collected
- The overall rating

School Facility Good Repair Status (Most Recent Year) Year and month of the most recent FIT report: 1/18/2018	
System Inspected	Repair Status
Systems: Gas Leaks, Mechanical/HVAC, Sewer	Good
Interior: Interior Surfaces	Poor
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	Fair
Electrical: Electrical	Fair
Restrooms/Fountains: Restrooms, Sinks/ Fountains	Fair
Safety: Fire Safety, Hazardous Materials	Fair
Structural: Structural Damage, Roofs	Good
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	Good

Overall Facility Rating (Most Recent Year)

Year and month of the most recent FIT report: 1/18/2018	
Overall Rating	Fair

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- **Statewide assessments** (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

CAASPP Test Results in English Language Arts/Literacy (ELA) and Mathematics for All Students Grades Three through Eight and Grade Eleven

Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
English Language Arts/Literacy (grades 3-8 and 11)	39.0	51.0	43.0	49.0	48.0	50.0
Mathematics (grades 3-8 and 11)	35.0	38.0	36.0	38.0	37.0	38.0

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

CAASPP Test Results in ELA by Student Group Grades Three through Eight and Grade Eleven (School Year 2017-18)

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	295	292	98.98	51.20
Male	140	140	100.00	42.14
Female	155	152	98.06	59.60
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	13	13	100.00	30.77
Filipino	--	--	--	--
Hispanic or Latino	130	129	99.23	38.76
Native Hawaiian or Pacific Islander	--	--	--	--
White	131	130	99.24	64.62
Two or More Races	13	13	100.00	61.54
Socioeconomically Disadvantaged	137	135	98.54	34.07
English Learners	60	59	98.33	32.20
Students with Disabilities	34	32	94.12	12.50
Students Receiving Migrant Education Services	--	--	--	--

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Mathematics by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	295	292	98.98	38.36
Male	140	140	100	32.14
Female	155	152	98.06	44.08
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	13	13	100	30.77
Filipino	--	--	--	--
Hispanic or Latino	130	129	99.23	31.01
Native Hawaiian or Pacific Islander	--	--	--	--
White	131	130	99.24	46.15
Two or More Races	13	13	100	38.46
Socioeconomically Disadvantaged	137	135	98.54	25.19
English Learners	60	59	98.33	22.03
Students with Disabilities	33	31	93.94	3.23
Students Receiving Migrant Education Services	--	--	--	--

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Science for All Students
Grades Five, Eight, and Ten**

Subject	Percentage of Students Meeting or Exceeding the State Standard					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Science (grades 5, 8, and 10)	N/A	N/A	N/A	N/A	N/A	N/A

Note: Cells with N/A values do not require data.

Note: The 2016–17 and 2017–18 data are not available. The CDE is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The CAST was pilot-tested in spring 2017 and field-tested in spring 2018. The CAST will be administered operationally during the 2018–19 school year. The CAA for Science was pilot-tested for two years (i.e., 2016–17 and 2017–18) and the CAA for Science will be field-tested in 2018–19.

Note: Science test results include the CAST and the CAA for Science. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA for Science divided by the total number of students who participated on both assessments.

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8):

- Pupil outcomes in the subject areas of physical education.

California Physical Fitness Test Results (School Year 2017-18)

Grade Level	Percent of Students Meeting Fitness Standards		
	Four of Six Standards	Five of Six Standards	Six of Six Standards
5	9.1	25.8	37.9

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each school site.

Opportunities for Parental Involvement (School Year 2018-19)

Parents are encouraged to participate in their child's education by monitoring schoolwork and homework each day, volunteering, and communicating with us. Communication through our Parent Portal, Facebook, Twitter, Remind, Blackboard Connect, and classroom connection systems such as Class Dojo and Bloomz provide many ways to keep families involved. The school also seeks parental participation in PTKC (Parent Teacher Kids Club), ELAC (English Learner Advisory Committee), and School Site Council. Events such as Family Bingo Night, Pancake Breakfast, and Family Dance Night are opportunities for parent involvement. Parents are enthusiastic about doing their part to create a positive school community.

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

Suspensions and Expulsions

Rate	School			District			State		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Suspensions	1.6	0.9	0.0	3.0	2.2	2.7	3.7	3.7	3.5
Expulsions	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1

School Safety Plan (School Year 2018-19)

The district has developed a comprehensive emergency plan in conjunction with the Galt Police and Fire Departments, which describes specific procedures for all types of emergencies. The plan is updated every fall and spring. An "Emergency Handbook", kept in the office, outlines the plan of action for emergencies such as earthquakes, fires, floods and chemical spills. School sites have an evacuation plan and emergency drills are conducted regularly. Periodic, random school safety inspections are conducted by the Schools Insurance Authority of Sacramento County. All gates remain locked throughout the school day with admittance to the campus only through the main office. Visitors to the campus are required to check in and out at the office to receive a badge.

D. Other SARC Information

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

Average Class Size and Class Size Distribution (Elementary)

Grade Level	2015-16				2016-17				2017-18			
	Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes		
		1-20	21-32	33+		1-20	21-32	33+		1-20	21-32	33+
K	24		3		18	3	4		16	3	3	
1	39	1	2	2	42	1	2	2	38		3	2
2	42		3	2	34		4	2	39	4		2
3	40	1	2	2	35		4	2	38	1	2	2
4	53		3	2	39		3	2	47		2	2
5	30	2	4	1	35	2	3	2	38		2	1
6	37	2	3	1	28	4	3	1	33	2	3	2
Other	7	2			9	3			6	3		

Number of classes indicates how many classes fall into each size category (a range of total students per class).

** "Other" category is for multi-grade level classes.

Academic Counselors and Other Support Staff (School Year 2017-18)

Title	Number of FTE Assigned to School	Average Number of Students per Academic Counselor
Academic Counselor	0	0
Counselor (Social/Behavioral or Career Development)	0	N/A
Library Media Teacher (Librarian)	0	N/A
Library Media Services Staff (Paraprofessional)	1.5	N/A
Psychologist	1.0	N/A
Social Worker	1	N/A
Nurse	0.1	N/A
Speech/Language/Hearing Specialist	1.5	N/A
Resource Specialist (non-teaching)	.5	N/A
Other	25	N/A

Note: Cells with N/A values do not require data.

*One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Expenditures per Pupil and School Site Teacher Salaries (Fiscal Year 2016-17)

Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Supplemental/ Restricted	Basic/ Unrestricted	
School Site	11120	3269	7851	75312
District	N/A	N/A	8148	\$74,649
Percent Difference: School Site and District	N/A	N/A	-3.7	0.9
State	N/A	N/A	\$7,125	\$76,046
Percent Difference: School Site and State	N/A	N/A	9.7	-1.0

Note: Cells with N/A values do not require data.

The California Department of Education issued guidance to LEAs on August 1, 2018, regarding how to calculate school-level per-pupil expenditures that will be reported on 2018-19 report cards.

Types of Services Funded (Fiscal Year 2017-18)

Instructional assistants are employed to assist with foundational reading skill instruction, and English Learner support in designated ELD blocks. After school, extended day opportunities are provided by classified and certificated staff to meet the needs of students. Our BFLC runs after school clubs each week and we have an after school program (SOAR) through Parks and Recreation Department.

Teacher and Administrative Salaries (Fiscal Year 2016-17)

Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$42,803	\$48,064
Mid-Range Teacher Salary	\$68,529	\$75,417
Highest Teacher Salary	\$88,521	\$94,006
Average Principal Salary (Elementary)	\$112,955	\$119,037
Average Principal Salary (Middle)	\$115,644	\$123,140
Average Principal Salary (High)	\$0	\$135,974
Superintendent Salary	\$160,491	\$183,692
Percent of Budget for Teacher Salaries	38.0	36.0
Percent of Budget for Administrative Salaries	6.0	6.0

For detailed information on salaries, see the CDE Certificated Salaries & Benefits Web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Professional Development (Most Recent Three Years)

Staff development is an important part of the planned school program at Galt Joint Union Elementary School District. The school's teachers and support staff are committed to keeping up to date on the latest educational developments. The district offers three staff development days.

New teachers and teachers seeking additional assistance are supported by The Induction Program providers. They meet regularly with an experienced mentor to discuss their successes and challenges and new ideas for their classrooms.

McCaffrey Middle School

School Accountability Report Card

Reported Using Data from the 2017-18 School Year

Published During 2018-19

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

About This School

Contact Information (School Year 2018-19)

School Contact Information	
School Name	McCaffrey Middle School
Street	997 Park Terrace Drive
City, State, Zip	Galt, CA 95632
Phone Number	(209) 745-5462
Principal	Ron Rammer
E-mail Address	rrammer@galt.k12.ca.us
Web Site	https://mc-gjuesd-ca.schoolloop.com
CDS Code	34 67348 0100040

District Contact Information	
District Name	Galt Joint Union ESD
Phone Number	209.744.4545
Superintendent	Karen Schauer
E-mail Address	kschauer@galt.k12.ca.us
Web Site	http://gjuesd-ca.schoolloop.com/

School Description and Mission Statement (School Year 2018-19)

Our Vision is:

McCaffrey Middle School will provide a 21st century personalized learning experience preparing each student to be college and career ready.

Our mission is:

1. To create a personalized learning environment where students are actively engaged,
2. to build upon a learner's individual strengths and knowledge preparing them for a changing 21st century,
3. to provide access to a rigorous curriculum delivered through a blended learning environment and high quality first instruction, and
4. to inspire active, responsible, lifelong learners.

As a CALLI (California Language and Learning Innovations Collaborations) school, our vision is for students to produce authentic writing that demonstrates deepened content understanding.

Student Enrollment by Grade Level (School Year 2017-18)

Grade Level	Number of Students
Grade 7	448
Grade 8	481
Total Enrollment	929

Student Enrollment by Group (School Year 2017-18)

Student Group	Percent of Total Enrollment
Black or African American	1.4
American Indian or Alaska Native	0.3
Asian	2.2
Filipino	0.6
Hispanic or Latino	60.3
Native Hawaiian or Pacific Islander	0.4
White	33.7
Socioeconomically Disadvantaged	52.1
English Learners	9.6
Students with Disabilities	12.3
Foster Youth	0.2

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials

Teachers	School			District
	2016-17	2017-18	2018-19	2018-19
With Full Credential	45	45	45	44
Without Full Credential	0	1	1	2
Teaching Outside Subject Area of Competence (with full credential)	0	0	0	0

Teacher Misassignments and Vacant Teacher Positions

Indicator	2016-17	2017-18	2018-19
Misassignments of Teachers of English Learners	0	0	0
Total Teacher Misassignments *	0	0	0
Vacant Teacher Positions	0	0	0

Note: "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc.

* Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2018-19)

Year and month in which data were collected: October 2017

Galt Joint Union Elementary held a Public Hearing on October 25, 2017, and determined that each school within the district has sufficient and good quality textbooks, instructional materials, or science lab equipment pursuant to the settlement of Williams vs. the State of California. All students, including English learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects for use in the classroom and to take home. Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making the textbooks used in the school the most current available. Materials approved for use by the state are reviewed by all teachers and a recommendation is made to the School Board by a selection committee composed of teachers and administrators. All recommended materials are available for parent examination at the district office prior to adoption. The table displays information about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school.

Subject	Textbooks and Instructional Materials/ Year of Adoption	From Most Recent Adoption?	Percent of Students Lacking Own Assigned Copy
Reading/Language Arts	Amplify, adopted in 2017	Yes	0
Mathematics	College Preparatory Math, adopted in 2015	Yes	0
Science	7th-8th Glencoe/McGraw Hill, adopted in 2007	Yes	0
History-Social Science	7th-8th Glencoe/McGraw Hill, adopted in 2006	Yes	0

School Facility Conditions and Planned Improvements (Most Recent Year)

McCaffrey Middle School was built in 2003. The school currently has 48 classrooms; a multipurpose room with a stage and kitchen; BFLC (Bright Future Learning Center); two technology labs; two music rooms; an ASB room; an athletic field; and a gymnasium. Six portables were added to the campus in 2008-09.

Cleaning Process

Three and one half custodians are employed to ensure that the cleaning of the school is maintained to provide for a clean and safe school. The district governing board has adopted cleaning standards for all schools in the district. A summary of these standards is available at the district office for review.

Maintenance and Repair

District maintenance staff ensures that the repairs necessary to keep the school in good repair and work orders are completed in a timely manner. A work order process is used to ensure efficient service and highest priority are given to emergency repairs. While reviewing this report, please note that even minor discrepancies are reported in the inspection process. The items noted in the table have been corrected or are in the process of remediation. The table shows the results of the most recent school facilities inspection.

School Facility Good Repair Status (Most Recent Year)

Using the **most recently collected** FIT data (or equivalent), provide the following:

- Determination of repair status for systems listed
- Description of any needed maintenance to ensure good repair
- The year and month in which the data were collected
- The overall rating

School Facility Good Repair Status (Most Recent Year) Year and month of the most recent FIT report: 1/18/2018	
System Inspected	Repair Status
Systems: Gas Leaks, Mechanical/HVAC, Sewer	Good
Interior: Interior Surfaces	Poor
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	Fair
Electrical: Electrical	Poor
Restrooms/Fountains: Restrooms, Sinks/ Fountains	Fair
Safety: Fire Safety, Hazardous Materials	Good
Structural: Structural Damage, Roofs	Good
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	Good

Overall Facility Rating (Most Recent Year)

Year and month of the most recent FIT report: 1/18/2018	
Overall Rating	Fair

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- **Statewide assessments** (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

CAASPP Test Results in English Language Arts/Literacy (ELA) and Mathematics for All Students Grades Three through Eight and Grade Eleven

Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
English Language Arts/Literacy (grades 3-8 and 11)	47.0	47.0	43.0	49.0	48.0	50.0
Mathematics (grades 3-8 and 11)	35.0	33.0	36.0	38.0	37.0	38.0

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

CAASPP Test Results in ELA by Student Group Grades Three through Eight and Grade Eleven (School Year 2017-18)

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	922	913	99.02	46.88
Male	483	477	98.76	39.83
Female	439	436	99.32	54.59
Black or African American	12	12	100.00	66.67
American Indian or Alaska Native	--	--	--	--
Asian	20	19	95.00	63.16
Filipino	--	--	--	--
Hispanic or Latino	566	565	99.82	40.18
Native Hawaiian or Pacific Islander	--	--	--	--
White	300	293	97.67	57.68
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	521	518	99.42	37.26
English Learners	196	195	99.49	16.92
Students with Disabilities	111	110	99.10	15.45
Students Receiving Migrant Education Services	49	49	100.00	22.45
Foster Youth	--	--	--	--

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Mathematics by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	924	913	98.81	33.3
Male	483	476	98.55	32.14
Female	441	437	99.09	34.55
Black or African American	12	12	100	50
American Indian or Alaska Native	--	--	--	--
Asian	20	19	95	47.37
Filipino	--	--	--	--
Hispanic or Latino	566	565	99.82	27.26
Native Hawaiian or Pacific Islander	--	--	--	--
White	303	294	97.03	42.86
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	522	518	99.23	24.9
English Learners	195	194	99.49	5.67
Students with Disabilities	113	110	97.35	10.91
Students Receiving Migrant Education Services	49	49	100	10.2
Foster Youth	--	--	--	--

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Science for All Students
Grades Five, Eight, and Ten**

Subject	Percentage of Students Meeting or Exceeding the State Standard					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Science (grades 5, 8, and 10)	N/A	N/A	N/A	N/A	N/A	N/A

Note: Cells with N/A values do not require data.

Note: The 2016–17 and 2017–18 data are not available. The CDE is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The CAST was pilot-tested in spring 2017 and field-tested in spring 2018. The CAST will be administered operationally during the 2018–19 school year. The CAA for Science was pilot-tested for two years (i.e., 2016–17 and 2017–18) and the CAA for Science will be field-tested in 2018–19.

Note: Science test results include the CAST and the CAA for Science. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA for Science divided by the total number of students who participated on both assessments.

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8):

- Pupil outcomes in the subject areas of physical education.

California Physical Fitness Test Results (School Year 2017-18)

Grade Level	Percent of Students Meeting Fitness Standards		
	Four of Six Standards	Five of Six Standards	Six of Six Standards
7	21.6	18.7	30.8

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each school site.

Opportunities for Parental Involvement (School Year 2018-19)

Parents are encouraged to participate in their child’s education by monitoring student progress through Personal Learning Plans (PLP), the Parent Portal and student planners. Teachers also communicate through newsletters, email, the Remind app, teacher created websites and phone calls. The school also seeks parental participation in the the School Site Council as well as targeted topic parent meetings (held in both English and Spanish). Many opportunities to participate in school functions including music, sports and clubs are available for all parents. Parents are enthusiastic about doing their part to create a great school.

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

Suspensions and Expulsions

Rate	School			District			State		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Suspensions	6.4	5.4	6.8	3.0	2.2	2.7	3.7	3.7	3.5
Expulsions	0.1	0.0	0.2	0.0	0.0	0.1	0.1	0.1	0.1

School Safety Plan (School Year 2018-19)

The district has developed a comprehensive emergency plan in conjunction with the Galt Police and Fire Departments, which describes specific procedures for all types of emergencies. The plan is updated every fall. An "Emergency Handbook", kept in the office, outlines the plan of action for emergencies such as earthquakes, fires, floods and chemical spills. School sites have an evacuation plan and emergency drills are conducted regularly. Periodic, random school safety inspections are conducted by the Schools Insurance Authority of Sacramento County. All gates remain locked though out the school day with admittance to the campus only through the main office. Visitors to the campus are required to check in and out at the office to receive a badge. Parents are encouraged to volunteer on campus. Safety drills are practiced with Galt PD on a trimester basis to insure students and adults know the course action to take take in an emergency situation.

Average Class Size and Class Size Distribution (Secondary)

Subject	2015-16				2016-17				2017-18			
	Avg. Class Size	Number of Classrooms			Avg. Class Size	Number of Classrooms			Avg. Class Size	Number of Classrooms		
		1-22	23-32	33+		1-22	23-32	33+		1-22	23-32	33+
English	22.0	16	24		25.0	8	27	2	25.0	10	24	6
Mathematics	26.0	3	25	2	28.0	5	21	4	30.0	1	21	8
Science	28.0		30		30.0		27	3	31.0		21	9
Social Science	30.0		23	6	29.0	1	28	2	31.0		22	8

Note: Number of classes indicates how many classrooms fall into each size category (a range of total students per classroom). At the secondary school level, this information is reported by subject area rather than grade level.

Academic Counselors and Other Support Staff (School Year 2017-18)

Title	Number of FTE Assigned to School	Average Number of Students per Academic Counselor
Academic Counselor	1	877
Counselor (Social/Behavioral or Career Development)	0	N/A
Library Media Teacher (Librarian)	0	N/A
Library Media Services Staff (Paraprofessional)	1.0	N/A
Psychologist	1.0	N/A
Social Worker	0.33	N/A
Nurse	0.4	N/A
Speech/Language/Hearing Specialist	1	N/A
Resource Specialist (non-teaching)		N/A
Other	16.4	N/A

Note: Cells with N/A values do not require data.

*One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Expenditures per Pupil and School Site Teacher Salaries (Fiscal Year 2016-17)

Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Supplemental/ Restricted	Basic/ Unrestricted	
School Site	11231	3273	7958	76151
District	N/A	N/A	8148	\$74,649
Percent Difference: School Site and District	N/A	N/A	-2.4	2.0
State	N/A	N/A	\$7,125	\$76,046
Percent Difference: School Site and State	N/A	N/A	11.0	0.1

Note: Cells with N/A values do not require data.

The California Department of Education issued guidance to LEAs on August 1, 2018, regarding how to calculate school-level per-pupil expenditures that will be reported on 2018-19 report cards.

Types of Services Funded (Fiscal Year 2017-18)

Various supplemental services and opportunities are in place at McCaffrey Middle School to support and assist students. These include:

- ASES (After School Education and Safety) program
- Before and after school tutoring
- AVID (Advancement Via Individual Determination) program
- Instructional assistants for additional student support
- Focused study skills exploratory for targeted students including a credentialed an additional full time math teacher providing math support to high needs learners.
- Various clubs and sport programs
- Innovation Lab housed within the BFLC (Bright Future Learning Center)
- Math support during advisory period
- Various partnerships including NASA, NGSS Early Implementers, CALLI (Literacy), Washington State University, the Salmon Project
- EAOP (Early Academic Outreach Program) through U.C. Davis
- PLUS (Peer Leaders Uniting Students)
- ATOD is a peer to prevention program which aims to reduced student use of Alcohol, Tobacco and Other Drugs.
- Strategies for Change (now known as Well Space Health) is a counseling service providing mental health services and individual and group counseling for youth.
- Too Good for Violence is delivered through teacher volunteers in the fall of each year. This usually numbers around 11 classes. This service builds positive peer relations and prevents youth violence.

Teacher and Administrative Salaries (Fiscal Year 2016-17)

Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$42,803	\$48,064
Mid-Range Teacher Salary	\$68,529	\$75,417
Highest Teacher Salary	\$88,521	\$94,006
Average Principal Salary (Elementary)	\$112,955	\$119,037
Average Principal Salary (Middle)	\$115,644	\$123,140
Average Principal Salary (High)	\$0	\$135,974
Superintendent Salary	\$160,491	\$183,692
Percent of Budget for Teacher Salaries	38.0	36.0
Percent of Budget for Administrative Salaries	6.0	6.0

For detailed information on salaries, see the CDE Certificated Salaries & Benefits Web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Professional Development (Most Recent Three Years)

Staff development is an important part of the planned school program at Galt Joint Union Elementary School District. The school's teachers and support staff are committed to keeping up to date on the latest educational developments. The district offered three staff development for the 2016-17, 2017-18 and the current 2018-19 school year.

Currently McCaffrey Middle School is part of the CALLI (California Language and Learning Innovation Collaboration) grant. We are focused on literacy for all students with a special attention paid to our English Language Learners. Professional development this year revolves around writing.

Along with CALLI, science teachers continue to be heavily involved as early implementers with the new NGSS. Language Arts teachers will continue to receive PD in the Amplify program as needed.

River Oaks Elementary School

School Accountability Report Card

Reported Using Data from the 2017-18 School Year

Published During 2018-19

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

About This School

Contact Information (School Year 2018-19)

School Contact Information	
School Name	River Oaks Elementary School
Street	905 Vintage Oak Avenue
City, State, Zip	Galt, CA 95632
Phone Number	(209) 745-4614
Principal	Donna Gill
E-mail Address	dgill@galt.k12.ca.us
Web Site	http://ro-gjuesd-ca.schoolloop.com/
CDS Code	34 67348 610654

District Contact Information	
District Name	Galt Joint Union ESD
Phone Number	209.744.4545
Superintendent	Karen Schauer
E-mail Address	kschauer@galt.k12.ca.us
Web Site	http://gjuesd-ca.schoolloop.com/

School Description and Mission Statement (School Year 2018-19)

Vision: We envision...

- *A school where students will develop foundational skills, individual talents, and skills needed to be college and career ready.
- *A school where everyone is physically and emotionally safe.
- *A school where everyone takes responsibility for their own actions.
- *A school where parents, community, and staff encourage and support students to do their best.
- *A school where 100% of all students will meet or exceed their individual growth goals based on the California Common Core Standards.
- *A school where students have learning opportunities to develop 21st Century Skills.
- *A school where students are technologically literate and globally minded.
- *A school where students and staff communicate effectively and work cooperatively.
- *A school where students will develop critical thinking and problem solving skills.
- *A school where students and staff model the Eight Great Character Traits.
- *A school where students give to others and the greater community.

Mission:

Core Values (belief statements that guide us)

- *Children come first.
- *All children can learn.
- *We focus on results. (meeting/exceeding growth targets)
- *Our expectations and standards are high.
- *Evaluation drives improvement.
- *Collaboration and teamwork improves student achievement.
- *We honor diversity.
- *We act ethically and with integrity, and treat everyone with courtesy and respect.

Principal's Message

The River Oaks staff takes great pride in creating a culturally sensitive school environment that is safe, nurturing, caring, and intellectually challenging. High standards have been set for behavior and academic personal growth. Students are recognized and rewarded daily, weekly, and monthly for demonstrating the Eight Great Character Traits in their school work and personal interactions with adults and peers. We believe it is important for students and parents to have a voice and to feel a sense of ownership and pride in their school. Students have many opportunities to participate in extracurricular activities such as: Student Council, Cross Age Tutoring, Band, Choir, After School Clubs, Makers Lab, and Running Clubs. Parents are encouraged to volunteer in and out of the classrooms. They support teachers and contribute to our positive school community in many ways. We are thankful for a very active and supportive PTA, English Language Advisory Committee, and School Site Council. All students are challenged to meet individual growth goals and to perform to the best of their abilities. Individual strengths and talents are recognized in all learners. There are many opportunities for students to use their strengths and talents at school. The teachers and support staff at River Oaks are dedicated to student achievement towards meeting Common Core State Standards. Teachers, specialists, and administration collaborate on a regular basis to provide a personalized, standards-based education for all learners. Careful and precise data analysis of state and local assessments drive instruction and the needs for enrichment and remedial interventions. We are proud to report that River Oaks has been recognized as a California Distinguished School in 1995, 2002, 2008, and 2018.

Student Enrollment by Grade Level (School Year 2017-18)

Grade Level	Number of Students
Kindergarten	91
Grade 1	72
Grade 2	85
Grade 3	70
Grade 4	74
Grade 5	83
Grade 6	87
Total Enrollment	562

Student Enrollment by Group (School Year 2017-18)

Student Group	Percent of Total Enrollment
Black or African American	1.1
American Indian or Alaska Native	0.5
Asian	3.9
Filipino	1.2
Hispanic or Latino	52.3
Native Hawaiian or Pacific Islander	0.7
White	38.3
Socioeconomically Disadvantaged	57.5
English Learners	17.4
Students with Disabilities	14.4
Foster Youth	0.0

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials

Teachers	School			District
	2016-17	2017-18	2018-19	2018-19
With Full Credential	32	31	28	32
Without Full Credential	4	1	2	1
Teaching Outside Subject Area of Competence (with full credential)	0	0	0	0

Teacher Misassignments and Vacant Teacher Positions

Indicator	2016-17	2017-18	2018-19
Misassignments of Teachers of English Learners	0	0	0
Total Teacher Misassignments *	0	0	0
Vacant Teacher Positions	0	0	0

Note: "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc.

* Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2018-19)

Year and month in which data were collected: October 2017

Galt Joint Union Elementary held a Public Hearing on October 25, 2017, and determined that each school within the district has sufficient and good quality textbooks, instructional materials, or science lab equipment pursuant to the settlement of Williams vs. the State of California. All students, including English learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects for use in the classroom and to take home. Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making the textbooks used in the school the most current available. Materials approved for use by the state are reviewed by all teachers and a recommendation is made to the School Board by a selection committee composed of teachers and administrators. All recommended materials are available for parent examination at the district office prior to adoption. The table displays information about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school.

Subject	Textbooks and Instructional Materials/ Year of Adoption	From Most Recent Adoption?	Percent of Students Lacking Own Assigned Copy
Reading/Language Arts	K-6 Benchmark Advance, adopted in 2017-18	Yes	0
Mathematics	K-6 Eureka Math, adopted as bridge program in 2016	Yes	0
Science	K-5 Pearson Scott Foresman- California Science, adopted in 2007 6th Glencoe/McGraw Hill- Science Focus, adopted in 2007	Yes	0
History-Social Science	K-5 MacMillian/McGraw Hill- California Vistas, adopted in 2006 6th Glencoe/McGraw Hill- Discovering our Past, adopted in 2006	Yes	0

School Facility Conditions and Planned Improvements (Most Recent Year)

River Oaks Elementary opened in 1992 and is comprised of 18 permanent classrooms, 16 portable classrooms, one multipurpose room, one library, a staff lounge, and two playgrounds. The table shows the results of the most recent school facilities inspection. While reviewing this report, please note that even minor discrepancies are reported in the inspection process. The items noted in the table have been corrected or are in the process of remediation.

Cleaning Process

The principal works daily with the custodial staff of three to ensure that the cleaning of the school is maintained to provide for a clean and safe school. The district governing board has adopted cleaning standards for all schools in the district. A summary of these standards is available at the district office for review.

Maintenance and Repair

District maintenance staff ensures that the repairs necessary to keep the school in good repair and work orders are completed in a timely manner. A work order process is used to ensure efficient service, and highest priority are given to emergency repairs.

School Facility Good Repair Status (Most Recent Year)

Using the **most recently collected** FIT data (or equivalent), provide the following:

- Determination of repair status for systems listed
- Description of any needed maintenance to ensure good repair
- The year and month in which the data were collected
- The overall rating

School Facility Good Repair Status (Most Recent Year) Year and month of the most recent FIT report: 1/17/2018	
System Inspected	Repair Status
Systems: Gas Leaks, Mechanical/HVAC, Sewer	Good
Interior: Interior Surfaces	Poor
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	Fair
Electrical: Electrical	Poor
Restrooms/Fountains: Restrooms, Sinks/ Fountains	Fair
Safety: Fire Safety, Hazardous Materials	Fair
Structural: Structural Damage, Roofs	Good
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	Good

Overall Facility Rating (Most Recent Year)

Year and month of the most recent FIT report: 1/17/2018	
Overall Rating	Fair

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- **Statewide assessments** (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

CAASPP Test Results in English Language Arts/Literacy (ELA) and Mathematics for All Students Grades Three through Eight and Grade Eleven

Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
English Language Arts/Literacy (grades 3-8 and 11)	60.0	66.0	43.0	49.0	48.0	50.0
Mathematics (grades 3-8 and 11)	52.0	58.0	36.0	38.0	37.0	38.0

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

CAASPP Test Results in ELA by Student Group Grades Three through Eight and Grade Eleven (School Year 2017-18)

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	312	310	99.36	65.81
Male	143	142	99.30	60.56
Female	169	168	99.41	70.24
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	173	172	99.42	55.81
Native Hawaiian or Pacific Islander	--	--	--	--
White	107	106	99.07	82.08
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	189	188	99.47	55.32
English Learners	99	98	98.99	45.92
Students with Disabilities	32	31	96.88	25.81
Students Receiving Migrant Education Services	19	19	100.00	57.89

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Mathematics by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	311	311	100	57.56
Male	142	142	100	55.63
Female	169	169	100	59.17
Black or African American	--	--	--	--
American Indian or Alaska Native	--	--	--	--
Asian	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	172	172	100	45.35
Native Hawaiian or Pacific Islander	--	--	--	--
White	107	107	100	76.64
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	188	188	100	45.21
English Learners	99	99	100	36.36
Students with Disabilities	32	32	100	12.5
Students Receiving Migrant Education Services	19	19	100	52.63

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Science for All Students
Grades Five, Eight, and Ten**

Subject	Percentage of Students Meeting or Exceeding the State Standard					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Science (grades 5, 8, and 10)	N/A	N/A	N/A	N/A	N/A	N/A

Note: Cells with N/A values do not require data.

Note: The 2016–17 and 2017–18 data are not available. The CDE is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The CAST was pilot-tested in spring 2017 and field-tested in spring 2018. The CAST will be administered operationally during the 2018–19 school year. The CAA for Science was pilot-tested for two years (i.e., 2016–17 and 2017–18) and the CAA for Science will be field-tested in 2018–19.

Note: Science test results include the CAST and the CAA for Science. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA for Science divided by the total number of students who participated on both assessments.

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8):

- Pupil outcomes in the subject areas of physical education.

California Physical Fitness Test Results (School Year 2017-18)

Grade Level	Percent of Students Meeting Fitness Standards		
	Four of Six Standards	Five of Six Standards	Six of Six Standards
5	17.9	26.2	35.7

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each school site.

Opportunities for Parental Involvement (School Year 2018-19)

Parents have many different opportunities to become involved in the school. We have a very active and supportive PTA and English Learner Advisory Committee (ELAC) group that meet regularly to make decisions on how to best support the students and school. Annually, PTA organizes fundraising efforts, Harvest Festival, Family Movie Nights, Jog-a-Thon, Family Dances, and Holiday Store. Our ELAC organizes a delicious Mexican Dinner for our families during Open House at the end of the school year. Parents serving on our School Site Council Committee play an active role in site decision making through the Single School Plan. We encourage parents to stay involved by volunteering in the classrooms and supporting our teachers.

Key stakeholders work collaboratively to provide the following resources for families:

- ~After school and summer meals
- ~Providing transportation for extended day and after school clubs
- ~Scholarships and fundraising for field trips
- ~Clothing closet
- ~Support with health services
- ~Counseling/Social Worker
- ~Parenting Classes
- ~Free Family Events
- ~Support with technology and internet services
- ~Spanish communication

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

Suspensions and Expulsions

Rate	School			District			State		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Suspensions	1.6	0.3	0.5	3.0	2.2	2.7	3.7	3.7	3.5
Expulsions	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1

School Safety Plan (School Year 2018-19)

The district has developed a comprehensive emergency plan in conjunction with the Galt Police and Fire Departments, which describes specific procedures for all types of emergencies. The plan is updated every fall and spring.

Our school site Emergency Handbook outlines the plan of action for emergencies such as earthquakes, fires, floods, lockdowns, and chemical spills. Our school site has an evacuation plan and emergency drills are conducted monthly. We have a site crisis team that meets in August and September to review emergency procedures and protocols. We have an emergency phone tree system to call classrooms, parents, and staff. Staff are trained on emergency procedures in August and September each year. Periodic, random school safety inspections are conducted by the Schools Insurance Authority of Sacramento County. Visitors to the campus are required to check in and out at the office and wear a visitor badge while on campus.

D. Other SARC Information

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

Average Class Size and Class Size Distribution (Elementary)

Grade Level	2015-16				2016-17				2017-18			
	Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes		
		1-20	21-32	33+		1-20	21-32	33+		1-20	21-32	33+
K	19	2	3		20	2	2		18	2	3	
1	38		3	2	44	2	1	2	28	4		1
2	39	1	2	2	37	3	1	2	44	1	3	2
3	40	4		2	40	1	2	2	34	1	3	2
4	44	1	3	2	48		3	2	29	4	2	2
5	30	1	5	1	34	1	7	1	41	1	2	1
6	33	2	4	2	40	1	4	2	37	1	3	3
Other	6	2			15	3	1	1	20	4		1

Number of classes indicates how many classes fall into each size category (a range of total students per class).

** "Other" category is for multi-grade level classes.

Academic Counselors and Other Support Staff (School Year 2017-18)

Title	Number of FTE Assigned to School	Average Number of Students per Academic Counselor
Academic Counselor	0	0
Counselor (Social/Behavioral or Career Development)	0	N/A
Library Media Teacher (Librarian)	0	N/A
Library Media Services Staff (Paraprofessional)	1.5	N/A
Psychologist	.80	N/A
Social Worker	1.0	N/A
Nurse	1.0	N/A
Speech/Language/Hearing Specialist	2.0	N/A
Resource Specialist (non-teaching)	1.0	N/A
Other	17	N/A

Note: Cells with N/A values do not require data.

*One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Expenditures per Pupil and School Site Teacher Salaries (Fiscal Year 2016-17)

Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Supplemental/ Restricted	Basic/ Unrestricted	
School Site	11677	3686	7990	71024
District	N/A	N/A	8148	\$74,649
Percent Difference: School Site and District	N/A	N/A	-2.0	-5.0
State	N/A	N/A	\$7,125	\$76,046
Percent Difference: School Site and State	N/A	N/A	11.4	-6.8

Note: Cells with N/A values do not require data.

The California Department of Education issued guidance to LEAs on August 1, 2018, regarding how to calculate school-level per-pupil expenditures that will be reported on 2018-19 report cards.

Types of Services Funded (Fiscal Year 2017-18)

Supplemental programs and services at River Oaks that support and assist our learners include:

- Our school currently has a team of eight instructional assistants that provide additional reading and math skills practice in small groups. We focus these supports and interventions primarily in our TK-3rd grades. However, depending upon the need, our instructional assistants provide intervention in grades 4th-6th, as well. Instructional assistants are provided training throughout the year based on the needs of our learners. This training is completed by our district curriculum coaches and site administration.
- Extended day services are offered two days a week after school. Teachers and instructional assistants support students with reading, science, and math.
- Free after school meals are offered to all students.
- Approximately fifty families have been chosen to check out a Chromebook with Wi-Fi services for home use.
- The Bright Future Learning Center (BFLC) is utilized as an enrichment hub which offers and supports blended learning opportunities beyond the classroom. The BFLC provides afterschool “clubs” based on student interests. The BFLC is open Monday - Friday from 8:00 a.m. - 6:00 p.m.
- Our school social worker program helps to keep children supported through their school years. Though school dropouts are rare in the elementary grades, enough knowledge exists to be able to identify the children who are at-risk of dropping out of school at a later age. Our social worker is responsible for various programs aimed at reducing or eliminating the high risk factors that interfere with student learning. Our social worker provides support to our students and staff, support to our families, works with attendance intervention, and provides on-going workshops for parents and staff.
- Health services are under the supervision of a qualified school nurse. Vision screening, hearing tests, first aid and health counseling are among the services. Our district nurse, along with our school health clerk, is available to address health problems that interfere with the learning process.

Teacher and Administrative Salaries (Fiscal Year 2016-17)

Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$42,803	\$48,064
Mid-Range Teacher Salary	\$68,529	\$75,417
Highest Teacher Salary	\$88,521	\$94,006
Average Principal Salary (Elementary)	\$112,955	\$119,037
Average Principal Salary (Middle)	\$115,644	\$123,140
Average Principal Salary (High)	\$0	\$135,974
Superintendent Salary	\$160,491	\$183,692
Percent of Budget for Teacher Salaries	38.0	36.0
Percent of Budget for Administrative Salaries	6.0	6.0

For detailed information on salaries, see the CDE Certificated Salaries & Benefits Web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Professional Development (Most Recent Three Years)

Teachers have multiple opportunities to receive professional development throughout the school year. Administration and district curriculum coaches offer trainings related to the Common Core Standards, Benchmark ELA/ELD, Eureka Math, RALLI for ELs, NGSS, technology, and personalizing learning. Teachers have three professional development days during the current 18-19 school year; three P.D days and 24 hours of planning during the 17-18 school year, three PD days and 18 hours of planning time in 2016-17 and three P.D. days in 2015-16. Monthly staff meetings and 5th Wednesdays are also dedicated to Professional Development opportunities.

New teachers and teachers seeking additional assistance are supported by BTSAs mentor teachers. They meet regularly with an experienced mentor to discuss their successes and challenges and new ideas for their classrooms.

Valley Oaks Elementary School

School Accountability Report Card

Reported Using Data from the 2017-18 School Year

Published During 2018-19

By February 1 of each year, every school in California is required by state law to publish a School Accountability Report Card (SARC). The SARC contains information about the condition and performance of each California public school. Under the Local Control Funding Formula (LCFF) all local educational agencies (LEAs) are required to prepare a Local Control and Accountability Plan (LCAP), which describes how they intend to meet annual school-specific goals for all pupils, with specific activities to address state and local priorities. Additionally, data reported in an LCAP is to be consistent with data reported in the SARC.

- For more information about SARC requirements, see the California Department of Education (CDE) SARC Web page at <http://www.cde.ca.gov/ta/ac/sa/>.
- For more information about the LCFF or LCAP, see the CDE LCFF Web page at <http://www.cde.ca.gov/fg/aa/lc/>.
- For additional information about the school, parents/guardians and community members should contact the school principal or the district office.

DataQuest

DataQuest is an online data tool located on the CDE DataQuest Web page at <http://dq.cde.ca.gov/dataquest/> that contains additional information about this school and comparisons of the school to the district and the county. Specifically, DataQuest is a dynamic system that provides reports for accountability (e.g., test data, enrollment, high school graduates, dropouts, course enrollments, staffing, and data regarding English learners).

Internet Access

Internet access is available at public libraries and other locations that are publicly accessible (e.g., the California State Library). Access to the Internet at libraries and public locations is generally provided on a first-come, first-served basis. Other use restrictions may include the hours of operation, the length of time that a workstation may be used (depending on availability), the types of software programs available on a workstation, and the ability to print documents.

About This School

Contact Information (School Year 2018-19)

School Contact Information	
School Name	Valley Oaks Elementary School
Street	21 C Street
City, State, Zip	Galt, CA 95632
Phone Number	209-745-1564
Principal	David Nelson
E-mail Address	dnelson@galt.k12.ca.us
Web Site	http://vo-gjuesd-ca.schoolloop.com/
CDS Code	34 67348 6033310

District Contact Information	
District Name	Galt Joint Union Elementary School District
Phone Number	209-744-4545
Superintendent	Dr. Karen Schauer
E-mail Address	kschauer@galt.k12.ca.us
Web Site	http://gjuesd-ca.schoolloop.com/

School Description and Mission Statement (School Year 2018-19)

Valley Oaks Vision Statement:

At Valley Oaks, we envision:

- Students meeting and exceeding their individual growth goals based on Common Core State Standards
- Students receiving personalized and challenging instruction
- Students being encouraged by parents, staff, and community to do their best
- Students learning in a positive and safe environment
- Students and staff embracing and respecting diversity
- Students developing life skills, critical thinking, and problem solving skills
- Students using 21st century technology to enhance learning
- Students and staff developing and celebrating their identified strengths
- Students and staff are modeling the Four School Rules and Eight Great Character Traits
- Students, parents and staff working as a team
- Students giving to others and the greater community
- Students and staff taking pride in their work EVERYDAY

Valley Oaks Mission Statement:

Education is the shared responsibility of everyone: student, teacher, parent and community.
 Valley Oaks Elementary is committed to: Growing And Learning Together

Principal's Message

Welcome to 21st century learning at Valley Oaks - where every student is guided on a path to their own bright future! We are integrating the California Common Core State Standards with constantly updated technology through the individual use of Chromebooks for each student in grades TK-6, as well as software resources to bring the world into our classrooms. This allows classrooms to transform into blended personalized learning environments that integrate technology throughout academic content areas. Students participate daily in developing critical thinking skills, collaborating with peers while building their communication skills, and with creative and innovative service learning projects. In addition, staff, parents, and students work together to set and create personalized learning plans based on identified student strengths and individual academic needs. The staff continues to work collaboratively to offer rigorous and creative opportunities for our students to prepare them for college and career opportunities. Valley Oaks students know they are valued, can achieve, and are on the path to becoming independent and confident teenagers and young adults. Our students feel engaged and have a high sense of engagement while at school, as well as high hope for themselves and their future.

Student Enrollment by Grade Level (School Year 2017-18)

Grade Level	Number of Students
Kindergarten	90
Grade 1	81
Grade 2	65
Grade 3	80
Grade 4	78
Grade 5	96
Grade 6	77
Total Enrollment	567

Student Enrollment by Group (School Year 2017-18)

Student Group	Percent of Total Enrollment
Black or African American	0.2
American Indian or Alaska Native	0.2
Asian	0.7
Filipino	0.9
Hispanic or Latino	86.8
Native Hawaiian or Pacific Islander	0.7
White	10.2
Socioeconomically Disadvantaged	84.8
English Learners	56.6
Students with Disabilities	14.3
Foster Youth	0.2

A. Conditions of Learning

State Priority: Basic

The SARC provides the following information relevant to the State priority: Basic (Priority 1):

- Degree to which teachers are appropriately assigned and fully credentialed in the subject area and for the pupils they are teaching;
- Pupils have access to standards-aligned instructional materials; and
- School facilities are maintained in good repair.

Teacher Credentials

Teachers	School			District
	2016-17	2017-18	2018-19	2018-19
With Full Credential	25	30	25	181
Without Full Credential	3	2	3	8
Teaching Outside Subject Area of Competence (with full credential)	0	0	0	0

Teacher Misassignments and Vacant Teacher Positions

Indicator	2016-17	2017-18	2018-19
Misassignments of Teachers of English Learners	0		
Total Teacher Misassignments *	0		
Vacant Teacher Positions	0		

Note: "Misassignments" refers to the number of positions filled by teachers who lack legal authorization to teach that grade level, subject area, student group, etc.

* Total Teacher Misassignments includes the number of Misassignments of Teachers of English Learners.

Quality, Currency, Availability of Textbooks and Instructional Materials (School Year 2018-19)

Year and month in which data were collected: September 2018

Galt Joint Union Elementary held a Public Hearing on September 26, 2018, and determined that each school within the district has sufficient and good quality textbooks, instructional materials, or science lab equipment pursuant to the settlement of Williams vs. the State of California. All students, including English learners, are given their own individual standards-aligned textbooks or instructional materials, or both, in core subjects for use in the classroom and to take home. Textbooks and supplementary materials are adopted according to a cycle developed by the California Department of Education, making the textbooks used in the school the most current available. Materials approved for use by the state are reviewed by all teachers and a recommendation is made to the School Board by a selection committee composed of teachers and administrators. All recommended materials are available for parent examination at the district office prior to adoption. The table displays information about the quality, currency, and availability of the standards-aligned textbooks and other instructional materials used at the school. The 2017-2018 school year marked the first year of K-6 ELA/ELD Adoption, Benchmark Advance, used by all students in all grades. Additionally, all students in grades TK-6 have access to personalized blended learning opportunities through his/her own Chromebook and personalized programs and applications.

Subject	Textbooks and Instructional Materials/ Year of Adoption	From Most Recent Adoption?	Percent of Students Lacking Own Assigned Copy
Reading/Language Arts	K-6 Benchmark Advance, adopted in 2017	Yes	0
Mathematics	Hybrid program in place with Eureka Math and Illustrative Math - 2016-17	Yes	0
Science	K-5 Pearson Scott Foresman- California Science, adopted in 2007 6th Glencoe/McGraw Hill- Science Focus, adopted in 2007	Yes	0
History-Social Science	K-5 MacMillian/McGraw Hill- California Vista, adopted in 2006 6th Glencoe/McGraw Hill- Discovering our Past, adopted in 2006	Yes	0

School Facility Conditions and Planned Improvements (Most Recent Year)

Valley Oaks was built in 1966. Throughout the years additional classrooms have been added to address growth and class-size reduction. Presently, there are 35 classrooms, a multipurpose room (cafeteria, gym, stage), a library, an administration building, three playgrounds, and a garden for outdoor science lab classes. Recent modernization to the campus included an entire resurfacing of blacktop to all playgrounds. The district takes great effort to ensure that Valley Oaks is clean, safe, and functional. The table shows the results of the most recent school facilities inspection. While reviewing this report, please note that even minor discrepancies are reported in the inspection process. The items noted in the table have been corrected or are in the process of remediation. Funds from a recently passed general obligation bond are being used to help modernize, update, and provide safety improvements for Valley Oaks. In the summer of 2018 and during the 2018-2019, significant modernization efforts were/are being made to the Kindergarten/1st grade, 2nd grade, and 4th grade buildings - improvements which include new HVAC units, new roofs, new gutters/drains, new exterior structure repair and new paint. Additionally, the entire Multi-Use room, from Kitchen to gymnasium to stage area have all undergone significant modernization efforts, both in the exterior and interior, including new HVAC, fire sprinkler install, new LED lighting, new flooring throughout, new walls, doors, ceiling, complete bathroom remodel, complete kitchen remodel, and all underground/above ground infrastructure efforts to make all of it happen. Additionally, the roof, wood exteriors (soffits), gutters and drains, as well as exterior lighting are all being completely replaced.

Cleaning Process

The principal works daily with the two full-time and two part-time custodial staff to ensure that the cleaning of the school is maintained to provide for a clean and safe school. The district governing board has adopted cleaning standards for all schools in the district. A summary of these standards is available at the district office for review.

Maintenance and Repair

District maintenance staff ensures that the repairs necessary to keep the school in good repair and work orders are completed in a timely manner. An online work order process is used to ensure efficient service, and highest priority are given to emergency repairs.

School Facility Good Repair Status (Most Recent Year)

Using the **most recently collected** FIT data (or equivalent), provide the following:

- Determination of repair status for systems listed
- Description of any needed maintenance to ensure good repair
- The year and month in which the data were collected
- The overall rating

School Facility Good Repair Status (Most Recent Year) Year and month of the most recent FIT report: 1/16/2018	
System Inspected	Repair Status
Systems: Gas Leaks, Mechanical/HVAC, Sewer	Good
Interior: Interior Surfaces	Poor
Cleanliness: Overall Cleanliness, Pest/ Vermin Infestation	Fair
Electrical: Electrical	Poor
Restrooms/Fountains: Restrooms, Sinks/ Fountains	Fair
Safety: Fire Safety, Hazardous Materials	Fair
Structural: Structural Damage, Roofs	Good
External: Playground/School Grounds, Windows/ Doors/Gates/Fences	Fair

Overall Facility Rating (Most Recent Year)

Year and month of the most recent FIT report: 1/16/2018	
Overall Rating	Fair

B. Pupil Outcomes

State Priority: Pupil Achievement

The SARC provides the following information relevant to the State priority: Pupil Achievement (Priority 4):

- **Statewide assessments** (i.e., California Assessment of Student Performance and Progress [CAASPP] System, which includes the Smarter Balanced Summative Assessments for students in the general education population and the California Alternate Assessments [CAAs] for English language arts/literacy [ELA] and mathematics given in grades three through eight and grade eleven. Only eligible students may participate in the administration of the CAAs. CAAs items are aligned with alternate achievement standards, which are linked with the Common Core State Standards [CCSS] for students with the most significant cognitive disabilities); and
- The percentage of students who have successfully completed courses that satisfy the requirements for entrance to the University of California and the California State University, or career technical education sequences or programs of study.

**CAASPP Test Results in English Language Arts/Literacy (ELA) and Mathematics for All Students
Grades Three through Eight and Grade Eleven**

Subject	Percent of Students Meeting or Exceeding the State Standards (grades 3-8 and 11)					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
English Language Arts/Literacy (grades 3-8 and 11)	26.0	30.0	43.0	49.0	48.0	50.0
Mathematics (grades 3-8 and 11)	21.0	23.0	36.0	38.0	37.0	38.0

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: ELA and mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

**CAASPP Test Results in ELA by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	333	325	97.60	30.15
Male	179	173	96.65	24.28
Female	154	152	98.70	36.84
Asian	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	289	284	98.27	27.82
Native Hawaiian or Pacific Islander	--	--	--	--
White	34	31	91.18	41.94
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	294	288	97.96	29.86
English Learners	214	208	97.20	24.52

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
Students with Disabilities	53	52	98.11	5.77
Students Receiving Migrant Education Services	48	48	100.00	41.67
Foster Youth	--	--	--	--

Note: ELA test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Mathematics by Student Group
Grades Three through Eight and Grade Eleven (School Year 2017-18)**

Student Group	Total Enrollment	Number Tested	Percent Tested	Percent Met or Exceeded
All Students	333	328	98.5	23.48
Male	179	175	97.77	21.71
Female	154	153	99.35	25.49
Asian	--	--	--	--
Filipino	--	--	--	--
Hispanic or Latino	289	286	98.96	22.38
Native Hawaiian or Pacific Islander	--	--	--	--
White	34	32	94.12	25
Two or More Races	--	--	--	--
Socioeconomically Disadvantaged	294	291	98.98	24.05
English Learners	214	211	98.6	20.85
Students with Disabilities	53	52	98.11	3.85
Students Receiving Migrant Education Services	48	48	100	31.25
Foster Youth	--	--	--	--

Note: Mathematics test results include the Smarter Balanced Summative Assessment and the CAA. The "Percent Met or Exceeded" is calculated by taking the total number of students who met or exceeded the standard on the Smarter Balanced Summative Assessment plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAAs divided by the total number of students who participated in both assessments.

Note: Double dashes (--) appear in the table when the number of students is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

Note: The number of students tested includes all students who participated in the test whether they received a score or not; however, the number of students tested is not the number that was used to calculate the achievement level percentages. The achievement level percentages are calculated using only students who received scores.

**CAASPP Test Results in Science for All Students
Grades Five, Eight, and Ten**

Subject	Percentage of Students Meeting or Exceeding the State Standard					
	School		District		State	
	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18
Science (grades 5, 8, and 10)	N/A	N/A	N/A	N/A	N/A	N/A

Note: Cells with N/A values do not require data.

Note: The 2016–17 and 2017–18 data are not available. The CDE is developing a new science assessment based on the Next Generation Science Standards for California Public Schools (CA NGSS). The CAST was pilot-tested in spring 2017 and field-tested in spring 2018. The CAST will be administered operationally during the 2018–19 school year. The CAA for Science was pilot-tested for two years (i.e., 2016–17 and 2017–18) and the CAA for Science will be field-tested in 2018–19.

Note: Science test results include the CAST and the CAA for Science. The “Percent Met or Exceeded” is calculated by taking the total number of students who met or exceeded the standard on the CAST plus the total number of students who met the standard (i.e., achieved Level 3–Alternate) on the CAA for Science divided by the total number of students who participated on both assessments.

State Priority: Other Pupil Outcomes

The SARC provides the following information relevant to the State priority: Other Pupil Outcomes (Priority 8):

- Pupil outcomes in the subject areas of physical education.

California Physical Fitness Test Results (School Year 2017-18)

Grade Level	Percent of Students Meeting Fitness Standards		
	Four of Six Standards	Five of Six Standards	Six of Six Standards
5	20.2	23.4	26.6

Note: Percentages are not calculated when the number of students tested is ten or less, either because the number of students in this category is too small for statistical accuracy or to protect student privacy.

C. Engagement

State Priority: Parental Involvement

The SARC provides the following information relevant to the State priority: Parental Involvement (Priority 3):

- Efforts the school district makes to seek parent input in making decisions for the school district and each school site.

Opportunities for Parental Involvement (School Year 2018-19)

Valley Oaks Elementary School parents play an important role in their child’s education through participation in Back to School Night, Parent/Teacher/Student Conferences, Valley Oaks Parent Teacher Organization (PTO), Open House, Family Literacy Night, Family Math Night, VO Annual Art Show, Children’s Day (Dia del Nino), Environmental Living Programs, Outreach Parenting Programs, and Student Success Teams. Decision-making committees, such as the School Site Council, and English Learner Advisory Committee meet regularly throughout the year.

The school also works with community programs such as Cosumnes River Preserve, the Galt Historical Society, Kiwanis Club, and the Galt Police Department. Local churches and service clubs donate backpacks and instructional supplies. For additional information on opportunities for parental or community involvement, please contact the principal, David Nelson, at 209-745-1564.

State Priority: School Climate

The SARC provides the following information relevant to the State priority: School Climate (Priority 6):

- Pupil suspension rates;
- Pupil expulsion rates; and
- Other local measures on the sense of safety.

Suspensions and Expulsions

Rate	School			District			State		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
Suspensions	2.9	2.6	3.6	3.0	2.2	2.7	3.7	3.7	3.5
Expulsions	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1

School Safety Plan (School Year 2018-19)

The district has developed a comprehensive emergency plan in conjunction with the Galt Police and Fire Departments, which describes specific procedures for all types of emergencies. The plan is updated annually, or as needed. An “Emergency Handbook”, kept in the office, outlines the plan of action for emergencies such as earthquakes, fires, floods and chemical spills. Each classroom and meeting room on site have an Emergency Guidelines Flipchart, for quick access to important emergency information. School sites have an evacuation plan and emergency drills are conducted regularly (fire drills and lockdown drills), in accordance with California Education Code. Periodic, random school safety inspections are conducted by the Schools Insurance Authority of Sacramento County. Visitors to the campus are required to check in and out at the office to receive a visitor badge and turn it back in. Parents are encouraged to volunteer on campus, and must pass a Megan's Law background check in order to be in the classroom or go on field trips. Surveillance cameras are placed strategically around the entire campus to ensure student and staff safety.

The School Safety Plan was last reviewed and approved at the local School Board of Education meeting on March 21, 2018. It was shared with VO staff on April 23, 2018.

D. Other SARC Information

The information in this section is required to be in the SARC but is not included in the state priorities for LCFF.

Average Class Size and Class Size Distribution (Elementary)

Grade Level	2015-16				2016-17				2017-18			
	Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes			Avg. Class Size	Number of Classes		
		1-20	21-32	33+		1-20	21-32	33+		1-20	21-32	33+
K	23		3		19	3	1		15	3	3	
1	38	3	1	2	34	3		2	39	3	1	2
2	41	4		2	37	4		2	37		3	2
3	48		4	2	40	3	1	2	38	4		2
4	41	1	3	2	49	1	3	2	44		3	2
5	54		3	2	42		3	3	51		3	2
6	43	1	3	3	47	1	3	3	28	2	3	1
Other					16	1			12	1		

Number of classes indicates how many classes fall into each size category (a range of total students per class).

** “Other” category is for multi-grade level classes.

Academic Counselors and Other Support Staff (School Year 2017-18)

Title	Number of FTE Assigned to School	Average Number of Students per Academic Counselor
Academic Counselor		
Counselor (Social/Behavioral or Career Development)	1.0	N/A
Library Media Teacher (Librarian)		N/A
Library Media Services Staff (Paraprofessional)	1.5	N/A
Psychologist	0.50	N/A
Social Worker		N/A
Nurse	0.15	N/A
Speech/Language/Hearing Specialist	1.5	N/A
Resource Specialist (non-teaching)	1	N/A
Other	14	N/A

Note: Cells with N/A values do not require data.

*One Full Time Equivalent (FTE) equals one staff member working full time; one FTE could also represent two staff members who each work 50 percent of full time.

Expenditures per Pupil and School Site Teacher Salaries (Fiscal Year 2016-17)

Level	Expenditures Per Pupil			Average Teacher Salary
	Total	Supplemental/ Restricted	Basic/ Unrestricted	
School Site	11987	3086	8901	79648
District	N/A	N/A	8148	\$74,649
Percent Difference: School Site and District	N/A	N/A	8.8	6.5
State	N/A	N/A	\$7,125	\$76,046
Percent Difference: School Site and State	N/A	N/A	22.2	4.6

Note: Cells with N/A values do not require data.

The California Department of Education issued guidance to LEAs on August 1, 2018, regarding how to calculate school-level per-pupil expenditures that will be reported on 2018-19 report cards.

Types of Services Funded (Fiscal Year 2017-18)

During the fiscal year 2017-2018, programs and services that were available at Valley Oaks that support and assist students include the ABP (Alternative Bilingual Program) for students who receive instruction in their primary language, ASES After-School Program, multiple BFLC clubs (including Homework Club, Lego Club, Makerspace Club, Robotics Club, Minute to Win It club, Pokemon Club, Crochet Club, Yoga Club, Ballet Club, Sewing Club, etc.), and Extended Day programs. Additionally, Instructional Assistants (IA) and Bilingual Instructional Assistants (BIA) work mainly with students in K-3 grades with a focus on early literacy. Bilingual Instructional Assistants also work with our Newcomer (new to the U.S.) and English Learner students.

Teacher and Administrative Salaries (Fiscal Year 2016-17)

Category	District Amount	State Average for Districts In Same Category
Beginning Teacher Salary	\$42,803	\$48,064
Mid-Range Teacher Salary	\$68,529	\$75,417
Highest Teacher Salary	\$88,521	\$94,006
Average Principal Salary (Elementary)	\$112,955	\$119,037
Average Principal Salary (Middle)	\$115,644	\$123,140
Average Principal Salary (High)	\$0	\$135,974
Superintendent Salary	\$160,491	\$183,692
Percent of Budget for Teacher Salaries	38.0	36.0
Percent of Budget for Administrative Salaries	6.0	6.0

For detailed information on salaries, see the CDE Certificated Salaries & Benefits Web page at <http://www.cde.ca.gov/ds/fd/cs/>.

Professional Development (Most Recent Three Years)

Staff development is an important part of the planned school program at Galt Joint Union Elementary School District. The school's teachers and support staff are committed to keeping up to date on the latest educational developments. In the 2016-2017, 2017-2018, and 2018-2019 school years, three (3) Staff Development Days were provided throughout the school year. In 2016-2017, there were opportunities for each school site to tailor the days to the needs of the school. Due to the high number of English Learners at Valley Oaks, the Staff Development Days were dedicated to the knowledge of the ELD standards and how to more effectively teach both Designated and Integrated ELD. In 2017-2018, due to the adoption of new ELA/ELD curriculum, the Staff Development days were dedicated on understanding how to best utilize all the resources with the curriculum, and how to instruct in an effective manner with the students we serve. In 2018-2019, staff development has been provided in the areas of Next Generation Science Standards (NGSS), including the planning and instruction of NGSS to students at all grade levels. In addition, professional development has been provided in the areas of suicide prevention, writing, and ELD with Benchmark.

New teachers and teachers seeking additional assistance are supported by BTSA providers. They meet regularly with an experienced mentor to discuss their successes and challenges and new ideas for their classrooms. Teachers who teach in bilingual settings are encouraged to attend a portion or all of a yearly conference for bilingual educators, called CABE.

Furthermore, Valley Oaks has direct access to district-level coaches, who work specifically with teachers and grade levels in the areas of reading instruction, writing instruction, Special Education, and ELD instruction/strategies. They meet with and learn from these coaches in a variety of ways (in-class coaching, release days for instruction and planning purposes, informal interactions - such as email or grade-level meetings).

After discussion and collaboration with staff and coaches, an through formal and informal data analysis, it was determined that to better increase our early literacy results, we needed Professional Development in the areas of SIPPS and Writing (Step Up To Writing). In 2016-2017, "Refresher" SIPPS courses were provided to all teachers of SIPPS and a representative from Step Up to Writing came to Valley Oaks to provide training on effective use of the program. In 2017-2018 and in 2018-2019, refresher SIPPS courses were made available to all and new teachers attended SIPPS training courses, provided by the district coach. Additionally, teachers are encouraged to participate in Massive Online Open Courses (MOOC) that are held at Valley Oaks and many have taken these courses.



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.975 Board Consideration of Approval of Memorandum Of Understanding Between the California School Employees Association (CSEA) and its Galt Chapter #362 (CSEA) and the GJUESD Regarding California Assembly Bill 1808
Presenter: Lois Yount	Action Item: XX Information Item:
<p>Assembly Bill 1808 has allocated \$50 million for classified employees to utilize as part of the Classified School Employee Summer Assistance Program (CSESAP). This MOU outlines employees that are eligible to participate in the program, employee withholdings, and State matching funds. Voluntary employer withholdings would take effect in the 2019-20 school year. Employees may elect to withhold up to 10% of his/her regular monthly pay. The employee would receive State matching funds when disbursed by the California Department of Education in 2020.</p> <p>Board approval is recommended.</p> <p>Fiscal impact: Up to \$41,715 in statutory benefits if all eligible employees were to withhold the maximum at 10% per month.</p>	

MEMORANDUM OF UNDERSTANDING
between the
CALIFORNIA SCHOOL EMPLOYEES ASSOCIATION
and its
GALT CHAPTER #362 (CSEA)
and the
GALT JOINT UNION ELEMENTARY SCHOOL (DISTRICT)

The following is a Memorandum of Understanding (“MOU”) between the Galt Joint Union Elementary School District (“District”) and the California School Employees Association and its Galt Chapter #362 (“CSEA”). The District and CSEA agree to the following terms and conditions:

WHEREAS, the State of California via Assembly Bill 1808 (“AB 1808”) has allocated \$50 million for Classified Employees to utilize as part of the Classified School Employee Summer Assistance Program (“CSESAP”); and

WHEREAS, the CSESAP requires a Local Education Agency to notify Classified Employees by January 1, 2019; and

WHEREAS, CSEA is the exclusive representative for the Classified Employees employed the District; and

WHEREAS, the District and CSEA believe Classified Employees employed the District should be afforded the opportunity to participate in the CSESAP; and

NOW THEREFORE, in accordance with the foregoing recitals, the parties agree to the following:

1. The District agrees to participate in the CSESAP and extends this benefit option to the bargaining unit:
 - a. Prior to January 1, 2019, the District agrees to send a notification informing Classified Employees of the District’s intent to participate in the CSESAP;
 - b. The notification shall outline the eligibility requirements of the CSESAP as well as any other information required by AB1808;
 - c. The District agrees to comply with all timelines as established by the California Department of Education (“CDE”).
2. Eligibility for the program:
 - a. Classified Employees must work in assignments of less than 12 months;
 - b. Classified Employees must have worked for the District for one year as of March 1, 2019;
 - c. Classified Employees regular annual pay must not be more than two times the full time pay of a Classified Employee at the state minimum wage in effect on January 1, 2019 (excluding any additional pay earned during summer recess in the previous fiscal year)
3. Withholdings:
 - a. Participating Classified Employees may elect to withhold an amount not to exceed 10% of his/her regular monthly pay during the 2019-2020 school year;

- b. No later than 30 days after the start of the 2019-2020 school year, an employee may withdraw his/her election to participate in the program or reduce the amount withheld from his/her pay, however a participating member will not be allowed to increase the withholding amount.
- c. If an employee separates from employment during the 2019-2020 school year, the employee shall be paid any monies withheld from his/her paycheck pursuant to this program;
- d. If employees regular pay is at risk of being insufficient for the elected withholding to be deducted, the withholdings pursuant to this program will be stopped.

4. State matching funds:

- a. If the CDE matching funds are prorated, the participating unit member shall only be entitled to the matching funds as provided by the CDE;
- b. Participating unit members shall receive payment of the amounts withheld plus the amount apportioned by the CDE in either one or two payments;
- c. If a participating unit member elects to receive one payment, the amounts withheld and the matching funds provided by the CDE shall be disbursed to the participating unit member at the end of month payroll following the District's receipt of funds from the CDE;
- d. If a participating unit member elects to receive two payments he/she shall receive the amounts withheld at the end of month July 2020 payroll, the matching funds provided by the CDE shall be disbursed to the participating unit member at the end of month payroll following the District's receipt of funds from the CDE.

5. Disclaimer:

- a. Eligible unit members who agree to participate in the CSESAP do so voluntarily and agree that such participation is done so at the participating unit member's own risk. Nothing contained in this MOU or any subsequent statement from the District regarding the CSESAP should be considered or taken as financial or retirement advice. All participating unit members are advised to consult a financial planner, retirement specialist and/or accountant regarding any potential risks of participating in the CSESAP.

6. CSESAP Program Closure:

- a. The parties shall meet and negotiate closure of this program in the event the CSESAP Program set forth in the MOU is either not funded or discontinued by the State.



Lori Jones, Chapter President
CSEA Chapter #362

12/20/18

Date



Karen Schauer, Superintendent
Galt Joint Union Elementary School District

12/20/18

Date



Mauricio Vides, Labor Relations Representative
CSEA

12/20/18

Date



Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632
209-744 4545 * 209-744-4553 fax

Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.976 Board Consideration of Approval of GJUESD and California School Employees Association (CSEA) and Its Galt Elementary Chapter #362 Agreement Regarding Shoe Stipend	
Presenter: Lois Yount	Action Item:	XX
Information Item: <p>On June 18, 2018, the District and CSEA came to an agreement which provided a \$150 per year shoe stipend for identified employees based on safety needs. This agreement clarifies the employee groups that are eligible for the shoe stipend and outlines the safety criteria the shoes must meet.</p> <p>Fiscal Impact: Approximately \$5,250</p>		

Galt Joint Union Elementary School District (District)
and
California School Employees Association
and
Its Galt Elementary Chapter #362 (CSEA)
11/15/18

On June 18, 2018, the District and CSEA came to an agreement which provided a \$150 per year shoe stipend for maintenance, custodians and groundskeepers.

CSEA and the District have agreed the classifications eligible for the shoe stipend shall include the following:


- Maintenance Worker
- Groundskeeper
- Custodian
- Warehouse Worker / Delivery Driver
- Mechanic

Furthermore, CSEA and the District have agreed upon the following criteria for the shoe stipend:

- Soles must be slip resistant
 - Proof of which can be provided by the original packaging of the shoes, advertisement of the shoes, or if indicated on the purchase receipt or the shoe itself
- Closed toed
- Toe cap (covering the toes) should be water resistant

Any employees who have already received the stipend prior to ratification of this agreement shall be grandfathered in.


This agreement shall go into effect upon ratification by both parties.



CSEA Chapter President

11/15/18

Date



CSEA Association

11/15/18

Date



District Representative

11/15/2018

Date



Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632
209-744 4545 * 209-744-4553 fax

Board Meeting Agenda Item Information

<p>Meeting Date: January 23, 2019</p>	<p>Agenda Item: 171.977 Board Consideration of Approval of GJUESD and California School Employees Association (CSEA) and Its Galt Elementary Chapter #362 Agreement to Add Language to the Collective Bargaining Agreement To Encourage Retention of the District's School Bus Drivers</p>	
<p>Presenter: Lois Yount</p>	<p>Action Item:</p> <p>Information Item:</p>	<p>XX</p>
<p>Many school districts in the United States are facing the dilemma of attracting and retaining school bus drivers. Districts are offering signing bonuses and other incentives to retain drivers. CSEA and the District have reached an agreement to reimburse new drivers for their out of pocket expenses related to acquiring certification to drive a school bus. After completing a full year of service with the District, bus drivers will be reimbursed up to \$500.00 for out of pocket expenses as outlined in the agreement.</p> <p>Board approval is recommended.</p> <p>Fiscal Impact: \$500.00 per new hire</p>		

Galt Joint Union Elementary School District (District) and
California School Employees Association and
Its Galt Elementary Chapter #362 (CSEA)
11/15/18

To encourage retention of the District's School Bus Drivers, CSEA and the District have agreed to add the following to the Collective Bargaining Agreement:

Article XV.i 1st Year Bus Driver Reimbursement

1. Upon submission of applicable receipts School Bus Drivers shall receive reimbursement for the required costs to obtain a School Bus Driver Certificate and License.
2. The reimbursement shall not exceed \$500.00 and is payable after completing their first full calendar year of service as a School Bus Driver.
3. Applicable receipts shall include the following:
 - a. DMV
 - b. CHP
 - c. Fingerprinting
 - d. American Red Cross
 - e. Physical
 - f. Strength Test
 - g. Any other applicable receipts
4. An employee's first day of service in the School Bus Driver classification will be used as the start date for calculating the one year anniversary.

This agreement shall be subject to ratification by both parties.



CSEA Chapter President

11/15/18

Date



CSEA Association

11/15/18

Date



District Representative

11/15/18

Date



Galt Joint Union Elementary School District

1018 C Street, Suite 210, Galt, CA 95632
209-744 4545 * 209-744-4553 fax

Board Meeting Agenda Item Information

<p>Meeting Date: January 23, 2019</p>	<p>Agenda Item: 171.978 Board Consideration of Approval of Agreement Between the GJUESD and the California School Employees Association and Its Galt Elementary Chapter #362 Regarding Close of Negotiations for the 2018-2019 Fiscal Year</p>
<p>Presenter: Karen Schauer Lois Yount</p>	<p>Action Item: XX Information Item:</p>
<p>The CSEA classified membership ratified the agreement to clarify negotiations efforts, given 1) a two-year agreement with financial implications reached on June 18, 2018 and 2) the “sunshining” of eight articles at the December 12, 2018 school board meeting for the 2019-20 successor year.</p> <p>CSEA and GJUESD management will negotiate non-economic subjects until the Governor’s May Revise Budget becomes available. The 2016-19 current Collective Bargaining agreement continues status quo as sunshined articles are negotiated.</p>	

Tentative Agreement
between the
Galt Joint Union Elementary School District (District)
and the
California School Employees Association
and its
Galt Elementary Chapter #362 (CSEA)

On June 18, 2018, the District and CSEA came to an agreement which carried financial implications in the 2017-2018 and 2018-2019 fiscal years.

The parties hereby agree the June 18, 2018, agreement shall close negotiations for the 2018-2019 fiscal year.


The parties further agree to maintain status quo on all provisions of the 2016-2019 Collective Bargaining Agreement (CBA).

The parties understand that this agreement concludes all matters related to CBA negotiations for 2018-2019 school year.

The parties agree to enter negotiations for the 2019-2020 successor year. The parties will endeavor to negotiate non-economic subjects until the Governor's May revise budget becomes available.

The parties understand this agreement shall have no bearing on the Bilingual Compensation Options Committee, the CSEA Salary Schedule Minimum Wage Committee and job description negotiations which take place in the 2018-2019 school year.

This agreement shall go into effect upon ratification by both parties.



CSEA Chapter President

12/20/18
Date



CSEA Labor Representative

12/20/18
Date



District Representative

12/20/18
Date



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.979 Public Hearing of GJUESD Proposal for Fiscal Year 2019-20 with California School Employees Association and its GJUESD Chapter No. 362
Presenter: Karen Schauer Lois Yount	Action Item: Public Hearing: XX

The public hearing of the Galt Joint Union Elementary School District (GJUESD) proposal to begin the collective bargaining process with the California School Employees Association Chapter 362 includes:

- Article VII: Employee Performance Evaluations

ARTICLE VIII

EMPLOYEE PERFORMANCE EVALUATIONS

- A. A permanent classified employee shall only be formally evaluated by an immediate supervisor or higher authority that has had the opportunity to observe the classified employee's performance for 5 or more months.
- B. The evaluation shall identify the employee's performance as appropriate. It will be in writing on a form prescribed for that purpose and will be discussed with the employee prior to being placed in the employee's file.
- C. If the employee disagrees with any aspect of the evaluation, he/she may prepare comments in writing to be attached to the evaluation.
- D. Any negative evaluation shall include specific recommendations for improvements and provisions for assisting the employee in implementing these recommendations.
- E.
 - 1. All newly hired employees or promoted employees are required to satisfactorily complete the six (6) month probationary period.
 - 2. Employees shall be considered permanent only after successful completion of the probationary period.



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.980 Board Consideration of Approval of GJUESD Proposal for Fiscal Year 2019-20 with California School Employees Association and its GJUESD Chapter No. 362
Presenter: Karen Schauer Lois Yount	Action Item: Information Item: XX

The Galt Joint Union Elementary School District (GJUESD) proposal to begin the collective bargaining process with the California School Employees Association Chapter 362 includes:

- Article VII: Employee Performance Evaluations



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.981 Board Consideration of Approval of Memorandum of Understanding Between GEFA and GJUESD Regarding Article IV Language
Presenter: Karen Schauer	Action Item: XX Information Item:

This MOU replaces the current language in Article IV, Professional Dues, with language that complies with the Supreme Court *Janus* decision. The *Janus* decision prevents public sector unions from charging fair share fees to employees who choose not to become union members. The new language for Article IV clarifies the roles of the District and Association related to authorizing the deduction of membership dues.

Board approval is recommended.

Fiscal impact: None

MEMORANDUM OF UNDERSTANDING
Between GEFA and Galt Joint Union Elementary School District
January 8, 2019

The Parties to this Memorandum of Understanding, the GEFA ("Association") and the Galt Joint Union Elementary School District ("District") agree to amend Article IV of the Parties' collective bargaining agreement as follows, effective February 1, 2019 to comply with the Supreme Court *Janus* Decision:

The Current Article IV Professional Dues, paragraphs A, B, and C will be deleted from the agreement, and replaced by the following language.

ARTICLE IV: PROFESSIONAL DUES

- A. Any unit member who is a member of the Association, or who has applied for membership, may sign and deliver to the Association an assignment authorizing deduction of unified membership dues, initiation fees and general assessments in the Association. Upon receipt of notification from the Association, the District shall deduct one-tenth (1/10) of such dues from the regular salary check of the unit members each month for ten (10) months. Deductions for unit members who sign such authorization after the commencement of the school year shall be appropriately pro-rated to complete payments by the end of the school year.
- B. With respect to all sums deducted by the District pursuant to Paragraphs A above, the District agrees promptly to remit such monies to the Association accompanied by an alphabetical list of unit members for who such deductions have been made, and indicating any changes in personnel from the list previously furnished.
- C. The Association agrees to furnish any information needed by the District to fulfill the provisions of this Article. The parties agree that adding new members, maintaining current members, or dropping members who complete the process with the Association to do so is entirely a function of the Association, and no part of the collective bargaining Agreement may interfere with the union membership processes.

- D. The Association agrees to pay to the District all reasonable legal fees and legal costs incurred in defending against any court action and/or administrative action before the Public Employment Relations Board challenging the provisions of this Article or their implementation. The Association shall have the exclusive right to decide and determine whether any such action or proceeding referred to above shall or shall not be comprised, resisted, defended, tried, or appealed.

- E. The District shall not end dues deductions for a member who wishes to terminate his/her membership until the Association notifies the District that the request to drop membership has been processed by the Association.

Kathy Gorsuch

GEFA

1/8/2019

Date

Karen Schane

Galt Joint Union Elementary School District

1/8/2019

Date



Board Meeting Agenda Item Information

Meeting Date: January 23, 2019	Agenda Item: 171.982 Board Consideration of Approval of Agreement Between GEFA and GJUESD Regarding Modifications to Longevity that was First Approved in the May 8, 2018 Agreement
Presenter: Karen Schauer	Action Item: XX Information Item:

GEFA and the District have reached an agreement to modify the contract language regarding longevity for years of District service that was approved in the May 8, 2018 agreement. With this agreement, longevity will be paid in stipends rather than percentage increments. This agreement would take effect July 1, 2019.

Board approval is recommended.

Fiscal impact: \$7,160

**Agreement between Galt Joint Union Elementary School District (District) and
Galt Elementary Faculty Association (GEFA)**

January 8, 2019

GEFA and the District have met through the Interest Based Bargaining (IBB) Negotiations process and agreed upon the following modifications regarding longevity that was first approved in the May 8, 2018 agreement:

1. Effective July 1, 2019, and prospectively, longevity increments for years of service only with the District shall be set as stipends rather than percentage increments as follows:

- 16-19 years of District service: \$975.00 earned in the 16th year and until year 20
- 20-24 years of District service: \$1,200.00 earned in the 20th year until year 25
- 25-29 years of District service: \$1,400.00 earned in the 25th year until year 30
- 30-plus years of District service: \$1,600.00 earned at the 30th year.

The unit member shall receive the longevity incentive included in salary.

This prospective modification of longevity steps for District service is mutually negotiated by the District and GEFA pursuant to Education Code section 45028, subdivision (a)(1) and Government Code section 3543.2, subdivisions (d) and (e).

(District)

(Galt Elementary Faculty Association)

Date

Date